

Analysis Of Competitive Strategy Of Bilibili Content Ecology

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Abstract. With the development of The Times, the Internet industry has gradually penetrated all aspects of our daily life, especially in the field of pan-entertainment, among which the video industry is the gathering place of the Internet industry. Long video websites include iQiyi, Youku, and Tencent, while short video websites include Douyin and Kuaishou. Bilibili, an especially popular video website in recent years, has attracted many young people as its users. Bilibili, as a video website with both long and short videos, mainly focuses on PUGC content but also has rich self-made content. It has strong competition from many video websites, but it also successfully occupies a considerable part of the market with its unique content ecology and bullet screen culture. This paper will analyze the external and internal competition pattern of Bilibili, then analyze its differentiated competition strategy and competitive advantages, and finally put forward suggestions and prospects for its future development direction.

Keywords: Bilibili; content of ecological; competitive strategy.

1. Introduction

1.1 Research Background

Nowadays, the video industry occupies a dominant position in the pan-entertainment industry, and watching videos in leisure time is a very important entertainment way for contemporary people. At the same time, Internet video websites are also developing continuously. While providing high-quality video content services, they should also create a good network platform ecology. There are three giants in the long video field, namely iQiyi, Youku, and Tencent. In the field of short videos, there are Douyin Kuaishou and Douyin Kuaishou. Bilibili is a video website with PUGC content as the main content but also has official self-produced content. In recent years, the development momentum of Bilibili is increasingly fierce, and the analysis of its competitive advantages has certain research value.

1.2 Literature Review

Zhao Qian (2020) used Porter's five forces model to analyze the competitive environment of Bilibili and put forward suggestions on the development of Bilibili from five aspects: members, games, pan-knowledge fields, video authors, and community culture [1]. Mr. Chirac and Wang Yusi (2020) for Bilibili ecological content are analyzed in detail, expounds OGV and PUGV common development of the ecological environment, and Bilibili to stand for the UP the main incentive, user access threshold. Finally, it points out that Bilibili needs to focus on the development of video content and the provision of welfare for content consumers [2]. Zhu Taixin (2020) used the PEST model, SWOT model, and BCG matrix model, and three specific research in detail analyzed the Bilibili miles of the competition and competition strategy. It points out that Bilibili's main competitive advantages are high user stickiness and good content quality, but it also has some problems such as poor video censorship mechanism and poor community management and puts forward some suggestions on differentiation in several aspects [3]. Wendong Chen, Fei Huang, Lifeng Wang, Yexin Zhong, and Yuguang Ren (2021) analyzed the short video industry environment of Bilibili and its development model and used the SWOT model for analysis. Finally, the paper puts forward optimization suggestions on Bilibili's differentiation in six aspects: product, market, service, channel, user, and management [4]. Li Liangdi (2021) analyzed the existing problems of Bilibili from the profit model and business model of Bilibili and used the PEST model, Porter's five forces model, and SWOT model

for analysis, Finally, the paper puts forward suggestions on capital, internationalization and, UP main incentive [5].

1.3 Research Significance

Bilibili is a big emerging giant in video websites, its way of development and competition strategy has differences from the traditional video website. It has a unique bullet screen ecosystem. At the same time, it also has quite high-quality secondary development soil and sufficient secondary video content, the quality of video content is not inferior to the traditional long video websites such as IQiyi, Youku, and Tencent. It has a strong research significance for Bilibili's competitive strategy in terms of content ecology, and can also provide a reference for the development direction of today's Internet video websites.

2. General introduction of Bilibili

2.1 An overview of Bilibili Company

Bilibili was founded as an ACG content community, mainly producing two-dimensional content such as animation, comics, and games. With the continuous development of Bilibili, it has now grown into a pan-entertainment cultural community whose users are mainly young people of the new generation, and its content also covers many fields such as games, animation, music, dance, knowledge, and food. The content of Bilibili is mainly composed of PUGV, but also includes animation, self-produced variety shows, documentaries, and other content. Its mission is to "enrich the daily life of the young generation in China".

During the development of Bilibili, it experienced several important transformation stages. In 2009, Bilibili was officially established. At the beginning of its establishment, it was mainly used as a community of a small number of cultures, providing an exchange platform for lovers of quadratic culture. In 2014, after Chen Rui officially joined Bilibili as the chairman of the board, Bilibili began to gradually open the content zoning outside the field of secondary dimension and held the first BML offline concert in 2015. Then Bilibili became the sponsor of the Shanghai Men's Basketball Team in the next year, and launched the movie "Masters in Forbidden City", Bilibili began to develop towards the direction of the two-dimensional, and gradually transformed into a pan-entertainment platform for young people. Then, in 2018, the "Bilibili Creation Incentive Plan" was launched, and Bilibili began to emphasize encouraging UP hosts to create their content, and the proportion of PUGV in its content composition also began to rise. Since then, more and more UP hosts have settled in Bilibili to make videos and share them. The ecology of Bilibili has changed from a community dominated by quadratic elements to an extremely diversified community with rich content [6].

At the beginning of its establishment, the target users of Bilibili were mainly quadratic enthusiasts. With the transformation of Bilibili from a quadratic community to a pan-entertainment community, its target users also changed from the original quadratic enthusiasts to the majority of "Generation Z" young people, that is, the population born between 1985 and 2009. In addition, different from other video websites, Bilibili also sets the entrance threshold for its users through its unique official member answer test mechanism, which ensures that its core user group is mostly people with a deep interest in a certain entertainment field and a relatively comprehensive understanding, which ensures the quality of users to a certain extent. These groups are also more likely to become heavy users of Bilibili, which greatly improves user stickiness and makes it easier to attract people with similar interests.

In recent years, with the continuous progress of breaking the circle of the content of Bilibili, the user group of Bilibili is no longer limited to the young people of "Generation Z", and more and more 30+ groups enter Bilibili. From 2019 to 2021, the proportion of 30+ groups in Bilibili rises from 5.2% to 16%, and the age group of Bilibili is gradually expanding. Its target audience is set to change from Gen Z to all video enthusiasts under the influence of the Internet.

The platform model of Bilibili can be summarized from the following five perspectives.

The first is video content. When Bilibili was founded, its platform business model mainly consisted of UP producing videos for users to watch and introducing animation content for users to watch. Today, this part of the content is also an important part of the platform business model of Bilibili.

The second is the content of the live broadcast. With the expansion of the main group of UP, Bilibili has opened its own live broadcast business. More and more UP hosts have joined the live broadcast field, and become contracted anchors of Bilibili while producing videos. After that, Bilibili signed a contract with the well-known anchor "Feng Timo", and the live broadcasting business of Bilibili gradually expanded and now has become an important part of the business of Bilibili.

The third is the business game. With the rise of quadratic games, Bilibili, as the gathering place of secondary dimensional culture, naturally began to develop secondary dimensional games business. In 2017, the second-level mobile game "Blue Line", which is the agent of Bilibili, was tested on the whole platform. Since then, more and more games choose Bilibili as the agency company, and the type of games is also more and more not limited to the secondary dimensional games. Today, the gaming business represents a significant portion of Bilibili's revenue and is an important part of Bilibili's business model.

The fourth is the advertising business, which is an important source of income for many video websites. Due to its unique advertising mode, namely, tile-free advertising, the advertising business of Bilibili is relatively scarce. In the first quarter of 2022, the proportion of its advertising revenue is also lower than that of the game business and value-added business.

The fifth is the e-commerce business. Different from other video websites, Bilibili has its e-commerce shopping platform, Bilibili Member Shopping, which is mainly used to sell peripheral products of Bilibili, as well as products in the secondary dimensional field.

2.2 Bilibili content ecological status

The video content of Bilibili is mainly PUGC content, that is, it takes UP master as the core and produces a large number of UP master homemade videos. Meanwhile, Bilibili also has a large number of official videos, mainly focusing on animation, documentaries, and other films and TV shows, as well as Bilibili's variety shows. In Bilibili's homemade variety shows and UP master's homemade videos, there are often obvious Bilibili features. For example, the UP master will call on the audience to "connect three links with one button" in his videos, and some Bilibili masters will be invited to participate in his homemade variety shows. For Bilibili community ecology, it is mainly reflected in two aspects: bullet screen and comment. As the most distinctive ecological culture of Bilibili, bullet screen culture is the source of its core competitiveness. As a feature launched at the beginning of Bilibili, the bullet screen has gradually become the characteristic ecological content of Bilibili during its years of development. Audiences communicate and interact frequently on the bullet screen, and the UP master can also get feedback on the video from the bullet screen. Bilibili officials also launch an annual Bilibili Bullet Screen selection at the end of each year. In addition, the interaction between the audience and the audience, and between the audience and the UP host is also very frequent in the comment section. The two functions of bullet screen and comment create a unique and active community ecological atmosphere for Bilibili [7].

3. Analysis of Bilibili's competitive strategy of content ecology

3.1 The competitive landscape of Bilibili

3.1.1 Analysis of external environment

This paper uses the PEST model to analyze the external competitive environment of Bilibili Company.

First, analysis of the political environment. The Video culture industry has a stronger status in our country. In 2019, the State Administration of Radio, Film, and Television (SARFT) proposed the Opinions on Promoting the High-quality Development of Radio, Television and Online Audiovisual

Industry, which pointed out the direction for the high-quality development of the online video. The Fifth Plenary Session of the 19th CPC Central Committee in 2020 set out the strategic goal of building China into a cultural superpower by 2035. But at the same time, the supervision of video websites is also increasing. For example, in 2014, Internet video companies were required to obtain broadcasting and television program production and operation licenses; In 2016, a license for online transmission of Audiovisual programs was also required. Overall, the external political environment is good, but it requires companies to pay attention to content moderation [5].

Second, economic environment analysis. The rapid economic development in China and the increasingly improving quality of life of the people mean that the consumption ability of the entertainment industry and other industries can be improved, which is conducive to the development of the video industry. In addition, the development of the video industry is increasingly regional ecological competition. In 2016, Alibaba established "Alibaba Entertainment", aiming at the layout of the entire entertainment field. Iqiyi also invested in Huace Film and Television to participate in the investment and development of the film industry. In terms of the economic environment, the overall development trend is good and there is a great space for development.

Third, social environment analysis. With the development of science, technology, and the economy, and the popularization of the Internet, the number of Chinese netizens is increasing with each passing day (as shown in Figure 1). Meanwhile, in the pan-entertainment industry, the video industry and the short video sector occupy a dominant position. On the whole, China's social environment is relatively friendly to the development of the video industry, and there is plenty of market and development space.

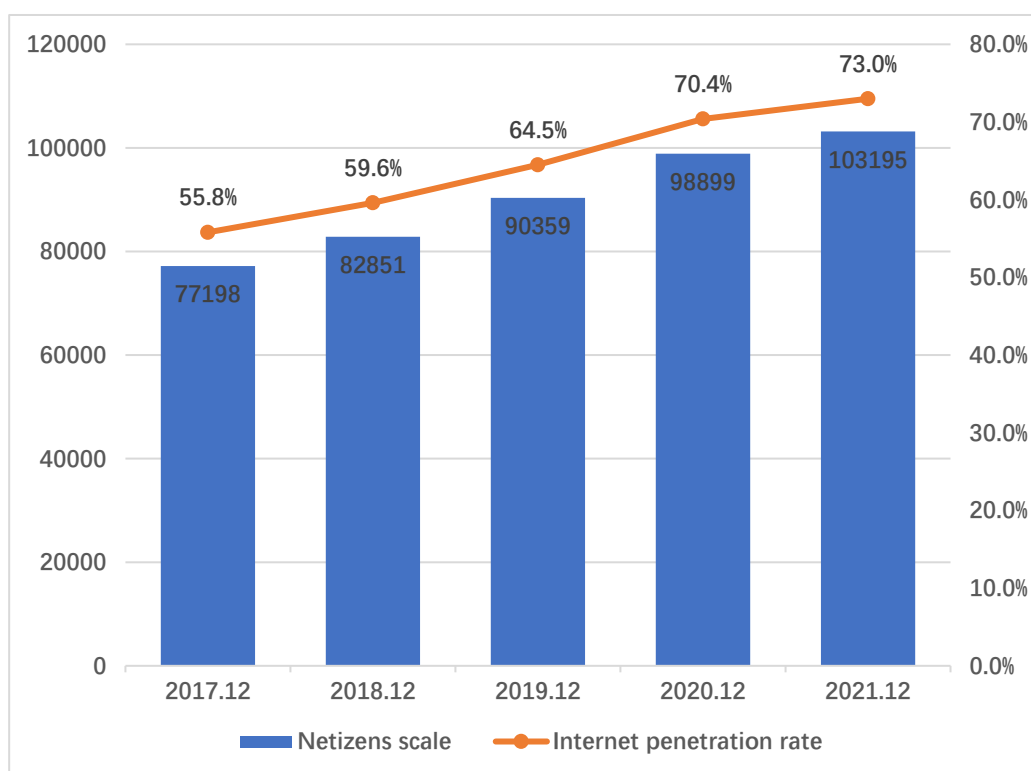


Fig. 1 Scale of Internet Users in China, 2017-2021 [8]

Fourth, technical environment analysis. From a technical perspective, the development of 5G technology will lead to the growth of the Internet industry. For the video industry, the fluency of watching videos will be improved by 5G technology, which will make it easier for users to invest their energy in the video industry. Moreover, for PUGC-focused video sites such as Bilibili, the increasing civilianization of photography equipment has encouraged users to create and publish

videos, improving the quality of their video content. Finally, the development of "metaverse", VR and other technologies is likely to drive the video industry to a new level in the future.

3.1.2 Industry competitive environment analysis

For the video industry, the overall pattern shows that long video websites remain competitive, and short video websites rise rapidly. The user scale of the old long video website IQiyi, Youku, and Tencent is still sufficient, and the user demand for the film and television content of the long video website still exists. At the same time, IQiyi is also expanding beyond long-form videos. For example, IQiyi has reached a partnership with Douyin to allow Douyin to re-create IQiyi's video content. And the short video industry is growing extremely fast. Among them, Douyin, Kuaishou led by short video sites, the number of users is increasing, and there is a sign of catching up with long video sites. For Bilibili, its business consists of UP master homemade content and official produced content, which competes with both long and short video sites. IQiyi, Youku, and Tencent, which remains competitive, and Douyin Kuaishou, which is growing rapidly, are clear threats to Bilibili.

3.2 Differentiated competitive strategy

For Internet companies, product differentiation is extremely important and a part of the company's core competitiveness. Bilibili's product differentiation strategy is mainly reflected in the following parts.

First, the video content is rich. The video types of Bilibili are mainly original videos of UP and supplemented by the self-made content of Bilibili. The products of other video websites generally provide content in one direction, and the content form of PUGV of Bilibili is relatively unique. At the same time, Bilibili is also promoting the development of original video content in various ways, such as the launch of UP's main incentive plan, and the active layout of its PUGV pattern.

Second, tile-free advertising. Different from iQiyi, Youku, Tencent Video, and other traditional video sites, Bilibili's videos, whether they are UP main homemade videos, Bilibili's homemade variety shows, or documentaries, all without patch advertising. Compared with other long video websites, this undoubtedly brings users a very good user experience, without recharging members can enjoy a part of the membership services of other video websites. The advertising content of Bilibili will only appear in the recommended corner of the home page or the introduction section below the advertising-related videos, to minimize the impact on user experience.

Third, Bilibili is the largest two-dimensional social platform in China. The vast majority of animation can be seen in Bilibili, which for the love of the second element of this part of the group, Bilibili is no doubt the first choice of video websites. Due to its deep cultivation in the field of quadratic elements in the early stage of its establishment, Bilibili is the dominant station in the field of quadratic elements. Although there are other video websites such as Acfun specializing in quadratic content, their influence is far less than that of Bilibili.

Fourth, Bilibili has its unique barrage culture. Although most video websites now have the function of bullet screens, the bullet screen culture of Bilibili is unique among all video websites. Since Bilibili had the function of a bullet screen in the early stage of its establishment, in addition to the high concentration of quadratic elements in the early stage of the community of Bilibili, the users were homogenous and had more common topics, so it was easy to form a good communication atmosphere of bullet screen in the community. In the later development process of Bilibili, under the influence of the old users, new users began to actively and frequently use the bullet screen function, thus forming a complete cultural environment of bullet screen.

3.3 Bilibili competitive strategic advantage

The competitive advantages of Bilibili are mainly reflected in the following three points.

First, Bilibili has a good community culture atmosphere and a large number of highly sticky user groups. Bilibili has extremely high user engagement. According to the "Internet App, Operation Data Tracking Quarterly Report (2Q22)" released by Citic Securities, Bilibili's monthly active users

reached 179 million in the second quarter of 2022, up 8.8 percent year on year. Bilibili maintained its user growth trend, reaching a two-year high of 91 minutes and 6.7 starts per day, respectively, as user engagement continued to increase. Both Aioteng and Mango TV saw a decline in user engagement [9]. Since its inception, Bilibili has focused on ACG culture and is now the video website with the most frequent exchanges of ACG culture in China. The homogeneity of its users is obvious, and the frequent communication between users started from the beginning of its establishment. On this basis, after Bilibili starts to break the circle, new users in other fields will also start to participate in the social interaction of Bilibili under the guidance of old users. As a result, the whole Bilibili has formed a unique bullet screen culture and social environment in China, attracting many content-oriented users to become loyal users of Bilibili, which greatly improves user stickability. At the same time, the bullet screen culture has also brought great traffic heat to Bilibili. Every year, the selection of the top ten hot words on the bullet screen of Bilibili will attract the attention of countless people, which provides traffic support for the development of Bilibili, making station B as an IP get more and more attention, and its influence has been significantly improved.

Second, Bilibili has a large number of high-quality UP main groups. As for Bilibili, its video content is mainly produced by UP hosts. Therefore, a large number of high-quality UP hosts guarantee the video quality of Bilibili. The change of the UP main structure of Bilibili can be roughly divided into the following stages. In the early stage of Bilibili, ACG cultural content occupies the dominant part of the video content of Bilibili, and most of the head UP main people are game video creators or secondary animation creators. Later, with the beginning of the hoop-breaking plan of Bilibili, more and more people entered Bilibili. Some UP hosts in living areas quickly became popular with their rich content or strong program effects, occupying a considerable position among the head UP hosts. Dance area and music area also began to appear at this time, and some dance areas and music area UP master also began to appear in the public view. Finally, Bilibili has attracted more and more celebrities, official accounts, and scholars to join, and the UP master of science popularization area and knowledge area began to emerge in the head. For Bilibili, new high-quality UP masters keep joining, old UP masters keep creating, and the number of UP masters keeps rising. At the same time, the high-quality video created by the old UP master can also attract new users and new UP masters to join in the great response. The new UP master creates new high-quality videos, forming a conscience cycle and providing a steady stream of high-quality video resources for Bilibili.

Third, Bilibili has a unique way of advertising. Advertising is one of the important businesses of Internet companies. How to reduce the impact on user experience while advertising is a problem that every Internet company should pay attention to. Bilibili always insists that there are no patch ads in the video. In Bilibili, there will be no hard ads during the video viewing process. Even when the video is paused, there will be no pop-up ads, ensuring that users will not be disturbed by the advertising content during the video viewing process. However, advertising content can only appear in three ways. First, it is recommended on the home page, which occupies the same space as other videos and has little impact on users' browsing on the home page. The second is the introduction section below the video. This kind of advertisement is similar to the advertisement recommended on the home page. It occupies little space and will not affect the user experience. The third is the soft advertisement interspersed in the UP main video. Such advertising content is often presented in the UP master's way, with diversified forms and styles. For users, there will not be too uncomfortable an experience and aversion, and even such ads will lead to the spread of some jokes, such as: "caught off guard" and so on.

4. Suggestions

As for Bilibili's competitive strategy, there are advantages and disadvantages, which are elaborated as follows: The advantages of Bilibili are mainly reflected in the following three points: First, Bilibili attaches great importance to improving user experience and has taken many measures, such as insisting on not adding patch ads, paying attention to video review and maintaining community ethos.

Bilibili's competitive strategy is based on the principle of user experience as the center for continuous upgrading and maintenance. Second, content is the foundation of video websites. The content ecology of Bilibili has always adhered to the structure of combining UP main content and self-made content with film and television works. For the UP main content, take the hot list, and inbound must-see list content to promote. As for the self-made content, even if the circle is broken, Bilibili still insists on the introduction of two-dimensional content and its status as the largest two-dimensional community in China. In addition, for documentaries, self-made variety shows and other content are also constantly trying to introduce excellent documentaries, and open up the documentary market. At the same time, we actively produce a variety of shows with the characteristics of Bilibili to optimize the content ecology. Third, Bilibili's unique community culture is the source of its continuous competitiveness. Its unique bullet screen culture is favored by young people. Bilibili will also launch the annual bullet screen hot words every year to improve the flow of Bilibili and promote the culture of the bullet screens.

The shortcomings are mainly reflected in the following two points: First, the video audit work is not enough to pass the standard. In recent years Bilibili frequently occurred video vulgar content. There are loopholes in the existing video audit mechanism, so it is necessary to improve the technology and system of video audits. Consider expanding the number of commissioners and increasing their scrutiny of video content [10]. Second, for the core competitiveness of Bilibili, that is, the functions with social attributes such as video bullet screen, optimization, and upgrading are less. The recent optimization of the bullet screen system by Bilibili is to launch the exclusive bullet screen expression for some anchors, but this function is not included in the online video content. As the core competitiveness of Bilibili, it is suggested to carry out more updates and optimizations. For example, the exclusive bullet screen mechanism can be introduced into the video content, and the UP owner who has passed the identity authentication can be allowed to edit his or her exclusive bullet screen content and expression for the use of the video bullet screen. However, it is not recommended that the bullet screen mechanism is too fancy and affects the viewing experience of the video itself. In addition, Bilibili once launched interactive video, a different type of video, but the subsequent influence is limited. It is suggested that Bilibili should increase the development of interactive videos. For example, the interactive methods should not be limited to multiple choice questions, or the proportion of users who choose a certain option should be shown after selection, to improve the communication frequency of bullet screens in interactive videos.

5. Conclusion

Bilibili's competitive strategy shows that the development trend of today's video websites is no longer limited to providing video services. Both short video websites such as Douyin Kuaishou, which focus on user-made content, and long video websites such as IQiyi, Youku, and Tencent, which focus on officially introduced or produced video content, are developing towards creating their ecological environment. As the leading role of the pan-entertainment industry, videos and short videos not only meet the entertainment needs of users but also provide another social platform for contemporary people to a certain extent. Therefore, as video providers, video websites need to create a good social-ecological environment for users. Watching videos and communicating is an important form for contemporary people to watch videos.

As a leading enterprise in the video industry, Station B has a large number of users and a strong influence on contemporary young people. The video content of Bilibili is rich enough to expand young people's vision to a certain extent. Many UP masters have created a lot of excellent content in the fields they are good at and love, and even played the role of spreading values. At the same time, more and more scholars have settled in Bilibili, and their user group is different from that in the past, which is concentrated in the ACG field. More and more users of Bilibili begin to learn about Bilibili, understand, the views of different groups, and exchange the ideas of the younger generation. Compared with the previous Bilibili was just a place to exchange and share interests, now Bilibili has

begun to show the trend of value dissemination. In the future, the community culture of Bilibili should continuously amplify the role of value dissemination. In addition to sharing hobbies and daily life, we will expand the role of Bilibili in ideological and cultural exchange, and build Bilibili into a video website that can meet almost all the spiritual needs of contemporary young people.

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