

Research on the Existing Issues in the Profit Model of Network Broadcast Platform and Countermeasures

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ABSTRACT

The network broadcast platform develops rapidly, but the profit model of the network platform should also be improved constantly. The online celebrity economy in live broadcasting is a relatively "young" economic model, which has particular positive significance for the economy and life. The huge following base in the online celebrity economy can be transformed into solid purchasing power. Thus, it can play a role in promoting consumption. Since the Internet live broadcasting develops in 2016, more and more people become anchors without any high threshold, which not only leads the profit model of the live broadcasting platforms to become diversified and attracts many people who like to express themselves, but also promotes employment to a certain extent. Cooperation with Internet celebrities is also a new marketing method for enterprises, which can use the influence of Internet celebrities to increase their attention. However, in this case, there are also some shortcomings of live broadcasting platforms. Therefore, this paper combines the development status and existing problems of multiple live broadcasting platforms. Such as, a series of problems such as low product quality, high investment risk and inadequate social atmosphere are studied on the network live broadcast platform. Meanwhile, this paper also puts forward feasible development paths for enterprises of network broadcast platforms and guides live broadcast platforms and anchors to adhere to content innovation. And regulators and anchors should jointly regulate the civilization of live broadcast content so that the platform can improve its profit model and achieve better development in the future.

Keywords: Webcast platform, Anchor, Business model, Countermeasures

1. INTRODUCTION

1.1. Research background

With the rapid development of the new media industry and mobile networks, people's communication mode is no longer limited to single words and pictures. However, in order to meet people's diverse needs and diversified social ways, the network broadcast platform is gradually pushed to the climax. The advent of network broadcast platforms is sought after by the young generation of Internet users and changes the pattern of the Internet video industry, and has a particular impact on the production and development of the traditional TV industry. Network broadcast platforms can mainly be divided into two different categories. The first category is to provide TV's signal viewing on the Internet, such as the live sports matches and large-scale cultural activities in daily life., also known

as "Network TV". The second type is recommended by the stripling of the new era, which is to import the audio and video from some independent signal equipment into the live broadcast and then upload it to the server through the network, then publish the link or connector for people to watch. The most prominent feature of network broadcast lies in its autonomy. Unlike "Network TV", network broadcast has independent and controllable audio and video collection, which can be used for product display, live delivery online training, and different contents published on the Internet. Due to the diverse network platform, many network users have been attracted to the influx. Profit is essentially achieved by stimulating the public's desire for expression and creation to expand users. According to the Internet World Stats, as of June 201, China's population statistics of Internet is 0.99 billion, which ranks first in the world, followed by India (0.76 billion) and the United States (0.31 billion). The report shows that China's 2021 penetration has increased

by 4% compared to 2020[1-3]. Based on the data report, China's Internet penetration rate has reached 64.5 percent, up 4.9 percent from 2018. More than 99 percent of users are accessing the Internet from mobile phones, which expressed that China's online consumption potential is enormous because of its most significant number of Internet users. [4] As an emerging online shopping way, live streaming platform shopping is deeply loved by Chinese netizens. Take the data from China International Electronic Commerce Center Research Institute of 2020: the GMV scale of Taobao reached 400 billion yuan, the GMV scale of Kuaishou and Tik-Tok reached 381.2 billion yuan, and 170 billion yuan, respectively. Taobao Live, Kuaishou, and Tik-Tok already became the three giants of live e-commerce platforms [2]. Tik-Tok and Kuaishou, as classic live streaming platforms, have lower GMV than Taobao. The reason for this difference is the medium itself and the sand the and's propaganda. Therefore, optimizing the platform's profit model can help improve GMV, thus directly affecting profits.

1.2. Literature review

Chen mainly analyzed the advantages and problems of Tik-Tok App's profit model and platform and put forward suggestions accordingly. Profit models fall into three categories: competitive capital, profit sources, and position advantage. At the same time, platform advantages include accurate user base status, up-to-date content production technology, and continuous video content production. The main problems of its platform include uneven content quality, unguaranteed products and services sold, and the limited consumption level of users [5].

Niu and Song proposed that the online live broadcast with goods is divided into five essential elements to sort out the mode of online celebrities with interests. The most natural aspects of the live broadcast platform focus on online celebrities' positioning and ability to attract consumers and gain more traffic through various channels. And enhance the purchase intention of consumers, improve the transaction amount [6].

Yu and Li proposed that the existing profit model is divided into four parts, mainly narrating the live broadcast platform through the host reward, advertising, live broadcast of Chinese small and medium-sized enterprises, and the combination of the live broadcast with education and medical care to promote the development of various industries. At the same time, it also covers a series of difficulties that network broadcast platforms have faced [7].

In exploring the profit model of network broadcast platform relationship, most scholars mainly analyze the live webcast of the existing profit model, and from various angles to dig the main reason for the live web celebrity to take goods and how to attract consumers. However, very

few articles studied the negative influence brought by the live webcast. The live webcast with cargo problems such as quality and after-sales service does not reach the designated position, also includes live platform behind the vicious competition.

1.3. Research framework

This paper will sort out the profit models of online platforms. First, explore the ways and experience of live broadcast profit based on the development and yield of multiple live broadcast platforms in Mainland China. Based on this, it puts forward some long-term development models for network broadcast platforms to help them make innovations in profit models and improve existing problems.

2. METHOD

The live broadcast industry is a brand-new opportunity and a new thing for development in China. When more and more netizens flood into the live broadcast platform, some hidden problems existing in the network platform are gradually revealed. What kind of profit model does the network broadcast platform use to occupy the market quickly in a short time? Combined with the development trend of today's social economy, although the live broadcast platform is still developing rapidly, there are specific problems in its profit model, which is worth comparing and analyzing the existing profit model of the live broadcast platform by using user feedback, sales data, descriptive methods and literature research.

2.1. Descriptive approach method

The descriptive approach method is a simple method of describing and explaining existing phenomena and theories through understanding and verification. It contains ideas from various researchers and presents the arguments of others. It is helpful to investigate some situations in a revealing way, with a description of the actual problem and a view of some current situations.

2.2. Literature research method

The literature research method obtains information through literature investigation according to a particular research purpose or topic to comprehensively and correctly understand the problem to be studied. Literature research quilt is widely used in a variety of disciplines. This method has three advantages: it can understand the history and current situation of relevant issues, help to determine the research topic, and can form a general impression about the research object, which is conducive to observation and visit. At the same time, comparative

data of fundamental data can be obtained. Finally, it helps to understand the whole picture of things.

2.3. Information Research Methods

American mathematician, communication engineer, and physiologist Wiener believes in a universal connection in the objective world: information connection. And we are now in the information age, and many information resources can be developed and utilized. The information research method is a scientific research method that uses the information to study system functions. Knowledge acquired through collecting, transmitting, processing, and collating data and applied to practice has developed new goals. It can use data to study system functions to reveal the more profound rules of things and help people improve and master the controls' ability.

3. RESULT

3.1. Development status and trend analysis of live broadcasting platform

According to the China Internet Network Information Center, as of June 2020, the size of China's online video market reached 241.2 billion yuan, up 44% year on year. And online video active users scale reached 1.001 billion. Meanwhile, China's e-commerce transactions reached 37.21 trillion yuan. Among them, the transaction volume of commodity e-commerce was 27.95 trillion yuan; The turnover of service e-commerce was 8.08 trillion yuan; Contract e-commerce transactions totaled 1.18 trillion yuan. The network broadcast service with live broadcasting as its core has been thriving, and the economic development promoted by e-commerce is very considerable.[8] The main methods of the live broadcast platform are as follows: First, they have clear positioning and distinctive features. Take Tik-Tok and Kuaishou, for example. Tik-Tok is mainly fashionable, while Kuaishou is mainly down-to-earth. Then, with high Internet penetration and evolving technology, live content has become truly decentralized and fragmented: anyone can be an anchor. Moreover, network broadcast breaks the limitation of time and region, and anchors can broadcast at any place at any time. Cooperation with multiple industries or fields to promote development is an effective profit model because it can attract different users. For example, live educational broadcasting will attract many students to flood into the live broadcasting platform for cloud learning, which will be a win-win project.

3.2. Defects of live broadcast platforms

First, high operating costs. The high price of some Internet celebrities will increase the cost of the platform. Content and broadband are the two biggest cost aspects of

network broadcast platforms. The content is reflected in the fees paid to Internet celebrity anchors. Some anchors suddenly accumulate much popularity due to their contact with netizens' opinions, which leads to a sudden increase in the value of anchors overnight. If the platform has an interest in the anchors, they will need to pay high fees for many fans of the anchors. Broadband is the basic condition for developing a live broadcast platform, and its quality will affect the development of the whole live broadcast platform. Second, the homogenization of live broadcast platforms. As there are many different options for live broadcast platforms, anchors will introduce similar popular videos to different live broadcast platforms, which will lead to the lack of certain innovations of live broadcast platforms.

Moreover, the development of the live broadcasting platform is too short, and its market supervision mechanism has big loopholes in the platform system, relevant policies, and regulations. It is an uncompromising means of vicious competition. Anchors on different platforms will steal some popular videos to gain popularity. Even buy false data traffic, cheat users into the studio. At the same time, some platforms create a fake hot atmosphere by fabricating live broadcast data to attract real users to watch—the unscrupulous use of low profits to cheat higher returns.

3.3. Advantages of a live broadcasting platform

The best opportunity for live-streaming platforms in technological upgrading. With the development of science and technology, 5G technology is gradually mature, which will be more conducive to information dissemination and interaction between live streaming platforms and users. The biggest threat for live broadcast platforms is quality and after-sales service. Compared with Taobao, people have more trust in professional goods selling platforms. Taobao already has a certain amount of traffic and users' trust, so it isn't easy to be surpassed quickly. The main ideas of the network live broadcast platform are advertising marketing, live broadcast tipping, the new model of the live broadcast with goods, IP operation, and effective communication between live broadcast and multiple industries and fields.

3.4. Feasible trends for the future

First of all, advertising marketing can be divided into two types: Splash AD and anchors demonstrate; first, Splash AD is the first channel entrance for opening applications. This advertising marketing mode has penetrated all major apps. Second, the anchors of live broadcast platforms with a certain amount of traffic carry out insertion advertisements in the form of short videos. Livestreaming platforms can make profits by charging service fees or profit-sharing. However, live broadcast

tipping is a major profitable project for live broadcast platforms. Users can reward their favorite anchors by purchasing virtual currency or virtual props in the live broadcast room. Many users believe that this is an important way to contact anchors. Anchors can convert the virtual coins they reward into cash from the live streaming platform, and the live streaming platform gets a certain percentage of the kickback.

Livestreaming stimulates users' purchase desire through marketing means by anchors with a certain fan base and traffic or stars enrolled in the live streaming platform, and the platform will charge a certain percentage of commission. On the Live streaming platform Tik-Tok, for example, users can reward streamers by buying virtual currency (Yinlang), with the ratio of RMB to Yinlang 1:10. If you are an individual host, you can get 30% of the total gift amount, and you can get about 300 yuan for 10,000 tones. If you join a union, you can get 40 to 50 percent commission, and you can get 400 to 500 yuan for 10,000 tones.[9] Ip-based operations focus on engaging and emotional content that drives users to join. Take Hongxing Erke as an example, and it is rumored that it is an enterprise on the verge of bankruptcy. Due to the arrival of typhoon fireworks, it donated 50 million yuan to the national rescue fund [10]. Since the Patriotism of the Chinese people for their country, it attracts a large number of people and generates income, which leads to the emotional payment of the platform users. Out of their love and appreciation for the host, the users consume by giving rewards, giving gifts, and purchasing the products promoted by the live broadcast studio. The same goes for content payments, which users make to recognize the value of live streaming. Livestreaming platforms still have great potential for future development and profit models, while some deficiencies in their management system are the main problems. We can strengthen the cultivation of video content on the live broadcasting platforms and improve the market conversion value. In this way, users can explore users' attention in this information age with complex and fast transmission speed, and compete for users' viewing time becomes the focus of competition. Professional and detailed live broadcast content is always the core of users' pursuit of the live broadcast. Therefore, the communication value and commercial realization conversion value contained therein are more worthy of an in-depth study by live broadcast platforms to obtain greater benefits and cultivate users' loyalty.

4. DISCUSSION

4.1. The dilemma of the current profit model

The development of live broadcasting platforms is becoming more mature, and the content is increasingly abundant, but the hidden problems of live broadcasting platforms need to be constantly improved. Preliminary

preparation for live broadcast requires certain investment costs and professional equipment to ensure the technical quality of the live broadcast. At the same time, the educational level and field of live broadcast can determine the content quality of the live broadcast. Even though there is no uniform threshold for the whole industry to measure the standards of anchors and the profits they eventually show, it is necessary to ensure the regular and legal quality of the live broadcast.

4.2. Strictly control the quality of live broadcast content and anchors

In terms of content, we should strictly observe the bottom line of content, comprehensively clean up the contents of live radio and video with violations, and investigate the responsibility of anchors. Implementing the real-name certification system is more conducive to the accountability of individuals; the essential point is to improve the reporting mechanism so that users can directly report through the platform for joint supervision and timely response. For anchor groups, the live platform should strengthen to move into businesses, the main body qualification and trading practices of the host, at the same time, fostering the legal consciousness of the host and good faith consciousness, improve the professional quality of the host, to ensure the information spread out by the live real legal, not misleading and cheating, and induced the user trading platform, perfect the operation mechanism of the platform, To ensure the legal rights and interests of consumers. When the platform provides enough high-quality content, it will attract more consumers to watch it. It is convenient to obtain the likes and rewards of content consumers and continue to output high-quality content. High-quality content is the core of consumers' willingness to stay and watch, thus forming a relatively gentle cycle.

4.3. Improve after-sales service quality

Although the delivery of live broadcast platforms helped people maintain particular economic development despite the stagnation of many industries during the epidemic, it also exposed many sales problems. The first is the quality of the goods and after-sales issues. Many of the most popular hot-selling products are actually "inferior products," or "cheap copy" will also be sold as "luxury products." The other destructive phenomenon in the broadcast platform for the sale of products is that some companies stunt at low prices to attract consumers to buy counterfeit products. It makes it difficult for people to have a sense of trust in the platform and its consequences. Secondly, in the face of product quality problems, the platform cannot deal with them on time. If consumers find issues, it is challenging to contact anchors or merchants to enter the return and exchange process, and the sense of user experience will also decline. In this way, the audience

will gradually lose, which will cause significant trauma to the image and profit of the live broadcasting platform. In the future development of live streaming e-commerce, anchors, media, and regulatory departments should take their respective responsibilities to promote the sound development of the industry and realize the practical unification of economic and social benefits. We can build a professional live broadcast team and enrich the shopping scene as a starting point to enhance the professionalism of cargo owner broadcast. Faced with the diversified demands of the market and the lack of detailed understanding and trial of various commodities, anchors' promotion to consumers is highly irresponsible. Therefore, live-streaming platforms should ensure that corresponding professionals in the host team lead the goods in good faith and actively assume related responsibilities.

4.4. Suggestions on the development of network broadcast

In order to maximize the benefits, the live broadcast platform can introduce artificial intelligence, cloud computing, and other technologies to conduct in-depth, intelligent analysis on live broadcast users and enrich the live broadcast push content to meet the personalized needs of each user based on the needs of users. The platform can use big data to classify breakups as potential users, analyze potential users from multiple dimensions, screen target groups for accurate promotion, and achieve a high degree of match between content and user preferences. On the other hand, through sorting out images and text contents in the process of live broadcast, we can screen out praise categories related to living broadcast products for the push. Once the live broadcast platform has accumulated samples for a long time and improved the speed and richness of data update, promotion efficiency will be maintained at a high level. In order to survive and develop better, the live broadcast platform can strengthen the data of news and science popularization to push to users, prevent excessive entertainment orientation, and try to combine with a variety of industries to become a tool. Live streaming can help students learn in different situations during the epidemic instead of being confined to campus and classrooms. College students also account for a large proportion of users of live streaming platforms. This not only expands the market but also expands the consumer groups. When the market and demand happen simultaneously, the platform can make more money for it.

5. CONCLUSION

As an emerging form of the Internet industry, the rapid development of the webcasting industry drives the growth of the Internet economy and changes the online habits of netizens. From the perspective of the advantages of live video, real-time and interactive are its inherent

advantages. However, there is no doubt that the broadcasting industry is still in a mixed stage due to insufficient requirements for anchors, and many broadcasting platforms are still unable to pay for their services. Therefore, the root cause is that the webcast audience with goods is consumers, and the source of the profit model of the webcast with interests is fans and consumers. Therefore, in the live streaming of Internet celebrities, only joint efforts to improve consumers' perceived value can promote the sustainable development of live streaming of goods. Then all directions should point to immerse purchase intention, expanding the number of fans, improving the conversion rate, and increasing the transaction amount.

However, this paper still has some limitations. On the one hand, this paper is mainly a conceptual analysis of the current situation of live broadcasting platforms and the difficulties encountered in their development. There is also a lack of analysis resources for the data; most of the data in the paper are second-hand receipts. On the other hand, netizens' opinions on the use of network broadcast platforms and the current situation of the forum are primarily derived from literature, news, and other materials.

In future studies, more primary data will be used to explore whether there is a positive relationship between live broadcast platforms and the quality of live broadcast content and the impact of data on the profits of live broadcast platforms. At the same time, big data is used to conduct an in-depth investigation of the consumption situation of contemporary netizens and the ability of live broadcasting to carry goods to ensure that reliable conclusions can be drawn.

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