

Tik Tok Live Case Study

Team 3

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Contents



Here's what you'll find in our presentation about Tik Tok:

1. Current Business Model Canvas
2. STEEP Analysis of Tik-Tok
3. Uncertainties which Tik- Tok may Face in the coming three years.
4. Plausible scenarios with the uncertainties under consideration
5. DOTS
6. Competitors of Tik-Tok in the Marketspace
7. Short-Term and Long-Term Business Strategies of Tik-Tok
8. Forecasted Business Model Canvas

TikTok dominates the short form content market & AI based feed

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
<p>Cloud service providers</p> 	<p>Video Creation & Sharing, Content Discovery & Recommendation</p>	<p>Accessible video creation</p>	<p>Customer Support Creator Support Communities & groups User feedback & Engagement</p>	<p>Youth & Gen Z</p>
<p>Payment Processors</p> 	<p>Advertiser & Creator Support, Community Management</p>	<p>Best in short-form content</p>	<p>Interactive features Personalized content recommendations</p>	<p>Creators</p>
<p>Content Delivery Network</p> 	<p>Key Resources</p>	<p>Music & Lip Sync features</p>	<p>Distribution Channels</p>	<p>Brands</p>
<p>Tech & reach</p> 	<p>Proprietary video creation tools AI & ML technology Content</p>	<p>Innovative use of artificial intelligence for content recommendation</p>	<p>Mobile App Store Direct Website Social Media</p>	<p>Music Labels</p>
<p>AdTech providers</p> 	<p>Talent User Data</p>	<p>Supportive & Inclusive environment for creators</p>	<p>Advertising Influencer Marketing</p>	<p>Educational Organizations</p>
<p>Cost Structure</p>	<p>R&D, Data Storage & Processing, Salaries, Promotion, Legal, Content Moderation</p>		<p>Revenue Streams</p>	<p>In app advertising, Influencer Marketing, E-commerce, virtual gifts & coins, Licensing & Partnerships</p>

While the platform has been successful, it also faces significant hurdles related to privacy, regulation, cultural impact and unstable technology growth.

SOCIAL

S

- Popular with Young Gen
- Focuses on creativity and supports individualism
- Feed algorithm is addictive; attracts regulatory issues
- Negative perception of TikTok being based of China
- Growing hate speech and misinformation in TikTok

TECHNOLOGY

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- Lack of user-data privacy
- Bias and potential influence due to TikTok's AI driven algo
- Good AI and recommendation system
- Has augmented Reality

ECONOMIC

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- Promotes e-commerce
- Uncertainty about ad revenue in future
- Fast growth in few years – 11.04B revenue, 3B downloads, 1.544B active users by end of 2022

ENVIRONMENTAL

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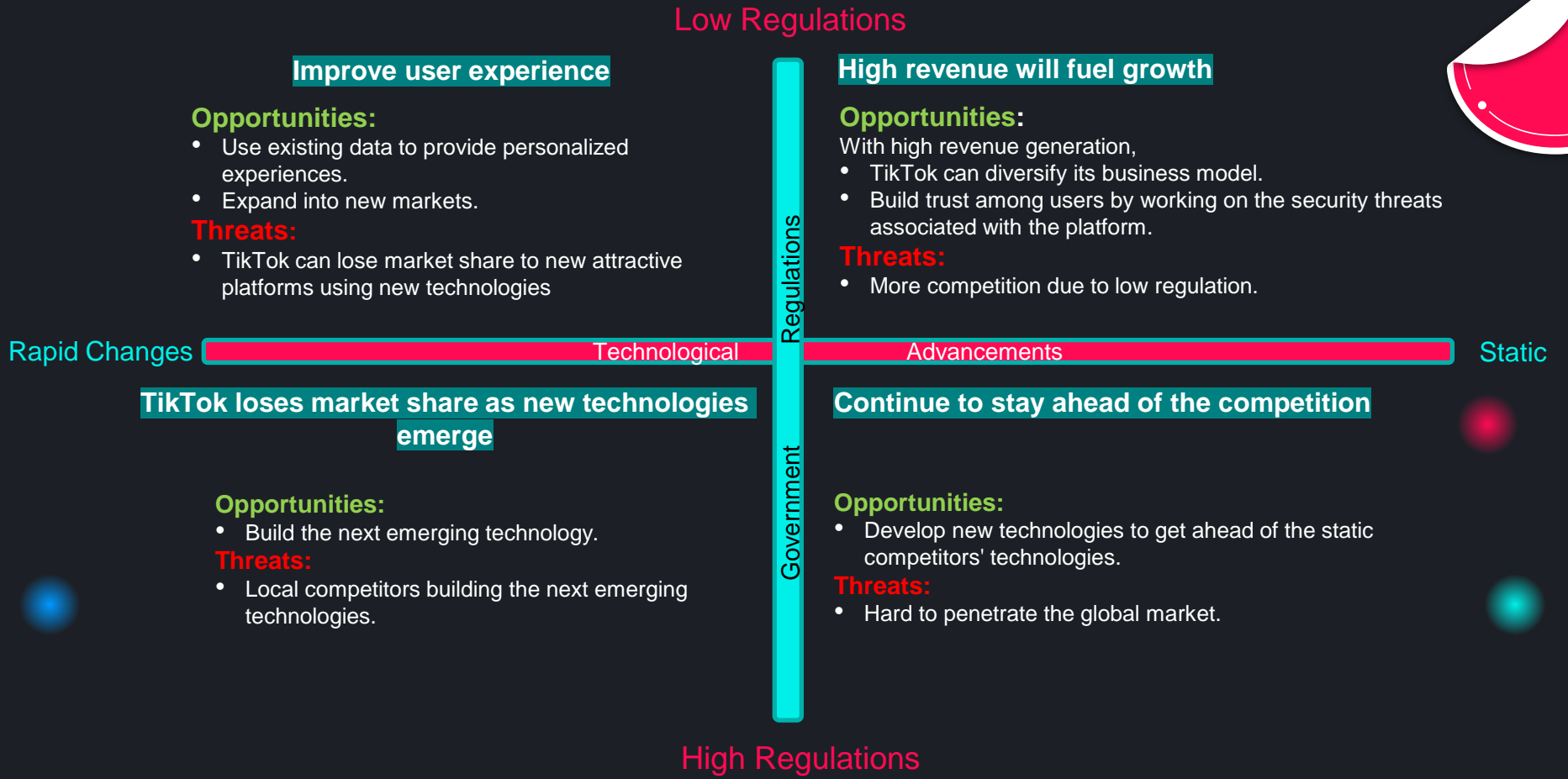
- Lack of transparency
- High energy and carbon emission due to high storage and processing power requirements

POLITICAL

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- Increased threat from Chinese Govt to misuse user-information
- Global expansion challenge due to multiple Govt bans
- Tighter regulations around TikTok in the future from State and federal lawmakers due to security risks









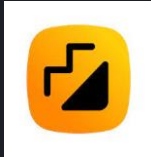


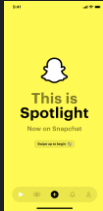
Multiple uncertainties bring about different opportunities and threats to the company's future



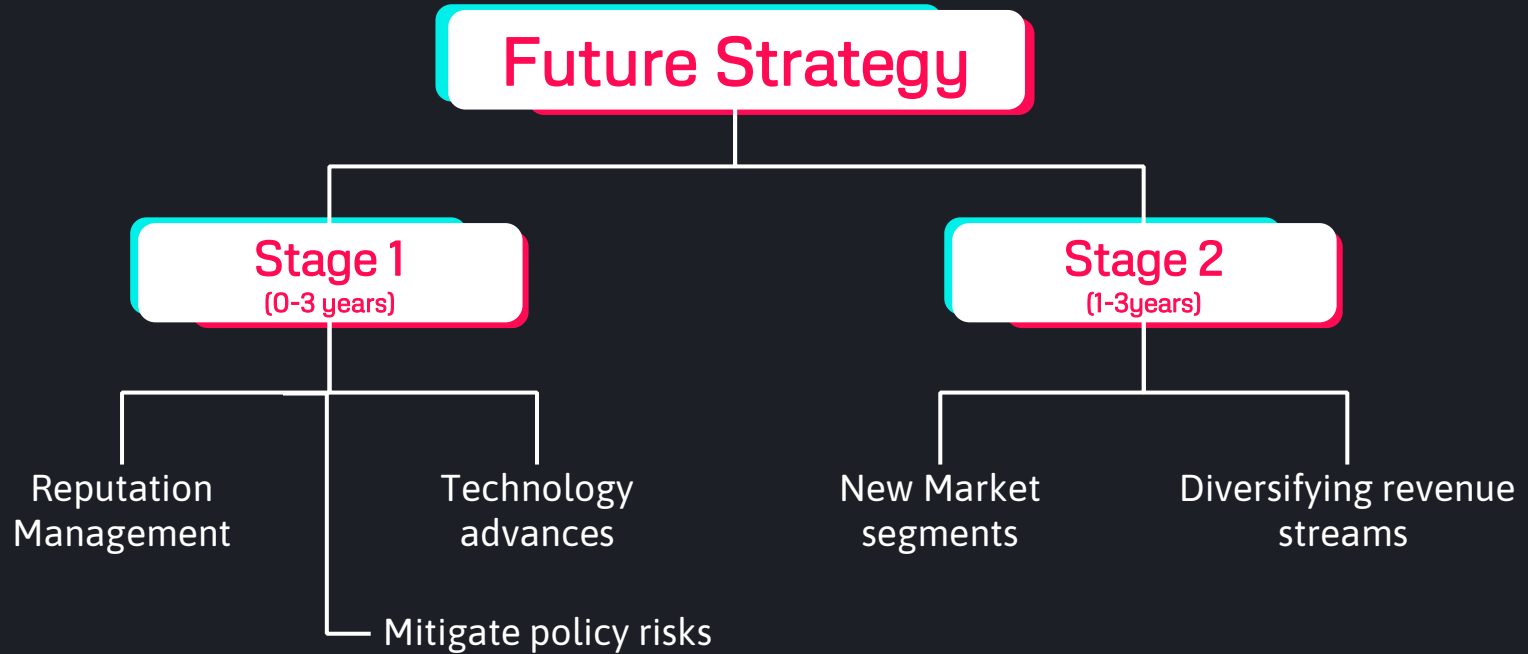
TikTok can set new trends in the social media space and build trust in the platform



TikTok has been a visionary in short content format, but competitors are adapting quick

Incumbents	Insurgents	Adjacent
    	   	  

Future Strategy for TikTok



Stage 1: TikTok should prioritize reputation building, policy risk mitigation, and transitioning to agile development practices.

Reputation Management

- ❑ Maintain open and transparent privacy policies regarding the use of user data.
- ❑ Partner/subsidize with/to diplomatically strong organizations.
- ❑ Implement fact-checking measures and removing false information videos.

Policy Risk Mitigation

- ❑ Conduct privacy and security audits regularly.
- ❑ Invest in privacy and security technology and resources.
- ❑ Work with local regulators to address any issues that arise.

Technology Advances

- ❑ Transition into agile development practices.
- ❑ TikTok should invest in innovation, research & development.
- ❑ It should also invest in employee capability development programs.

How?

Why?

- ❑ Build user trust and brand image.
- ❑ Shift Brand association away from China.
- ❑ Combat misinformation.

- ❑ Ensure regulatory compliance.
- ❑ Safeguard against security and privacy breaches.
- ❑ Safeguard against regulations in each demograph.

- ❑ Be prepared for rapid growth in technology.

Stage 2: TikTok should expand into new markets and strive for higher revenue from each segment.

New Market segments

Diversifying revenue streams

How?

- ❑ Target new market segments like Education and awareness.
- ❑ TikTok can release market segment specific features.
- ❑ TikTok can even introduce virtual reality events, shows, talks and generate revenue from it.
- ❑ TikTok can also tap into the augmented reality market.
- ❑ Diversify revenues from ad revenue to e-commerce revenue.
- ❑ Add subscription models for special features and exclusive content.
- ❑ TikTok can license its music and video to other platforms or companies.

Why?

- ❑ Reach in new market segments.
- ❑ Creating diverse customer base.
- ❑ Broaden revenue from each market segment.

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Payment Processors Content Delivery Network	Advertiser & Creator Support, Community Management	User data transparency	Interactive features Personalized content recommendations	Creators Educational Organizations
Tech & reach AdTech providers	Key Resources	AR powered content	Distribution Channels	Brands Music Labels
Data Protection Agency (Information Commissioner's Office – ICO)	Proprietary video creation tools AI & ML technology Content	Innovative use of artificial intelligence for content recommendation	Mobile App Store Direct Website Social Media	Social Organizations
National Security Agencies	Talent User Data	Supportive & Inclusive environment for creators	Advertising Influencer Marketing	Training & Awareness Programs
Cost Structure	R&D, Legal, Data Storage & Processing, Salaries, Promotion, Content Moderation		Revenue Streams	In app advertising, Influencer Marketing, E-commerce, virtual gifts & coins, Licensing & Partnerships



Thank You!

