

Analysis of Bilibili Company's Business Strategy

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Abstract. This paper presents a detailed examination of Bilibili Inc.'s strategic framework, positioning the company as a formidable player in China's digital entertainment sector. Bilibili has carved out a niche in the competitive landscape through its innovative approaches to community engagement, content diversification, strategic alliances, monetization strategies, and technological investments. The core of Bilibili's success lies in its community-centric model, which prioritizes user-generated content (UGC) and interactive features, creating a highly engaged user base. This is complemented by the platform's diverse content ecosystem across various genres, catering to a broad audience spectrum and fostering a rich content creation environment. Strategic partnerships with content creators, media firms, and technological entities have further augmented Bilibili's content offerings and expanded its reach into new markets. Moreover, the company's adaptive monetization models, including premium memberships and e-commerce, illustrate its innovative approach to generating revenue while enhancing user experience. Investment in cutting-edge technology underpins these strategic pillars, facilitating personalized content delivery and seamless user interactions. This paper synthesizes these dimensions to understand their collective impact on Bilibili's growth trajectory and market dominance. Through this analysis, we aim to provide insights into the strategies digital entertainment platforms can employ to thrive in a rapidly evolving industry, highlighting the significance of community engagement, content versatility, and technological agility. Bilibili's journey offers a compelling case study on sustaining competitive advantage and fostering long-term growth in the digital age.

Keywords: Community-centric engagement; content diversification; strategic partnerships; innovative monetization; technological innovation.

1. Introduction

In the dynamic landscape of the digital entertainment industry, Bilibili Inc. stands out as a pioneering video-sharing platform that has adeptly captured the attention of a predominantly young audience in China. Since its inception, Bilibili has transcended its original identity as a niche site for anime, comics, and games (ACG) enthusiasts to become a comprehensive content ecosystem with widespread appeal. This transformation is a testament to the platform's adaptability and innovative business strategies that have driven its growth amidst fierce competition [1]. This paper aims to dissect these strategies to understand the underlying mechanisms of Bilibili's success and its implications for the future of digital entertainment platforms.

The digital entertainment sector in China is characterized by its rapid growth and the constant evolution of consumer preferences, posing both opportunities and challenges for platforms vying for user engagement and market share. In this context, Bilibili's approach to building a community-centric platform, diversifying its content offerings, forging strategic partnerships, developing innovative monetization models, and investing in technology is a compelling case study [2]. These strategic dimensions contribute to the platform's competitive edge but encapsulate the complexities of sustaining growth in an ever-changing digital landscape [3].

Bilibili's emphasis on user-generated content (UGC) and professional user-generated content (PUGC) highlights a shift towards more interactive and participatory forms of media consumption. This shift underscores the importance of community in the digital age, where the value of a platform is increasingly defined by the quality of interactions it fosters among its users.



This paper aims to comprehensively analyze Bilibili Inc.'s business strategy by examining its strategic initiatives and their impact on its growth trajectory. By exploring the synergy between community engagement, content diversification, strategic alliances, monetization strategies, and technological innovation, this study seeks to offer insights into digital entertainment platforms' strategies to thrive in the competitive and ever-evolving digital ecosystem. The findings of this analysis are intended to contribute to the broader discourse on digital platform strategies and the future of online entertainment.

2. Analyze Operational Strategies

2.1. Start-up Period (2009-2010)

Foundational Steps: Identifying a Unique Market Position

2.1.1. Genesis and vision.

The creation of Mikufans by Xu Yi, known by the online alias "9bishi," marked the inception of what would later evolve into Bilibili. Distinguishing itself from Acfun, Mikufans catered explicitly to fans of Hatsune Miku, the Dongfang series, and broader ACG (Anime, Comics, and Games) content, primarily influenced by the Niconico platform. The choice of "Bilibili" as a new name was inspired by a unique blend of cultural references and an aim to resonate with the electric vibrancy of anime culture. This rebranding was not merely cosmetic but a strategic pivot towards creating a distinctive identity in the crowded online video-sharing space [4].

2.1.2. Overcoming technical hurdles.

Initial user migration was propelled by the technical shortcomings of Acfun, particularly its frequent downtimes. From the outset, Bilibili's strategic emphasis on technical stability and user experience addressed this critical pain point. By offering a reliable platform during Acfun's outages, Bilibili didn't just present itself as an alternative but as a new home for disenfranchised users [5].

2.1.3. Expanding the user base: Strategies for growth.

Cultivating Community with Special Events: The transformation from Mikufans to Bilibili was punctuated by the organization of events that resonated deeply with the ACG community. The Spring Festival celebration video, dubbed the anime "Spring Festival Gala," was a masterstroke in community engagement. This event showcased Bilibili's commitment to high-quality ACG content and served as a cultural rallying point for users, drawing them into a shared experience beyond passive video consumption [6].

2.1.4. Fostering user interaction.

In May 2010, the introduction of the Bilibili Girl Vote represented a strategic foray into interactive content. This initiative went beyond traditional content consumption, inviting users to actively participate in shaping the identity of Bilibili. By allowing users to vote for their Bilibili Girl, the platform enhanced user engagement and fostered a sense of community ownership and belonging. This move indicated Bilibili's broader strategy to embed social interactions within the content experience, making the platform not just a place to watch videos but a vibrant community for fans to express themselves and connect over shared interests.

2.1.5. User-driven content creation.

Central to Bilibili's early success was its reliance on user-generated content, particularly from prominent UP owners within the community. By empowering these creators, Bilibili ensured a steady stream of diverse and engaging content that appealed to a broad spectrum of ACG enthusiasts. This symbiotic relationship between Bilibili and its content creators laid the groundwork for a dynamic content ecosystem, driving user engagement and retention.

2.1.6. Strategic content diversification.

While initially focusing on ACG content, Bilibili's early operations hinted at a broader vision for content diversification. The platform's ability to attract users through specialized events and interactive features set the stage for expanding into other content genres. This diversification strategy would become a cornerstone of Bilibili's growth, allowing it to cater to a broader audience while maintaining its core identity centered around ACG culture.

The start-up period of Bilibili was characterized by strategic moves that addressed immediate technical challenges, engaged a passionate user base, and laid the foundation for a community-centric platform. By focusing on technical stability, community engagement, user interaction, and content diversification, Bilibili navigated its nascent challenges and set the stage for its evolution into a significant cultural and social hub for ACG fans worldwide. These early operational strategies underscore Bilibili's commitment to creating a unique, vibrant space where anime enthusiasts could find content and community, setting it apart in the competitive landscape of video-sharing platforms.

2.2. Growth Period (2011-2014)

Innovative Content and User Engagement Strategies

2.2.1. Crossing cultural boundaries.

One of Bilibili's pivotal strategies was leveraging the popularity of mainstream celebrities like Lei Jun and Jackie Chan, alongside known figures in the cosplay community such as Wang Dongcheng. By engaging these individuals, who expressed their affinity for anime culture in a genuine and performative manner, Bilibili was able to attract attention from beyond the traditional ACG fan base. This approach not only brought in a wave of new users but also blurred the lines between mainstream and subculture, fostering a more inclusive community atmosphere appealing to Generation Z.

2.2.2. Diversifying content to broaden appeal.

Combining celebrity contributions exemplified Bilibili's efforts to diversify its content offerings. By expanding its content to include broader entertainment and lifestyle segments, Bilibili attracted a wider audience. This diversification was strategic, allowing Bilibili to maintain its core ACG enthusiast user base while appealing to users with varied interests, enriching the platform's content ecosystem.

2.2.3. Dynamic event operations: Enhancing engagement and loyalty.

Evolving Traditions: The continuity and expansion of Bilibili's New Year's Celebration demonstrated the platform's commitment to creating signature events that resonated with its user base. By scaling the number of participants and the production scale, Bilibili turned these celebrations into much-anticipated annual events akin to a cultural ritual for its community. These events heightened user engagement and reinforced Bilibili's position as a cultural hub for its users.

2.2.4. Interactive and offline events.

The introduction of the Barrage Competition 2012 marked a significant step in interactive content engagement, engaging users in a unique form of digital artistry emblematic of Bilibili's platform. The success of these competitions highlighted Bilibili's community's creativity and elevated the barrage art form, enhancing the platform's distinctive identity.

2.2.5. Expanding into offline realm.

The launch of the first Bilibili Macro Link (BML) in 2013 was a landmark event, transitioning Bilibili from an exclusively online platform to a physical community space. Hosting 800 spectators, the event solidified user loyalty through shared offline experiences and laid the groundwork for Bilibili's future in organizing large-scale events. These offline gatherings became a critical component of Bilibili's community engagement strategy, strengthening the bond between users and the platform.

2.2.6. Sustaining growth through community and commercial success.

Balancing Community and Commerce: The growth period was about expanding Bilibili's user base and content offerings and establishing a sustainable model for community engagement and commercial success. Through a mix of online and offline events, Bilibili boosted user activity and engagement and attracted advertising revenue. This balance between fostering a vibrant community and ensuring economic viability was crucial for Bilibili's long-term growth and stability.

The growth period of 2011-2014 was a critical phase in Bilibili's development, marked by strategic content diversification, innovative user engagement practices, and the successful integration of offline events. These initiatives not only expanded Bilibili's user base but also deepened the platform's cultural impact, transforming it from a niche anime-sharing site to a comprehensive cultural community for Generation Z. By carefully balancing the interests of its ACG core with the broader entertainment values of a wider audience, Bilibili laid the foundation for its continued evolution and success in the digital and physical spheres.

2.3. Maturity Period (2015-Present)

Innovative User Operation and Creator Incentivization

2.3.1. Empowering creators with financial incentives.

The "Up Charging Plan" in early 2016 marked a significant shift in how Bilibili supports its creator community. By enabling users to offer financial support directly to their favorite UP creators, Bilibili provided a new revenue stream for content creators and fostered a culture of appreciation for original content. This initiative helped address creators' financial challenges, encouraging them to continue producing innovative and engaging content.

2.3.2. Comprehensive support for creators.

Beyond the Up Charging Plan, Bilibili expanded its support with the creative incentive plan and new star plan in 2018. These initiatives offered creators a more robust support system, enabling monetization opportunities beyond traditional ad revenue. As a result, many full-time influencers and content creators emerged, enriching the platform with high-quality original content and contributing to a balanced cultural ecosystem.

2.3.3. Strategic commercialization efforts.

Navigating Commercialization with Community in Mind: Bilibili's approach to commercialization carefully balanced revenue generation with community preservation. Aware of the potential backlash from commercializing subcultural communities, Bilibili embarked on commercial ventures that resonated with its user base. Initiatives in the game intermodal transportation and agency distribution business since 2014 played a critical role in this strategy. By 2017, gaming-related revenues constituted a significant portion of Bilibili's total income, demonstrating the effectiveness of aligning commercial endeavors with user interests.

2.3.4. Diverse revenue streams.

Besides gaming, Bilibili diversified its revenue sources through advertising, member shopping malls, significant membership programs, and the Xinfan contracting program. This diversification strategy ensured a stable financial foundation for Bilibili, allowing it to continue investing in its platform and community.

2.3.5. Content operations: Expanding horizons.

Recognition and Expansion in Documentary Content: In December 2016, Bilibili's accolade as one of the "Top 10 Documentary Promoters in China" underscored its commitment to diverse content offerings. By attracting a community of 3D documentary enthusiasts, Bilibili enriched its cultural portfolio and broadened its user base beyond its traditional young demographic. This move underscored Bilibili's role as a versatile platform capable of nurturing a variety of content genres.

2.3.6. Supporting domestic anime production.

Bilibili's focus on domestic anime underscored its commitment to promoting local content creators and cultural narratives. By providing a platform for Chinese anime, Bilibili has played a pivotal role in the growth and international recognition of the domestic anime industry. This support reflects Bilibili's dedication to cultural preservation and promotion and its vision for fostering a thriving creative ecosystem within China.

The maturity period of Bilibili reflects a strategic evolution marked by significant achievements in creator incentivization, careful commercial exploration, and expansive content operations. Through these initiatives, Bilibili has successfully navigated the challenges of maintaining a vibrant community-focused platform while achieving commercial success. As Bilibili continues to innovate and adapt, it remains a seminal force in shaping the digital content landscape, championing the growth of creators, and enriching the cultural fabric of its vast and diverse user base.

3. Content Operations - Advantages & Disadvantages Analysis

3.1. Advantages

3.1.1. Monopoly in ugc and anime.

Bilibili's stronghold in the "UGC+anime pan-anime" sector underscores its unmatched appeal to anime enthusiasts and content creators alike. This unique position allows Bilibili to leverage its core competencies. It offers an unrivaled platform for anime-related user-generated content (UGC), which has become a significant draw for creators and viewers [7].

3.1.2. Diverse content library.

The platform boasts an extensive array of dramas, films, and documentaries, catering to various user interests. This diversity enhances user satisfaction by providing a one-stop entertainment solution and helps attract a broader audience beyond anime fans [8].

3.2. Disadvantages

3.2.1. Content homogenization.

A significant challenge facing Bilibili is the homogenization of video content, primarily due to its reliance on UGC. This can lead to a saturation of similar content, affecting the overall quality and uniqueness of the material available on the platform. The need for more professionally produced content (PGC) also exacerbates this issue, leading to a demand for more diversified and high-quality content.

3.2.2. Inefficient algorithm recommendations.

The platform's recommendation algorithms sometimes need more precision, promoting duplicate or irrelevant content to users. This inefficiency can impair user experience, leading to frustration and potential disengagement from the platform.

3.2.3. Resource-intensive content creation.

The creation of UGC is both time-consuming and costly, posing a significant barrier to sustained content production. This can limit the frequency and quality of content uploads, impacting the platform's ability to engage users consistently.

4. Activity Operation - Analysis of Advantages and Disadvantages

4.1. Advantages

4.1.1. Brand identity through events.

Signature events like BW, BML, and New Year's greetings have become synonymous with Bilibili, helping to forge a strong brand identity. These activities foster a sense of community among users and increase platform engagement. They offer recognition to creators, stimulate creative output, and bring in advertising revenue, contributing to the platform's financial health.

4.1.2. Cultivation of loyal user base.

Bilibili has cultivated a dedicated and active user base through these events. The communal experiences and shared enthusiasm generated by these events strengthen users' emotional connection with Bilibili, enhancing user loyalty and activity levels.

4.2. Disadvantages

4.2.1. High costs and limited audience reach.

The high cost of event tickets and merchandise can be prohibitive for many users, limiting the accessibility of these experiences to a broader audience. Furthermore, the focus on anime and related subcultures means these events primarily appeal to a niche market, potentially restricting the platform's growth into more mainstream segments.

4.2.2. Event exclusivity.

While these events are a boon for anime enthusiasts, they may inadvertently create a sense of exclusivity, alienating potential users who do not identify as strongly with anime culture. This exclusivity can limit the platform's appeal to a broader audience and hamper efforts to diversify its user base.

5. User Operations - Advantages & Disadvantages Analysis

5.1. Advantages

5.1.1. Quality control through member screening.

Bilibili's implementation of a registered member answering system is a gateway to ensure that new users align with the platform's community standards. This mechanism helps maintain high-quality user contributions and content, fostering a healthy and engaging community ecosystem. By requiring new users to understand the platform's culture and norms, Bilibili effectively safeguards its unique community atmosphere.

5.1.2. Vibrant community and barrage culture.

Bilibili's most distinctive feature is its barrage (danmu) system, allowing users to post comments floating across the screen during video playback. This feature and a strong community culture are crucial in attracting and retaining users. The interactive and immersive nature of the barrage system enhances the viewing experience, making it a dynamic and engaging platform for both old and new users. The resultant intense cultural atmosphere supports user retention and aligns with Bilibili's diversified business models, including gaming, e-commerce, and live streaming.

5.2. Disadvantages

5.2.1. Young user demographic and content issues.

The platform's user base skews towards a younger demographic, which, while beneficial in driving engagement and content creation, often leads to challenges such as immature or provocative

comments that can detract from the overall user experience. This issue underscores the need for more robust content moderation systems to maintain a positive and inclusive community environment.

5.2.2. Challenges for new content creators.

For newcomers to the platform, the dense competition and the established presence of popular creators can make gaining visibility and building a fan base exceedingly tricky. This lack of discoverability can dampen the enthusiasm of new creators, potentially stifling fresh talent and undermining the diversity of content on the platform. The challenge lies in balancing the promotion of established creators while providing opportunities for new voices to be heard and recognized.

6. Strategic Recommendations

To address these disadvantages and build on its user operation strengths, Bilibili might consider several strategic adjustments:

6.1. Enhanced Content Moderation

Implementing more sophisticated content moderation tools and community guidelines can help mitigate the issue of low-quality comments. Artificial intelligence and human moderation could provide a balanced approach to preserving the platform's open communication ethos while ensuring a respectful and constructive community environment [9].

6.2. Support and Visibility for Newcomers

Introducing dedicated programs or features that spotlight emerging creators could help alleviate newcomers' challenges. For example, a "Rising Stars" section or temporary visibility boosts for new, high-quality content could encourage diversity and innovation within the creator community.

6.3. Educational Initiatives

Offering resources, workshops, or tutorials on content creation and community engagement could empower new creators, helping them to produce higher-quality content and grow their audience more effectively. Such initiatives could also elevate the overall content quality on the platform.

7. Suggestions

Bilibili has a long way to go on the path of commercial exploration. In the live streaming function module, live courses such as NetEase Cloud Classroom Live or Zhihu Live can be offered, and participating in the courses requires a certain amount of course fees. Live courses such as ghost animal production, dance teaching, or MMD teaching that correspond to the UGC classification of the leading site can be offered, increasing certain profit margins and cultivating new UP owners with potential for UGC content in the future. It is also possible to keep up with the trend of e-commerce and establish e-commerce function modules based on improving the membership shopping mall, combined with live streaming, to cultivate seed users in both user and merchant aspects and achieve better commercialization and monetization [10].

8. Conclusion

In conclusion, Bilibili Inc.'s journey from its inception as a niche platform for anime, comics, and games enthusiasts to its current status as a dominant player in China's digital entertainment industry is a testament to its innovative and adaptive business strategies. By fostering a community-centric model, emphasizing user-generated and professional user-generated content, and continuously evolving its content ecosystem, Bilibili has successfully cultivated a deeply engaged and loyal user base. Strategic partnerships and technological investments have further augmented its offerings, enabling it to penetrate new markets and diversify its revenue streams. However, challenges such as

content homogenization, improved content discovery mechanisms for new creators, and maintaining a delicate balance between commercialization and community interests highlight the complexities of sustaining growth in digital entertainment. Despite these hurdles, Bilibili's forward-looking approach to creator incentivization, community engagement, and commercial exploration suggests a robust framework for navigating the future landscape of online entertainment. As Bilibili continues to expand and innovate, it stands as a compelling model for digital platforms aiming to thrive in an ever-evolving industry, underscoring the critical importance of community engagement, content versatility, and technological agility.

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