

# ***Research on the Development Strategy of TikTok Based on the Perspective of SWOT Analysis Method***

**Xie Yuqin<sup>1,a,\*</sup>**

*<sup>1</sup>Shimen Middle School, Guangming Huabanli, Nanhai District, Foshan City, Guangdong Province, China*

*a. 1904158628@qq.com*

*\*corresponding author*

**Abstract:** The short video industry in China has been growing rapidly in recent years, with the number of daily enrolled and active client on the platform illustrating an increasing growth trend. Based on the development of TikTok in recent years, this paper ranks its strengths, weaknesses, opportunities and threats in a SWOT matrix, conducts a comprehensive analysis of the matching results and discusses its future development strategies. The results of the study show that TikTok still has essential strengths and weaknesses in the short video industry and that it needs to change some strategies to improve its competitive-ness in the face of increasingly fierce competition. Furthermore, by understanding the market environment in which the platform operates and combining it with its strengths and opportunities, it can help TikTok's future development.

**Keywords:** TikTok, SWOT Analysis Method, Mobile Short Video, Information Cocoon, Platform Economy.

## **1. Introduction**

With the rapid development of new media in recent years, the mobile Internet has penetrated millions of households in China, and short videos as an emerging model of communication, with its "short, precise and strange" characteristics, have won the favour of more and more users. It allows users to create their own short 15-second music videos by choosing their music interface and adding special effects such as beauty and slowmo. However, as a community platform for all ages, there are still many controversies and threats. Therefore, this paper will analyse the strengths and weaknesses, opportunities and threats of TikTok as the research object, and provide corresponding strategies.

## **2. Literature Review**

With the rapid development of information technology and new media in China, the short video industry is expanding rapidly, among which TikTok is widely discussed as the leader of this industry. Zhang Luzheng and Mei Guoping[1] explained the value of the role of TikTok in government affairs and the current state of construction through literature analysis, platform practice and expert consultation, used the SWOT matrix to analyse the strengths, weaknesses, opportunities; and threats of the development of TikTok in government affairs, proposed alternative development strategies, and used the QSPM evaluation model to quantitatively analyse and compare the development

strategies of TikTok in government affairs. Li Li et al[2]summarized the global development experience of TikTok, it is confirmed that when the pursuit of the number of resources encounters a bottleneck, we should adjust our strategy and based on precise identification of development opportunities, insight into customer needs, understanding of market characteristics and mastering the unique properties of the resources themselves, try to rationalize the allocation of limited resources to bring valueadded.In addition, within the short video industry, Kwai, which is alongside with TikTok, has also been interpreted by scholars, such as Pang Dongsheng[3], who analyzed the problems in short video marketing through the study of short video marketing on the Kwai platform and proposed operational countermeasures for short video marketing. Wen Yuan's discussion [4] starts from the business model and uses the three elements of value positioning, business system, and profit model to analyze the characteristics of the business model of Kwai Express, to explore the innovation of the business model of express apps in the future.

Regarding the whole short video industry, many scholars have also given their insights. Ao Peng[5] believes that the future development of short video will be further characterized by quality content, rich information and refined communication, and become a key hub for cross-border connectivity and integration. Fu Dianjun [6] led a thorough examination and appraisal of the advancement of the short-form video industry and recorded the issues and turnkey solutions of the ongoing short-form video industry in the space of platform, users, and market-based on existing information cases.

Based on the above-mentioned existing literature, there are four main possible contributions of this paper. Firstly, in terms of the research topic chosen, although there are many studies on the short video industry today, the topic of the strengths, weaknesses and opportunities and challenges of the platform TikTok is very novelty, and it can be seen that the research content of this paper: the study of TikTok development strategy based on the perspective of SWOT analysis method, is exactly what is still lacking in the existing research literature. Secondly, in terms of research methodology, this paper explores the strengths, weaknesses, opportunities and threats of TikTok through the use of SWOT analysis, and also considers the negative impact of the information cocoon on TikTok. Thirdly, in terms of the research sample, this paper uses real and authoritative data to supplement the argumentation process, and the data is comprehensive and new, which helps to draw more accurate, objective and time-sensitive economic conclusions. Fourthly, this paper provides targeted and personalized policy recommendations for the healthy development of the short-form video industry, and also provides Chinese cases, Chinese facts and Chinese experiences for the development of short-form video in other developing countries around the world.

### 3. SWOT Analysis

Short video generally refers to new video-type mobile media that uses the Internet and mobile smart devices (mainly smart phones and tablets) as a means and is based on mobile short video application apps. This is a few seconds to a few minutes. It's long, ready to distribute, has a short production cycle, has almost no cost, has a wide range of content, is highly original, unique, highly participated by Internet users, and is a free and flexible format. Currently, there are many definitions for this type of mobile short video, and there is no authoritative definition in academia. And now the rapid development of self media, the short video market has been favored by various capital, platforms, users, Kwain, Miaopai, Top-buzz, etc. have entered the industry, especially TikTok which possessed by ByteDance, has drawn in most of the brief video clients and has turned into an innovator in the brief video industry.

TikTok is essentially a music social short video in the form of PGC (Professional Generated Content, professional user production) + UGC (full name User Generated Content, generally refers to user-generated content) as the main body, with the tagline of "recording a better life". Users can pick their number one music and record recordings with different props given by TikTok, and by

changing the order of appearances and the speed, they can create personalized works. On this platform users can upload and share video content on curiosities, life and learning, buying and selling of goods, etc. They can also watch video content uploaded by other users. According to the "2020 TikTok Big Data Report", at the end of 2020, the average number of daily video searches on TikTok platform had exceeded 400 million, and the quantity of day to day dynamic users surpassed 600 million, which is currently occupies most of the short video app market, and is the more typical short video community in China.

This article will explore the industry pattern and development strategy of TikTok, a leading company in the short video industry, based on the SWOT analysis method. The SWOT analysis is a matrix of strengths, weaknesses, opportunities and threats, which is used to match and analyse various factors in order to draw conclusions and make decisions.

### 3.1. Strengths

The format is simple and the content is concise. The video content of TikTok can be viewed in a mobile or casual state and is generally between 15 seconds and 5 minutes in length. Video provides a better visual experience for the user and is more expressive than text or images. This allows the creator to convey the message he or she wants to convey to the viewer more realistically and vividly. The time constraint encourages users to show the specific content shortly and in a short, concise, compact and less drawn-out manner, especially in line with the current public tendency to fragmentation, entertainment and shallow online information habits, reducing the time cost of people to participate.

"UGC+PGC" co-existence model". The authors of the UGC are ordinary users, and the authors of the PGC are opinion leaders with expertise, qualifications and powers and specific powers in the field of content. TikTok's UGC model reinforces the user-centric mindset, thus fostering a sense of "ownership" among users. In just over a year since the launch of the model, TikTok's average daily video viewership has reached 2 billion. The value of TikTok's PGC lies in the use of head PGC to drive UGC and promote the rapid development of short videos through content creation. "The coexistence of UGC+PGC makes the relationship and interaction between learners in the TikTok community more viscous and stronger.

Advanced algorithms and intelligent push. TikTok's algorithm function can label users with different tags based on their following, retweeting, commenting, liking and completion of broadcasting in the video information stream. If the content is judged by the algorithm to be of interest to users, videos on related topics will be given increased weight and the amount of recommendations will gradually increase, resulting in stacked recommendations. Accurate orientation sniping often saves users from having to spend time sifting through them and can make them feel more goodwill and dependent on them.

Diverse fields and rich content. Initially positioned as a short music video software, the "TikTok app" gradually increased its content category as professional companies entered the market over the course of ongoing development. There are beauty videos of beauty experts, blogs of lifestyle bloggers, short animations of anime teams, sitcoms of professional teams, and more. The content of the app is constantly rich and diversified to meet the needs of different user groups for video content. A wide range of users and a diverse audience. Unlike other short video software such as "Kwai", "Xiaokaxiu" and "Meipai", which were previously influential only among young people, the "TikTok App" The range of users is very wide. In terms of age, it covers all age groups in terms of both publishers and viewers; and in terms of professional content, it is used by scholars, educationists, general workers, art and craft workers, and other professional groups.

### 3.2. Weaknesses

Single point of profit. TikTok's current profitability is mainly based on advertising revenue, however, users spontaneously have a natural resistance to advertising, after pushing ads users can simply slide not to see or click not interested, based on TikTok's pushing mechanism after the push will reduce the push of advertising. At present, there are also links to videos and anchors on TikTok, but these links invariably go to third-party shopping platforms, which is not very profitable for TikTok, which has invested hundreds of millions of dollars of its own money in attracting traffic to others.

The formation of an "information cocoon" (narrowing of information exposure). TikTok will recommend content that users like based on their preferences. After viewing the "selected" videos filtered by the TikTok platform, users immerse themselves in a single, recommended video content and isolate them-selves in a rich and colorful world of information. Living long in the cocoon of information is especially so when gaining the approval of an "alliance" that is easily led by blind self-confidence and narrow-mindedness, who inevitably accept their own prejudices as true and reject the intrusion of other rational views. It is easy to develop into extreme thinking.

The difficulty of content review and gate-keeping. Inevitably, TikTok's content is currently uploaded by users themselves, and despite the fact that 500 million users generate large amounts of content each day, there is limited monitoring by human and machine algorithms. There is a loophole in monitoring. Relying on reports and other methods to block and delete problematic videos. However, such an approach is definitely inadequate. The video had enough clicks and traffic from the time it was posted and couldn't be deleted, so the negative impact couldn't be completely eliminated.

Uneven quality of goods. The quality of the products sold on TikTok has been criticized, and the mix of fake and non-existent products will undoubtedly have a fatal impact on the long-term reputation of the software and the accumulation of users. According to "Neteconomy's Dianshubao" database, Tik-Tok e-commerce is suspected to have problems with refunds, quality of goods, inconsistencies, false promotions, after-sales service and online counterfeiting.

Weak business model and competitiveness at capital level. Kwai appeared on the market before Tik-Tok, grabbing a large number of customers. The homogeneity of content has led to TikTok's weak competition with similar platforms in the development of its business model, which has put it in a disadvantageous position. Therefore, TikTok can only use its more attractive content to compete with him, which increases operating costs to a certain extent. After the listing of Kwai, the capital level is likewise a danger to TikTok, and TikTok's listing plan is probably going to be pushed ahead, while at present, the separation of correlation, technology sharing and data sharing among Bytedance's various products is protracted task, resulting in TikTok being at a temporary disadvantage at the capital level.

### 3.3. Opportunities

The presence of official, mainstream media. Under the guidance of the Mobile Bureau of the State Internet Information Office and the Beijing Internet Information Office on 31 August 2018, TikTok launched the launch ceremony of the government media number growth plan in Beijing, with dozens of government and media organizations, including the Strategic Support Force, the Ministry of Foreign Affairs, the Ministry of Ecological Environment and the National Health Commission, releasing their official TikTok accounts. The presence of official and mainstream media shows from the side that TikTok has been actively responding to national policies and promoting the main theme, which will be beneficial to TikTok's sustainable development in the future.

Internet device performance enhancement. The number of Internet users in general reflects the size of a country's Internet industry market and reflects a country's level of modern development. Figure 1 shows the development trend of the number of Internet users in China from 2000 to 2020. As can

be seen from Figure 1, the number of people using the Internet in China has been on an upward trend and increased sharply after 2005, reaching a qualitative leap with the overall number of people exceeding 100,000,000 by 2020, which shows that the level of modern development of the Internet in China has been increasing. Table 1 shows the descriptive statistical analysis of the number of people accessing the Internet in China from 2000 to 2020. The standard deviation is 33593, meaning that the number of Internet users in China over the past 20 years is highly discrete and volatile, further reflecting the high speed of China's Internet development; by comparing the maximum and minimum data, the number of Internet users in China has risen from 22.5 million in 2000 to 103.2 million in 2020, with the number of Internet users over the past 20 years achieving a cross-range grow.

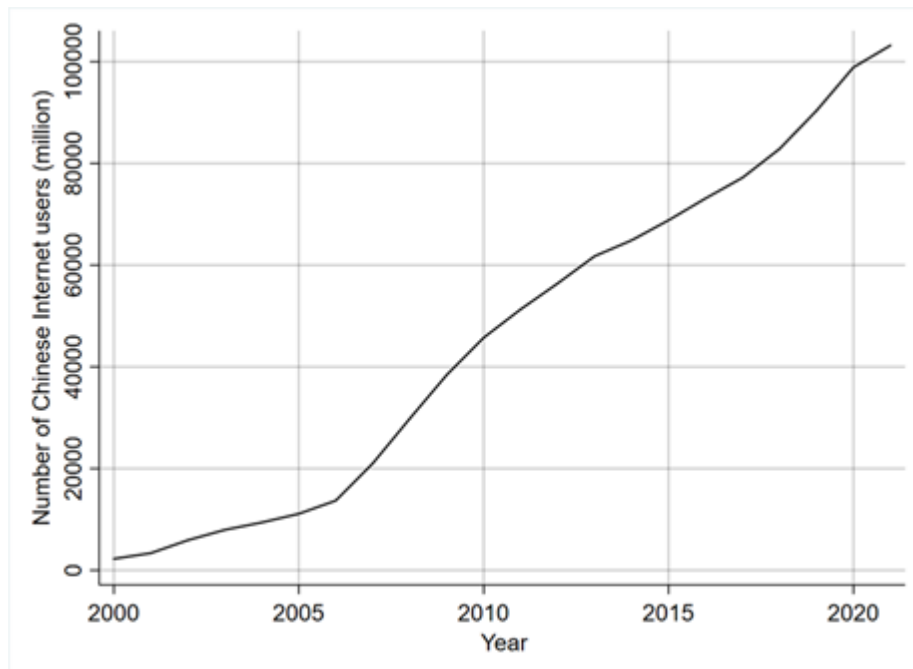


Figure 1: Number of people with Internet access in China from 2000 to 2020 (million), Data source: National Bureau of Statistics of China

The reason behind this is the rapid development of mobile smart devices and the continuous development of network technology from 2G, 3G, 4G, and now 5G, although the internet is getting faster and faster, prices are relatively low. People can record their lives anywhere, anytime with the convenience of their devices and upload them to an app, while for viewers they can "swipe" videos for leisure and relaxation anywhere, anytime. The increase in internet speed and improved network facilities have laid a solid foundation for smooth, high-definition playback of TikTok videos. Moreover, the quantity of internet users in China actually has space to become contrasted with the populace base of 1.4 billion. Therefore, it can also reflect that the development prospects of Chinese netizens are a cornerstone for the further increase in the number of users of TikTok short video.

Table 1: Descriptive statistical analysis of the number of people accessing the Internet in China, 2000-2020(Data source: National Bureau of Statistics of China).

Variable	Obs	Mean	Std. Dev.	Min	Max
Internet access (million people)	22	46246	33593	2250	103200

The mass production of short videos. The creation of short videos has indeed given many ordinary "grassroots" people a following and attention, so they have started to make short videos, leading to a

gradual mass production of short videos. The growing group and culture of "slash youth" will bring a lot of users and creators to the "TikTok App".

Fragmentation of leisure and entertainment time. In contrast to the high pressure of work and life, people find it difficult to spend long hours on leisure and entertainment activities. It is also very popular for its easy switching of videos

### 3.4. Threats

Competition in the industry is becoming increasingly fierce. With the success of the innovative model of "Tik Tok App", many other short video software such as "Xiaohongshu", "Meipai" and "Kwai" are also increasing the number of registered users and the average number of users per day. The number of registered users and the average number of active users per day are increasing geometrically, challenging TikTok's market position.

Stronger government regulation. With the advent of the Internet era and the new media era of big data, the state is paying more and more attention to the problems that may arise or have arisen in the new media, and regulation is increasing. With the establishment of relevant laws and regulations, If TikTok does not fix the bug as soon as possible, it will be forced to correct by the authorities, which will have a devastating impact on TikTok.

Increased awareness of originality and copyright. With the development of society and the improvement of public culture, the public's awareness of originality and copyright is gradually awakening and becoming stronger. However, there is a lot of plagiarism, imitation, and wordplay in the "TikTok App", which has led to the dissatisfaction of many users. At present, there is no reasonable and effective solution to this problem in the "TikTok App", so the long-term development will accumulate the distrust and resistance of the public towards the software.

## 4. Conclusions and Policy Recommendations

TikTok, which is the most outstanding product of ByteDance, has become the leader of China's short video industry since its launch in 2016, with an ever-increasing number of users. This paper explains and analyses the advantages of TikTok, such as its concise format and refined content, "UGC+PGC" co-existence model, advanced algorithm and intelligent pushing, diverse fields, and rich content, wide range of users and diverse audiences; Notwithstanding, there are several weaknesses, for example, single profit point, narrow information contact, difficulty in content review and gate-keeping, uneven quality of goods, weak business model and competitiveness at capital level. TikTok is facing opportunities from the presence of official and mainstream media, improved performance of internet devices, mass production of short videos and fragmentation of leisure and entertainment time; it may be under threat from increasing competition in the industry, stronger government regulation and increased awareness of original copyright. The details can also be found in Table 2.

TikTok, which is the most outstanding product of ByteDance, has become the leader of China's short video industry since its launch in 2016, with an ever-increasing number of users. This paper explains and analyses the advantages of TikTok, such as its concise format and refined content, "UGC+PGC" co-existence model, advanced algorithm and intelligent pushing, diverse fields, and rich content, wide range of users and diverse audiences; Notwithstanding, there are several weaknesses, for example, single profit point, narrow information contact, difficulty in content review and gate-keeping, uneven quality of goods, weak business model and competitiveness at capital level. TikTok is facing opportunities from the presence of official and mainstream media, improved performance of internet devices, mass production of short videos and fragmentation of leisure and entertainment time; it may be under threat from increasing competition in the industry, stronger government regulation and increased awareness of original copyright. The details can also be found in Table 2.

The implications of the conclusions of this paper are the following four points. First, relying on its current near-monopoly market position and based on the advantages of TikTok's "UGC+PGC" co-existence model, it can strongly encourage general users to post their original videos on the platform and give Tik Tok rewards or stream subsidies; TikTok can also regularly release original short video contests to guide innovation and solve the problem of narrow access to user information. Moreover, it can also regularly publish original short video competitions to guide innovation and solve the problem of narrowing user access to information, while highlighting the differences between TikTok and other homogenous soft-ware to enhance the industry's competitiveness.

Table 2: SWOT Analysis.

SWOT	Contents
Advantages	Concise format and refined content; "UGC+PGC" co-existence mode; advanced algorithm and intelligent push; diverse fields and rich content; wide range of users and diverse audiences.
Disadvantages	Single point of profitability; narrow access to information; difficulties in content review and gate-keeping; uneven quality of goods; weak business model and competitiveness at capital level.
Opportunity	Official, mainstream media presence; improved performance of internet devices; mass production of short videos; fragmentation of leisure and entertainment time.
Threats	Increasing competition in the industry; stronger government regulation; increased awareness of original copyright.

Secondly, it uses its own powerful algorithm function to exclude and censor videos involving infringement from the root, and mandates the binding of ID cards at the beginning of user registration, thus reducing user violations to a certain extent.

Thirdly, we make full use of the opportunities presented by official and mainstream media to promote the fact that TikTok has always responded positively to national policies and cooperated with government regulation, thereby improving the quality of its videos.

Fourth, based on UGC and big data advantages, combined with hot videos, comprehensive video scripts after using big data to write innovative scripts for sale, thus allowing TikTok to add another way to profit with less investment and not rejected by users, in addition to advertising revenue.

## References

- [1] Zhang, L. Z., Mei G. P.: *Research on the optimization path of governmental Tik tok based on SWOT analysis. E-Government* (09), 113-124(2019).
- [2] Li, L., Su Z.Q., Lv C.: *Research on Globalization Development Strategies of Mobile Internet Products: Taking Tik-Tok as an Example. Management Modernization* 41(01), 44-47(2021).
- [3] Pang, D.S.: *Short video marketing development strategy of Racer platform. Office automation* 26(02), 35-36+39(2021).
- [4] Wen, Y.H.: *Exploration of short video business model: based on Racer Extreme Edition . Western Finance and Accounting* (12), 78-80(2020).
- [5] Ao, P.: *Research on the development pattern, characteristics and trends of short video industry . Media Watch* (09), 16-22(2019).
- [6] Fu, D.J.: *Short video industry development analysis report. China Business Theory* (23), 20-22(2019).