

Hypothetical Merger Case

“Business Plan”

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What would be the possible business model of the hypothetical merger?

Growth Strategy

Revenue Model

Horizontal Effects

Advertisements

Vertical Effects

Products & Services

Intermediary Fees

Growth Strategy-Horizontal Effects

Microblogging & Social
Networking Service
(Twitter)

→ Social Network (weak ties)



Instant Messaging

Personalized Short Video
(TikTok)

→ Broadcasting (one-to-many)



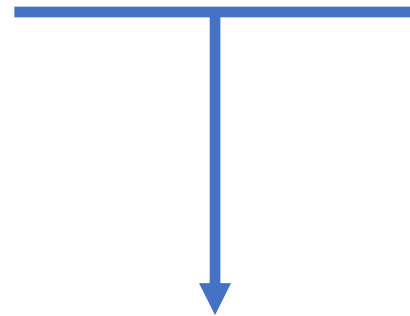
E-Commerce

X

Growth Strategy - Horizontal Effects

Microblogging & Social
Networking Service
Instant Messaging
(Twitter)

Personalized Short Video
E-Commerce
(TikTok)



Instant Messaging (e.g. Lark) & Social Network (weak ties → strong ties)

- probably not the content markets like WeChat did

Payment (service → platform) & E-commerce → sharing economy

SuperApp

Growth Strategy - Vertical Effects

(Twitter)

Starlink & Tesla

(Network / Device)

X

(TikTok)

ByteDance

(AI / User Data)

Cloud Computing (e.g. TikTok on Starlink)

Internet of Things (e.g. ads in the car) → **Maps**

SuperApp as a Bottleneck-Layer in the Ecosystem (e.g. WeChat mini-program)

Revenue Model

Twitter

(Ads)

+

Starlink & Tesla

X

Ads

Products (Device: Car / Connector / Phone)

Service (Cloud, Payment, Network)

Intermediary Fees (SuperApp)

TikTok

(Ads)

+

ByteDance

Possible Regulation in China

Data Pool Restriction

Data of Tiktok cannot be shared with Twitter without user permissions

Interaction Requirements

e.g. WeChat is required to open the link for TikTok and Taobao

Antitrust Investigation

WeChat *v.s.* Twitter & TikTok

Thanks

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