

Analyzing the Reasons of Stable Development of YouTube Short Video Market

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Abstract: YouTube Shorts were released globally in July 2021. Before the launch of YouTube Shorts, the revenue of YouTube in the first quarter was \$6.01 billion; however, after the launch of YouTube Shorts, the revenue of YouTube in the second quarter reached \$7 billion, a year-on-year increase of nearly 84%. The goal of this paper was to identify strategies for YouTube to maintain its position in the short video market through policy formulation. This paper takes YouTube-operated YouTube shorts as a case to conduct a detailed analysis and apply the marketing mix theory of the 4Vs to analyze variation strategy, versatility strategy, and value strategy, respectively. The three suggestions for each strategy are to introduce more original contexts, improve its social functions, strengthen the introduction of intellectual content, and expand content boundaries. The main purpose of this topic is to investigate strategic policies that encourage the development of short video media.

Keywords: YouTube, Variation Strategy, Versatility Strategy, Value Strategy

1. Introduction

Internet advancement is shifting people's entertainment to smart social media platforms for mobile phones. People spend more time watching short films for fun and relaxation due to their hectic lives and the fragmented information age. Thus, social media and short videos have grown in popularity. These platforms are popular. The typical person watches 1 hour of short videos per day, according to inadequate figures [1]. During the epidemic, confined people spent a lot of time on short films or social media. Up to 84% of viewers viewed short films more or at the same time during the pandemic, since many used them to adjust to and cope with regular life interruptions. Since lockdown restrictions, 69% of Americans have spent 30 minutes to 3 hours consuming web-short video content [2]. To capitalize on it, more video-type enterprises entered the market. This represents YouTube's short-video social media sector. YouTube began its existence as a platform for searching and sharing videos. YouTube Shorts launched in 2021. YouTube Shorts, notably in Europe, the Middle East, and Africa, is the most popular short video site for discovering new products and companies.

Based on YouTube as a relatively popular platform, people not only often elaborate on the things related to YouTube in their daily lives but also do some academic research. More and more researchers are also paying attention to academic research. Some researchers, such as Homa et al., have focused on specific YouTube topics, analyzing the consumption of radical content on the platform using quantitative research methods and data analysis [3]. Ahmad et al. used YouTube as their research object and conducted an analysis on how YouTube videos can enhance speaking skills

during online English learning during the COVID-19 pandemic, using constant comparison methods and descriptive statistics [4]. Moreover, Terantino analyzed YouTube for foreign languages using the case analysis method, concluding that integrating the use of YouTube videos in foreign languages is a valuable resource for both teachers and students [5]. By posting useful videos on YouTube, you can have unlimited access to teaching videos, and the potential benefits worldwide are much higher [6].

Although there have been numerous studies on YouTube and some researchers have already examined topics linked to YouTube shorts, the majority of them are from various perspectives, such as economics, enterprises, consumers of research and analysis, and others. However, they disregard significant research on long-term future development; no one applies such theoretical knowledge of the marketing mix theory of the 4Vs to answer relevant phenomena, resulting in a research void in this area. As a result, this study will look into business methods for maintaining YouTube Shorts' position in the short video industry. The purpose of this article is to examine the tactical policies that enable the creation of short films on social media. Such a situation can promote content diversity, increase user interest, and help producers monetize their work. Such research is crucial because it reveals key drivers of development and sustainability in a highly competitive digital content ecosystem, ultimately helping platforms adapt to quickly changing consumer tastes and technical advancements. This insight is useful in developing policies that promote a thriving environment for authors, users, and platforms alike.

In order to make up for the gap in this research, this paper sets up the following questions: how should YouTube formulate strategic policies next to stabilize its position in the short video market? The next main part of this paper is about the three steps this paper should take to solve the problem. This article will first summarize the relevant cases of how YouTube operates YouTube Shorts, then discuss and describe its current status and phenomena. Next, this paper will analyze the reasons for its short-term success based on these cases and use them to illustrate its impact. Finally, further reasonable opinions and suggestions are given according to the reasons analyzed. How to perform YouTube next to better improve its commercial value in the short video market and develop more steadily.

2. Manuscript Preparation

YouTube was founded in February 2005. It was originally intended to facilitate the sharing of recorded videos between friends and later gradually became a memory repository and a place for netizens to publish works. It mainly provides services for users to download, watch, and share movies or short films. YouTube profits from advertising and subscriptions. As of 2024, YouTube has more than 2.7 billion monthly active users [6]. More than 2.7 billion people around the world use YouTube every month. Technically, YouTube is the second-largest search engine after Google, and it has also been acquired by Google. After Instagram, YouTube comes in second on the list of popular social media platforms [7].

In order to compete with short video platforms such as TikTok, YouTube released YouTube Shorts worldwide in July 2021. YouTube Shorts allows users to upload and view short videos below 60 seconds. YouTube Shorts allows users to shoot and edit videos on mobile devices in vertical video formats. Users can browse different short videos by sliding, or they can follow other users according to their own interests and watch the video content they publish. In recent years, the way YouTube operates YouTube Shorts includes providing a simple creation tool to enable creators to quickly generate and upload short videos; increasing the exposure of short videos through the algorithmic recommendation mechanism; and encouraging users to create and share content, including challenges and topic tags. And other interactive elements, and may provide opportunities for creators to realize this through partner programs. In addition, YouTube may regularly update its functions and strategies to improve the user experience and content quality. Before the launch of Shorts, YouTube's revenue

in the first quarter was \$6.01 billion, while after its launch, its revenue in the second quarter reached \$7 billion, an increase of nearly 84% year-on-year [8]. In order to operate YouTube Shorts, YouTube Shorts must have monetization policies and a YouTube Partner Program. The revenue share for YouTube Shorts began on February 1, 2023. Partners who generate income can earn income through advertisements watched in short, dynamic videos. The YouTube Shorts Fund is no more, as this new revenue-sharing model has replaced it. In October 2023, as long as they join the YouTube Partner Program (YPP), creators can have more in-depth access to YouTube resources and revenue-generating functions and contact YouTube's creator support team. Additionally, it permits the sharing of revenue from advertisements on the creator's content. The plan's working principle involves sharing the advertising revenue that YouTube videos display. The creator and YouTube will split the earned money when viewers watch these advertisements. However, YouTube has certain requirements for joining the YPP. They hope to see that creators can establish a group of subscribers and create fascinating content to keep the audience interested. Therefore, not every creator is eligible for YPP.

3. Analyzing

3.1. Marketing Mix Theory

The rapid rise of the high-tech industry, high-tech enterprises, and high-tech products and services in the 1980s led to the continuous refinement and development of marketing concepts and methods. On this basis, Chinese scholars Wu et al. comprehensively put forward the 4Vs marketing mix theory. The so-called "4Vs" refers to the marketing combination theory of "variation strategy," "versatility strategy," "Value Strategy," and "vibration strategy" [9].

The marketing mix theory of the 4Vs emphasizes that enterprises should implement differentiated marketing first. On the one hand, it differentiates itself from its competitors and establishes its own distinct image. On the flip side, it differentiates consumers from each other to meet their specific needs. Secondly, the 4Vs marketing mix theory necessitates a greater flexibility in products or services, allowing for their combination to meet specific consumer needs. Finally, the 4Vs marketing mix theory places greater emphasis on the invisible elements of products or services and caters to consumers' emotional requirements through brand, culture, and other means. High-tech manufacturing enterprises can benefit from adopting this approach to change their concepts and marketing strategies and cultivate their core competitiveness.

3.2. Reasons on Variation Strategy

YouTube's strategic policies closely influence its performance in relation to its various variables. YouTube has introduced the YouTube Shorts Fund, which is a program designed to incentivize creators of short videos. The fund, which amounts to \$100 million, will be available over the years 2021–2022, and it aims to attract a large number of up-and-coming short video creators. In 2021, more than 40% of the recipients of the incentive program bonus were previously unprofitable on the YouTube platform. This indicates that at least 40% of the up-and-coming creators have achieved success through shorts, thereby fueling the creative drive of this new generation of creators. This is beneficial as it brings more high-quality content to shorts and boosts traffic bias.

Currently, numerous research scholars have confirmed that the effective implementation of a variation strategy can significantly boost commercial value. For instance, Ma analysis strategy of Ningxia Xixia Wang Wine Industry Company Limited, which utilized the case analysis and factor analysis methods, confirms the significant role of variation and wine in enhancing brand awareness [10]. Jia's application of the 4Vs combination theory in cultural product marketing, using Qingyang's

incense bag embroidery as an example, also confirms that variation can enhance brand awareness [11].

3.3. Reasons on Versatility Strategy

YouTube's success is due to the fact that it has made significant adjustments to its versatility strategy. YouTube Shorts has super-large music library resources. Judging from the number of music libraries on the YouTube channel, it can almost be said that YouTube Shorts is currently the world's short video and audio-based short video platform with the largest music library resources. When making short films, creators can import music from YouTube and share it for personal, non-profit purposes. YouTube has a large number of different types of music creation resources, including pop music, non-mainstream music, and various independent music and artworks. Furthermore, YouTube Shorts allows for timed publishing of short videos. YouTube Shorts allows creators to select the active time of their own channel audience, enabling automatic release of the film without the need for manual uploading. Compared with TikTok, which only has a draft storage function, the upload process of YouTube shorts is similar to that of standard videos. The creator can choose to publish immediately or set the release time after shooting the video.

Researchers have confirmed the importance of adaptability in a variety of situations, such as when studying oil tea processing businesses in Hunan Province. Tang used theoretical knowledge to demonstrate that adaptability is critical in related industries and can improve an enterprise's fundamental competitiveness [12].

3.4. Reasons on Value Strategy

The key to YouTube's success lies in its effective implementation of a value strategy. YouTube Shorts seamlessly integrates with the wider YouTube ecosystem, including the potential for monetization through revenue sharing from advertisements and promotional placements on the platform's homepage. This connection enhances the total duration of time that visitors spend on YouTube, benefiting both creators and advertisers.

Currently, numerous researchers have confirmed that the proper execution of the value strategy will result in a definite positive influence on commercial value. For instance, Aumann and other scholars have demonstrated that certain conditions constrain the company's "value-added", as indicated by the factor analysis method and cooperative game theory [13]. In order to enhance positive added value, a company must exhibit symmetry with other companies.

4. Suggestions

4.1. Suggestion on Variation Strategy

Currently, the short video social market is in a period of rapid development, with fierce competition in the vertical field. The business model is maturing gradually, user growth is slowing down, and the market competition structure is showing a diversified trend. Platforms face different levels of challenges and competition due to their user resources, content resources, video distribution strategies, marketing reliability, new technology, and layout. Judging from the overall industry competition situation in short video and social media, on the one hand, the industry's increasing popularity is attracting new platforms that are constantly pouring in. On the flip side, due to the constant integration of video content and forms across different platforms, a certain degree of homogenization has occurred.

To increase traffic, each platform works on a theme variety. The same content subject, such as performing arts, games, or outdoor activities, is frequently supported by a specific user group, and

platforms compete on a constant basis across content and formats. Currently, YouTube shorts meet these market requirements and qualities. Original settings are a crucial aspect of YouTube's quest to expand its advantages in variation. To produce original context, YouTube Shorts officials can publish basic editing, science popularization, and teaching content piece by piece in a way that the public can understand and learn, allowing viewers to be creative rather than simply imitate. Each user wants to tell a unique tale. Only by teaching them how to communicate it in video language will they be able to properly solve the problem of content homogenization and keep the platform busy and thriving. Furthermore, a single-creator reward strategy will fail to pique the public's interest in creativity. Only by introducing incentive channels can it be encouraged to user creativity and content differentiation. For example, TikTok's clipping template exacerbates the problem of homogenization while also assisting in the production of high-quality material, and the template is insufficient to make communication content homogeneous. "New" videos can draw attention to marketing communications. YouTube Shorts can enhance the 2021-2022 YouTube Shorts fund by implementing an incentive model and initially increasing the incentive amount. To encourage the public to participate in template manufacturing, it can be offered cash prizes based on the quantity of template usage or the number of templates played. Second, various events can be held; for example, a theme can be chosen every week, and the shortlisted creators can be rewarded based on the quality of template production and the number of times applied, which not only stimulates the public to create enthusiasm and a rich template draft library but also encourages users to produce unique content and even establish a creator community on this basis. Take the creator community as the "upstream" and send it to the "downstream" of the user community via high-quality and tailored content development to increase user stickiness.

4.2. Suggestion on Versatility Strategy

The global short video platform market size in 2022 is \$1.52 billion, and it is expected to grow at a compound annual growth rate (CAGR) of 10.2% during the forecast period [14]. There has been some homogenization due to the continuous integration of video content and forms across various platforms. By 2024, short-form video content will claim a staggering 90% share of internet traffic. This forecast underscores the growing preference for concise and engaging short-form video formats, indicating a significant shift in online media consumption habits towards shorter, more digestible content [15].

In this context, in order to play a greater role in short video and social media, it must improve its social functions, continuously increase the number of nodes of platform users, enrich the user relationship chain, and build social networks so as to enhance the social stickiness of users. Specifically, YouTube Shorts can attract more artists, thus expanding its influential node network.

For example, in terms of functional increase, Weibo does a good job in this aspect. YouTube could potentially emulate Weibo's related strategies. For instance, in April 2014, Weibo enhanced two aspects: a robust communication capability around hot spots, and a weak relationship network that relies on one-way attention based on user interest. Specifically, the three strategies of multimedia, virtualization, user sinking, and rejuvenation have been adopted, thus improving the daily activity of Weibo and the activity of users, making Weibo an important platform for enterprise marketing. The "second spring" of Weibo comes from the change in the platform's content focus. YouTube Shorts is an entertainment interest community that attracts more stars to participate, and the drainage effect is obvious, which is conducive to building a richer user relationship chain.

4.3. Reasons on Value Strategy

At present, the content topics on the YouTube Shorts platform are relatively scattered. In addition to the head news and video information, there are also rich life themes such as food, pets, sports, fitness,

and talents. These types will have the ability to expand their scope in the future. In addition, various short video social media platforms are guiding the health and intellectualization of video content. In the subdivision field, there will be a significant number of more skilled content creators who will focus on video creation at the same time.

Over time, social media platforms will have more information to offer, including more advanced content like finance, science popularization, and culture. As a result, YouTube can increase its added value by improving the introduction of intellectual content and broadening content boundaries. Nowadays, the platform's entertainment-oriented short video content has gotten increasingly crowded. Not only does the addition of knowledge material address public demands, but it also serves as a helpful remedy against the "over-entertainment" of platform content. YouTube Shorts makes its first step into the knowledge video sector, hoping to create a better buffer against the encroachment of rival platforms. Domestic platform websites have made significant developments and improvements in this area, achieving specific results. For instance, during the epidemic, Bilibili, in partnership with renowned universities like Peking University, Tsinghua University, and Fudan University, introduced a unique topic on "suspension of classes and non-stop learning" through live lectures. This initiative drew in a significant number of renowned educators, including Dai Jianye and other esteemed professors, who were highly professional and possess extensive knowledge relevant to the needs of young people. As a result, the enthusiasm for learning was greatly heightened. Following that, Bilibili launched popular science knowledge content about China's human spaceflight and other relevant resources, expanding its knowledge content to include the aerospace field. In December, the story of "Zhou Guanyu becoming the first official F1 driver in China" garnered significant attention. This racing science popularization series has taught many people about Formula One racing, indicating that Bilibili's knowledge base is always expanding.

5. Conclusion

Global Internet users and usage time have shown an accelerated growth trend in the past few years, and the production of video content by users has become the main content form of mainstream social media around the world. The market saturation is constantly improving. With the increase in short video platforms, market competition is becoming increasingly fierce, and many platforms are facing the problem of stagnation in user growth. Based on such an environmental background, this article analyzes YouTube Shorts' commercial marketing and investigates the strategy formulation that helps YouTube stabilize its position in the short video market. Using YouTube's YouTube Shorts operation as a case study and the marketing mix theory, this article explores the factors that influence short video media marketing, specifically the frequency conversion strategy, multi-functional strategy, and value strategy, and provides insightful perspectives and recommendations based on these factors.

Through the above series of empirical analysis and case exploration, the final conclusion of this article is to help short video media build core competitiveness through the combination of content differentiation, functional improvement, and value enrichment. In this field, the research process has once again validated the practicality of the marketing mix theory of 4Vs. Additionally, a cautionary note is included regarding the potential future development of homogenization in the short video industry. However, when this topic is explored, the process of thinking is not comprehensive enough. The final advice was only given from the perspective of YouTube, ignoring more situations. Furthermore, the scope of this article's subjects is not wide enough, and the number of samples is not large enough; therefore, there are still some limitations in sorting out data and summarizing analysis. Secondly, due to the complexity of the whole project investigation, this article does not analyze every problem and aspect of the marketing strategy and instead puts forward the corresponding marketing strategy. Therefore, in our future studies and research, multi-angle and multi-case comparative analysis can make up for these shortcomings and make the analysis more systematic.

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