

Internet Media Company in China Take Bayway Star Co., Ltd as an Example

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Abstract: In the social background of Internet, the self-media industry has become burgeoning. It has significantly developed in recent years. Our group investigated Bayway Star Culture and Entertainment limited company. It is one of the typical representatives of self-media operating companies. The company was established four years ago. It has continuously explored and practiced effective modes of self-media operation. The company continuously absorbed and trained self-media practitioners. Meanwhile, it contributed greatly to the cultural and entertainment industry. The success of Bayway Star has provided entrepreneurs with valuable experience. After experiencing the company's entrepreneurial journey, we also conducted our own thinking. Finally, we put forward some recommendations for the development of the company.

1. Introduction

The person we combined with, Qian Yiqiang is one of the founders of Bayway Star. He set up the Bayway star in 2015. It was founded with his partners in Shenyang, Tiexi District. The reason about the company's start up is interesting. His daughter wanted to receive more attention about shot videos on the platform. It was the first time he knew about we-media. Then he found this new industry has a broad market prospects and needs. Finally, Bayway Star was founded with his partners. It proves that his original choice is exactly correct. Currently, the self-media platform has become an important part of many people's lives.

In the above, the aspects of company profile, start-up and main business about Bayway were introduced. The following part of the report will firstly introduce the background about the we-media industry. Second, there are findings to know about the operations to complete the operating cycle. Next, some unique selling points differentiated with competitors will be analyzed. After that, we will describe the inspiration we got from the development of Bayway Star. What's more, some finance analysis about the company also included. Finally, we will conclude our report and give some recommendations. The resources we used will also be listed in the last page.

2. Findings

The findings outlined below are from our interview and researches. It will report the background of the network broadcast industry and how does Bayway star operate. The report will explore what can make a company success base on the behavior Bayway Star. Lastly, it will show where and how founders raised the money needed to set up and run the company.

2.1 Industry Background

In recent years, the business of network broadcast has maintained a booming trend. As shown in the figure, the number of Chinese online live users has increased dramatically from 19.3 million to 50.7 million. That number has nearly tripled in five years. At the same time, it can be seen from the data that nearly half of the Chinese population. Network broadcast has become an integral part of people's daily life. People are deeply attracted by online live and enjoy themselves in it. The reasons why network broadcast develops so fast can be listed as follows:

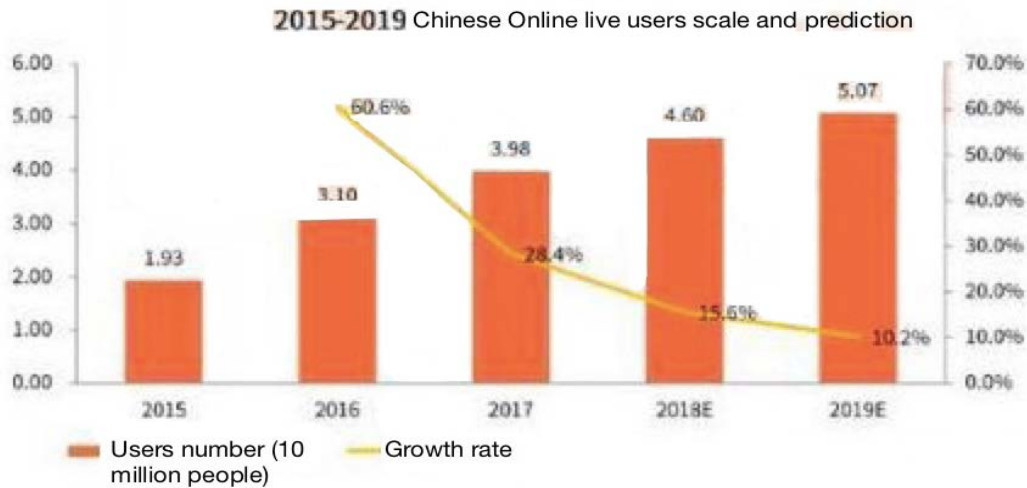


Fig.1: 2015-2019 Chinese Online Live Users Scale and Prediction

(1) Users' satisfaction. First and foremost, user needs are more satisfied. Demand is the main driver of production development. Social networking is one of the purposes for users to use the Internet. People achieve personal socialization and social status acquisition or update through information transmission. One reason for the decline of traditional media is that they fail to meet the audience's universal need for "communication". Meanwhile, they fail to fully realize the importance of social attribute to media. Compared with Weibo and WeChat, users can post comments, post barrage screens, send gifts to share, promote and express themselves. Network broadcast is rich in content and close to life. It is time-sensitive and social at the same time.

(2) Rapid development. Secondly, commercial capital has boosted the development of the live broadcasting industry. From the current industry pattern, live broadcasting is still in the initial stage. Some live streaming platforms have yet to find their own profit points, and they still need to invest a large cost in bandwidth, anchor signing and buying live streaming rights. Due to the strong development potential of live broadcasting, In March 2016, Tencent and others invested 100 million us dollars into Douyu to gradually expand its live content from games to sports, variety shows, entertainment, outdoor and other live content. By August 2017, a number of large live-streaming platforms had completed high financing.

(3) Technological progress. Technological progress has lowered the threshold of access and become a prerequisite for promoting the development of network broadcast. With the development of 4G network, WiFi hotspot as well as the continuous development of mobile phones, the technical barriers restricting live broadcasting have been greatly eliminated, and live broadcasting platforms have entered the era of mobile video live broadcasting featuring "go, watch and broadcast". Users can watch live videos on a smartphone. Anchors can also go out of the broadcast room to broadcast live anytime and anywhere, and switch scenes at will, which greatly enriches the broadcast content. At the same time, users and anchors can also interact with each other in real time through bullet screens and dialog boxes, which not only helps to adjust live broadcast content, but also enhances users' sense of experience. (Li Xiaoguang and Shi Dan, 2019)

2.2 Operations

The main business of Bayway Star is mainly divided into film investment and bloggers operation.

(1) Film Investment. In terms of film investment, Bayway Star is committed to high-quality film production. They also organize performance activities, operate and manage theaters. At present, several films and TV works have been shot. "Strange space", "The cannon of the world", "Adventures of mercenaries" are their representative works. It is worth mentioning that on August 4, 2017, Bayway Star signed a strategic partnership with Youku. "The cannon of the world" is exclusively broadcast in Youku. It achieved a good result of over 3.5 million on its first day of release and over 10 million in 40 hours. In the future, Bayway Star will shoot more than 1000 films and TV plays. It will continue to expand the domestic film and television market and produce high-quality content. Finally,

Bayway Star will become one of the youngest and professional film and television platforms in China.

(2) Bloggers operation. Bloggers operation mainly refers to the excavation, packaging and training of bloggers. In other words, the packaged bloggers and their works are the products of Bayway Star. Bloggers operation is mainly divided into four steps.

Step1: Recruit bloggers and find the right niche for them. For example, some people are good at playing games, some are good at hot dancing, some are very good-looking. They all have the potential to be good bloggers. The company will explore their characteristics. And then according to their characteristics positioning, the company will create exclusive star creation program. This step is the foundation of the following operations.

Step2: Training bloggers. The company will arrange teachers to guide them. These students will receive vocal music, performance and dance training. Depending on the anchor's position, they will receive different training. For example, bloggers who post music-related videos will have voice lessons, instrument lessons, etc. The good-looking bloggers will learn how to match clothes, how to make up and take performance classes. They are also taught how to act naturally in front of the camera and how to get more attention. These courses will enhance their quality, so that they can make better works.

Step3: Forming professional operation teams. The company will establish professional operation teams for their bloggers. Each team is responsible for five bloggers. The staffing is like this: each operator is responsible for two bloggers. The operation personnel are responsible for copywriting, planning, editing and directing. Each two or three bloggers will be assigned one editor and camera man. The working condition of each week is as follows: working time of five days. Each blogger will have a 2-4-day shooting task every week, shooting 5-10 pieces of content every day. There will be a topic selection meeting every week. All team members will be involved. They carefully and comprehensively screen and evaluate each topic. Then they will write the copy and prepare the relevant materials. This ensures the interest and quality of the content from the source.

Step4: Connect resources. The final step of bloggers operation is to help bloggers connect resources. The company helps them realize the flow realization and draw the profit from it. For example, they can get money from commercial agent. The company will connect with advertisers or agents. Bloggers will advertise or sell some products in the video. Except for commercial agent, data service and online celebrity brokerage are also two sources of profit. This step will be explained in more detail in the next part—business model.

(3) Business model. The business model of Bayway Star is actually a MCN model. MCN is defined as a product form of multi-channel network. It combines PGC content. With the strong support of capital, the continuous output of content is guaranteed. So as to realize the stable realization of business. In short, it is the change of content creation mode. From the production mode of individual business to the production mode of large-scale, scientific and serial company system. All companies with the ability and resources to help content producers can be called MCN. For example, the blogger operation of Bayway Star is the MCN mode. The specific operation mode of MCN mode is divided into the following three steps.

Step1: Sign up for bloggers. At present, MCN signing bloggers are generally divided into the following two types. One type is signing a contract with a blogger who already has a certain reputation and fan base. The company has established a partnership with them to better realize the realization of content realization. For example: [Yadun likes singing]. Before signing with Bayway Star, she was a video blogger with 100,000 followers. But she met the bottleneck of development. She doesn't know how to expand her popularity. So she signed up with Bayway Star. Another one is MCN can cultivate bloggers. As mentioned in the part of bloggers operation above.

Step2: Establish a professional operation team. The main job of the team is to ensure continuous and stable content output. The idea of Bayway Star is to focus on the Douyin platform. After having a certain fan base, it can be distributed to the whole platform. Bayway Star will divide the company into different groups to work. The classification of groups is according to different directions, such as

entertainment, fashion, funny and so on. These groups will give bloggers consistently creative and technology support. I.e. to establish a professional operation team as mentioned above.

Step3: Flow realization. Bayway Star's profit model mainly includes commercial agent, data service and online celebrity brokerage. Commercial agency means that the Ministry of Commerce of Bayway Star will connect with advertisers. The company provides advertisers with information about its bloggers. After receiving the advertisement, the task will be distributed to different bloggers according to different requirements of the advertiser. (Ma yuefei, 2019) Bayway Star acts as a link between bloggers and advertisers. After the cooperation is successful, it will take a certain proportion of the share. Data service refers Bayway star has a large number of usage data of its viewers. With the help of data services, Bayway Star can collect service fees from platforms and content providers to realize data realization. (Li xiaoguang, shi Dan, 2019)

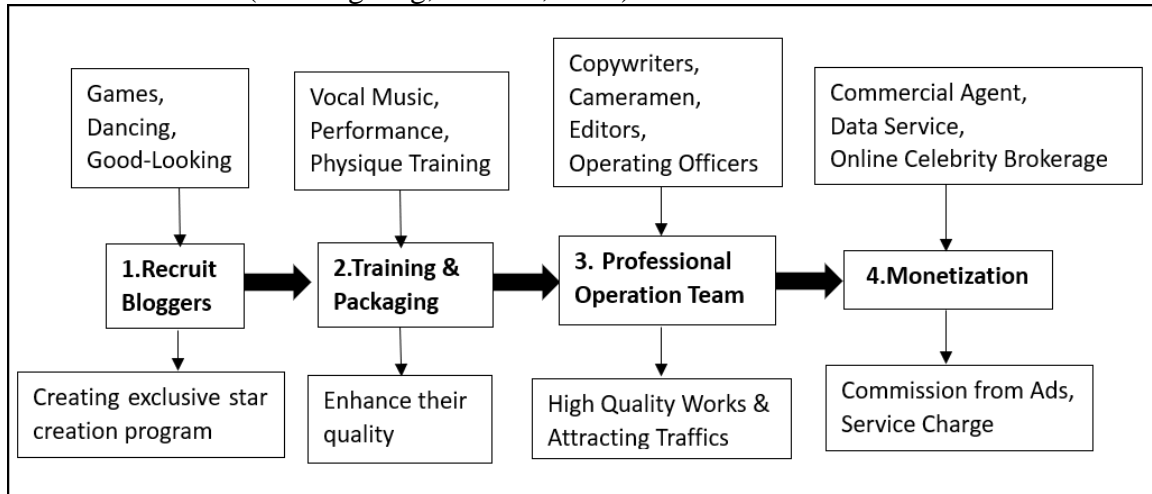


Fig.2: Operation Flow Chart of Bayway Star

2.3 Differences

(1) Low commission rate. The first point is Bayway Star's commission rate is lower. Generally, video bloggers in other company only get 30% of their total income. However, bloggers can get about 50% of it. The low profit withdrawn as a middleman will directly increase the income of media artists. This can attract more people to join in the company's operations. This is an advantage to compare with other companies in the we-media operation. The bloggers could be more willing to cooperate with the Bayway Star Company. That's why make the company different.

(2) More resources to attract traffic. The second point is the Bayway Star has more resources to attract traffic. The company has signed a contract with iQIYI includes producing 500 website series. Through this kind of contracts, Bayway Star has continually resources for bloggers working for them. They offer internship opportunities for college students. The students have less opportunities but are more creative and dreamful. They provide with equipment. Besides, they encourage students to give full play to their creativity and select regular employees. This makes the Bayway Star Company more attractive and different.

2.4 What can make a company success?

From our interview and research about Bayway Star, we found 3 points which contribution to business success.

(1) Qualified founding team. Firstly, having a qualified founding team is vital for every company especially for startups. It's important for entrepreneurs to have keen insight and a long-term vision to discover the opportunities in the future. After this have the courage and enthusiasm to get into this industry is also essential. Finally, knowing how to run a company decides whether this company can survive. Like the founders of Bayway Star, they discover and seize the opportunity form the outbreak of the self-media industry. Furthermore they are also experienced in running companies. The qualified founding team is one of the reasons for Bayway Star's success.

(2) Free company culture. Secondly, a free company culture can go a long way toward helping companies to be success. This is very important for start-ups especially for them in cultural industry like Bayway star. Company which wants its employees to be creative needs to have a free company culture. This require company be less bureaucratism, empower its employees and fully respect each of them. For example, Google and Netflix are both famous for their excellent company culture. And this is part of the reason why their employees are so creative. Bayway Star has a free company culture. Its managers respect bloggers' own ideas and keep their individuality. This is also a reason why Bayway Star can success.

(3) Willing to Offer internships to inexperienced. Last but not least, don't rejected people just because they are lack of experience. In some industries especially cultural industry, people who are less experienced can come up with ideas that beyond the box. Bayway Star cooperates with universities and provides a practical base for college students. By this way Bayway Star increases its talent reserve, gets innovative ideas and improves team dynamics at the same time. It established a win-win situation with students.

2.5 Financial

For many entrepreneurs, raising the money they need is the hardest part. From our interview, we found out how and where founders raised the required capital for Bayway Star.

Table 1 Financial Chart

When	Where	How Much
Year 1	Founders	0.5 million×5=2.5million
Middle of the Second Year	Investor	10 million
Year 3	Bank	8 million
Year 4	Government	5 million

In the first year, five founders set up and run Bayway Star with their own money. Then in the middle of the second year, they found an investor and got an investment. They use this money to buy a lot of professional equipment and change their office space. After this by mortgaging their equipment, they got a loan from the bank in year 3. In year 4 Bayway Star had already become one of the biggest MCN companies in Liaoning province. It got a government grant because of the Liaoning provincial government's support for the we-media industry.

3. Conclusion

Through the field investigation of Bayway Stars and the interview with Qian Yiqiang, we are deeply impressed. Qian Yiqiang has strong operation ability and coordination ability to deal with daily business. As a small cultural media company, Bayway Stars is willing to face difficulties and see opportunities for innovation. All in all, they get long-term stability development by building a free corporate culture. These lessons tell us to find the right direction and go for it, no matter how challenging the situation. We firmly convince that Bayway Star can achieve its vision as long as it insists on following the right path.

4. Recommendation

4.1 Increase the frequency of interaction between bloggers and fans.

Bayway Star needs to cultivate loyal users to stabilize and even increase its market share. As far as we concerned, in order to improve the loyalty of existing customers, Bayway Star can make some solutions. Firstly, Bayway Star can draw a lottery by randomly selecting two popular comments from the comment area every week. What's more, Bayway Star can give them small gifts. All in all, Bayway Star can focus on private traffic. Bayway Star can set up a similar function to WeChat moments, anchors can post their mood, which shows real them.

4.2 Improve the level of commercial operation.

Bayway Star can be operated commercially. According to the latest data (fig.3), Douyin and Kuaishou occupies more than half of the online video market. As a consequence, we consider Bayway Star can learn from Douyin and Kuaishou. For instance, a set of models can be built successfully. The models guarantee the quantify the differences, gains and losses between normal and commercial works in the same location. More importantly, Bayway Star can enhance publicity, which means that it can place advertisements on network platforms. Meanwhile, Bayway Star can sponsor variety shows to raise its profile.

Distribution map of the number of users of China's live-streaming platforms in 2019

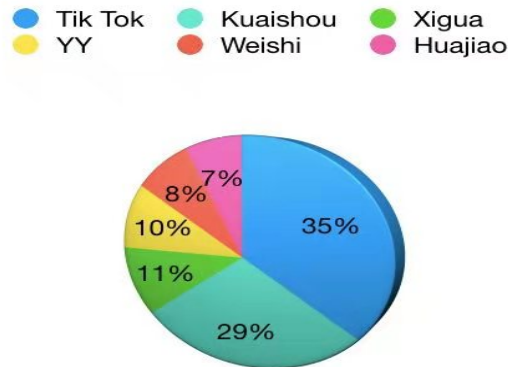


Fig.3 Distribution map

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