

Analysis on Competitive Strategy of Bilibili

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Abstract. The Internet and technology have contributed to the development of video sites. Bilibili is currently the most significant community-based video application in China, an ACG secondary culture community and video site that has gradually become a mature ecosystem. At the same time, Bilibili is also facing intense market competition. Its competitors are mainly China's three major traditional video platforms: Tencent, Youku, and Aiki. Currently, the main competition pattern in the domestic online video platform industry is still oligopolistic competition, seeking differentiated development, i.e., a few head enterprises compete and survive together. As the head force in the optimization and innovation of content and services, the comprehensive video market supports the overall mobile video user scale and continues to pull up. Based on this, this study analyzes the competitive market environment of Bilibili.

Keywords: Competitive strategy, Video website, Bilibili.

1. Introduction

Bilibili is an ACG (Animation, Comic, Game) binary cultural community and video website. The website was created on June 26, 2009, and has received many teenagers' favors. Bilibili started with ACG original content sharing and now covers more than 7,000 sub-channels of interest circles, building a mature ecosystem [1]. In 2011, Bilibili began to operate as a corporation; The co-founder of Cheetah Mobile, Chen Rui, found the business opportunity and became a business consultant of Bilibili as an investor. Bilibili began to transfer video from a small website to a platform with much original content. In 2012, Bilibili launched a mobile app. Since then, Bilibili has expanded its business scope, entered the commercialization stage, and developed its ecology from online to offline, hosting various events such as Bilibili World. Bilibili is listed on NASDAQ and has introduced several giants, such as Tencent, SONY, etc., to improve the industrial chain and realize diversified realization [2]. With the development of Internet technology, Bilibili, as a leading enterprise in the two-dimensional culture community and video website, is also facing severe market competition [3,4]. This study will analyze Bilibili's competitive strategy and provide suggestions for its market development.

2. Industry analysis

Bilibili, a video website, mainly competes with three traditional Chinese video platforms: Tencent, Youku, and iQiyi. As the video industry leader, Tencent has many high-quality IPs, including animation, film and television, variety shows, documentaries, and so on [5]. Tencent's most significant threat to Bilibili is that it has a large number of exclusive self-made content has a solid ability to self-research; The most crucial advantage of Bilibili is that it has loyal quadratic users and substantial creative ability. In recent years, it has acquired copyright support country and started to make new films, showing an upward trend. Bilibili is far weaker than video platforms such as Tencent in terms of copyrighted content. Despite the lack of big productions, Bilibili is equal to other venues in the field of vertical segmentation. Bilibili's achievements in acquiring animation rights can be said to be one of the best.

The above platforms are dominated by OGV (institutional video production) operation mode. In contrast, Bilibili's main competitors in PUGV (professional user video production) are headline

platforms such as Watermelon Video. Bilibili and Watermelon Video have less than 100 million daily active users and different user groups, but both are expanding their content horizons. The most significant advantage of Bilibili is that its core users are very young and sticky, while most of Watermelon Video's users are older. Secondly, the two sides also have specific differences in content tonality. The core of the watermelon video is the Sannong vlog, while Bilibili focuses on ACG content. From the perspective of video creation, the watermelon video does not have high requirements for content quality and post-editing, resulting in the overall level of the video being lower than that of Bilibili and the lack of authentic ingredients.

At present, the main competition pattern of the domestic online video platform industry is still oligarchic competition, seeking differential development th; so that a few leading enterprises compete and survive together. As a leading force, the comprehensive video market's optimization and innovation in content and services have supported the continuous expansion of the overall user scale of mobile video. The complete video platforms represented by iQiyi, Tencent Video, and Youku have apparent advantages in user scale, occupying the TOP3 position in the market. Bilibili, Sohu video to maintain a stable growth trend, use content differentiation to enhance user engagement.

3. Bilibili's competitive strategy

3.1. Audience Positioning

Bilibili, the most widely gathered cultural community and video site for the young generation in China, is affectionately referred to as Bilibili by the masters [6]. Therefore, it has become a new marketing battlefield for many publishing units to attract young users.

While traditional video platforms such as Tencent, Youku, and iQiyi are brands born on the Internet. They implement a good operation strategy for its content and create a complete industrial chain of animation, drama, and variety shows with differentiation and segmentation to meet different audience requirements.

According to the data, the average age of users of Bilibili is 22.8 years old, and about 50% of them are young people living in China's first and second-tier cities. They decide Bilibili is a platform for people with high commercial value [7,8]. At the same time, the Bilibili community, which is based on interests, respect for creation and expression, and emphasis on the relationship between users, drives the mass innovation and exchange of high-quality content to build the future cultural lifestyle of young Chinese people.

3.2. Product Strategy

Platform products of Bilibili mainly include video, advertising, live broadcast, games, animation, esports, e-commerce, column, and so on. In terms of video, Bilibili found through investigation that the copyright fee for high-quality video is too expensive, and the competition is extremely fierce. It isn't easy to cover the whole network video content only through its own economic strength, so they selectively purchase the copyright according to users' needs. Bilibili has many features that video websites do not have. There is absolutely no plagiarized original content creation. It also has a strict user review system (video comments can be made, and bullet screens can be sent only after answering questions), creating a good platform environment. Another critical feature of Bilibili is that there is no unnecessary advertisement so that users can feel more fully [9,10].

Meanwhile, Tencent Video uses its own Tencent Cloud technology (including cloud server, cloud storage, cloud database, etc.) and big database technology to analyze, calculate and analyze the collected data, and create a large number of excellent data and sources for its continuous innovation and reform to meet the needs of users and carry out product changes.

3.3. Charging strategy

As an emerging video site in recent years, the popularity of Bilibili is widely spread. Although the company takes secondary yuan as its primary focus, many people not keen on this area are familiar

with its name. By analyzing the research report of Bilibili, its revenue is mainly composed of four areas: mobile games, live streaming, value-added services, advertising, e-commerce, and other businesses.

From the most recent 2018 annual report, Bilibili's revenue mainly comes from the game business, which accounts for 71.11%, which is followed. Therefore, the fee strategy of Bilibili can be roughly divided into three parts.

3.3.1. Charging users through the sale of virtual coins on the platform

You are charging users through the sale of virtual currency on the platform. Users buy Bilibili virtual currency through the Bilibili platform to open the related services, and users get more privileges by providing value-added services. For example, you can use the virtual currency of Bilibili to make rewards and express your support for the works of creators you recognize and appreciate. At the same time, you can also open the membership service of Bilibili and enjoy the privilege of watching some excellent works first. VIP works through the upgraded value-added service.

3.3.2. Charging related service providers and users for game operation through co-op and agency

For example, among the 57 handheld games on the Bilibili game platform, five games are in an entire agency, and one is in a self-research operation (Penilaian dan Ulasan). At the same time, "FATE GRAND ORDER" and "Azur Lane" are the pillar operation games. Take "FGO" as an example; according to the 2017 prospectus, "FGO" accounts for 72% of all games in Bilibili, which is about 1477.6 million RMB.

3.3.3. Charges to related product merchants through advertising

Three kinds of ads for promotional purposes are available on Bilibili: lead collection, app download, and e-commerce diversion. At the same time, Bilibili has a variety of advertising formats, such as opening screen and information flow ads and advertising implantation through Uploaders and others. Business owners can choose to cooperate with Uploaders who match their products and make use of their influence on the Bilibili platform to directly reach the fan groups behind them on the one hand and do in-depth marketing of their brands on the other hand, to achieve the purpose of publicity and advertising exposure through continuous information dissemination and fan accumulation.

3.4. Differentiated Competition

Bilibili is the largest video-sharing platform in China, mainly for PUGC. At present, domestic video sites are seriously homogenized. Video sites led by IQIYI, YOUKU, and TENCENT adopt the operation mode of paid subscription + advertising patch, mainly by providing users with high-quality long-form video (including the purchase of film and TV drama rights, original self-produced dramas) and other content to seize users; In contrast, user-made content accounts for 70% of Bilibili's content, accounting for 85.5% of the total broadcast volume. In 2017, Bilibili's content and copyright expenditure only accounted for Bilibili has become the largest PUGC video-sharing platform in China, with no direct competitors.

The company's content output and product development direction are all towards diversification, with Bilibili as a community-driven product rather than a platform-driven company, with platform-driven companies such as Baidu, Alibaba, Tencent, Sina, Netease, Baidu, Amazon, etc. The most prominent ecosystem of Bilibili is the pop-up culture. Although other video sites now have pop-up features, they introduced the pop-up feature three years later than Bilibili. During these three years, Bilibili has continuously improved its pop-up system and formed a unique style that distinguishes it from other video sites.

At the same time, self-created videos are another characteristic marketing tool of Bilibili; that is, through suitable music and rhythm, users can clip for secondary creation and homoerotic works. The company's main fortunate music goal is to provide the best possible service to its customers. Even if the beeper also has homemade variety shows and movies, in front of the three giants Tencent, Youku,

and Iqiyi, the effect is not that outstanding; the essence is that the beeper's own pop-up culture and self-created small video culture is too prominent. Still, the addition of short video APPs such as Tiktok and Kwai also makes the war between significant video sites tenser, Jitterbug and Racer are a video of the fastest 15 seconds and the longest 5 minutes; they are all tenser. The shortest video is 15 seconds, and the longest is 5 minutes, and they both use people's free time to get information quickly.

At the same time, Bilibili has increased its UGC community so that users can be rewarded for posting videos. As these users become Uploaders, their followers grow, and advertisers work with them to get paid handsomely. However, video content for a long time will make viewers lose interest, and users will disengage from the video site, resulting in low user stickiness. Bilibili chose to cooperate with Tencent; after the two sides cooperate, Tencent will open specific copyright to Bilibili so that you can see many of Tencent's anime in Bilibili, thus achieving a win-win situation. At the same time, Bilibili cooperates with some mainstream media to promote its elements and video quality improvement, and Beeping's ACG culture will always be the focus of quality video content marketing planning.

4. Conclusion

Bilibili is currently the most significant community-based video application in China. Except for Acfun, which is not on the same level, Bilibili has no similar competitor in this field for the time being. Compared with the traditional vertical graphic-based community products, Bilibili has done a better job in the balance of community atmosphere, user growth, and commercialization, and the new traffic platforms represented by Bilibili, Tiktok, and Kwai are reshaping the production methods of individuals and even organizations behind the content through the content carrier of video, and reconnecting each other at the front end. Video is no longer just an entertainment product but a transition to an infrastructure product.

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