

From Entertainment to E-commerce: Exploring TikTok's Multifaceted Business Model

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Abstract—This study provides a comprehensive examination of TikTok's multifaceted business model, illustrating how short-form video platforms have revolutionized social media from traditional text and image content to dynamic, visually-driven content. The paper analyzes TikTok's distinctive algorithms and immersive content strategies that redefine user engagement, along with its integration of advertising, e-commerce, and brand partnerships. Moreover, the research delves into TikTok's proactive solutions to regulatory challenges, highlighting its adaptability. Key insights are offered on the future of social media marketing, underscoring the significance of short-form video content and the potential of an integrated e-commerce experience, as well as the necessity for flexibility in regulatory compliance. The findings suggest that TikTok's approach can serve as a model for other platforms aiming to engage contemporary digital audiences effectively.

Keywords—business model, social media, TikTok

I. INTRODUCTION

In the digital era, the evolution of social media has been marked by a significant shift towards more dynamic and interactive forms of content. Initially dominated by platforms like Facebook and Instagram, which focused on text and image-based communication, the landscape has undergone a transformation with the advent of short video platforms. This new genre of social media, characterized by its brevity and visual appeal, has quickly captivated a global audience. In 2013, the average time spent on social media globally was 97 minutes per day. By 2018, this number reached 142 minutes, an increase of 0.75 hours from 2013, and the average time spent on social media globally increased by almost an hour by 2022 (Oberlo, 2022). So, it is evident that the emergence of short videos has made social media an integral part of people's daily lives.

The rise of short video platforms, epitomized by TikTok, represents a pivotal moment in social media's evolution. Unlike traditional platforms, short video platforms engage users through concise, visually-driven content, offering a fresh and immersive experience. TikTok, in particular, has harnessed the power of these short, engaging videos to capture and retain user attention, setting new standards for content creation and consumption. Its unique algorithm, catering to individual user preferences, has redefined user engagement, making TikTok not just a platform for entertainment but a powerful tool for digital marketing and brand promotion.

TikTok's business model, revolving around advertising, e-commerce integrations, strategic brand partnerships, and regulatory compliance, has proven lucrative. The platform's approach to advertising, leveraging in-feed ads and Key Opinion Leader endorsements, demonstrates the

effectiveness of integrating commercial content seamlessly within the user experience. Furthermore, TikTok's foray into e-commerce, particularly with the launch of TikTok Shop, illustrates the seamless blending of entertainment and shopping, a trend that is reshaping consumer behavior. The platform's strategic partnerships, such as those with Disney and major music streaming services, have broadened its appeal and diversified its content, further strengthening its market position. Additionally, TikTok's proactive approach to regulatory challenges, particularly in data security and privacy, highlights the importance of adapting to the ever-changing digital landscape.

In essence, TikTok's meteoric rise and its innovative strategies offer critical insights into the future of social media marketing. The platform's success underscores the growing importance of short video content, the potential of integrated e-commerce experiences, and the need for agility in addressing regulatory and security challenges. As the digital landscape continues to evolve, TikTok's model provides a road map for other platforms seeking to captivate the modern digital audience.

The structure of the remainder of the paper is as follows. Section II presents information about the development of the short video industry and its business model. In addition, this section gives details of the relevant existing literature. Section III presents a discussion of the implications of our main findings. Section IV ends with conclusions.

II. SOCIAL MEDIA MARKETING

In the context of exploring the business models of short video platforms, understanding the broader landscape of social media is crucial. Social media, as defined by Leonardi *et al.* (2013) and Manning (2014), is a digital medium that enables interactive communication and content sharing. Its trans-formative impact on marketing strategies is undeniable. As Killian & McManus (2015) note, social media marketing, which leverages platforms like Facebook, Twitter, Instagram, and YouTube, is pivotal for enhancing brand awareness, increasing sales, and fostering consumer loyalty. Companies have embraced social media to engage with audiences, share information, and build brand recognition (Hayes, 2024).

Social media marketing, as described by Killian & McManus (2015), entails crafting content specifically for each platform to bolster user engagement and business growth. Recognized as a crucial tool for comprehending audience interests, social media aids businesses in achieving sustainable growth. Its effectiveness in expanding market reach and influencing consumer behavior is crucial. Engaging content on these platforms not only increases brand awareness but also the likelihood of sales, as noted by

Samosir *et al.* (2023) and Shih *et al.* (2014). Additionally, it fosters long-term customer relationships through interactive customer service and tailored product recommendations, thus enhancing loyalty.

This shift towards digital interaction and marketing has paved the way for the emergence of short video platforms. While these platforms are a subset of social media, they bring unique elements to the digital marketplace. They encapsulate the essence of social media's interactive nature but with distinct features that cater to contemporary users' preferences for concise, engaging content. The rise of platforms like TikTok indicates a significant evolution within the social media sphere, where traditional methods of content creation and marketing are being reshaped (Samosir *et al.*, 2023; Shih *et al.*, 2014).

III. THE DEVELOPMENT OF SHORT VIDEO PLATFORMS

In the dynamic realm of digital communication, short video platforms have become trans-formative forces within social media, redefining both content creation and consumption. Manning (2014) aptly characterizes social media as a web-based tool that facilitates information exchange, and short video platforms are the epitome of this definition. They offer a blend of simplicity in content production and rapid dissemination, making them appealing across various industries (Croteau & Hoynes, 2013). The appeal of these platforms lies in their fusion of popular music and engaging visuals, making them versatile tools.

The evolution of short video platforms began with Vine's launch in 2013, pioneering the short-form video format with six-second looping videos (Abidin, 2021). This novel approach garnered immense popularity and set the stage for future developments in this area. However, the real game-changer in the short video landscape was the advent of TikTok in 2016. TikTok, with its innovative algorithms and user-friendly interface, revolutionized the short video industry, prompting other major platforms, including YouTube, to adapt and incorporate short video content (Toscher, 2021). This marked a significant shift in the social media industry from traditional long-form to short-form video content.

These platforms have mastered the art of capturing consumer attention, a critical factor in the digital era marked by diminished attention spans. By effectively utilizing the brevity of content, these platforms deliver succinct messages that align with modern consumers' preferences (Yu & Xu, 2022). They employ various tactics to engage viewers, ranging from visually arresting graphics and animations to interactive challenges that ignite user participation and competition (Su *et al.*, 2020; Zhaoying, 2021). This interactivity not only enhances the user experience but also fosters a sense of community among viewers.

The influence of short video platforms extends significantly into the domain of social media marketing. As Appel *et al.* (2019) observe, the transition towards short video content has necessitated a shift in marketing strategies, emphasizing visual appeal, instant interaction, creativity, and entertainment. This shift has been particularly effective in attracting younger audiences, leading to increased engagement and popularity of these platforms.

The COVID-19 pandemic significantly altered user

behavior and consumption habits, leading to an explosion in the use of short video platforms (Chen *et al.*, 2020). For instance, by June 2023, China alone had 1.044 billion online video users, a notable increase from two years prior, indicating the platforms' massive reach and critical role in providing at-home entertainment during lockdowns. Among these, short video users accounted for 1.026 billion, showcasing the format's overwhelming popularity. As lockdowns confined individuals to their homes, the demand for at-home entertainment skyrocketed (Pan *et al.*, 2020). Short video platforms emerged as primary sources of engaging, bite-sized content, catering to diverse interests (Schellewald, 2023). User engagement surged as people not only consumed more but actively participated in content creation, fostering a sense of connection and creativity. Recognizing this shift, businesses increasingly utilized short video platforms for marketing and product promotion. These platforms also served as information hubs, delivering COVID-19 updates, safety guidelines, and educational content. They played a pivotal role in fostering virtual communities and shared experiences during a time of physical isolation. Consequently, the pandemic accelerated the industry's growth, solidifying short video platforms as integral to modern digital communication and entertainment (Dektiarova, 2024).

In conclusion, short video platforms represent a significant milestone in the evolution of social media. They have not only transformed the landscape of content creation and consumption but have also introduced new paradigms in social media marketing (Dwivedi *et al.*, 2021). Their adaptability to the changing preferences of their audience and the evolving digital landscape has cemented their position as a pivotal component in the realm of modern digital communication. These platforms are poised to continue shaping the future of social media interaction, content sharing, and digital marketing strategies.

IV. BUSINESS MODEL OF SHORT VIDEO PLATFORMS

A. Understanding the Business Model

A business model serves as the foundational blueprint outlining a company's operational processes, revenue generation strategies, and sustainability approaches (Casadesus-Masanell & Ricart, 2010). At its core, it defines the value proposition—what unique product or service the company offers and how it delivers value to customers (Spieth *et al.*, 2014). The model specifies target customer segments and outlines communication channels for engaging with them. It also defines customer relationships, whether through personal assistance, self-service, or automation (Sorescu *et al.*, 2011). Revenue Streams delineate the mechanisms for earning income, encompassing pricing strategies and various revenue streams (Zott & Amit, 2010).

Key Resources encompass an array of critical elements, including essential assets, cutting-edge technology infrastructure, and the vital human capital required to effectively deliver the value proposition (Lengnick-Hall & Lengnick-Hall, 2002). Meanwhile, Key Activities represent the pivotal processes that the company undertakes to create and distribute this value. Within the broader framework of the business model, key partnerships are identified,

elucidating the nature and significance of external collaborations that play a pivotal role in contributing to the company's operational processes and overall success (Creately, 2022). Additionally, the business model meticulously outlines the cost structure by providing a comprehensive breakdown of major expenses incurred throughout the phases of value creation and delivery, ensuring clarity and precision in financial planning and resource allocation (Sjodin *et al.*, 2020).

In today's rapidly changing business landscape, the ability to adapt and innovate within business models has become an absolute necessity (Chesbrough, 2006). Enterprises are compelled to maintain an ongoing process of analysis and refinement to remain in sync with the ever-changing dynamics of the market. They must be attuned to the rapid progress of technology, as well as the fluid nature of customer preferences (Gupta *et al.*, 2022). This adaptability and responsiveness are fundamental for effectively navigating the intricate and dynamic terrain of the business environment. In essence, flexibility stands as a linchpin, enabling companies not only to survive but also to thrive amid the multifaceted challenges and opportunities that arise.

Furthermore, the concept of scalability is often intricately integrated into the core of robust business models (Moro-Visconti *et al.*, 2020; van Limburg *et al.*, 2011). Scalability addresses the potential for growth and expansion, providing companies with a roadmap for handling increased demand and expanding market reach (Tippmann *et al.*, 2023). A scalable business model enables efficient and sustainable scaling without proportionately increasing costs (Täuscher & Abdelkafi, 2018). This scalability is particularly valuable as it allows companies to seize new opportunities, enter untapped markets, and adapt to changing environments without compromising operational efficiency (Picken, 2017).

B. Business Model of Short Video Platforms

Short video platforms operate on a multifaceted business model that integrates various revenue streams and strategic operational processes. Central to this model is the value proposition, offering unique content and interactive experiences to a broad audience (Grant, 2021). These platforms have revolutionized content delivery, merging entertainment with digital commerce and advertising (Wang & Zhang, 2012).

The primary revenue source for short video platforms is advertising (Yuan *et al.*, 2022). This includes sponsorships, brand collaborations, and targeted ad placements. By leveraging the vast user base and high engagement levels, these platforms offer a lucrative space for advertisers to effectively reach their audience (Haenlein *et al.*, 2020). The Social Media Advertising Market grew to \$207.08 Billion by 2023 and is expected to grow to \$247.29 billion dollars by 2027, such a huge number, underscores the significant role of platforms like TikTok in the advertising landscape, shown in Fig. 1.

E-commerce is another significant revenue stream for short video platforms (Xiao *et al.*, 2023). These platforms have seamlessly integrated shopping features, allowing users to make purchases directly through video links. This integration has not only boosted sales but also generated commission revenue for the platforms (Martínez-López *et al.*,

2019). China, with its large tech-savvy population, has been at the forefront of this trend. Live streaming e-commerce, popularized through influencer streams, has become a prevalent method for product promotion and sales. For instance, a live stream by the influencer Viya during Taobao's Singles Day 2019 event attracted over 43 million customers. By 2022, live stream shopping in China was projected to generate approximately \$423 billion in revenue, showcasing the immense potential and impact of e-commerce in the short video platform sector in China (China's Internet Report 2023).

In addition to traditional advertising and e-commerce integration, short video platforms are exploring subscription-based models to diversify their revenue streams (Klopčič *et al.*, 2020). A notable example is YouTube Shorts, which, along with the broader YouTube platform, offers a premium subscription tier known as YouTube Premium. This service provides users with an ad-free experience and exclusive access to YouTube Originals, enhancing the viewer's experience (Ørmen & Gregersen, 2023). Furthermore, these platforms often incorporate systems for virtual gifts and donations during live streams, creating an additional revenue channel. A portion of these proceeds supports the content creators, incentivizing the production of engaging and high-quality content (Wan *et al.*, 2017).

Lastly, these platforms leverage user data for monetization through licensing agreements with data analytic firms. This strategy involves selling insights on user preferences and behaviors to third parties for market research and advertising purposes (Klopčič *et al.*, 2020).

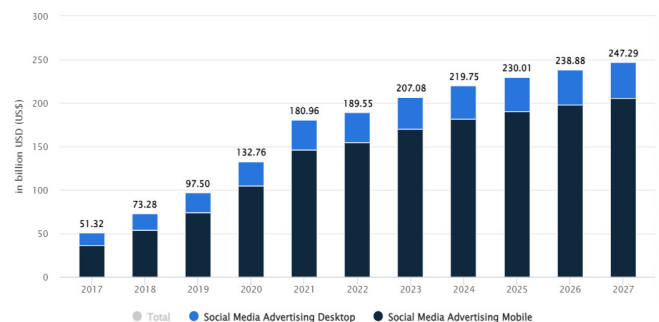


Fig. 1. Social media advertising market forecast and growth trend analysis.

V. CASE STUDY OF TIKTOK

A. Introduction on TikTok

TikTok is a popular social media application that was launched in September 2016 by Chinese startup ByteDance, locally known as Douyin in China. It allows users to create, watch, and share 15-second videos captured on a mobile device or webcam. Its name likewise alludes to the brief nature of the videos like the sound of seconds ticking on a clock. The software has attracted a huge user base based on its use of personality, quirky music, and sound effects in a very short period of time, and the ability to edit videos in a simple, zero-basics way, in 2021, TikTok has reached about 656 million users worldwide. This number is expected to grow by around 15% year-on-year, reaching 755 million users in 2022 and even a staggering 960 million users by 2025, shown in Fig. 2.

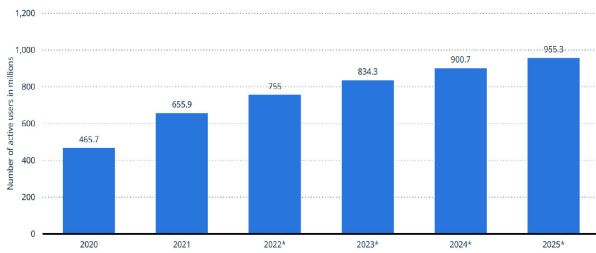


Fig. 2. Number of TikTok users worldwide from 2020 to 2025 (in millions).

TikTok's journey to success is intrinsically linked with ByteDance, as it was originally known as Musically—a short video app primarily centered around lip-syncing. After ByteDance's acquisition in 2018, it was rebranded as TikTok and experienced an unprecedented surge in popularity and user numbers. By April 2023, ByteDance, TikTok's parent company, had achieved a staggering valuation of around \$200 billion, solidifying its position as the world's most highly valued unicorn—a privately held company worth \$1 billion or more, shown in Fig. 3.

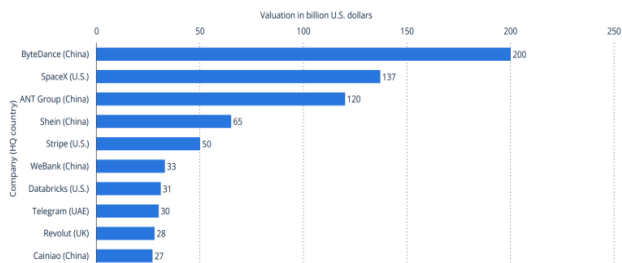


Fig. 3. Leading unicorns worldwide as of April 2023 (in billion U.S. dollars).

Although TikTok has faced political pressure to operate in some places, such as the United States, due to suspicions that “For You” on the TikTok app may be able to manipulate the behavior of users and may spread political messages that could adversely affect its U.S. election, these opinions and rumors have not only caused the ban on the use of TikTok in the United States to fail but have also not affected the extent of TikTok's influence in the United States and the world at large. However, not only did these public opinions and rumors make it Impossible to ban the use of TikTok in the United States, but they also did not affect TikTok's influence in the United States or the world at all. As of October 2023, the United States is by far the country with the largest TikTok audience, with over 143 million users of the popular social video platform. Indonesia is a close second with about 106 million TikTok users, shown in Fig. 4.

In essence, TikTok's journey from a Chinese lip-syncing app to a global social media sensation underscores the transformative power of technology and innovation in the digital age. Its impact extends beyond entertainment, as it has influenced digital marketing, content creation, and even the music industry. TikTok has become a cultural force, shaping trends, propelling artists to stardom, and offering a platform for users to express their creativity in bite-sized, shareable videos.

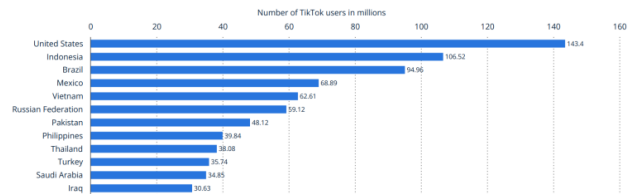


Fig. 4. Countries with the largest TikTok audience as of October 2023 (in millions).

B. Business Model of TikTok

1) Advertising

TikTok, renowned for its innovative approach to social media, primarily generates revenue through advertising. In 2022, TikTok's share of global advertising revenue reached 22%, surpassing YouTube's 15%, and generated \$11.64 billion in ad revenue. This growth is expected to double by 2024 and nearly quadruple by 2026, signifying TikTok's dominant position in the advertising and e-commerce landscape, shown in Fig. 5. The platform offers a comprehensive suite of tools and partnerships to enhance brand presence and consumer engagement.

TikTok utilizes two main advertising tools: in-feed ads and Key Opinion Leader (KOL) endorsements. In-feed ads, introduced in 2016, consist of short videos embedded with product links, providing easy access for users and generating revenue through clicks. KOL endorsements, launched in 2018, leverage influential individuals to create engaging content for brand promotion, further enhancing sales and advertising revenue.

Additionally, TikTok has expanded its advertising reach with the ‘TikTok for Business Marketing Partner Program.’ Launched as a significant enhancement to its advertising framework, the program collaborates with nearly 20 certified partners, each specializing in key areas of digital marketing. These partners assist in planning, creating, optimizing, and measuring marketing campaigns. The program also facilitates connections between advertisers and creative experts adept at producing content that resonates with TikTok's audience.

The effectiveness of TikTok's advertising strategies is rooted in its ability to tap into current trends and user preferences. By leveraging user data and insights, TikTok tailors its advertising to ensure maximum relevance and engagement. This targeted approach has been instrumental in its rapid growth and in attracting a diverse range of advertisers, from local businesses to global brands.

TikTok's strategic focus on combining entertainment with interactive advertising experiences also plays a key role in its success. Features like branded effects and hashtag challenges engage users in unique ways, blurring the lines between advertising and content. This innovative approach has not only endeared TikTok to users but has also provided advertisers with creative avenues to reach their target audience.

In conclusion, TikTok's multifaceted advertising model, marked by innovative strategies and diverse partnerships, positions it as a formidable force in the digital marketing sphere. Its continued growth and evolution in advertising reflect a deep understanding of the digital landscape and a commitment to providing value to both users and advertisers.

TikTok ad revenue worldwide 2020-2027

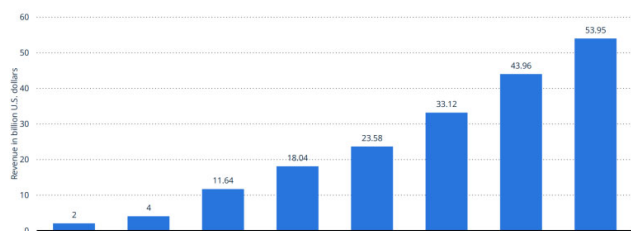


Fig. 5. TikTok advertising revenue worldwide from 2020 to 2027 (in billion U.S. dollars).

2) E-commerce

TikTok's impact on the e-commerce landscape has been transformative. In 2023, the platform significantly expanded its global e-commerce business, especially in Southeast Asia, reaching a remarkable \$20 billion in merchandise sales. This impressive growth is attributed to TikTok's algorithms, which are adept at turning videos into viral content, thus providing brands with unprecedented exposure.

The full-scale launch of TikTok Shop in the US has further bolstered its influence in e-commerce. Engaging over 150 million American users with content that spans fashion to culinary arts, TikTok Shop introduces shoppable videos and live streams. This integration of commerce into the "For You" feeds of users effectively blends community, creativity, and commerce into a cohesive and enjoyable shopping experience.

Moreover, TikTok Shop assists businesses by offering integration with significant commerce platforms like Shopify, WooCommerce, and Salesforce. This support is not limited to online ventures but extends to omni-channel businesses, incorporating partnerships with prominent multi-channel platforms.

TikTok's innovative approach has been a catalyst for change in social media, prompting other platforms to adopt similar strategies and solidifying the role of social media in successful e-commerce ventures. By harmoniously integrating shopping with entertainment and social interaction, TikTok has heralded a new era in e-commerce. The platform has become a source of inspiration for shopping, with six out of ten users turning to TikTok for ideas and products. This trend underscores the growing influence of social media platforms in shaping consumer behavior and preferences in the digital marketplace.

In conclusion, TikTok's strategy in e-commerce is a testament to the evolving digital landscape, where the lines between social media and commerce are increasingly blurred, creating a dynamic and interactive shopping experience for users worldwide.

3) Partnerships with brand

TikTok's strategic partnerships with prominent brands like Disney, Warner Music Group, the NFL, and major music streaming services have significantly boosted the platform's appeal, content diversity, and revenue streams. The collaboration with Disney, for instance, celebrating the company's centennial, introduced a dedicated content hub on TikTok, allowing fans to immerse themselves in Disney's rich portfolio, from theme parks to iconic movie franchises like Marvel and Star Wars. This partnership underscores Disney's creative influence and TikTok's commitment to

offering diverse, engaging content.

Further enhancing its music discovery dimension, TikTok's alliances with Amazon Music and Spotify through the 'Add to Music' App feature exemplify its innovative approach. This functionality enables users to save music tracks found on TikTok directly to their favorite streaming services, fostering a symbiotic relationship between TikTok and these music platforms. This not only broadens TikTok's appeal but also contributes to diversifying its revenue streams while supporting artists and rights holders.

These strategic partnerships have been instrumental in TikTok's growth. They've allowed the platform to merge user creativity with brand engagement and develop content that resonates with a wide audience. TikTok's ability to form partnerships with industry leaders reflects its influence in the digital arena and its agility in adapting to changing market dynamics. By continuously seeking new collaboration opportunities, TikTok has established itself as a key player in the digital space, adept at enhancing user experiences and expanding its market presence.

4) Regulatory challenges and solution

TikTok's global ascent, while remarkable, has not been without regulatory challenges, particularly concerning data privacy and national security. The platform's rapid expansion has drawn scrutiny from various countries, notably the United States and India. This scrutiny has revolved around concerns related to data privacy, national security, and content moderation, leading to regulatory actions and, in some cases, bans.

In response, TikTok has taken a proactive approach to address these regulatory challenges. A significant step in this direction is the introduction of "TikTok Truths," a series aimed at clarifying information about the data TikTok collects and how it is used, shared, and protected. This initiative is part of TikTok's effort to provide transparency and address common claims regarding its data handling practices. For instance, TikTok clarified that it does not collect precise GPS information in regions like the United States, Australia, and South Korea. The app also gathers keystroke patterns for security purposes and does not use biometric data like face or voice to uniquely identify someone. Instead, this data is used for filters, effects, and content moderation.

Another significant move by TikTok to bolster data security and user privacy is its introduction of passkeys for iOS devices, in partnership with the FIDO Alliance. Passkeys serve as a more secure alternative to traditional passwords, using encrypted biometric authentication methods. This feature ensures that biometric data remains on the user's device and is not accessible to third-party apps, including TikTok. By implementing passkeys, TikTok has enhanced the security of the login process, making accounts less susceptible to compromise and phishing attacks. This development aligns with TikTok's commitment to providing innovative ways for community members to secure their accounts.

These actions reflect TikTok's adaptability and commitment to global compliance. By engaging with regulators, implementing transparency initiatives, and investing in content moderation tools, TikTok has navigated

complex regulatory landscapes effectively. Additionally, the platform has fostered a safer environment for users, particularly marginalized groups, through partnerships and initiatives focusing on online safety. TikTok's collaboration in global cybersecurity competitions further emphasizes its dedication to broader cybersecurity concerns.

C. TikTok's Innovation Strategy

TikTok has recently implemented significant policy adjustments that have further enhanced its appeal and expanded its user experience. While TikTok's original foundation was built on the concept of short videos, it has evolved to encompass a broader spectrum of user interests, notably in the field of music.

TikTok's engagement with Luminate, a specialized entertainment data source, sheds light on its profound impact in the realm of music. This partnership involved a comprehensive analysis of music-related behaviors among TikTok users in the United States and the United Kingdom during the period from July 1, 2022, to June 30, 2023. The findings underscore TikTok's integral role in music consumption:

Firstly, TikTok users' active participation in music-related activities is remarkable, with a significant proportion of them paying for music streaming services—62% of TikTok users compared to 43% of the general consumer base. This data reflects TikTok's influence in encouraging users to embrace and invest in music consumption services.

Secondly, TikTok's audience exhibits a distinct preference for international music, surpassing the preferences of average music listeners. For instance, in the UK, TikTok users are 77% more inclined to discover and engage with global music artists compared to the typical music listener. In the United States, nearly half (46%) of TikTok users actively explore non-English music, which is 27% more likely than the general music-listening population. These statistics affirm TikTok's pivotal role in promoting diverse and international music content to its users.

These findings emphasize TikTok's ongoing commitment to shaping the music landscape while maintaining its core identity as a platform for creative expression and entertainment.

In addition to its endeavors in the music sphere, TikTok has also ventured into new dimensions of user engagement. Notably, TikTok has introduced the "Beyond the Mobile Screen" feature, enabling users to extend their TikTok experience beyond the confines of the app. Under this feature, TikTok videos find a place on bulletin boards, movie screens, and various public locations. Collaborations with brands have allowed TikTok to promote products and events, and the video with the highest engagement garners a spot on billboards and screens, attracting a diverse audience.

This innovation extends to bars, airports, and various public venues, where popular videos featuring in-feed advertisements not only entertain the public but also provide revenue through advertising fees. Importantly, this transition of short videos from mobile screens to real-world locations creates a more immersive experience for users and unlocks fresh possibilities for TikTok's continued development and growth.

In summary, TikTok's innovation strategy encompasses a

broad spectrum of user interests, including a significant focus on music, while also expanding into real-world engagement through the "Beyond the Mobile Screen" feature. These initiatives reflect TikTok's commitment to providing users with diverse, engaging, and immersive experiences that continue to set it apart in the digital landscape.

D. Key Insights for Social Media Marketing

In the ever-changing realm of social media, businesses can gain valuable insights from TikTok's strategies to shape their future marketing approaches. Diversifying revenue streams emerges as a top priority, with e-commerce integrations and innovative advertising formats not only boosting income but also enhancing user engagement. Personalization, driven by advanced algorithms, can significantly boost user interaction and time spent on the platform by tailoring the experience to individual preferences.

Strategic partnerships with brands become pivotal, enriching content offerings, expanding the user base, and creating new revenue channels. Additionally, investing in technological advancements like augmented reality and AI-driven features offers a competitive edge in a competitive market, enhancing the user experience and content interaction.

Addressing regulatory challenges, particularly in data security, becomes imperative. Social media companies must proactively navigate complex regulatory landscapes, establishing robust privacy policies, transparent data handling practices, and secure infrastructure to maintain user trust while preventing legal and reputational risks. Striking the right balance between innovation, user experience, responsible data management, and regulatory compliance is key to overcoming these challenges.

These strategies outline a comprehensive approach for social media companies, emphasizing the enhancement of user experiences, diversification of revenue sources, compliance, and staying at the forefront of technological advancements.

VI. CONCLUSION

In summary, this study comprehensively examines the transformative impact of short-form video platforms (specifically TikTok) on the development of social media. It emphasizes the shift from traditional text- and image-centric content to more dynamic, visually stimulating content, and the ensuing impact on user engagement and digital marketing strategies. The study also delves into TikTok's diversified business model that blends advertising, e-commerce, and strategic brand partnerships, demonstrating its efficacy in seamlessly integrating commercial content into the user experience. Additionally, the paper emphasizes the importance of strategic alliances and aggressive regulatory compliance to enhance the platform's appeal and flexibility in the intricate digital space. The insights gained from TikTok's victory provide valuable guidance on the future trajectory of social media marketing, emphasizing the importance of short-form video content, an integrated e-commerce experience, and adaptability to regulatory and security challenges, while TikTok can serve as a guiding light for the development of other social media platforms.

CONFLICT OF INTEREST

The author has claimed that no conflict of interest exists.

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