

BYTE'S COMPETITIVE CONTEXT - REPORT

Byte closely follows in the footsteps of Vine, the first short-form video sharing social network that began in 2013 only to have a rapid downfall by 2016. Byte must grapple with the same issues that Vine experienced, in addition to a now radically different social media landscape.

It is important to understand why Vine failed, therefore, as a result of endogenous and exogenous factors.

First, despite its popularity, Vine [failed to create revenue streams](#) for [content creators](#). This was, in part, a result of its founders' resistance to monetize the app. Some argue that the platform grew too quickly and was [mismanaged](#) as a result.

Second, another factor concerns factors exogenous to the Vine itself. A particularly compelling argument, for example, is that Vine fell victim to changes in the "social media landscape." [Vine failed to adapt to the new features](#) launched by Snapchat and Instagram in response to its short-form content. The expansion of their video-sharing formats, in addition to new forms of monetization drew content creators away from Vine. [Audiences tend to be more loyal to content creators than platforms](#), so the loss of content creators impacted Vine's user base. Finally, Vine's video format faced an emerging challenge from the rise of [live streaming](#).

In summary, Vine failed as a result of several endogenous and exogenous factors that speak to Vine's perceived tension between creativity and monetization. Whereas its founders remained concerned with how monetization would limit the creativity of its users, other platforms, such as Instagram, Snapchat, and YouTube, created effective ways to allow monetization to produce creativity.

Fast forward to 2020, Byte enters a very different social media landscape. Vine's primary competitors have further expanded their features, and live streaming has become hugely popular on platforms such as Twitch. In addition, TikTok has effectively monopolized the short-form content space becoming the most popular app download in 2019. The platform, owned by a Chinese media company, boasts [500 million users per month](#). However, as Joshua VanDeBrake [warns](#), "every person who uses TikTok is effectively offering up endless amounts of facial recognition and location data to the Chinese government." In fact, the app was recently [banned amongst U.S. military personnel](#) for security concerns. Finally, the NY Times recently [reported](#) that a cybersecurity firm found "serious vulnerabilities that would have allowed hackers to manipulate user data and reveal personal information." The security vulnerabilities allow hackers to take control of user accounts and send malicious links to other TikTok users.

There are a few important factors on which Byte will need to capitalize in order to be successful. One, the app needs to create monetary incentives to lure content creators from other social media products to Byte. Two, the app needs to develop native features that will make its video shooting and sharing attractive to users. Three, Byte needs to bring users over from TikTok, which is currently the dominant brand in the short-form content space. Four, Byte needs to create avenues for brands to utilize its space; for example, one the criticisms of Vine was that it couldn't (or didn't) focus on ways of making the [6-second video format amenable to branding](#). This problem is perhaps amplified by one of the more popular video genres on these platforms, pranking.