

The Business Model of Twitter in Social Media

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Abstract: Nowadays, the competition between enterprises is not the competition of products but the competition between business models. For Internet enterprises that mainly provide virtual products and services, the importance of the business model is even more self-evident. In the mobile Internet environment, the future development trend of the Internet is social network media. Twitter, as an application platform of microblogging technology, occupies an essential position in the new media field with its characteristics of rapid release of information and extensive dissemination. This paper combines the investigation method and literature method from the characteristics of Twitter, user characteristics, and business data analysis of a comprehensive understanding of Twitter, a business model based on the analysis of the deep high-income user market, consolidate B2B market share, develop sex users, optimize the shopping system, in order to consolidate its industry-leading position in the field of new media.

Keywords: Twitter, business model, user characteristics, business data analysis, strategy

1. Introduction

The business model is the way enterprises use to realize the market value. Today's business environment faces fierce changes such as informatization, marketization, and globalization, and the traditional business model has been seriously affected. To adapt to this change, enterprises need to constantly innovate business models to maintain continuous change and innovation capabilities. Introducing new business models is crucial to the survival and development of enterprises in a rapidly changing business environment [1].

In July 2006, three programmers, Ivan Williams, Jack Dorsey, and Belize Stone, created Twitter. Jack Dorsey first conceived the idea of Twitter, and Ivan Williams and Belize Stone formed Obvious after leaving Google in 2006 and operated Twitter as the company's critical project. Twitter Has become a popular social media platform worldwide. Twitter Is a foreign social network and microblogging service website that provides instant messaging functions through wireless networks, wired networks, and communication technology. It is seen as a classic app for microblogging, where users can send their latest updates and ideas to mobile phones and personalized websites via text messages [2]. This allows users to share information with a broader audience beyond just individual communication. With the development of technology and changing user needs, social media platforms are constantly introducing new features to meet market demand. Twitter As one of the world's most prominent social media outlets, a series of features have been updated recently to improve the user experience and business value [3].

With the rapid development of Internet technology, the business environment of enterprises is undergoing a significant change, namely informatization. More and more enterprises are beginning to realize the importance of survival and development in the network environment [4]. Traditional brick-and-mortar business models are moving to virtual worlds, such as online banking, online education, e-commerce, and online auctions. These business models have the characteristics of not having to set up physical stores and directly interact with customers, thus significantly reducing the circulation costs and operating costs of enterprises while improving the efficiency of business operations. Informatization has brought enterprises a broader market space, more convenient communication methods, and more efficient management methods to promote enterprises' development actively [5].

Marketization is another critical change in the current business environment. Today, it has entered a comprehensive buyer's market, and consumers' desire to pursue personality and uniqueness has gradually become the mainstream trend. It is no longer enough to rely on past price concessions and single product quality advantages; consumers pay more attention to product design, appearance, and other aspects of innovation, and the requirements for goods are getting higher and higher. Not only do they require the product itself to meet the standards, but they also require more for services. Therefore, enterprises need to pay more attention to market orientation and customer needs, realize the differentiation and innovation of products and services, meet the changing market demand, and win the favor of consumers [6].

Globalization is the third significant change in the business environment. In the past decade, the world economic system has undergone tremendous changes, with accelerated global economic integration, the gradual globalization of production and operation, and the continuous advancement of financial and trade liberalization. This unprecedentedly leads to the free flow and transnational transfer of technology, capital, labor, patents, and other resources worldwide [7].

Studying Twitter's business model can help people gain insight into how the platform creates business value. This includes analyzing Twitter's revenue sources, advertising models, and data utilization to understand how it appeals to advertisers and makes profits. Besides, by studying the business model of Twitter, people can understand the users' user behavior patterns and preferences on the platform. This includes how users interact with ads, their social activities on the platform, and usage habits. These insights can help to improve AD targeting and optimize the user experience [8].

This paper mainly adopts the statistical survey method to investigate the use of Twitter users, including use age, use habits, use time and so on. By analyzing the user data of Twitter, it is found that the user group is mainly concentrated in the higher income group, its user stickiness is high, and the use of B2B enterprises is high. Based on the above analysis, the paper puts forward some suggestions on Twitter's future business development direction, such as deepening the high-income user market, consolidating the B2B market share, vigorously developing non-sexual users, and optimizing the shopping system, consolidating its industry leading position in the field of new media.

2. Methods

Using unbiased random sampling methods, samples were randomly selected from the Twitter user population. This ensures that each user has an equal chance to be included in the study, reducing selection bias. In this survey, the respondents were registered users of Twitter, and questionnaires were distributed to 500 institutional customers with registered users of Twitter users. Four hundred eighty valid questionnaires were recovered, and the effective rate of questionnaire recovery was 96.0%.

Table 1: How users use Twitter.

question	option
age	Under 18 / 18-24 / 25-34 / 35-44 / 44
sex	Male / Female
income	Below \$10000 / 10-30000 / 30000-50 / 50000
Daily usage frequency	Under 30 points / 30 points-1 hour / 1-2 hours / 2-4 hours / 4 hours or more
Primary purpose of using Twitter	Get current political news / social / explore fun content / promote your own brand or business / others
Like the account type that you want to follow	News / blog / music or artist / sports / tech people / political / humor funny / other
Legs on Twitter for advertising interest	Very interested /some interested/not interested/ not concerned at all

Table 2: What users think about Twitter.

question	option
Whether to buy a product or service for advertising	Yes / no
Which features have been used on Twitter	Promote advertising / account authentication / data analysis / live streaming / Spaces / other
Twitter's main source of revenue	Advertising/account authentication/Data analysis/live streaming /Spaces/ others
Consider paying for a better experience	Yes / no
Interested in those paid features	No ad browsing / exclusive content authorization / VIP account / Advanced Data Analytics / Other
The impact of Twitter's product or recommendation on consumer decisions	Very impact / have some impact / small impact / no
Those brands' Twitter marketing campaigns affect you more deeply	Apple / NIKE / coco-cola / Samsun / Amazon / others
How you think Twitter is doing with innovative business models	Very successful / average / not innovative enough
Views on Twitter reliability	Very reliable / have certain reliability / reliability general / low
How transparent are Twitter users are	Very transparent / normal / not quite transparent / completely opaque
How much of Twitter's business model affects the user experience	Positive effect / no obvious effect
How do you think Twitter performs in advertising	Very good / good / average / not very good / very bad
Twitter's effectiveness in advertising brands and increasing enrollment	Very effective / somewhat effective / average / less effective / ineffective
About Twitter driving e-commerce and shopping features	Very supportive / some support / average / less than supported / not supported

Table 2: (continued).

Your views on Twitter’s partnership with partnerships and sponsors	For / uncertain / against
Twitter’s advantage against other social platforms	No unique advantage / some competitive advantage / no

This survey mainly designs questionnaires from several aspects, including the basic information of users, the purpose of using Twitter, the influence of Twitter on themselves, and the views on the business development of Twitter, etc. Specific questions and problems are shown in Table 1 and Table 2.

3. Data Analysis

By January 2023, advertisers had 546 million users on Twitter, ranking the 14th most “active” social media in the world. As can be seen from Figure 1, there are more active users in North America, Europe, and Asia worldwide.

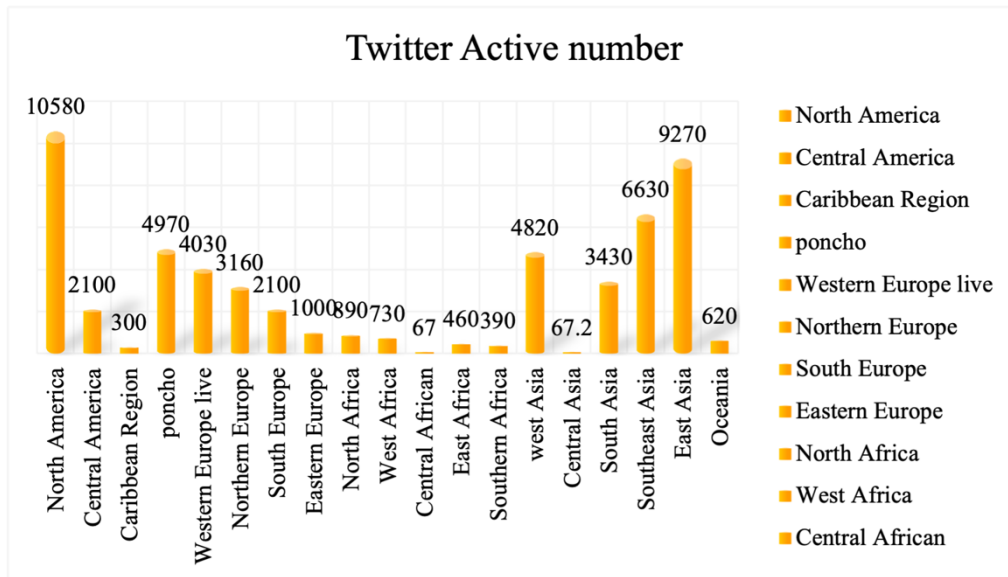


Figure 1: Twitter Number of active users (Twitter official website statistics [9]).

3.1. Survey of Twitter User Usage

(1) The age structure of Twitter users. Currently, 42 percent of Americans aged 12-34 use Twitter, compared with only 29 percent in 2020, an increase of 36.6 percent in two years. By comparison, the Instagram grew by just 5.7% over the same period. Among those aged 18 – 34, 41% used the most frequent Twitter tweets, with 16% saying ‘very good’ and 25% saying ‘quite good’. The second-most frequent age group was 35-44, with 38% liking Twitter best. This may be due to increasing age, as 29 used Twitter, now 35.

(2) The proportion of Twitter male and female users. At the beginning of 2022, 56.4% of Twitter users described themselves as men and 43.6% of Twitter users described themselves as women, with a relatively similar proportion. In 2023, 62.9% of Twitter users were men, and 37.1% were women. Compared with other popular social platforms, Twitter has a clear gender gap.

(3) Twitter user habits: 61.2% think Twitter is their first choice to know the latest news and events. Twenty-three percent of users said most tweets were about political affairs. Nearly half (or 45 percent)

of Americans said they would talk about politics on Twitter. For the past 12 months, political posting has been a lifestyle for 23 percent of its users. Moreover, a study analyzing the content of over a million tweets found that about one-third, or 33%, were political.

(4) For Twitter user usage time, the average user spends 1.1 hours per week on Twitter, equivalent to 4.4 hours per month. Although rarely compared with TikTok, 9.8 hours per week. However, the average demographics and audience of Twitter are very different from TikTok.

(5) Business promotion of Twitter users, and 43% of marketers promote their business on Twitter. Based on 2022 data, 43% is not low, as compared to other platforms, although marketers invest less in Twitter than many. However, another 28 percent of marketers plan to use Twitter more.

(6) Twitter user purchase intention: When they think of e-commerce marketing, they may not think of Twitter. However, Twitter Insights shows that users are more likely to discover new products and services through Twitter. Twitter shoppers found that 89% used Twitter to look for new products, and 76% thought it was a suitable method.

(7) At the Twitter user revenue level, 56% of Twitter users earn more than \$50,000 a year, and 80% are wealthy millennials.

3.2. Twitter User Data Analysis

According to the primary data of Twitter platform users, there are mainly the following characteristics:

(1) The age structure is reasonable, with 80% of users in the age range of 12-44, and about 6 out of every 10 Twitter users worldwide (59.2%) are aged between 25 and 49 (Statista, 2021), which indicates that Twitter is more attractive than Snapchat and Instagram for more mature users. It shows that Twitter is more attractive to young and middle-aged users.

(2) The per capita income of users is high, and Twitter users are more political, stars, business operations, workplace operations, and college students. Most of these people are “opinion leaders” with a particular influence, and their economic level is also high.

(3) High purchase intention and high stickiness of Twitter users. These users are usually more inclined to choose within Twitter when they have consumption intentions.

(4) The business expansion is high. Currently, only 43% of marketers promote their business on Twitter. Twitter can actively strengthen contact with various enterprises and seek more business cooperation opportunities.

(5) With the high utilization rate of B2B enterprises, social media brings the possibility of personal interaction with consumers, so the relationship between brands and customers has changed from one-way to two-way or multi-directional. According to statistics, 67% of B2B enterprises use Twitter as a digital marketing tool (Statista, 2018), so if user want to get customers from social media channels, Twitter is essential.

4. Discussion

4.1. Deep Ploughing into the High-income User Market

Twitter can provide more accurate advertising targeting by further dividing and understanding high-income users' interests, needs, and buying behaviors. This will help brands deliver their ads to interested users, increasing their click-through and conversion rates. Twitter can launch a premium subscription service that offers more advanced features and privileges, such as customized content recommendations, advanced statistical analysis tools, and priority access to news and events. This will attract high-income users to subscribe and enjoy a more exclusive use experience. Twitter can strengthen its collaboration with the media, experts, and authorities to provide more high-quality, professional content and information to high-income users. This will increase users' value awareness of Twitter and attract more high-income users to be retained and active. In these ways, Twitter can

better meet the needs of high-income users, increase its business value, and further consolidate its position in the high-income user market [10].

4.2. Consolidate the B2B Market Share

Twitter can provide B2B enterprises with more content and information related to professional users, such as industry trends, professional views, and industry news. This will increase the participation of professional users on Twitter and attract more B2B companies to interact and cooperate with them. Create a community and discussion platform for B2B enterprises and professional users to exchange and share experiences. This will increase users' sense of value to Twitter and attract more B2B companies to join and participate, thus promoting more business opportunities. Twitter can provide more advertising and promotion services for professional users for B2B enterprises, such as targeted advertising, sponsorship of professional users, and launch of B2B advertising tools exclusive to enterprises. This will increase the exposure and influence of enterprises in the target groups.

4.3. Vigorously Develop Female Users

Female users have greater purchasing power and influence on social media. Their increase will bring more business opportunities to Twitter and attract more money from brands and advertisers to invest. First, to address the imbalance of Twitter, promote diverse content, focus on points of interest in different areas, and provide topics, activities, and discussions related to women. Second, create a safe, friendly, and inclusive environment, combat misconduct such as harassment and hate speech, and provide an effective reporting and handling mechanism. Third, actively seek cooperation and women-related activities, jointly hold activities, and launch exclusive topic labels. Fourth, increase the functions and tools for women to meet their needs, such as providing thematic tags and thematic pages related to family, career development, and health.

4.4. Optimize the Shopping System

The Twitter Store feature allows anyone with a professional account for selling goods in the United States to add products sold to their profile manually. When selecting items in the expanded Twitter store, merchants can add a custom store name and description directly to the Twitter dashboard—a risk to customer privacy. To optimize the shopping experience of Twitter, the Shopify + Twitter business model can be adopted, and Shopify's e-commerce function can make Twitter a complete one-stop shopping platform. Users can go to Shopify's shopping page directly through the merchant page or link on Twitter, browse and buy items, and pay and deliver them. This one-stop shopping experience can improve users' purchasing convenience and fluency and promote the rapid completion of shopping decisions. The combination of Twitter with Shopify also provides a business opportunity and additional revenue streams for Twitter itself. By working with or promoting Shopify merchants, Twitter can get a promotion fee or commission.

5. Conclusion

The concentration of popularity and attention represents a tremendous marketing value, which is why Twitter attracts many users. Its attraction lies in providing personalized services, which can deeply understand and analyze the interests and concerns of current consumers and, guide consumers to form new preferences and cultivate new users through their services. Many prominent companies such as Comcast, Dell, General Motors, CNN, The New York Times, and Barack Obama's presidential election have run successful marketing campaigns on Twitter. With many users from different social levels, Twitter attracts frequent access from buyers and sellers. By using Twitter, businesses can give

consumers more insight into their brand. In the current weak economy, Twitter could be a valuable tool for companies to implement marketing strategies.

This paper profoundly understands Twitter's business model by combining survey and questionnaire methods. Through the analysis of user habits and user data, it grasps the users' needs for the future development direction of Twitter. It puts forward the following suggestions for the future business development model: (1) deep high-income user market, Twitter users use viscosity is very high, especially politicians, artists, scholars, and other high-end users, has Twitter as a means of promotion and marketing. Twitter can strengthen cooperation with the media, experts, and authorities to meet the needs of high-income users better, improve business value, and further consolidate its position in the high-income user market. (2) Consolidate B2B market share and create a community and discussion platform for B2B enterprises and professional users to exchange and share experiences. This will increase users' sense of value to Twitter and attract more B2B companies to join and participate, thus promoting more business opportunities. (3) Vigorously develop female users. Female users usually have higher consumption intentions than male users. Twitter should tilt the development strategy of its business model to female users. (4) Optimize the shopping system. As can be seen from the questionnaire, nearly 70% of users support Twitter's e-commerce and shopping functions being optimized, indicating that users have relatively high loyalty to Twitter, and Twitter should be optimized to meet users' needs.

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