Research on the Business Ecosystem of China's Network Micro Video

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ABSTRACT

After more than 10 years of development, the business model of China's network micro video has become more and more mature at present, which gradually forms a relatively perfect business ecosystem. The three core elements of business system of China's network micro video are described in this paper: content producers who provide high-quality micro-video, operators who build evaluation system, advertisers who take the opportunity to do brand marketing. For evaluation on the commercialization of network micro video, the author thinks: micro video commercialization cannot be blindly excluded, but it requires certain laws and regulations, industry standards to carry out effective control, so that achieve a balance between culture and business, thus laying a solid foundation for the development for the micro video industry.

KEYWORDS

Internet, micro video, business ecosystem.

INTRODUCTION

The domestic video website market is hot. In 2006, Youku, Tudou, Six rooms and other video websites emerge, the entrepreneurial teams behind it all dream that one day can achieve great success like YouTube, but the real situation is that high operating and management costs cause a large number of video websites to face a serious survival crisis, the cases which is forced to be closed or transformed occur.

After more than 10 years of development, the domestic video website market has stabilized, the video website that Youku Tudou, iQIYI, Sohu video, Tencent video several major Internet magnate distribute occupy the most of market share, even two dimensions video platform Acfun and bilibili behind 10 million post-80s generation and post-90s generation user groups have been subordinated by the Internet magnate as well. Part video websites in segmentation field begin to transform to live, "video+ e-commerce" and other directions.

Of course, the existent great potential values of micro video are successfully liquidated, which cannot be limited to the video website, WeChat and microblog and other social media platform, we media entrepreneurs, live platform, film and television production companies, advertising companies have the opportunity to share cakes from the micro video field.

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Nowadays, micro video has been fully penetrated into our daily life and work, for Internet users in the mobile Internet era. Internet users, so long as pick up the smart phone, we can anytime, anywhere enjoy the vision impact that micro video bring. The micro video brings great changes to transmission model and consumption habits of people, which will burst into the enormous energy in the future.

**BUSINESS ECOSYSTEM BEHIND THE MICRO VIDEO**

**Producer: provide premium content**

The network platform plays an increasingly critical role in the production of video products in the Internet era. Compared with highly specialized, systematic film, TV series, large documentaries and other video products, micro video products are very popular, common, and with the rapid development of some application software (Take the master, KK video recorders, etc.), photography tools (smart mobile phones, video recorders, etc.) and video publishing platform (Youku, iQIYI, etc.), production thresholds of micro video are significantly reduced.

Specifically speaking, there are three core players in the micro video business ecosystem, as shown in Figure 1-4, namely, content producers, network operators, advertisers. In the following, we first analyze the role of content producers in micro video commerce:

The content producers of micro video are mainly young groups in the early stages of development; these groups often play non-core roles in society, so they have a strong demand for social identity and personality, which has gotten the most direct expression in micro video content aspects.

But with the growing of network video industry, the released powerful energy attract a lot of professional video content producers, and it also means that the network video production gradually from the user-generated content UGC stage to Professional Generated Content PGC stage. When those ordinary network video producers express...
their own personality, they also begin to focus on seeking profit returns. And online interactions are used to create content products in line with user needs; it is undoubtedly the key that the micro video products can achieve realization of value.

In reality, many micro video creators will interact with users through social media platforms such as microblog, Wechat and so on before generate content, thus helping themselves to identify the right script and theme. When generate series of products, micro video creators will gain the user's feedback online as well, so as to continue to optimize and adjust the micro video. For example, the first domestic network interactive TV play "Y.E.A.H" broadcast every Monday to Friday, production staff interact with users at weekend, and open the online vote, so as to adjust its content.

In order to meet the needs of users and adjust the video content, which will become a mainstream development trend of the future micro video creation of. Interactive TV series, micro movies that Internet user are widely involved in like online games, and it allow users to select the different options in the key points of plot by interactive way, thus directly affecting the final outcome. This participation sense and sense of experience will dramatically improve users’ loyalty and paying desire, and ultimately train users’ consumption custom to pay for premium content.

Operators: build evaluation system

These "operators" are mainly what Youku, Sohu, iQIYi video websites represent. In order to achieve the acquisition of massive user traffic and achieve the ultimate goal of value realization, the major video websites establish cut-in content evaluation system from the C-side net users, and have a profound impact on the creation model of micro video with this system.

Set up various types of list to directly display Internet users’ preferences

Video websites launch various ranking lists to make micro video creators better understand the interests and hobbies of Internet users, for example, there are daily, weekly, monthly and annual ranking lists, and ranking lists in accordance with the animation, movies, TV play, entertainment information and the ranking lists with different subject matter, and even users’ favorable comment list, the users’ heated discussion list.

Influence creators to generate content by content arrangement

For different micro videos, the video websites assign a different display area in the page. In addition to the development condition of the site itself, the Internet users’ views, market trends and the current hot spots are also important factors affecting the distribution position of micro video.

Video websites will also give some rewards for premium content, for example, Sine will classify original content uploaded by creator in accordance with the video playback amount, comment numbers, searching times and other index, qualified creators can get 50-1500 Yuan bonus every day.

Carry out video contest to explore and cultivate creative groups

The production methods of micro video in current video websites are mainly two: one is that users through their own smart phones, cameras, PC computers and other equipment produce UGC video; the other is that the video website create or cooperate with third-party professional content manufacturers create a micro-video, qualities of these video are usually higher, the production cycle are relatively long.
In the early stages of the development of video websites, video websites mainly rely on the UGC kinds video, although as the investment side join later, video websites have a certain production capacity and the ability to buy high-quality IP, but its UGC kinds of videos still have a high emphasis degree. Because all kinds of encouraging micro video sharing activities that major video websites launch, micro video production which lack effective norms and have relatively small scale begin to gradually develop to industrialized and standardized direction, the emergence of various premium micro video contents provide an unprecedented visual feast for Internet users.

**Advertisers: content embed advertisement**

Among the main participants of three micro video productions, advertisers are the most influential for micro video production business logic. The advertisements in micro video are different from various types of hard advertisement that advertisers run in the traditional media, advertisement and content achieve the perfect fusion in micro video.

**CARRY OUT VIRAL MARKETING WITH SEEDED VIDEO**

The micro video which can be called "seed video" often have rich creativity and imagination, which can achieve rapid spread in the Internet like virus, for example, Baidu has launched the "Tang Bohu" series of short films, only go online one Month, its forwarding number reached tens of millions of people, and its production costs are only one hundred thousand yuan.

The logic of viral marketing is to provide users with premium content with strong topicality, and guide users to actively forward with a certain incentive, thus the product which integrate the marketing content rapidly spread in the user's social network, finally achieve the goal of promoting new products or enhancing brand awareness for enterprise.

**EMBED BRAND IN MADE-TO-ORDER DRAMA / MICRO-FILM IN DEPTH**

Advertisers directly generate micro video with the individual or organization that provide content through cooperation, they tend to have discourse power in video content, subject matter, casting, props, music and so on, it can be seen as a kind of ads short to customize advertisers Tailored. The logic that these kinds of micro videos play the marketing effect is that advertisers integrate product, consumer concept, brand concept and other characters and plot in-depth, when allowing users to enjoy the video content, at the same time, it can also promote the marketing of products and services.

**ABSORB PHOTOGRAPHERS’ POWER TO PARTICIPATE IN UGA VIDEO PRODUCTION**

UGA (User-Generated Advertising) is that the video websites establish a connection relationship for content creators and advertisers, so that Internet users help enterprises generate micro video advertisement, thus achieving multi-win situation.
Many video websites are cultivating a number of high-quality photographers group, and make the photographers groups create micro video content for advertisers:

Jointly hold micro video events with advertisers

In September 2006, Ku6 network and Yili group jointly organized the "Yogurt China's first Ku6 micro video competition", one of the conditions is that micro video created by the contestants need to promote marketing for Yili yogurt.

Create hot marketing events for advertisers

With the influence of the photographer groups, create a hot marketing event for advertisers, combined with the joint reports of numerous social media organizations, and can produce a powerful communication effect.

Youku has launched "ruminate afternoon tea" activity for the world's largest tea brand Lipton, users who participate in activities and register can give their friends an afternoon tea provided by Lipton, tea users who receive tea must use video equipment in hands photograph process of receiving tea and share to Youku platform.

Some video creators with real creativity and passion do have the ability to make their own micro video works not affected by commercial factors. But more and more video websites through established content evaluation standards based on value realization, micro video will introduce a large number of commercial elements, and imperceptibly influence the Internet users to recognize this product.

The Internet users deeply influenced by commercialized values is the key to decide content production of micro video finally. Under this environment, micro video content creators are difficult to make their products separate from the business logic of micro video creation led by video websites.

IRRESISTIBLE WAVE OF COMMERCIALIZATION

The business circles give two completely opposite answers to the question how commercialization affects micro video.

Pessimists said that micro video produces mass democracy and rebel forces, micro video as a we media, which allows many creators not to consider the political factors and value realization, not to commonly need to undergo a rigorous review, recruit professional production team and spend a lot of shooting funds and so on like production of the traditional film and television works, and arbitrarily express their own negative emotions.

Optimists said that under the influence of commercialization, micro video content will be greatly expanded, expression is more powerful. Although the young creators that emphasize the personality will make a certain distances exist in micro video, the value realization and mainstream culture. But after all this group is minority, in order to pursue the value realization, more and more creators will make their own micro video works develop to the entertainment and popular direction, and ultimately form a systematic and perfect micro video industry ecology.

In fact, in order to analyze the future development form of micro video, it should be based on its times background and business environment. In the early stages of development, many micro video works did show a certain rebellious color and negative emotions, but as more and more business and social elements continue to join, this work is already a non-mainstream presence, most Internet users do not recognize this work.
From the perspective of the creator itself, those young micro video creators may be in order to achieve their own "director dream", as ordinary role in the society, they do not have the powerful resources which professional directors have, but they want to use this kind of entertainment works with low cost and the strong communication effect, and attract wide attention outside the world, so as to obtain social identity.

Since the rise of micro video in the China, the domestic market has gradually been some premium works, like "Qian Duoduo’s Marriage"; "A Murder Caused by Mantou"; "Omega Supreme"; "Epic Records"; "Leifeng Man"; "Transportation during Spring Festival Period Empire" and other classic micro video works are enduring. The marketization processes of the various walks of life are accelerating under the continuous infiltration of the Internet, entertainment industry that micro-video subordinate is facing the rapid growth period, cultural commercialization; industrialization will become a mainstream development trend in future.

The micro videos which only speak feelings and out of business essence are hard to succeed, the Internet users are not strong like what pessimists imagined for commercial micro video works, as long as don't like traditional media generally rely on their own monopoly and exclusivity pushing hard advertisement, Internet users are more tolerant of commercial culture works.

Of course, commercialization and artistry of micro video should also be balanced, under the background that video websites, we media entrepreneurs, micro-film studio, opinion leaders, stars and other individuals and organizations are entering the micro video industry, we also need to pay attention to excessive commercial micro video, which have a lot of negative impact on society. For example, value evaluation mechanism with increasingly strong business elements established by some video websites has severely hampered the creator's imagination and creativity to play.

Although the production cost of micro film is relatively low, but many of these works are often created by student groups, they are unable to support themselves; so they have to rely on the support of advertisers. December 2011, Internet marketing service solutions provider "Advertising Door" and Sina jointly held the "Golden pupil Award micro film festival", the final selected winning work are all advertising works. In awards day, many people in the media said micro video will eventually evolve into one kind of extended version advertising film in accordance with this audit standard.

As a kind of entertainment works, micro video itself is neutral, and the video websites as a micro video mainstream carrier for profit-making purposes, which has been given a very high voice. But if accordingly to determine the future development direction of the micro video industry, it seems a bit one-sided, after all, compared to animation, film and television and other traditional works, the development time of micro video is relatively short, under the background that capital and entrepreneurs continue to come, who can become a master is not yet known in future.

The micro video is driven by the government's policy guidance and the huge potential consumer demand, the commercialization of micro video is an inevitable trend, and we want to make the micro video industry really burst out of its potential great value, it need the power of capital as well. Therefore, the commercialization of micro video cannot be blindly excluded, it is necessary to effectively control commercialization of micro video through certain laws and regulations, and industry standards, thus achieving a balance between culture and business, and it lays a solid foundation for the development of micro video industry.
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