

And the Oscar Goes To... TikTok

Dawson Bley

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Roger Bingham, D.M.
Thesis Chair

George Young, Ph.D.
Committee Member

David Schweitzer, Ph.D.
Assistant Honors Director

Date

Abstract

Companies have been forced to take note of the emerging social media app, TikTok, which has attracted more than a billion users to its platform and invited businesses into an uncharted market ready to be exploited. By seeking to understand and employ the unique features which have led to TikTok's far-reaching success, many companies can similarly improve their position. In particular, traditional movie companies, which have recently suffered blows at the box office due to factors such as competition with online streaming, could benefit from an analysis of this tech to restore lost engagement and revenue. Specifically, how can the movie industry apply TikTok's interactive methodology to navigate its current condition and reemerge amid new digital trends?

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Introduction

In 1927, because of the introduction of audio, the movie industry changed forever and has since undergone several shifts and transitions. It has been a long time since smoky rooms and silent films, but another change is underfoot. The world watched as the COVID-19 pandemic shuttered theaters and shifted the nation's attention from finding the nearest cinema to discovering what is currently streaming on Netflix instead. Competition with new online streaming platforms has raised concerns threatening the future of the once-beloved movie theater. While the box office sold more than 813 million tickets in North America in 2022, this amount is less than two-thirds of the movie tickets sold in 2019 (Statista, 2023c). One survey illustrates this decline in theater engagement, noting that more people would instead view a movie at home than at a theater venue—even if costs were the same (Stoll, 2022). Since the premier outlet to attract customers and earn revenue remains in jeopardy, the movie industry needs to explore alternative options to maintain steady revenue growth and reengage an audience conditioned for instant satisfaction. Though the movie industry has taken a hit, just like in 1927, there is a new technology that holds promise for a shift in the film and movie industry—one that fits neatly in the palm of one's hand: TikTok. By implementing knowledge and tools from TikTok, the movie industry can undergo transformation to accommodate a shifting digital environment and combat the contemporary online streaming trends.

Movie Industry Overview

Capturing people's attention from their onset, films and movies have played an integral role in shaping the entertainment industry and culture as a whole. The first 1890s movie theater

has since made way for newer devices like the DVD player and, most recently, on-demand streaming services like Netflix and Disney+ (Cook & Sklar, 2023). Movies are always evolving, and with this progression comes a learning curve chock-full of opportunities and drawbacks. Though its history has witnessed great successes, the movie industry has faced—and continues to face—challenges that threaten its well-being and overall existence.

While constant change leads to the discovery of new solutions, it also exposes new problems. Though streaming services have created unique opportunities for consumers to engage with motion pictures, they have also complicated an industry designed for theater consumption. In fact, during 2022, the domestic box office alone comprised 14.8% of the movie industry's revenue (Wood, 2023). These box office numbers are then used to “determine how revenue from subsequent windows are negotiated,” meaning other forms of revenue—such as licensing fees and distribution agreements (Arkenberg et al., 2020, para. 8). While theatrical releases in cinemas account for a considerable portion of a movie's sales, the shift toward at-home consumption in recent years has severely reduced this once-impactful stream of money. Issues such as COVID-19, inflation, and an overreliance on existing creative properties have only emphasized the benefits of new streaming platforms, solidifying a significant shift in how the movie industry should expect to deliver its content (Wood, 2023).

Competition

Competition has dominated the movie industry, especially in the last decade (Wood, 2023). The rise of online streaming services has created a convenient and cost-effective solution for movie fans, offering a wide selection of content for a lasting duration of time. Highlighting this trend toward digitalization—or the integration of a system and digital technology—one

study depicts that it is not going away anytime soon: “Consumer demand for content available on mobile devices is expected to grow over the next five years, especially as mobile devices with sizeable screens and capacity gain popularity” (Troncoso, 2022, p. 4). Troncoso then mentioned how this new opportunity is not immune to external dangers, noting that “media pirating has also become easier due to digital file formats, posing a potential threat to industry operators” (2022, p. 4). Thus, these online streaming platforms not only reduce the amount of box office sales a movie acquires, but they also reduce revenue through this unfortunate act of theft. Though externally there are dominating online streaming competitors which have vied for the attention of movie fanatics, there also exists an internal fight among major studios controlling a bulk majority of the movie industry. Concentration in the movie industry is high, and in 2022, the top five companies in the industry held a combined market share of around 80%, with the remainder of the industry comprised of smaller, fragmented production companies (Wood, 2023). As mergers and acquisitions continue to occur within the entertainment industry, film production studios will be forced to differentiate themselves by offering new content and services to stand out from the crowd (Bamford et al., 2020).

COVID-19

The emergence of the COVID-19 pandemic affected the entire globe, and as life has slowly begun to return to some semblance of normalcy, COVID-19 continues to leave an impression on people and systems. The movie industry is no stranger to the pandemic and still faces repercussions today. During the quarantine’s onset in 2020, stay-at-home orders and mandated shutdowns eliminated one of the movie industry’s primary forms of revenue: box office sales. Additionally, this shift to at-home viewership created a reliance on online streaming

platforms for entertainment; though these lockdown mandates have since lifted, people who were once conditioned to consume films onscreen at their local cinema have determined that theater viewership is no longer the only viable option (Seiler, 2023). One report demonstrates that “Industry revenue has fallen at a compound annual growth rate (CAGR) of 15.9% to \$8.9 billion through the end of 2023. Profit has also declined as drops in box office attendance made paying fixed costs, such as rent, less feasible” (Seiler, 2023, p. 2). By falling deeper into financial trouble, the movie industry cannot devote as many resources to producing films like they once could. If this pattern continues, the movie industry may need to interject with a cost-effective solution that considers modern viewership trends.

Though COVID-19 has stripped away the earning power of many movie theaters by shifting a majority of viewership to online streaming platforms, it has also impacted the supply chain in the film industry. According to executives at several studios, the visual-effects (VFX) industry was not equipped to handle an influx in demand: “Many [VFX houses] had transitioned to remote work, which made them less efficient. They lost talented staffers to the great resignation and poaching from companies like Meta Platforms Inc.” (Shaw, 2022, para. 9). Now, fewer staff are equipped with the necessary skills to edit quality films. While movie production may be finished, the final edits have not been added to the films, causing an unfortunate lag for box office numbers still trying to escape their pandemic-accumulated debt. Seeking an external community of editors to meet high demand for new trends could provide an economical alternative to the system that is now in place.

Inflation

With recent waves of inflation, customers' purchasing power has been significantly diminished. When this occurs, flexible spending, once devoted to hobbies or other nonessential items, decreases. In a particular analysis, J.P. Morgan (2022) addresses this shift in consumer purchasing habits:

56% of U.S. consumers are willing to shop less overall. Shoppers are prioritizing staples over discretionary goods and big-ticket items — some 75% said they will delay the purchase of an electronic device, while only 36% said they will buy fewer groceries.

(para. 5)

Since going to the movies has often been described as a “want” instead of a “need,” the movie industry needs to plan creative ways to engage potential audiences, making movie viewership a “staple” rather than a “discretionary good.” Further, one study demonstrates that 39% of people explicitly mention they would cut back on movie theater spending in the case that inflation continues to rise (Tighe, 2022). Not only does rising inflation impact customers' ability and desire to interact with in-person cinemas, but it also diminishes the power that film studios have to produce high-budget films. Due to the COVID-19 pandemic, supply chain issues created a backlog for businesses everywhere, costing the movie industry both time and money; however, with added pressures due to recent inflation spikes, movies made today can cost at least 5-10% more to develop than they did prior to the worldwide quarantine (California Film Commission, 2021).

While inflation should theoretically impact all costs in the same manner, it forces consumers to discern what is truly important for them. If the movie industry does not adjust its

processes to lower prices, then it has to find a way to distinguish its offerings as a necessity or it risks losing even more customers.

Reliance on Existing Properties

One of the most recent limitations on the movie industry has been an overreliance on existing creative properties. During turbulent seasons when guarantees are not certain, people and companies often choose to shrink back to safety rather than venture out and take bold risks. The same is true for movie companies. If a given franchise has proven success, why should filmmakers risk a flop? In light of this—and in light of the unsteady nature of the economy in recent years—giant undertakings have essentially been minimized. With additional costs due to rising inflation as well as diminished returns due to a lack of engagement at the box office, the movie industry has, in a sense, minimized the amount of risk by capitalizing on movies and franchises that have already solidified their success.

One oft-cited study from 2011, which explores the dangers of creative companies, describes the perspective of some financiers:

Unless there is already a revenue stream, we just won't invest at all.... If creative businesses have a viable business plan with predictable revenues...[they] may present an opportunity. It also presents a risk; given that a creative business depends on an asset that exists inside the entrepreneur's brain, banks are unable to secure their investment against it. (Burrows & Ussher, 2011, pp. 41-42)

Due to this common prerequisite for film funding, many studios have preferred to produce movies in a creative franchise with an already established reputation. Without huge funds to create new blockbuster films, the movie industry must rely on these creative franchises that

already exist, which will potentially lead to consumers deeming reruns and remakes unworthy of their time and money. While this may appear to some like a mere copout due to a lack of creativity, capitalizing on preexisting movies allows film studios to attract a higher stream of revenue through franchising. To illustrate this, one survey found that four of the five most commercially successful films of all time are part of franchises (Statista, 2023a). Statista (2023a) continued, “The format, which includes cases like the Marvel Cinematic Universe and Star Wars, has been a safe bet for Hollywood as it tends to pursue fans already interested in films part of consolidated brands” (para. 2). Though these “safe bets” may work well in the short term, this will not be a sustainable strategy as moviegoers are anxious for new works. Eventually, the movie industry may need to consider alternative forms of content creation to spark new universes and worlds.

Movie Industry Analysis

The movie industry’s current outlook is wrought with problems. To address these problems, the movie industry may need to adapt to the shifting environment; however, this environment includes streaming platforms and a social media dominion. Should an industry originally intended for theatrical releases concede to the digital trends of the era?

Though accommodating the online streaming format may allow movie companies to engage a more significant population, focusing attention on these platforms rather than in-theater releases can affect other forms of revenue that rely on box office results (Troncoso, 2022). That said, traditional movie distribution and revenue models may be outdated in this digital era marked by an 85% smartphone penetration rate throughout the U.S. (Laricchia, 2022b). If patterns continue to shift toward at-home viewership, it would be naïve for movie studios to

neglect the current culture. And while some studios, such as Disney, have already become a rising force in the movie streaming industry through the development of their own streaming platform, native streaming platforms have similarly begun to diversify through the development of original movies. Due to the dynamic nature of these developing systems, it may be difficult to predict the future direction of these services and compete with studios that have essentially eliminated once-costly distribution channels (Troncoso, 2022).

While the current nature of streaming can appear and function differently depending on the platform, the general format remains consistent across the board: offering feature-length films, new and old, for the duration of one's subscription. Though this format has proven successful throughout recent history, the rise of social media has altered how consumers absorb digital information. Whether through an aesthetic grid of static Instagram photos or a playlist of curated videos found on YouTube, customers and their preferences for digital consumption have, in part, formed through the constant development of social media. With the recent introduction of TikTok, the media and entertainment industry shifted to welcome the consumption of short videos rather than the average 11.7-minute compositions found on YouTube (Ceci, 2021). TikTok's emphasis on short, catered video clips has conditioned humans for this unique form of consumption and led to the creation of some of the world's most talked-about videos (Montag et al., 2021). By joining the movie industry's focus on high-quality content creation with the unique capabilities of TikTok, the movie industry may be able to undergo another directional shift, one that edges the movie industry closer to accommodating changes in today's—and tomorrow's—reality.

Social Media Examination

The introduction of social media commanded the attention of people everywhere and has continued to transfix its broad audience for years (Zhao & Zhou, 2021). Developed as an outlet to interact with friends and strangers alike, social media continues to connect different crowds even today, though this interplay has recently grown to accommodate business-customer communication through integrated marketing and tools catered for professionals (TikTok, 2022). Though social media websites and apps have changed drastically since their initial appearance in the 1990s, social media has proven to be a magnetic force that has shifted people's habits and values. In 2022, the average time spent on social media across internet users worldwide amounted to 2 hours and 27 minutes each day (Dixon, 2022). Since the average time spent daily on a phone—excluding voice calls—reached 4 hours and 29 minutes in 2022, social media comprises over half of consumers' mobile activity (Laricchia, 2022a). TikTok specifically attracted the highest engagement among social media apps, consisting of an average of 1 hour and 35 minutes per day in 2022 (Ceci, 2022). With such high engagement, TikTok merits examination to understand its widespread appeal. It will be beneficial to consider the unique qualities this dominant social platform possesses to analyze the success of TikTok in light of other popular social media apps.

TikTok Overview

During 2021 and 2022, TikTok was the most downloaded mobile app in the world, with approximately 672 million downloads in 2022 alone (Ceci, 2023). One characteristic that has led to this resounding popularity is the app's central focus on video content. Unlike Twitter, where words reign supreme, or an Instagram feed filled with static visuals, TikTok combines audio with

movement to create short, unforgettable clips that can embed into users' long-term memories.

While there are other social media apps that focus on video content, such as YouTube, TikTok is unique in that it restricts users from posting videos greater than 10 minutes, thus coining the description "the leading destination for short-form mobile video" (TikTok, 2023, para. 1).

Additionally, the app distinguishes itself in its design for content rather than connections. While Facebook, LinkedIn, and most other social media outlets focus on creating relationships among users, TikTok's driving strength is its tailored feed. Known as the "For You Page," TikTok's main feed bombards users with videos customized to their interests and personalities.

Strategically employing artificial intelligence (AI) to construct an algorithm mining this data, TikTok has captivated users with a visually appealing way to share information that users may deem relevant. With its memorable audio clips and wide engagement, TikTok's AI-interface has created a trending app that has dominated the mobile scene.

TikTok Success

At first glance, TikTok may appear like just another digital app, a trend capturing people's attention one minute just to be discarded for the next significant software; however, TikTok has not only distinguished itself as a prominent social media app, but it has also begun a rapid redefinition of the entire media and entertainment industry (Qin et al., 2022). With the popularity of TikTok videos, these small, bitesize clips have been implemented into other social media apps, disguised as Instagram "Reels" or YouTube "Shorts." TikTok has become such a sensation that it surpassed Elon Musk's SpaceX by boasting a company value of over \$200 billion in 2022 (Statista, 2022). Additionally, while TikTok has demonstrated its evident ability to stand out among competing social media apps, businesses and entrepreneurs have also been

able to utilize TikTok's AI-powered algorithm to maneuver their way to the top too (Jones, 2022). Fame and recognition used to be ideals that hopeless dreamers strived for yet never achieved; however, TikTok's algorithm has allowed regular people to find their moment in the spotlight. Several TikTok stars, including dance sensation Charli D'Amelio and influencer Addison Rae Easterling, have even secured roles in Hollywood movies from their exposure through the popular mobile app (Brown, 2020). Businesses originating on TikTok, like the newly popular Crumbl Cookies, have also dominated the TikTok algorithm. Crumbl Cookies first received attention in 2021 and attracted more than 2 million followers in six weeks; now, more than 6.4 million people follow the business account (Jones, 2022). By promoting creative content at the perfect time, creators on TikTok have proven that virtually anyone can attract a following if they discover and exploit their unique niche (Brown, 2020).

Features that Contribute to Success

TikTok's sudden success is an anomaly that, if examined, could prove beneficial for other business models to replicate or model. While TikTok incorporates several features that are present in other social media channels, Petrillo (2021) asserts that it has discovered a unique niche and proven its capability to capitalize on this. Additionally, though TikTok does utilize an original format, Petrillo notes it has further expanded and developed some preexisting functions appearing in other forms of social media. Though some of these features are familiar within popular mobile apps and some are brand new, the way TikTok incorporates these features enwraps people in its intelligent design and algorithm. Studying why these tools grip people as powerfully as they do will provide insight into customer attraction and retention that will assist the movie industry in regaining traffic and engagement (Arkenberg et al., 2020).

User Experience

TikTok's user experience is one of the most critical factors in cultivating a desire for the app, thus fueling consumer interaction and boosting engagement. Many features combine to offer a user experience that captivates users in a trance-like state: TikTok's short video niche, simplified design, infinite scroll interface, and total screen immersion all create an alluring "flow," enticing users to remain on the app (Zhao & Zhou, 2021). The study further explores this topic:

[Flow] refers to a state of concentration that is so focused that people find themselves deeply absorbed in that activity. The state of flow is intrinsically self-reinforcing, in which people can experience feelings of joy, pleasure, and satisfaction and therefore can be motivated to repeat the ongoing activities. (p. 2)

Often, this sense of "flow" can be accompanied by focused concentration, deep enjoyment, a distortion of time, and a desire to maintain positive feelings, features which Zhao and Zhou (2021) suggest "could raise the frequency and intensity of media consumption, and therefore, result in addictive behaviors" (p. 2). If flow leads to more consumption, then cultivating flow amid digital platforms is vital for those platforms that run on customer participation and engagement; however, these platforms must be aware of the effects flow can induce. Due to the positive endorphins released in flow, people can develop a dependency and manufactured sense of trust in the source of the flow. One survey describes this experience:

When users have a good experience, the flow experience is presented as a sense of pleasure, and users tend to spend more time participating in the activity. For example, the more time consumers spent browsing the web, the more familiar they became with online

retailers and the goods and services, which in turn promoted trust. Besides, pleasure and the sense of belonging from social media were also found to trigger psychological processes of positive reinforcement and contribute to addiction behaviors later. (Qin et al., 2022, p. 5)

By capitalizing on the endorphins released in flow, TikTok has created a cyclical environment that demands customer attention and produces stimulation (Zhao & Zhou, 2021). Additionally, TikTok's niche for short videos perfectly captures people's short attention spans, only complementing the app's already addictive environment (Qin et al., 2022). Due to this strategically developed interface, people's positive experience with the app meeting their subconscious psychological needs will hopefully generate more future experiences (Petrillo, 2021).

AI-Powered Content

With an algorithm that determines user interests and provides video suggestions based on these preferences, TikTok has paved the way for smart technology's smooth integration with social media. Because video suggestions often satisfy consumer interests, it is widespread for people to spend more time on TikTok than on other social media apps. One study wrote, "TikTok's For You Page learns quickly via artificial intelligence what users like, which likely results in longer TikTok use than a user intended, which may cause smartphone TikTok-related addictive behavior" (Montag et al., 2021, p. 2). While addictive behavior should never be a goal for businesses, it is crucial for companies to develop a culture of loyal followers. That being said, providing tailored content is one way to keep people satisfied. Customized content based on individual interests is an essential factor for a majority of mobile app users; because of this, in

order to maximize consumer satisfaction, it is crucial that TikTok offers personalized content recommendations that are accurate (Zanker et al., 2019). Though it may feel creepy when technology giants like Google suggest ads related to recent search histories, these businesses are ultimately trying to satisfy customer needs by offering relevant information. Similarly, TikTok's algorithm, though potentially addicting, is designed to provide a streamlined experience that is interesting and relevant to individual consumers (Montag et al., 2021). AI-powered content suggestions are not only positive for consumers, but they are also beneficial for businesses and influencers trying to develop and cater to a specific niche. If TikTok's algorithm promoted the same videos to everyone, small accounts would remain hidden, thus defeating the original design of TikTok: to inspire creativity and engagement. Since creativity is often encouraged through passion, suggesting videos to individual users based on their unique passions and interests will continue to add to TikTok's community of creativity.

Content Creation

Due to a potentially high return on investment (ROI), many TikTok users produce original content with the hopes of attracting global exposure and gaining a following (Montag et al., 2021). One study discovered that "the wide reach of the videos via social media platforms gives [people] instant gratification because of the boosting up of 'self-identity'" (Kumar & Prabha, 2019, p. 76). As people post more creative content, these videos will only continue to cover a greater and greater span, uplifting people's self-identity when wider viewership is achieved. This will only encourage users to produce more content. Additionally, because of the app's various niches formed through its catered AI algorithm, TikTok has a near-exponential ceiling for content creation. Audiences of all varieties watch videos of all varieties, and these

smaller tailored communities eventually post content that builds on each other, creating a self-sufficient community that inspires content creation within itself. Addressing this phenomenon, one study discovered that “use of certain media can result in gratification of a person's needs, and only if relevant needs of a person are gratified by particular media, users will continue media use—here digital platform or social media use” (Montag et al., 2021, p. 2). By encouraging the gratification of user needs through its intelligent organization system, which promotes natural competition while also facilitating group encouragement, TikTok has developed methods to ensure people will never stop posting new and engaging material.

To enhance its strong creator collaboration, TikTok has purposely included a “duet” and “stitch” feature, which allows users to react or add to content that has already been posted. While these duets are common, another classically employed strategy utilized by accounts all over TikTok is the utilization of trending sounds and filters. Often, whether through the interaction of smaller niche communities or the popularization of more mainstream videos, unique trends will emerge that encourage other users to join. One study illustrates the social psychology behind this pattern:

[Trends] can create a sense of ‘tribalism’ or a herd, which gives people a sense of unity or harmony with each other... Being in the in-group is ideal, as a person sees themselves as part of the ‘us,’ while the out-group is the ‘them.’ (Gomaa, 2021, para. 3)

Fostering such a strong community or “herd” attracts people to the community while sometimes isolating those outside; consequently, most people wish to exist inside the community to avoid belonging to the “them” group. By capitalizing on people’s innate desire to fit in and experience belonging, TikTok has developed a collaborative environment that takes advantage of

humanity's fear of missing out—popularly known as FOMO. Rather than missing out, people choose to plug in, creating content that proves they are established in a cultural majority. Further, one person's content breeds participation from others. Since new videos, sounds, and filters will continue to circulate and emerge, this cycle of engagement only adds to the unending potential of TikTok's specialized niche for content creation.

Interactive Features

Implementing interactive features such as likes, comments, polls, and shares has helped boost TikTok's customer engagement rates. In fact, TikTok released data that explores this quality:

Viewers who have shared, liked, or commented on a TikTok brand video are... 350% more likely to visit the brand's physical store, 150% more likely to buy a product or service from the brand, [and] 40% more likely to visit the brand's website or app.

(TikTok, 2022, para. 12)

While seemingly insignificant, one study examined the psychological processes that occur while “liking” another person's post. Besides creating a sense of acceptance and approval from others, thus satisfying a natural human desire for love, one study noted the dualistic nature of “likes”:

‘Likes’ are gratifying in multiple ways — it feels good to receive likes from other people, and it also feels good to give ‘likes’ to other people in the same way that it feels good to give people gifts. For both forms, the presence of the like button allows instant gratification, which drives habitual use and addiction through positive reinforcement.

(Petrillo, 2021, para. 5)

With the institution of the “like” button—along with other interactive features—consumers can feel as if they have a genuine stake in projects. While a mere digital trick to increase engagement and, consequently, customer buy-in, these features promote the release of endorphins which drive customers to return (Petrillo, 2021).

Marketing

As traditional marketing has become more tired and expensive, companies have begun searching for less expensive outlets to promote their brands, products, and services (Bamford et al., 2020). One of these outlets includes social media. While there are paid options to promote advertisements through social media, companies and businesses have also utilized these apps’ free exposure. Statista (2023b) recently synthesized the popularity of this new marketing outlet, finding that social media was among the three most popular digital marketing channels worldwide in 2020, with 83% of responding marketing specialists using it as part of their digital campaigns. Specifically addressing TikTok’s role in online marketing, another study depicted a 26% increase in advertising revenue generated through TikTok in 2022, solidifying TikTok as one of the fastest-growing social media platforms (Faria, 2023). Though this statistic explicitly mentions an increase in paid advertising, businesses and entrepreneurs take advantage of TikTok’s free marketing every single day. Because the app showcases a wide array of videos through the AI-tailored For You Page, any video could become a “hit.” Additionally, TikTok’s “share” function allows the distribution of content through word of mouth. While these forms of marketing are more pronounced, one feature so characteristic of TikTok is its unique capability for sound association (TikTok, 2021). People who spend time on the app have admitted to quoting popular sound bites when away from the app, showing how TikTok trends have begun to

ingratiate themselves into everyday lives. Now, instead of having a passive, one-sided relationship with music, people are encouraged to participate with sounds through the engagement TikTok helps foster. Further, more and more songs are becoming known as “TikTok songs,” demonstrating how powerful this free form of marketing can be. By taking advantage of the unique promotional capabilities of the app, businesses and entrepreneurs can replace traditional marketing methods, which have become unsustainable in such a new digital age due to the emergence of less expensive—and more engaging—alternatives (Bamford et al., 2020). Additionally, by devoting time on TikTok, companies can allocate the resources they once spent on marketing to other profitable outlets. Because of this seemingly infinite return, TikTok has established itself as a new way forward in marketing.

TikTok and the Movie Industry

Though TikTok and the movie industry may not appear closely related at first glance, the movie industry distributes videos—an art form that TikTok is no stranger to. Through its AI-powered user experience, knack for imaginative content, and fresh marketing channels that have revolutionized tired processes, TikTok has generated an explosive buzz among its users. By integrating TikTok’s most robust distinguishing features into the movie industry—an industry that has captivated users for over a century—film studios may be able to offer an innovative solution to curb the impact of online streaming competition while adding value to consumers in a new and exciting format.

The Movie Industry and User Experience

TikTok’s strategically designed user interface promotes smooth operations that enable customers to achieve flow (Qin et al., 2022). By minimizing complexity and immersing people

in a full-screen experience, TikTok has developed an addictive “infinite scroll,” which users enjoy and are conditioned for (Petrillo, 2021). While TikTok is designed for small-screen engagement and movies have traditionally been consumed on cinema-style screens, both interfaces transport audiences into a satisfactory state of flow. Where these two entities differ is their video length. Historically, most movies in theaters have lasted longer than an hour; however, TikTok’s endless stream of short video after short video capitalizes on poor user attention span (Qin et al., 2022). Since audiences trained by TikTok have grown to expect and enjoy short videos with an introduction and resolution in less than three minutes, Qin et al. (2022) suggest content that exceeds this limit could lead people to become disinterested. Though traditional movie formats are still the most familiar form of consumption, with new patterns of digital intake reflecting the success of short-form videos, the movie industry needs to examine the potential of releasing short films. One study analyzing shifts in the movie industry over the past 75 years determined that film shot lengths have become shorter (Cutting et al., 2011). The authors determined that, in doing this, films can exercise more control over audience attention. Employing this strategy has also assisted TikTok in mesmerizing its users, yet the quality of film production is nowhere near compatible with the high-production movies displayed in theaters. The TikTok app is crowded with low-quality, homemade content that somehow still finds a way to become viral. The same scene can be found on Instagram, though recently the app launched a paid subscription feature for creators to engage followers and fans in a new way (Bobrowsky, 2022). Finding that people will pay up to \$100 a month for exclusive content, many Instagram users have offered this option to attract a steady income (Bobrowsky, 2022). If the movie industry were to begin releasing exclusive high-quality, high-budget movie scenes to a

subscription version of the app, it could offer the same advantages as traditional online streaming platforms but with a new, dynamic spin. Capitalizing on users' desires for short clips, high quality, and ease of accessibility, movie companies can pioneer an inventive solution that offers the benefits of streaming, the allure of TikTok, and the excitement of a box office movie.

Additionally, if studios released scenes periodically rather than all at once, TikTok users could create a marketing buzz similar to that experienced among popular television shows. Another alternative to this solution is a simultaneous release featuring a collection of these TikTok short films in theaters. Since box office revenue has proven to be a major player in determining the success of films, creating a buzz on social media could draw crowds back into theaters, given that there is an added incentive to watch the films in a cinema rather than a paid version of the app. Burtch et al. (2021) note that there is often a limit people will spend on releases, and that price point is higher for a release in theater due to an "experience that cannot be replicated" (para. 11) Regardless of which specific actions the movie industry chooses to employ, catering the user experience to the unique needs of a 21st-century viewer is a necessity (Arkenberg et al., 2020). Ignoring the needs of a target demographic as well as denying environmental opportunities and threats is a surefire way to lose momentum as a business and become irrelevant; therefore, the movie industry must seek an alternative option to maintain its once-in-demand reputation. Through the release of exclusive short films on the app and a compilation of these clips in theaters, movie companies can accommodate both release channels, securing a strong box office performance while also engaging consumers on a smaller screen.

In offering a convenient and smooth user flow, movie companies can satisfy younger generations who are accustomed to experiences at their fingertips. At the same time, the

theatrical release offers opportunities to experience flow on a grander scale. This pattern of short clip streaming and the associated compilation's theatrical release allows consumers to customize their experience to their preferences and desires while meeting the demands of the shifting digital environment.

The Movie Industry and AI-Powered Content

With TikTok's AI-powered content, the app could enhance a movie's or franchise's fan base due to its formation of group trends and digital community (Gomaa, 2021). Since TikTok suggests content relevant to individual users, TikTok would continue to establish micro-communities within the movie industry once integrated into the app. Just like the app today has content dedicated to specific topics like skin care, automobiles, and sports, TikTok could help unite communities of movie fans with a simple search for the movie genre or title. Through its intelligent AI algorithm, TikTok could provide recommendation services like those which already exist among popular streaming platforms like Netflix. By streamlining videos that are deemed engaging for each user, the app will fuel an increased addiction to movies in an industry already defined by extreme infatuation and dedicated fan bases. According to Zhao and Zhou (2021), people enjoy personalized, streamlined content, so by merging movie distribution and AI, movie companies can offer viewers a compelling formula of never-ending suggestions. This means that once clips of produced studio content have ended, TikTok's algorithm will further saturate people's For You Page with related content. TikTok accounts discussing the plot, utilizing movie sounds, or speculating about theories will all add to the movie's overarching conversation, sustaining viewer engagement even during periods when studios have halted the release of their movie scenes. Zhao and Zhou (2021) note that this immersion in content creates

flow, and flow produces endorphins that make people feel good and want more. Due to this constant stimulation, TikTok users will anticipate—and even crave—upcoming releases even more than they would when serenaded by film studios' traditional methods.

The Movie Industry and Content Creation

When the operation of movie theaters and studios was forced to a halt due to the 2020 quarantine, the movie industry accumulated a large amount of debt (Seiler, 2023). Ever since, the industry has relied on major blockbusters and preexisting franchises to attract revenue. Wood (2023) suggested that movie studios are afraid to take risks during such a volatile period in the industry's history; however, with the utilization of TikTok, content can once again become king. Due to TikTok's widespread user base, the creative brainstorming ability within the app virtually has no limits. With access to vast collaborations of diverse minds, TikTok will prove beneficial to movie studios seeking further creative ideas. By fostering a discussion that can then be organized for creative studios to view, TikTok can create a unique possibility for close studio-audience interaction unlike ever before. While this type of content creation can help generate ideas within studios' minds, user content can also spawn more user interest in the film. By utilizing sounds from a film scene, accounts can promote and create trends that make the movie more recognizable, thus creating a sense of curiosity in people who have not yet heard of the film. Additionally, one of the benefits of the TikTok app is the natural community that can be formed through the onset of trends. Since people generally prefer to feel a sense of belonging to a larger, overarching entity, introducing short films or samples of original movies onto the app could provide a creative outlet for people to invest in and rally behind. A focus on community interest and support could pave the way for future creative endeavors within the movie industry.

The Movie Industry and Interactive Features

One distinguishing characteristic of social media that the movie industry does not typically include is a form of clear interaction. While the emergence of 3D and 4D theater showings has generated some consumer engagement, there is not a sense of satisfaction that comes with this form of interaction. Gomaa (2021) asserts that people like to feel as if they are a part of something bigger than themselves, and many interactive features, such as in-app polling and comments, have allowed people to voice their opinions and feel significant. The “like” feature integrated into most social media apps has also created a gratifying sense of self-esteem through this digital stamp of approval (Petrillo, 2021). If the movie industry were to include interactive features, it could enable customers to be full participants in the unveiling of the story rather than merely allowing audiences to be consumers. In one academic study investigating the role of interaction and participation on movie experience, the results concluded that people enjoyed their experience more if they had a role to play, especially if it involved engaging with the movie’s protagonist (Rieger et al., 2022). With the simple integration of a “like” button, people can achieve this gratifying feeling as if they were not just tapping a screen but instead contributing a thoughtful gift to the production studio. Other forms of interaction and engagement could be considered. With a live release, perhaps customers could comment their feedback in real time, thus increasing audience engagement and psychological ownership of the movie. This interaction would not only excite viewers but would also foster this deeper sense of community that Gomaa (2021) mentions. Another feature movie studios could consider implementing is the addition of polls. By offering audiences the chance to decide a character’s fate or a turn of events in the plot, movies could essentially interact back with their audiences,

similar to the stories found within a “Choose Your Own Adventure” novel. These interactive forms of engagement can produce greater customer buy-in, securing a loyal customer base and increasing buzz. Since people do not prefer to be left out of major cultural trends, increased chatter surrounding this new format of movie could motivate other people to experience it too. While some individuals visit traditional movie theaters for the sake of escape and enjoyment, providing an interactive alternative for viewers engages younger audiences already deeply immersed in social media. Due to higher engagement rates found among younger generations, targeting this demographic and catering to their active preferences will create a higher ROI.

The Movie Industry and Marketing

Even if movie production and distribution were to remain the same, one way the movie industry could better utilize TikTok is through its far-reaching—and inexpensive—marketing. The app has proven successful in generating a discussion that reaches beyond its borders; people everywhere refer to pop culture trends specific to TikTok audiences. TikTok users reference current sounds, dances, and trends distributed through the app’s individually tailored channels; however, the app also creates a buzz concerning external media. In fact, TikTok already has a history of promoting movies. For example, during the summer of 2022, the animated film *Minions: Rise of Gru* dominated box office records as TikTok users rushed to theaters to recreate the #gentleminions trend reaching over 8 million views. This TikTok trend propelled a seemingly innocent children’s movie into a global powerhouse, garnering the ninth-highest debut for an animated film domestically of all time (DiPalma, 2022). Though the movie could have been a success without all the buzz created through TikTok, the TikTok trend thrust the film into historical prominence, demonstrating TikTok’s credibility as a sustainable marketing option. By

capitalizing on this free advertisement, movie studios could create digital trends such as dances to sound bites or themed filters that accompany their movie releases. While studios are somewhat limited in their ability to determine what patterns trend, they can develop content that sparks discussion. Word-of-mouth recommendations have proven to be the most trusted advertising channel around the world, with 89% of people wholly or somewhat trusting these suggestions (Navarro, 2023). Therefore, by developing rapport among followers and publishing content that encourages fan chatter, movie studios can naturally attract an even larger fanbase. While film studios have already demonstrated the marketing capabilities of TikTok on the movie industry in its current state, if the movie industry integrated with TikTok in a more holistic manner, marketing would only become more inherent to the operation of studios. With the release of highly anticipated short clips, movie studios could create a predictable pattern consisting of customer excitement and buildup, followed by the release, and again followed by audience buzz and excitement. TikTok's cycle of engagement can reduce periods of silence found within typical movie distribution methods, therefore capitalizing on the fanbase to generate consistent chatter surrounding creative franchises.

Ethical Considerations

Due to the powerful effect TikTok's innovative algorithm and streamlined design can have on users, it is critical to understand the potential harm which could accompany the exploitation of its services. Especially since many TikTok users tend to be potentially vulnerable children or adolescents, extensive exposure to this addictive software only exacerbates the potential for harm. One study writes, "TikTok has the most advanced algorithm system, especially in terms of participation, content, and types of interaction, which makes the addiction

problem of TikTok more severe than the other popular social media” (Qin et al., 2022, p. 2).

TikTok employs its knowledge and systems to collect data on its users, which it then uses to tailor content they may find interesting (Meral, 2021). While businesses and studios within the movie industry can take advantage of this intelligent system to captivate customers’ attention, they should also be aware of the psychological consequences that could ensue if not limited or controlled. While loyal customers increase revenue, addicted customers breach an ethical responsibility that film production studios should seek to uphold.

Additionally, TikTok does not provide sufficient barriers for younger generations as virtually anyone can download the app. Due to its vast user base and algorithm providing exposure to strangers’ content, it could become easy for adolescents to stumble upon inappropriate content or fake accounts (Meral, 2021). Therefore, if a child joins a similar app to view exclusive content from movie companies, these companies could be blamed for uploading content on a server that is not safe. Before signing up for any software with an AI feed like TikTok, individuals should be warned about the dangers and moral breaches that can appear among social media apps. If the movie industry were to pursue social media as a viable solution for short film streaming, it must play a role in providing safety training measures.

Finally, one issue that concerns many people about TikTok’s safety stems from the creator and owner of the app: the Chinese Communist Party, or CCP (McMillan, 2020). McMillan notes that because the CCP owns the app, they essentially own every user’s data too. Due to its smart AI technology that gathers data frequently, people worry about a major breach in private data safety. Though much of the information TikTok collects may seem harmless, some people wonder whether they can trust that information in the hands of the CCP.

Additionally, while systems do exist to protect American data from China's control, these systems do not protect everything (McKinnon, 2023). Due to this ownership and the privacy concerns found among TikTok software, the movie industry should not explicitly post to the app but instead apply TikTok's processes to its own endeavors. By proactively maneuvering these risks, the movie industry can promote an ethical solution while maintaining the app's strengths.

Conclusion

Research points to the conclusion that by implementing knowledge and tools gained through analyzing TikTok, the movie industry may better accommodate the new digital environment by adopting new movie formats while also combating current online streaming trends. TikTok has conditioned consumers around the world to receive information in short sound bites, and its tailored For You Page has helped create a cycle of consumption for many users. Employing a similar paid version of this design in concurrence with traditional theatrical releases can create an experience catered to the individual. This customization creates buzz and immerses users in flow, drawing on groupthink to signal further engagement. With unparalleled potential for content creation and collaboration, sustainable alternatives to marketing, and an interactive commerce center, TikTok could help launch the movie industry into an entirely new market of short-video streaming services. The possibility of a new, psychologically gripping streaming format has vast implications for the future of the movie industry but also business and culture as a whole. Employing TikTok as a business tool is a weapon that, if wielded correctly, can help produce drastic results, as demonstrated in recent years. Though TikTok's potential has not been maximized, the movie industry can utilize the app's strategically developed systems to enhance the current film atmosphere and perhaps even escape its rut once and for all.

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