

Research On the Strategy of Social Mobile Application Going to Sea - Taking TikTok as An Example

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Abstract. In recent years, short video, a form of Internet content dissemination, has become popular in China. With the rapid development of mobile terminals and the Internet today, short video platforms are increasingly favored by the general audience. Tiktok, which has a high market share in China's mobile social field, launched an overseas version of tiktok in due time. Because of its unique overseas competition strategy, Tik tok stands out from many competitors, showing characteristics of high revenue growth rate, large user stickiness and fast expansion speed, and is well received by overseas users. Based on a large amount of information collected, this paper first analyses the basic overview of TikTok. Then, an in-depth analysis of TikTok's competitive strategy is presented from different aspects, such as the company's growth path, its main competitors, and the strengths and weaknesses of its products. Finally, TikTok's successful experience is summarised, and some suggestions are made to address the current problems, aiming to provide a positive reference for mobile social applications abroad.

Keywords: TikTok, short video, mobile application, sea going strategy

1. Introduction

1.1 Research Background

COVID-19 has had a great impact on the world economy. Offline channels and the real economy have been hit hard, and the Internet economy has made rapid progress due to communication distance, convenience and speed. The short video platform has created trading conditions with its traffic advantages and helped the economic recovery. With the iterative updating and optimization of text, picture, voice and video social networking, social mobile applications have grown steadily. 5G+AI technology continues to innovate, and social product scenarios will be more abundant and novel, which is expected to reshape the social behavior chain of users. As a mobile application product, TikTok just has the comprehensive attributes of internationalization, social networking platform, short video platform and e-commerce platform, and has typical research value in numerous and complex digital products.

1.2 Literature Review

China's economic development has always been concerned by all parties. There are many scholars who have studied China's digital economy, short video transmission effectiveness and mobile applications. However, there are few researches on the strategy of social mobile applications going to oversea, which is a cross communication, management, marketing and other specific fields. In recent two years, the research on short video communication business strategy has gradually increased. Among them, Yuchen Wang took TikTok as an example to discuss the international communication effectiveness of social media, and put forward a new analytical framework of three different roles in the internationalization of social media and feasible suggestions for improving international communication effectiveness [1]. Bingyi Liao and Yu Zhang studied the overseas market operation of short video media and its inspiration, analyzed TikTok's overseas market operation experience and its inspiration to China's social media brands [2]. Yue Zhang made an in-

depth analysis of TikTok's overseas market development strategy, and believed that its expansion path was based on the ability to expand the database and the pole raising algorithm. On this basis, he carried out an optimization design analysis of the business model, and put forward the concept of operating around four aspects: brand concept, audience analysis, account attribute, and content planning [3]. Li Li, Ziqi Su and others carried out research on the globalization development strategy of mobile Internet products, summarized TikTok's experience in globalization development, and affirmed its use of capital resources to achieve precise mergers and acquisitions [4]. Xue Yi has explored the success of YouTube's internationalization, and believes that it attracts users with high-quality content. By virtue of its strategies such as cultural identity and platform integration, it has set an example on the path of internationalization and provided reference for other social media [5]. Dongjin Zhang, through reverse thinking, found out the reasons for the dilemma of Chinese short video going to sea and the strategy to break the situation, and believed that product experience would become the key to short video competition [6].

1.3 Research Significance

In recent years, with the popularity of "TikTok" in China, many short video platforms and Apps have also emerged in the international market. In particular, the popularity of TikTok has triggered major social applications to lay out short video tracks one after another. TikTok has become the most successful offshore application in China, and its offshore strategy will provide reference for more digital enterprises to go abroad. This paper analyzes TikTok's development opportunities in the macro environment, competitive strategy, and digital economy environment layer by layer with the methods of literature research and case analysis, and puts forward development suggestions on the existing problems.

2. Macro Environment Analysis of TikTok Sailing

2.1 Overview Of Parent Company ByteDance

Founded in March 2012, ByteDance Technology Co., Ltd. (hereinafter referred to as "ByteDance") is an information technology company. Its main application products include today's Toutiao, Tiktok, tiktok, watermelon video, understanding chedi, Pipi shrimp, flying books, tomato novels, etc. In 2016, ByteDance established an artificial intelligence laboratory. Its client intelligently recommended personalized information for users through massive information collection, deep data mining and user behavior analysis. In 2021, ByteDance's operating revenue is about 58 billion US dollars. Its globalization strategy is to go to sea with technology, provide unified product experience for global users, adopt localization operation strategies that meet local needs for different markets, and build a global creation and communication platform [7].

2.2 Domestic Environment

From 2021-2022, China has increased its support for the sea going policy, and has successively issued the Opinions on Accelerating New Forms and Modes of Foreign Trade, the Guidelines for Foreign Investment in Digital Economy, the "Fourteenth Five Year" Trade Development Plan, and the "Fourteenth Five Year" Digital Economy Development Plan to create a good environment for digital products to go to sea. Actively guide and escort the improvement of cross-border e-commerce support policies, overseas warehouse construction, "going global" of digital cultural products, digital product trade, participation of digital economy enterprises in international cooperation, integration into the global industrial chain, etc.

2.3 International Environment

In the past two years, it has not been smooth for digital enterprises to go to sea. Many governments have successively issued laws and regulations, making continuous efforts in privacy security, data

protection, operation supervision, etc. With regard to the regulatory security of APP, the severe punishment imposed by GDPR in India or EU undoubtedly reminds the entrants that the policy risk has raised the threshold of overseas markets. For standardized mobile applications, this is an opportunity to highlight their own advantages, while mobile applications with weak "compliance" face huge challenges. According to the statistical analysis data of iResearch Consulting, "not familiar with the culture and needs of overseas users", "not very familiar with local policies and regulations", "weak customer acquisition, difficult marketing and promotion", "difficult to adapt to all aspects of localization" are the four major challenges faced by sailors [8].

2.4 Short Video Industry Analysis

The short video platform was first launched by the United States. It has been flourishing in China and gradually occupied the global short video market. At present, the global short video industry is in a period of rapid growth. The internationally popular short video platforms mainly include Trill, Teels, Dubsmash and China's Zynn, Likee, TikTok, etc. Short video applications in China first became popular in China, and then gradually moved to the global market after being relatively mature. Based on the comprehensive evaluation of the number of users, downloads, market value and other aspects, TikTok has become a leader in the global short video industry.

3. Analysis Of TikTok's Competitive Strategies

3.1 TikTok's Growth Course

In Figure 1, TikTok was launched in May 2017, covering more than 150 countries and providing 75 language options. TikTok has topped the list of app downloads in the United States, India, Germany, France, Japan, Indonesia and Russia for many times. In 2021, TikTok will have a revenue of 4.697 billion dollars, mainly from in app purchases and advertising revenue. In the first quarter of 2022, TikTok's consumer spending will be \$821 million, making it the highest income non game app in the world [9].

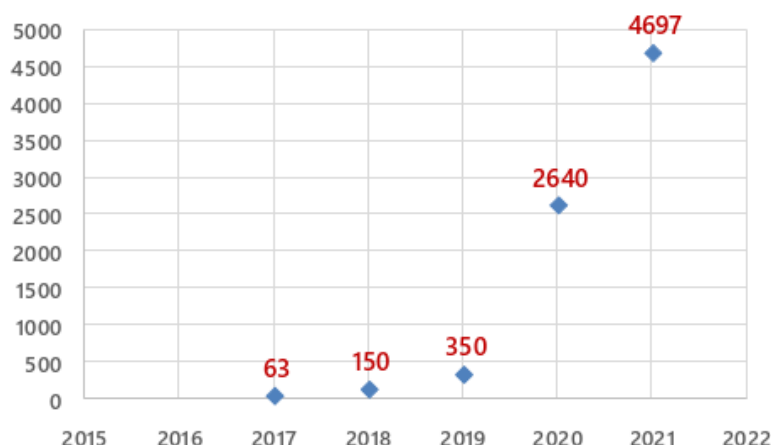


Fig. 1 TikTok's revenue over the years/million dollars (data source: Business of Apps)

TikTok adopts the localization operation strategy based on the local needs of different markets. In 2021, the global download volume will exceed 3 billion times, and the monthly active users will exceed 1 billion, making it the largest Internet website in the world. In the first quarter of 2022, TikTok's average monthly usage time is 23.6 hours, surpassing YouTube for the first time [10].

3.2 TikTok Product Analysis

TikTok users can release their own works by shooting 15 second short videos, and provide the platform with massive original content. This is a social circle based on short music videos, gathering

a large number of young Internet users. Users can select songs and soundtracks, and use video editing, special effects, filters and other technologies to make videos more interesting. In TikTok, users can express themselves, browse anecdotes, carry out product marketing, meet and add friends, and send messages interactively. At present, TikTok has become the world's largest content community platform through product development, algorithm design, platform operation and other efforts.

3.3 TikTok's Main Competitors

In many social applications and social networking sites, TikTok mainly has three competitors, Facebook, YouTube and Twitter, through comprehensive evaluation based on market positioning, product form, brand value and market share.

In 2004, Mark Zuckerberg created Facebook. Facebook has a professional social platform and photo sharing function, and can provide targeted services and applications. At first, it only provided communication, social networking and other services for college students. With the continuous expansion of the platform, Facebook gradually went out of school and became the largest social networking website in the world.

In 2005, Chen Shijun and others founded the video website YouTube. YouTube has rich functions, including movie playing, movie uploading, movie channel, paid channel, translation function, live video, TESTTUBE, digital music, rewards, 360 degree video, children's version application, etc. YouTube has more than 2 billion monthly users.

In 2006, Obvious, an emerging company founded by Evan Williams, the pioneer of blog technology, launched the Twitter service, a platform that provides real-time global events and hot topics. On Twitter, you can either join an open real-time conversation or watch live events. Twitter is completely free and can send social information. At present, it has about 517 million registered users.

3.4 TikTok's Competitive Advantages

As a successful example of China's social mobile applications going global, TikTok's internationalization path is worth learning from. In the past five years, TikTok has emerged as a new force in the global short video industry and social applications. Although imitated by many competitors, TikTok has significant advantages in platform design, intelligent algorithm, operation strategy, user group, user experience, etc.

3.4.1 Intelligent platform design

As the overseas version of "Tiktok", tiktok follows the design basis of "Tiktok". Its prominent feature is that the video is short and concise, filling the product gap of the previous long video and graphic social platform. The design of short videos conforms to the busy and fragmented lifestyle of young people. In addition, when TikTok's recommendation algorithm likes, evaluates, collects or forwards, the background will always push works of relevant content to users to meet their preferences. The longer a user watches a specific video, the more personalized TikTok can promote the user. TikTok said that this algorithm "aims to help people have more personalized experience of the recommendation system" [11].

3.4.2 Operation strategy of "standardization+localization"

The combination of TikTok's technical middle platform, algorithm recommendation system, localized operation content and users can quickly capture the interests of local people and win the favor of users. Through the unique strategy of "standardization+localization", TikTok shows a high growth trend in the dividend period. In the early stage of tiktok's landing, it first imported a large number of videos from Tiktok as the foundation, and then won the trust of the local user community through localized operation, rooted in the local social culture, inviting stars to settle in, and guiding users to actively participate, so as to accelerate the completion of the construction of a high-quality content community. In the Japanese market, TikTok has set up special effect face changing filters and multiplayer challenges to reduce users' worries about privacy disclosure.

3.4.3 Users in sticky "golden section"

In Figure 2-3, at present, the monthly average number of users of TikTok has exceeded 1.5 billion, ranking fifth in global applications. The youth group is the largest user group of TikTok. The 18-34 age group accounts for 75% of the users, and this age group is also the main user group of Internet consumption [12].

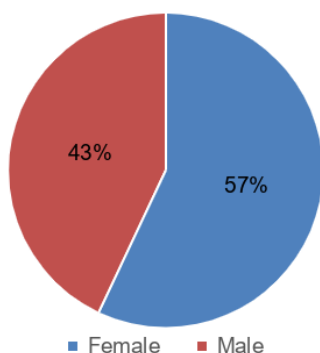


Fig. 2 Sex ratio of TikTok users

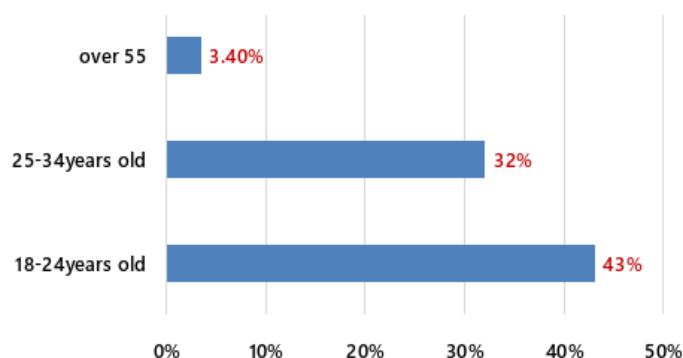


Fig. 3 Proportion of TikTok users by age

Recommend algorithms to distribute traffic, help users quickly find the content they need and complete the association of authoring, audience, content and consumers. At present, TikTok has reached the target of immersive Internet products. This technical advantage not only brings TikTok strong user stickiness, but also helps TikTok to tap consumers' shopping interests with content ecology.

3.4.4 Diversified marketing means

Due to the rampant COVID-19 epidemic, the "home economy" of keeping social distance and shopping at home has brought opportunities for tiktok, which carries e-commerce functions, to display its skills. TikTok's e-commerce has landed in 7 countries including Indonesia, the United Kingdom, Thailand, Vietnam, Malaysia, the Philippines and Singapore. In February 2021, TikTok Shop will be launched, and TikTok's live delivery of goods will start. TikTok has brought a new trend to the global retail industry. The complete shopping link of browsing, ordering, payment and customer service can be completed in one station of TikTok. LatePost reported that the total volume of commodity transactions of TikTok e-commerce in the first half of 2022 had exceeded 1 billion dollars.

In addition to cross-border e-commerce, advertising is also an important source of TikTok's profits. According to eMarketer data, TikTok's revenue of \$4.697 billion in 2021 mainly comes from advertising (information flow advertising, opening screen advertising, brand label challenge, brand filter). TikTok has a minimum budget limit, and the daily budget and total budget of the advertising series must exceed \$50. TikTok's algorithm advantages also exist in advertising, which can more effectively display advertisements in front of target customers in the later optimization of advertising.

4. Development Opportunities Of TikTok Under The Development Of Digital Economy

The 4G era has passed and the 5G era has come. With the rapid development of network and communication technology, the Internet has entered the development stage of mobile Internet. Under the background of the domestic stock era, many digital enterprises aim at the "growth space" of the overseas market, and strive to meet their own needs of expanding scale and increasing revenue by going abroad. The COVID-19 epidemic has driven the development of the "home economy", and distance social networking has created space for the popularization of mobile applications. The digital economic environment has brought TikTok development opportunities. Focusing on "open" scenes and play methods, TikTok has integrated the concept of the meta universe into its products and constantly improved, gradually showing the trend of meta universalization, local refinement, and functional integration, leading the way in social mobile applications.

5. Suggestions

With its unique competitive strategy, TikTok has laid out its overseas market by attracting popular funds, taking root in culture, self-expression and content recommendation. Although TikTok was punished by India, the United States, the European Union and other countries and organizations for various reasons, it still went into the market with a high attitude. In this market environment, the industry may become more involved and the overseas competition environment will become more complex. It is undeniable that there are still shortcomings in the content quality, privacy protection and commercialization of TikTok short videos, which need to be further improved. TikTok can improve its market competitiveness in the following ways. First, innovate the cooperation mode. There are many pain points in local operation, and information is difficult to grasp, including the cultural habits of local users, the speed of information collection in the local market, and the difficulty of local market promotion. These aspects can break through the operation difficulties one by one with the help of ecological partners, such as developing one-stop partners to promote cost reduction and efficiency improvement. Second, avoid policy risks. Due to the differences between domestic and foreign policies, TikTok's compliance is facing considerable challenges. With the improvement of supervision in various countries, familiarity with local data compliance and privacy protection policies can greatly mitigate the impact of the tightening of supervision. Third, continue to increase user stickiness. Although the local cultural environment was studied in detail before going to sea, it was inevitable to be acclimatized after entering the overseas market. TikTok can further develop fine business by capturing more subtle local habits, customs and preferences. In terms of scenes and play methods, more complex functions are gradually expanded from purely social functions to attract users to stay and enhance user stickiness.

6. Conclusion

Through the research on TikTok, this paper explores the background, competitive strategy, challenges and difficulties of social mobile applications going to sea. The main conclusions are as follows:

First, select target countries carefully. TikTok fully considered the user characteristics, overall market size and industry development prospects of the country when selecting the target country, and provided important reference for improving its overseas operations through risk assessment. The second is to compete and cooperate with competitors for win-win results. In order to quickly enter the local market, TikTok cooperates with advertising agencies in international markets such as Facebook to sell products; Cooperate with Sony and other music giants in Japan to resolve legal disputes over music copyright. Competition and cooperation can effectively deal with environmental threats and opportunities, and make the cooperation parties in a win-win situation in terms of increasing sales, market share, international brand awareness and market penetration. The third is to

seize the market through acquisition and expansion. ByteDance, the parent company of tiktok, has successively acquired flipgram and musical, the two largest short video application platforms in the United States ly. By incorporating the business of the acquired company into the strategic investment portfolio, we can effectively achieve the purpose of enhancing the core competitiveness, which paves the way for TikTok to further seize the dominant position in the market. Fourth, do a good job of public opinion guidance and crisis public relations. In the process of internationalization, social media is affected by the international rule system and vulnerable to legal, political and economic sanctions. This requires not only avoiding risks and providing users with privacy protection, values and public opinion guidance, but also the support of the country to promote the establishment of appropriate international rules and seek stable, loose and orderly development space for social mobile applications. Fifth, adhere to the principle of "content is king". Although the public opinion ecology, communication mode and media pattern have changed, the most important thing is still the attractive original content, as well as the space for users to express and the platform for self-expression, which can generate enough user stickiness.

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