

# Differentiation Research on Content Creation and Business Model of Bilibili

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**Abstract.** With the rapid development of the Internet, there are plenty of video platforms available for people to choose from. However, most young people spend more time using Bilibili, and an increasing number of middle-aged users are also using Bilibili. This study explores the uniqueness of content creation and business models in Bilibili. Since its establishment, Bilibili has formed a relationship with other long and short video platforms by relying on User-Generated Content (UGC), building a strong community culture, and a flexible business model. By analyzing Bilibili's content creation model, community interaction mechanism, and business model, the study discovered that Bilibili's advantages and competitiveness in deep cultivation in vertical fields and improving user stickiness. In addition, the study also points out that as the user scale grows and regulatory pressure increases, Bilibili needs to explore new revenue sources while maintaining community characteristics in order to maintain profitability and competitive advantages. This article provides strategic suggestions based on the international development of Bilibili to further improve its market competitiveness.

**Keywords:** Diversity, innovation, interaction, community.

## 1. Introduction

Bilibili is a platform owned by Shanghai Kuanyu Digital Technology Co., Ltd. Since its founding in 2009, Bilibili has leveraged its unique community culture and diverse content to evolve from a platform focused on ACG (Anime, Comics, and Games) culture into a large-scale video platform covering multiple verticals. Compared with other long-form video platforms such as iQiyi, Tencent Video, and Youku, as well as short-form platforms like Kuaishou and Douyin, Bilibili stands out in content creation and business model.

Unlike traditional long-form platforms, which rely heavily on purchasing film and television licenses and creating original content, Bilibili builds on an ecosystem of UGC driven by video creators known as "UP Creators". This encourages users to voluntarily upload original videos, forming a vast and diversified content library. Additionally, Bilibili's community culture is highly distinctive, with its unique bullet chat feature, allowing users to interact in real-time while watching videos, enhancing community cohesion and user engagement. In contrast, traditional video platforms primarily focus on comment sections with lower interaction frequency, while short-form platforms, though interactive, often struggle to foster in-depth community engagement due to shorter video durations.

From a business model perspective, Bilibili has developed a unique revenue structure through diversified sources, including "Premium Membership" services, a live-streaming tipping system, and joint operations in gaming. Although Bilibili faces challenges such as content regulation and high licensing costs, its dedication to vertical field innovation and strong user engagement enables it to maintain significant user stickiness and profitability potential in a competitive market.

This study examines how Bilibili's content ecosystem and community culture influence user engagement, comparing its content creation and business model with other video platforms. It also explores Bilibili's monetization strategies, challenges in commercialization, growth potential, and associated risks, and provides recommendations.

## 2. Content Creation Model

One of Bilibili's core features is its reliance on a UGC ecosystem driven by UP Creators. Unlike traditional long-form platforms like iQiyi and Tencent Video, which primarily focus on purchasing media rights and producing exclusive content, Bilibili relies more on original videos voluntarily uploaded by its users. According to Bilibili's 2023 annual report, the platform saw an average monthly submission volume of 22.5 million, far exceeding similar platforms [1]. Bilibili incentivizes ongoing content creation by implementing a revenue-sharing mechanism with UP Creators and supporting content creators through various initiatives, resulting in a self-sustaining content ecosystem. This model effectively reduces Bilibili's reliance on external content purchases, enabling it to build a vast content library at a relatively lower cost. In contrast, traditional platforms like iQiyi and Tencent Video heavily invest in media rights and original productions. For example, iQiyi's content acquisition costs exceeded 16 billion RMB in 2023 [2]. While these platforms attract subscribers with exclusive content and high-definition videos, their content costs are high. In contrast, Bilibili's UGC ecosystem demonstrates a "long-tail" effect, attracting niche audiences within specific verticals and lowering content production costs.

## 3. Unique Community Culture

Another distinguishing factor of Bilibili is its strong community culture and highly engaging user interaction mechanisms. The bullet chat feature is one of its signature aspects, allowing users to post comments in real time while watching videos, which enhances interaction and user engagement. Bilibili's bullet chat, or "Danmu," is central to its interactive experience, allowing users to send time-synced comments that appear directly on video content. This feature differentiates Bilibili from other platforms by fostering a community-oriented, real-time engagement layer that enhances the viewing experience. Research shows that the bullet chat functionality transforms passive content consumption into an interactive experience, appealing especially to younger audiences who prefer dynamic and communal digital experiences [3]. Additionally, Bilibili's "Advanced bullet chat" feature enables users to customize text color, brightness, and transparency, appealing to younger users who enjoy innovative and personalized features. According to 2023 data, the platform's daily bullet chat volume exceeded 1.5 billion [3]. This viewing experience stands out from traditional platforms' one-way content consumption model. Platforms like iQiyi and Tencent Video primarily focus on comment sections, resulting in lower interaction frequency and depth. Unlike short-form platforms like Douyin and Kuaishou, which rely on quick interactions (likes and comments), Bilibili's model promotes deeper engagement and long-term community development by creating a space for extended conversation and real-time connection among users [4]. Short-form platforms like Douyin and Kuaishou have strong interaction features, but interactions are mostly limited to likes and comments, and shorter video durations limit deep community engagement as seen on Bilibili.

This unique community culture brings several benefits. First, the bullet chat feature encourages active user participation, which increases user retention time and stickiness. Second, the strong community atmosphere attracts loyal users, further enhancing the UGC ecosystem. Compared to the likes and comments on short-form platforms, Bilibili's bullet chat fosters deeper user engagement, supporting sustained community development. This engagement also benefits Bilibili's business model, particularly through live-stream tipping and advertising. Bilibili's community engagement features contribute directly to its revenue model, particularly through live-stream tipping and advertising revenue. High user engagement in the form of active bullet chats drives greater user retention, which is beneficial for advertisers targeting highly engaged communities. Additionally, the interactive culture enhances live-stream tipping, creating a direct monetization channel where loyal users support their favorite creators through microtransactions [5].

#### 4. Content Verticalization and Diversification

Initially focused on anime and gaming popular with young audiences, Bilibili has expanded into areas such as science, education, lifestyle, and music, creating a diversified content ecosystem. As of 2023, Bilibili had 357 million monthly active users, with over 86% under 35 years old, underscoring its appeal among young people. Additionally, Bilibili's high user engagement, with an average daily usage of 96 minutes, reflects its success in managing communities across various interests. In contrast, platforms like iQiyi and Tencent Video concentrate on dramas and variety shows, with content mainly faced towards mainstream entertainment. While they explore some verticals, such as documentaries and limited educational content, their offerings remain focused on mass entertainment. Douyin and Kuaishou, as short-form video platforms, emphasize breadth and diversity in content but rely on algorithmic recommendations, presenting content in a fragmented and entertainment-centric manner. According to data, Douyin had over 800 million daily active users, while Kuaishou's daily active users reached 440 million. Despite their large user base, their short-form nature limits viewing time per video—Douyin's daily average usage is around 70 minutes, and Kuaishou's is 90 minutes. Additionally, interactions on Douyin and Kuaishou are primarily limited to simple likes and shares, which lack the depth of engagement seen in Bilibili's highly interactive community within vertical fields.

Through user-generated content and diverse content categories, particularly in segmenting areas like education, Bilibili has demonstrated significant appeal. For instance, in the education category, Bilibili saw 14.1 billion views of educational videos in 2022, marking a 32% year-over-year increase. Many young users consider Bilibili a useful platform for learning skills like programming, finance, and languages. This emphasis on educational content contrasts sharply with the entertainment focus of platforms like Douyin and Kuaishou. Bilibili's continued commitment to knowledge content presents an opportunity to cultivate a high-value user base. Expanding into vertical content fields, such as technology and education, can help attract quality creators and broaden its content coverage, offering a unique advantage over short-form platforms.

Bilibili's verticalization and diversification strategy not only broadens its content offerings but also strengthens its community culture and user engagement in specific fields. This approach benefits Bilibili's long-term growth by meeting existing user needs while attracting new users. The promotion of knowledge-based videos has fostered users' habit of acquiring information on the platform, reinforcing community aspects and user stickiness.

This diverse content layout offers key advantages: it reduces reliance on a single content type or vertical, thereby mitigating market risks, and it attracts advertisers, partners, and creators, creating additional commercial opportunities. By expanding into educational and technical content, Bilibili can continue to attract a high-quality user base, ensuring sustained content quality and user engagement. This content ecosystem and community vibe present a distinctive advantage that short-form platforms like Douyin and Kuaishou may find challenging to replicate.

#### 5. Innovative Business Model

Bilibili offers value-added services through its "Premium Membership," which provides benefits like 4K video, exclusive content, and custom profile frames, encouraging users to subscribe. According to its 2023 annual report, Bilibili's premium membership exceeded 30 million users, generating approximately 5 billion RMB in revenue. Bilibili's "Premium Membership" system enhances the user experience by offering various exclusive features, including access to high-definition 4K content, unique profile customization options, and a library of members-only series and anime [6]. These premium options have encouraged a significant portion of Bilibili's user base to subscribe, with the company reporting that it surpassed 30 million premium subscribers by 2023, generating an impressive 5 billion RMB in revenue that underscores the demand for enhanced viewing experiences on the platform [7]. Additionally, Bilibili's premium membership approach

aligns with trends in digital content consumption, where young users seek personalized content experiences and are willing to pay for premium, ad-free, and exclusive content [8].

Bilibili's live-stream tipping system is another significant income source, especially for anime and gaming streams, where interactions between UP Creators and fans lead to high tipping volumes, of which Bilibili takes a portion. In comparison, platforms like Tencent Video and iQiyi offer limited value-added services, focusing mainly on ad-free viewing and exclusive access to TV shows. Bilibili's live-streaming tipping system, particularly popular within its anime, gaming, and "virtual YouTuber" communities, generates substantial income by leveraging fan loyalty and real-time user-creator interactions [9]. Through the platform's tipping feature, viewers can support their favorite creators with monetary contributions during live streams, with Bilibili retaining a portion of each transaction [10]. This model not only increases revenue but also deepens user engagement by fostering a sense of community and interaction, which traditional platforms like Tencent Video and iQiyi are unable to replicate in the same manner due to their limited live-streaming and interactivity features [11].

Additionally, Bilibili's game co-publishing business is an essential revenue stream. Through partnerships with game developers, Bilibili's co-publishing strategy also strengthens user loyalty and cross-platform engagement, ensuring a steady influx of content that resonates with its core audience [12]. With a predominantly young user base, Bilibili earns substantial income from game promotions and merchandise. In 2023, game co-publishing revenue reached 5.6 billion RMB, making it Bilibili's second-largest revenue source. This contrasts with other platforms, as traditional video platforms like iQiyi and Tencent Video do not engage in the gaming business, and short-form platforms like Douyin and Kuaishou mainly rely on ads and live-stream commerce.

The author finds that Bilibili's business model exhibits unique strengths in attracting young users and diversifying revenue. Compared to traditional platforms, Bilibili's flexible approach, combining entertainment with user engagement, has created a user-centric commercial ecosystem. For Bilibili, this innovative model not only improves profitability but also offers growth opportunities, such as optimizing membership, expanding gaming and esports ventures, and enhancing revenue diversification. This diversified revenue structure also equips Bilibili with greater resilience against market fluctuations.

## 6. Future Development

As Bilibili's user base grows, content regulation and community management become more challenging. Maintaining the platform's early community culture while preventing user attrition is a major concern. Bilibili needs to balance community culture with regulatory demands to comply with increasingly strict content policies. Decreasing interaction quality and frequency between users can also impact platform stickiness. To sustain user engagement, Bilibili has to continue delivering high-quality video content. The platform also faces significant expenses related to media rights and content moderation.

Bilibili can adopt advanced AI technologies to detect and filter inappropriate content, alleviating moderation teams' workload while ensuring efficient and accurate review processes. A tiered community management policy could empower users with some degree of self-governance, encouraging quality content production. Additionally, Bilibili should further optimize its business model and explore new revenue sources to achieve profitability. For example, enriching and internationalizing the content library could attract a broader user base. Finally, creating original branded content instead of relying on costly media rights purchases would increase Bilibili's content assets in the long term. Original productions could also better align with Bilibili's community culture and satisfy young users' needs.

## 7. Conclusion

This study finds that Bilibili's success relies on its user-generated content (UGC)-driven ecosystem, highly interactive community culture, and innovative business model. Compared to other video platforms, Bilibili not only holds a distinct advantage in user experience and community engagement but also effectively reduces content costs and minimizes the risks associated with reliance on a single revenue stream. Bilibili's diversified revenue structure and in-depth focus on niche verticals address the needs of various interest groups, resulting in high user stickiness. Its robust content creation and consumption ecosystem have helped it stand out in a crowded market, maintaining a strong competitive edge.

Bilibili can further enhance content quality and user experience by focusing on several key areas. First, optimizing content recommendations and expanding content diversity can help attract and retain user engagement. Second, by developing proprietary content and launching branded shows, Bilibili can build a valuable content asset base that reduces dependency on costly external licensing. Additionally, the platform can expand its user base by exploring international markets and emerging content categories.

Bilibili will face policy challenges as it commercializes, including community governance and content regulation. It must balance maintaining its community atmosphere with complying with regulations. Introducing technological solutions like AI-driven content moderation and tiered community management can help achieve this balance.

Bilibili's user-centered community ecosystem, innovative business model, and targeted content strategy have successfully cultivated a highly engaged community and diversified revenue streams. These factors not only give it a unique competitive advantage in a competitive market but also provide a sustainable foundation for future growth.

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