

TIKTOK



*IS TIME RUNNING OUT FOR THE
SOCIAL MEDIA GIANT IN THE US?*

Submitted by:

Namisha Mehta

Rohit Raju

Sahiti Venkatesan

Varun Bagrodia



TikTok faces a US ban threat, competition, and user concerns, needing a strategic solution

TikTok, a popular social media app owned by Chinese company ByteDance, is facing a potential ban or forced sale in the United States due to geopolitical tensions and concerns over national security and the app's impact on society.

The US House of Representatives passed a bill (H.R. 7521) requiring ByteDance to sell TikTok within 6 months or face a ban. The bill is now moving to the Senate, and if passed, could significantly impact TikTok's operations and future in the US market. Additionally, TikTok faces competition from other social media platforms like Instagram, which are integrating similar features and vying for market share.

How can TikTok navigate the complex challenges posed by the potential US ban, geopolitical tensions, and increasing competition while maintaining its position in the American market and addressing the concerns of various stakeholders, including users, content creators, policymakers, and society?

STEEPing into the Future: Societal and Political factors shape the future of the Social Media Landscape

Societal:

- **Impact of Social Media on the Mental Health of Teenagers and Young Adults:** Social media platforms have come under scrutiny for their potential negative impact on the mental health of young users. Studies have shown that excessive social media use can contribute to increased feelings of loneliness, anxiety, depression, and low self-esteem among teenagers and young adults.
- **Evolving user behaviors as social media platforms are becoming a primary source of news and information:** As more people turn to social media for news and information, these platforms can shape public opinion and influence political discourse.
- **Dynamic User Behaviors and the challenge of content moderation processes:** Many users now turn to their social media feeds for breaking news, political updates, and personal recommendations, rather than traditional news outlets. While this has democratized access to information and given voice to a wider range of perspectives, it has also created new opportunities for the spread of misinformation, conspiracy theories, and polarizing content.
- **Helping foster creativity - monetizing content:** Social media platforms have democratized content creation, allowing individuals to showcase their talents and reach a wide audience. Many platforms have successfully fostered creativity through various formats, user-friendly editing tools, and algorithm-driven content discovery.
- **Cyberbullying:** The anonymity and accessibility of social media have made it a breeding ground for cyberbullying, which can have severe consequences for the mental health and well-being of users, particularly young people.

Technological:

- **Curating content based on user preferences due to advancements in AI:** As artificial intelligence (AI) technologies continue to advance, social media platforms increasingly leverage these tools to curate content based on individual user preferences and behavior.
- **Privacy concerns as they're leveraging user data:** Social media platforms rely heavily on user data to fuel their advertising-based business models and improve their services. However, the collection, storage, and use of personal information have come under increased scrutiny in recent years, with users and regulators demanding greater transparency and control over how their data is handled.
- **Scalability challenges in managing large traffic and interactions:** As social media platforms grow in popularity, they face significant scalability challenges in managing massive volumes of user-generated content, interactions, and traffic.
- **Development of new technologies and integration of AR/VR technologies could transform the user interaction/experience:** The rapid development of new technologies, such as augmented reality (AR) and virtual reality (VR), presents both opportunities and challenges for social media platforms. Integrating these immersive technologies into social media could fundamentally transform how users interact with each other and digital content, creating new forms of expression, communication, and shared experiences.

Environmental:

- **Social Media's Carbon Footprint:** The increasing use of social media platforms contributes to a growing carbon footprint. With billions of users worldwide, the combined energy consumption of social media usage adds up to a significant amount of greenhouse gas emissions.
- **Data Centers' Energy Consumption:** Social media platforms rely on vast data centers to store and process user data. These data centers consume substantial amounts of energy for power and cooling, contributing to the overall environmental impact of social media.
- **E-Waste Generation:** The rapid pace of technological advancement and the increasing demand for new devices to access social media platforms contribute to the growing problem of electronic waste (e-waste)

Economic:

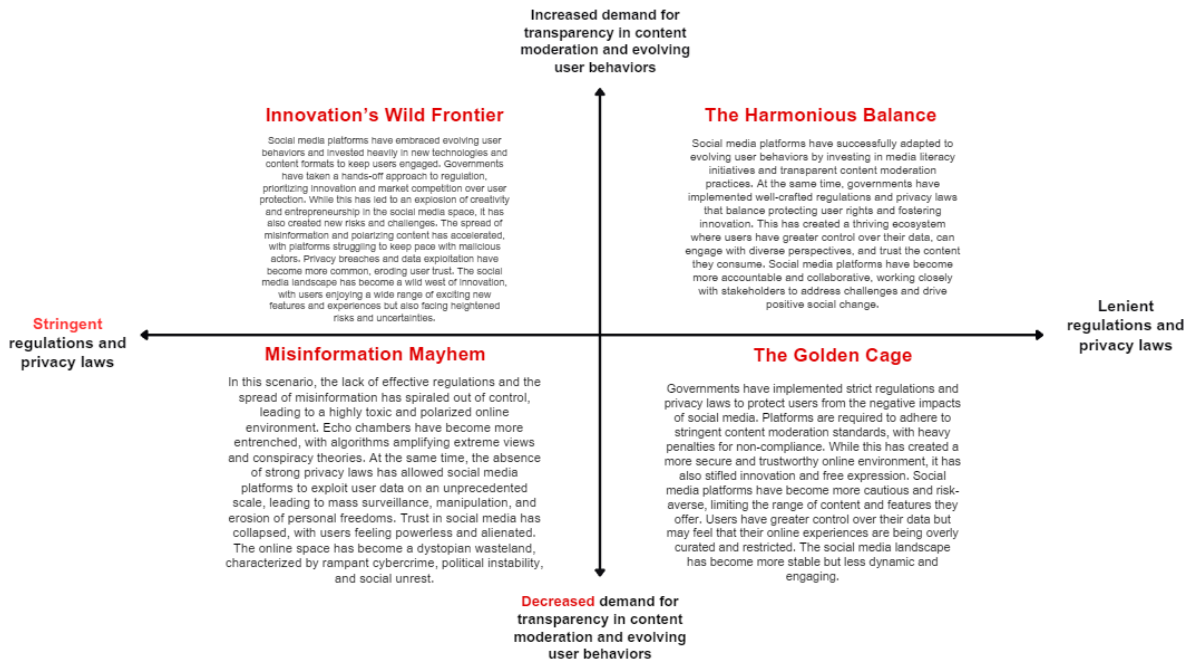
- **US-China Conflict and the Semiconductor Industry:** The ongoing trade tensions between the United States and China have significant implications for the global technology sector, particularly the semiconductor industry. The US government has imposed restrictions on the export of advanced semiconductor technology to China, citing national security concerns and the potential for military applications
- **Sustainability and Profitability of Monetization Models for Content Creators:** Social media platforms have created new opportunities for content creators to monetize their work and build careers in the digital economy

- **Impact of Social Media Platforms on Content Creators:** Relying on Regular Platforms for Income: The rise of social media platforms has disrupted traditional media industries and created new challenges for content creators who rely on regular platforms, such as television, radio, and print media, for their income

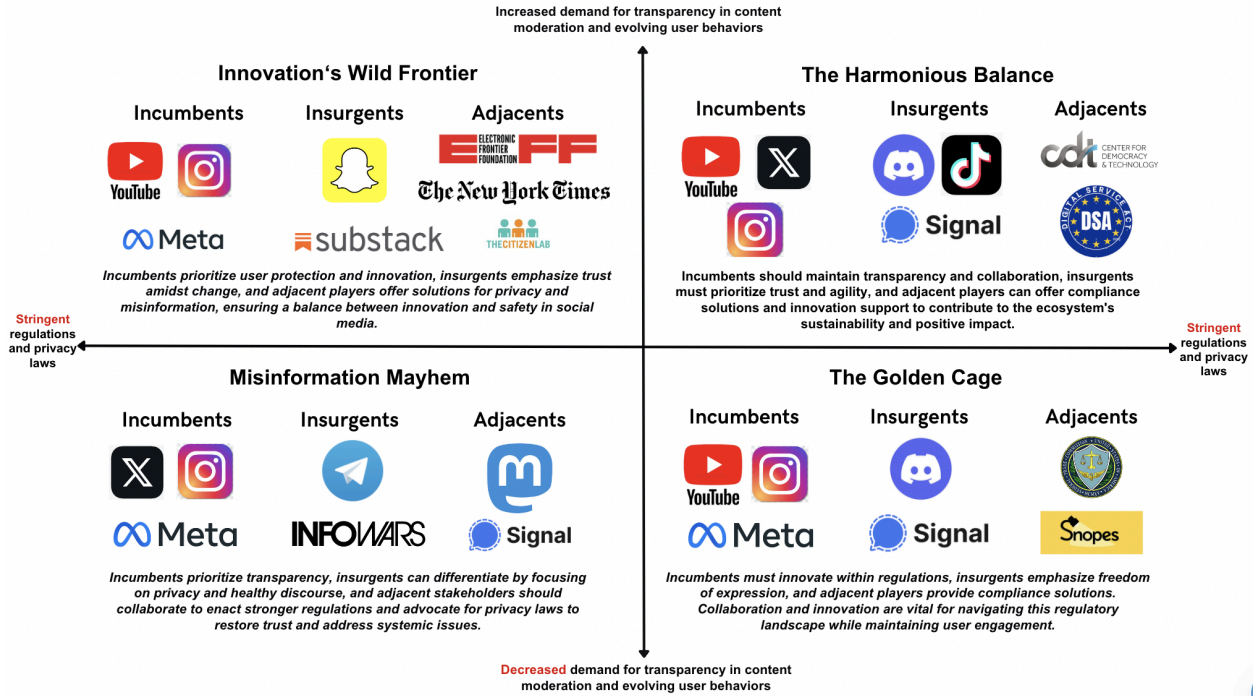
Political:

- **Regulations and privacy laws:** As social media platforms continue to play an increasingly influential role in shaping public discourse and opinion, governments around the world are grappling with how to regulate these companies to address concerns around privacy, data protection, and content moderation.
- **Authoritarian propaganda concerning freedom of speech:** In some countries, particularly those with authoritarian governments, social media platforms have become a target of censorship and propaganda efforts.
- **Increasing trends toward economic nationalism:** This may result in stricter regulations on foreign tech companies, including social media platforms.

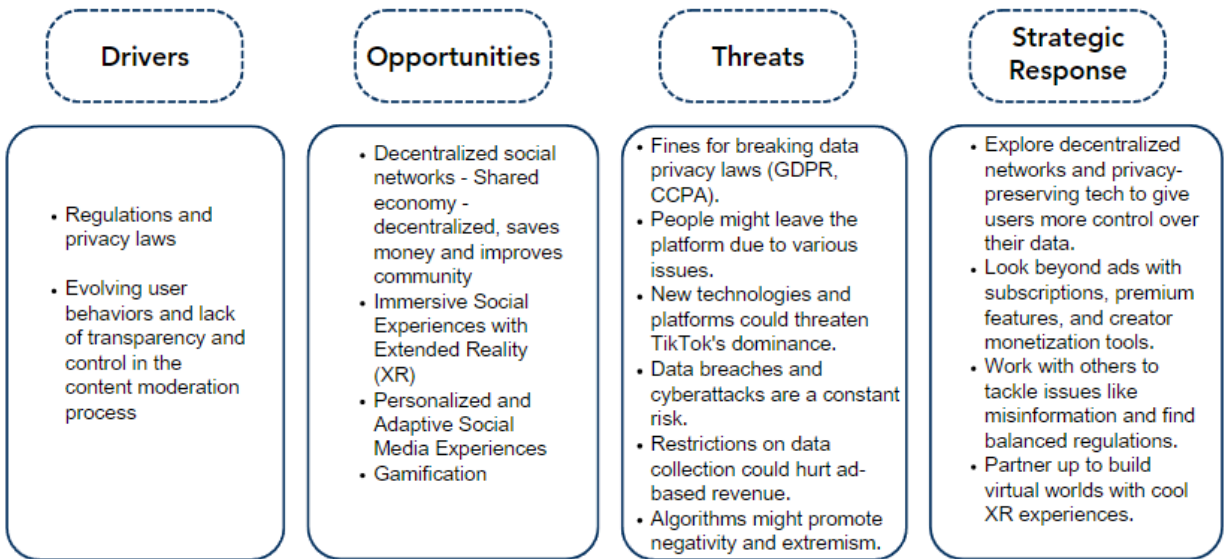
Regulatory Concerns, Privacy Laws, and User Dynamics Shape the Future of Social Media Landscape



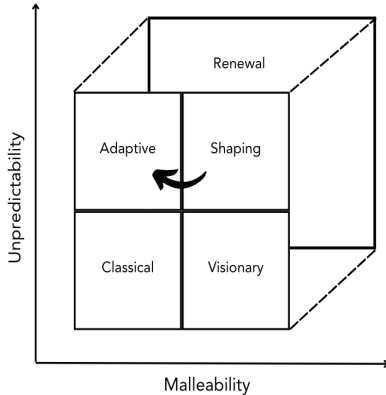
Dynamic User Behaviors, challenges of content moderation processes, and regulations concerning social media shape the future of competitive seascape



The Social Media Industry should explore privacy-preserving tech, and decentralized networks, tackle misinformation issues, and partner up to build virtual worlds



Evolving from Shaping to Adaptive Strategy will help TikTok pivot it's strategy in a rapidly Evolving Digital World



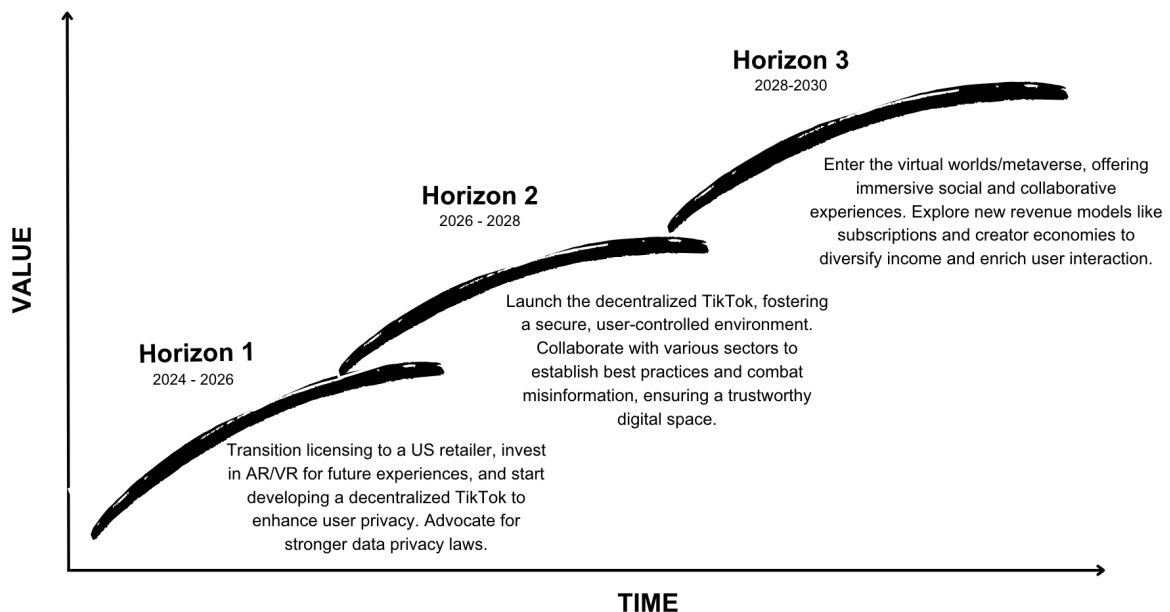
TikTok originally charted a course with a **shaping strategy** and has become a leader in the social media space, championing creator-led content and an algorithm that keeps audiences engaged and creators recognized. This strategy enabled TikTok to influence user behavior and set the tempo for platform innovation.

Nonetheless, as TikTok faces increased regulatory scrutiny and privacy concerns, TikTok needs to adjust its sails from being a market shaper to adopting an adaptive approach. The evolving narrative demands TikTok to be more agile in its strategy, prioritizing flexibility over setting the pace.

Embracing adaptability, TikTok can navigate through global regulations by actively engaging with policymakers and adapting its business model to meet diverse regional standards. This could involve modularizing its features to comply with varied international data privacy laws, ensuring the platform's resilience amidst fluctuating global sentiments.

In essence, TikTok's pivot towards an **adaptive strategy** should see the company actively pursuing partnerships and open innovation platforms, fostering a more compliant and regionally nuanced service. By doing so, TikTok could fortify its foundations against the unpredictable currents of the digital age, ensuring its continued relevance and growth in a fast-paced and ever-changing market landscape. This strategic flexibility can ultimately enhance TikTok's capability to deliver tailored content that resonates with local cultures and regulatory frameworks, thereby preserving user trust and platform integrity.

From Licensing Shifts to the Metaverse: Charting TikTok's Strategic Evolution Across Three Horizons



Horizon 1: Strategic Shifts by Licensing, AR/VR Investment, Decentralization, and Privacy Advocacy for TikTok's Next Chapter

What?	Why?	How?
Work towards the sale of TikTok's US operations to a US-based company or investor, ensuring compliance with any regulatory requirements while maintaining the platform's core features and user experience	Mitigate the risk of a US ban and navigate the geopolitical tensions between the US and China by exploring strategic options that comply with regulatory demands while preserving TikTok's presence in the US market	Engage investment bankers, legal advisors, and other experts to explore potential sale options for TikTok's US operations, and develop a strategic plan to ensure a smooth transition while maintaining the platform's core values and user experience
Invest in research and development of immersive social experiences using AR, VR, and MR technologies	Lay the foundation for future differentiation and growth by exploring new technologies and user experiences	Partner with leading technology companies, research institutions, and startups to explore and develop immersive social experiences
Explore the feasibility of developing a decentralized version of TikTok, leveraging blockchain technology and decentralized architectures to give users more control over their data and content moderation processes	Address concerns around data privacy, content moderation, and the spread of misinformation, demonstrating TikTok's commitment to user empowerment and transparency	Allocate resources to a dedicated team focused on researching and developing a decentralized version of TikTok
Engage with policymakers, industry partners, and civil society organizations to establish best practices, develop industry standards, and advocate for responsible regulations that balance user privacy, innovation, and competition	Proactively shape the regulatory landscape and build trust with stakeholders by engaging in constructive dialogue and collaboration	Establish a government relations and public policy team to engage with policymakers and other stakeholders, and participate in industry forums and initiatives

Horizon 2: Revolutionizing TikTok through Decentralization, Collaboration, and the Quest for a Balanced Digital Ecosystem

What?	Why?	How?
Creating a TikTok variant that operates on a decentralized network, allowing for enhanced user control over data and a transparent content moderation process.	In the face of growing scrutiny over data privacy and platform control, transitioning to a decentralized model puts power back into the hands of users. Additionally, Decentralization offers a novel way to tackle the persistent challenges of misinformation and harmful content.	Research blockchain applications for social media and test a decentralized platform with select user feedback. Partner with Blockchain experts to build the platform's infrastructure and develop a focused launch strategy incorporating marketing and community feedback.

<p>Partnering with stakeholders from different sectors to establish and advocate for regulations and practices that ensure user safety, privacy, and freedom of expression, leveraging insights from the decentralized platform.</p>	<p>Through collaboration, TikTok can lead the charge in establishing new industry standards for social media platforms. Advocating for balanced regulations and best practices not only positions TikTok as a responsible industry leader but also helps shape a healthier digital ecosystem for all stakeholders.</p>	<p>Form a cross-sector consortium to define content moderation and privacy best practices, and dialogue with policymakers using decentralized platform insights for user-protective, innovative regulation. Host public forums and discussions to align platform evolution with community input, reflecting diverse user needs and societal values.</p>
--	--	---

Horizon 3: Embracing the Metaverse and Innovative Monetization for a Future-Forward TikTok

What?	Why?	How?
<p>A whole new world built by TikTok, where you can hang out with friends, work together on cool projects, and experience things in ways you never thought possible by using fancy tech like VR headsets and AR glasses. TikTok can create these virtual spaces where you can create mind-blowing content, play games like never before, and have experiences personalized.</p>	<p>By entering the metaverse, TikTok would be at the forefront of the next big thing in social media and entertainment. It's a chance to offer something totally different from the usual short videos, cater to what users are craving now (more interactive and immersive experiences), and open up a whole new world of creativity and engagement.</p>	<p>TikTok would team up with metaverse companies and game makers. Together, they could build these virtual spaces especially for TikTok users. They could even create entirely new ways to tell stories and interact with each other. Plus, TikTok would need to train its own team to become experts in this new world.</p>
<p>TikTok should diversify its revenue streams by exploring monetization models beyond its current reliance on advertising. Specifically, it proposes exploring subscription-based models, premium features for users or creators, and creator economies facilitated by social tokens or tipping mechanisms.</p>	<ul style="list-style-type: none"> ● Less reliance on ads: By having other income streams, TikTok wouldn't be so dependent on advertisers. ● Giving users what they want: Some users might prefer an ad-free experience, and these options would give it to them. ● Helping creators thrive: More ways for creators to make money means a happier and more creative community for everyone. ● Staying ahead of the curve: By exploring new technologies and business models, like digital currencies and creator economies, TikTok positions itself as a forward-thinking platform. 	<ul style="list-style-type: none"> ● Subscription plans: Imagine a special level of TikTok, with no ads and maybe even exclusive content or features, for a monthly fee. ● Premium features: Creators and users could pay a small fee to unlock special tools, effects, or ways to customize their TikTok experience. ● Supporting creators directly: Imagine giving your favorite creators "tips" with digital tokens or even buying cool digital stuff they create! This would be a whole new way for creators to make money from their talent.

EXECUTIVE SUMMARY

- 1. TikTok faces a US ban threat, competition, and user concerns, needing a strategic solution**
- 2. STEEPing into the Future: Societal and Political factors shape the future of the Social Media Landscape**
- 3. Regulatory Concerns, Privacy Laws, and User Dynamics Shape the Future of Social Media Landscape**
- 4. Dynamic User Behaviors, challenges of content moderation processes and regulations concerning social media shape the future of competitive seascape**
- 5. The Social Media Industry should explore privacy-preserving tech, and decentralized networks, tackle misinformation issues, and partner up to build virtual worlds**
- 6. Evolving from Shaping to Adaptive Strategy will help TikTok pivot it's strategy in a rapidly Evolving Digital World**
- 7. From Licensing Shifts to the Metaverse: Charting TikTok's Strategic Evolution Across Three Horizons**
- 8. Horizon 1: Strategic Shifts by Licensing, AR/VR Investment, Decentralization, and Privacy Advocacy for TikTok's Next Chapter**
- 9. Horizon 2: Revolutionizing TikTok through Decentralization, Collaboration, and the Quest for a Balanced Digital Ecosystem**
- 10. Horizon 3: Embracing the Metaverse and Innovative Monetization for a Future-Forward TikTok**

REFERENCES

<https://carbonliteracy.com/the-carbon-cost-of-social-media/>
<https://www.nytimes.com/2024/03/13/technology/tiktok-ban-law-congress.html>
<https://www.cnn.com/2024/03/14/tech/india-us-tiktok-ban-analysis-intl-hnk/index.html>
<https://www.theverge.com/2024/3/15/24102472/house-tiktok-ban-bill-staffers-call-s-congress>
<https://www.statista.com/statistics/1377008/tiktok-worldwide-downloads-quarterly/>
<https://www.pewresearch.org/internet/2024/02/22/how-u-s-adults-use-tiktok/>
<https://www.pewresearch.org/short-reads/2023/11/15/more-americans-are-getting-news-on-tiktok-bucking-the-trend-seen-on-most-other-social-media-sites/>
<https://nypost.com/2024/03/11/business/instagram-overtook-tiktok-in-app-downloads-during-2023/>
<https://www.theverge.com/2024/2/5/24062260/tiktok-universal-music-group-audio-removal-ruining-viral-trends-thirst-edits>