

# *Research on the Impact of Content Innovation and Profitability Models on the Innovation of Short Drama Business Models*

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**Abstract:** With the rapid development of the mobile Internet and the rise of short video platforms, short drama, as an emerging video form, have rapidly captured the market and gained wide attention. This paper discusses the impact of content innovation and profit model on the innovation of short drama business model, and concludes that content innovation is the core driving force for the development of short drama, and that it can better attract viewers to trigger a strong resonance through unique narrative perspective and diversified theme settings, narrative techniques and character portrayal. The paper analyses the drivers of the development of short dramas, pointing out that the changes in user demand, the intensification of market competition and the variety of commercial cash modes have promoted the innovation and development of short dramas.

## 1. Introduction

The content of short dramas is adapted to today's fragmented leisure mode and meets modern people's demand for fragmented entertainment in their fast-paced lives, becoming a social phenomenon that cannot be ignored. Short dramas are loved by audiences and creators alike for their compact pace, prominent characters, strong emotional resonance and low threshold for creation and wide dissemination, among other features. The market size of short dramas has grown rapidly from 3.68 billion yuan in 2021 to 10.17 billion yuan in 2022, and is expected to grow further to 37.39 billion yuan in 2023. Compared with long films and TV dramas, short dramas are a kind of refined art and are expected to become an important force in the field of film and TV art. See Figure 1.

The production of short dramas has been gradually refined, and is constantly catching up with high-quality film and television dramas, whether in terms of the technical support for costuming and editing. This paper examines the development status and motivation of short dramas, compares market data, understands the market environment, and explores in depth the impact of content innovation as well as profit model on the innovation of short drama business model.

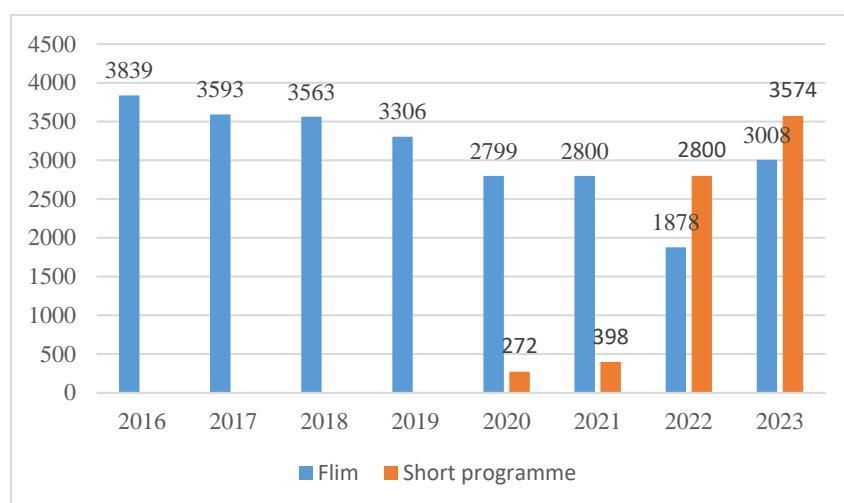


Figure 1: Comparison of the number of films and short dramas filed in China in recent years

## 2. Literature Review and Prospects

### 2.1 Value-added Benefits Study

Table 1: Value added benefits under short dramas

Author	Time	Conceptual	Victoria
Zhang Guotao & Li Feiran	2024	The value-added benefits of the short drama industry are significant, and the rapid growth in market size demonstrates its strong growth potential and enormous economic value.	Economic benefits and brand effect
Cao Bo & Zhou Li	2023	Short dramas promote the creation and expansion of relationships, potentially driving the economic value of emotional exchange remaining social connections.	
Huang He & Cheng Xian	2022	The short drama itself has boutique, storytelling and interactivity, which becomes an effective means to enhance brand recognition and user stickiness, thus realising the brand effect.	
Wang Xiaobin et al.	2022	The significant increase in value-added benefits stems from the process of "learning by doing", from self-driven learning to the incorporation of a wide range of external knowledge and the deepening of understanding in practice.	Increased value of output and value added through innovation
Yu Jianhua	2020	Short videos on government affairs are entertaining and educational, effectively relieving people's tension in public emergencies, but also enhancing the recognition and acceptance of the government's work through vivid storylines, promoting the dissemination of positive energy in society, and effectively improving the effectiveness of social governance.	Social benefits and cultural dissemination
Liu Na	2018	Short rural dramas promote the independent expression and identity of rural culture, and at the same time enhance the visibility and social influence of rural culture through online communication.	
Cui Siwen et al.	2014	The realisation of social value-added benefits is often constrained by economic, social and environmental conditions.	Markets and Audiences
Sun Jin	2004	The creation of value-added benefits is rooted in the deep integration of teamwork and overall benefit maximisation mechanisms.	Cost Savings and Quality Improvement

Value-added benefits are often constrained by environmental, social and economic conditions and

have direct and indirect impacts on all sectors of society, playing an important role in business and development. Value-added benefits can be discussed in terms of economic, social and environmental benefits (Cui Siwen et al., 2014). The value-added benefits under short dramas can be elaborated at three levels: financial benefits, brand effect and social benefits. See Table 1.

The short drama industry demonstrates significant value-added benefits and strong growth potential in recent years. It not only promotes relationship building but also enhances branding. Thus, it can be seen that short drama is the main form of entertainment in modern society, and how to effectively and diversely use it to make multi-dimensional contribution is worth paying attention to try and learn and conclude in the attempt [1-3].

## 2.2 Content Innovation Study

With the rapid development of information technology, the methods and impacts of content innovation are becoming increasingly diverse. There are three different ways to categorise content innovation, which are based on the degree of innovation, the subject of innovation, and the field of innovation. See Table 2.

Table 2: Dimensional analysis of content innovation

Author	Time	Conceptual	Victoria
Wu Hongzheng & Luo Yuanyuan	2024	Originality breakthroughs are key to incorporating content.	Radical innovation and transitional integration
Xue Ke et al.	2022	The fusion of modern elements and cultural symbols, through secondary creation to achieve cross-linguistic system of communication, to achieve a deeper level of international resonance.	News dissemination and innovation
Li Dongmei	2018	The success of content creation depends on the co-ordination of multiple parties to polish, summarise and improve in discussion and practice, and work together to create innovative content.	Team Innovation and Collaborative Polishing
Xu Hong et al.	2017	Make small incremental improvements to the existing foundation and focus on improving the user experience and product performance.	Incremental Innovation and Performance Enhancement
Xiang Yong & Huangfu Xiaotao	2012	The pan-media revolution blends technology and local resources to deepen cultural offerings in both content and form.	Cultural and artistic innovatio

In the rise of artificial intelligence and big data and other technical means, technological innovation and content innovation are in constant fusion, but how to make the content more full and rich and full of new ideas deserves attention. The primary purpose of content innovation is to meet user needs, so it is especially important to pay attention to user needs and make adjustments and optimisations. At the same time, content innovation should also pay attention to social trends, so that content innovation is more in line with the concept of development and social requirements[4].

## 2.3 Profit Model Study

The profit model was first proposed by Joseph A. Schumpeter, a famous American economist of Austrian descent, whose research theory provided the theoretical basis for the profit model. The profit model depends on the market environment, the level of technology, and the needs of society. See Table 3.

Table 3: Profit models in different eras

Author	Time	Conceptual	Victoria
Li Jie & Zhou Xia	2022	It mainly relies on a sharing platform to connect supply and demand, efficiently integrates and utilises existing resources, and creates value-added services through data analytics to achieve profitability.	Sharing economy
Du Jun et al.	2019	The dynamic evolution of the company's profit model reflects an incremental development strategy from ancillary services to dominant services to open platform services	Internet business
Yang Zhiyuan & He Rongtian	2004	Some listed companies have struggled to improve their performance from their main business and have turned to relying on non-recurring gains, which are often uncertain and risky.	Traditional industry

Through the research of experts and scholars, it can be found that the profit model evolves with the development of the times, shifting from the main business as the core to the development of the Internet industry, and then shifting to the use of open service platforms for trading. The evolution of the profit model is a dynamic process that requires more diversification, differentiation and intelligence. Staying sharp and creative is the only way to dominate in the market. This shift in profitability model not only reflects the characteristics of the times, but also points out the importance of business model innovation[5-7].

## 2.4 Business Model Innovation Study

A business model is a structured approach to operations that a company builds to meet customer needs. It is systematic, dynamic and can create corresponding value. Whether it is cross-border integration or digital transformation, the essential purpose is sustainable development. See Table 4.

Table 4: Content analysis of business model innovation

Author	Time	Conceptual	Victoria
Wu Jingjing et al.	2024	New energy enterprises integrate the world's top resources, build an innovation ecosystem, and realise innovation in resource capacity, so as to upgrade their business models and enhance their competitiveness.	Innovation in key resources and innovation in key activities.
Mao Qian et al.	2021	Enterprises need to focus on and innovate for the value creation, delivery and capture segments of their business models according to their positioning.	Value proposition innovation, target customer innovation and customer relationship innovation.
Yu Dengke & Yan Hongling	2019	Enterprises create new profit models and enhance market competitiveness through value creation and network reconfiguration.	Innovations in revenue streams and cost control.
Ye Xiaoyin et al.	2014	Enterprises balance economic, ecological and social needs through business model innovation, thereby driving long-term growth.	Partnership innovation and ecosystem building.

Advances in technology and changing market demands have made business model innovation a core driver of enterprise development. Micro-episodes and short videos are laced with advertising investment, and both viewership and advertising fees are ways for enterprises to earn profits. How to convert traffic into social influence and make advertisements diversified and creative deserves in-depth thinking and research, so as to achieve value-added benefits[8]. (see Figure 2)

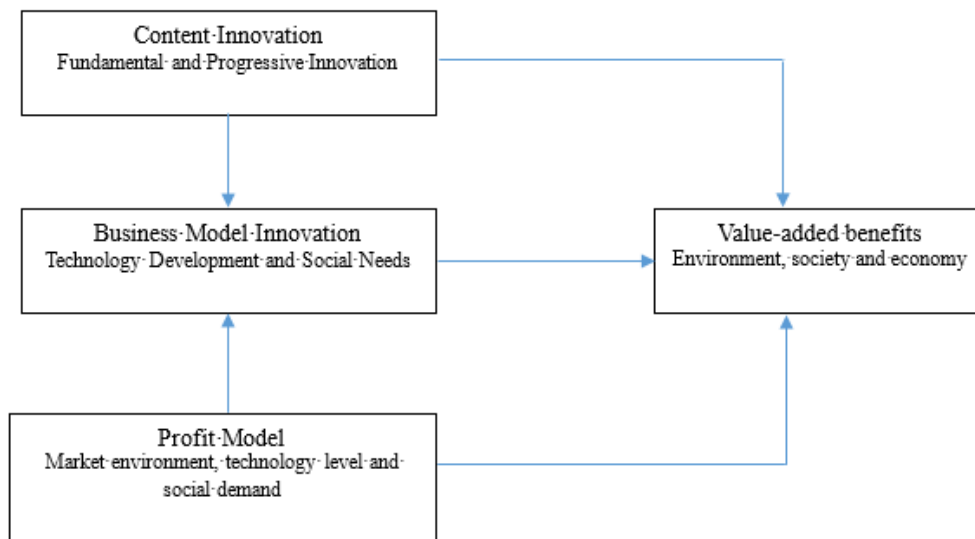


Figure 2: Logical relationship of variables

## 2.5 Literature Review

Content innovation in the short-form theatre industry starts with fundamental and incremental innovation. Content innovation, unlike technological upgrades, considers the creator's understanding and shaping of the chosen material. Good works can combine both viewing effect and depth of content, and drive the development of the environment. Currently, the content of short dramas is becoming more diversified and high-quality, contributing to society and the economy.

Most of the new models of business models are implanted in short dramas, which is in line with the overall environment of the prevalence of contemporary short dramas. How to promote naturally without dragging still needs to be perfected to avoid overly rigid and out-of-the-box implantation. Business model innovation promotes socio-economic development and has a positive effect on value-added benefits[9].

With the development of technology, the subject of reference of the profit model is becoming more comprehensive. From the perspective of the businessman to expand the market environment, the level of technology and social demand, directly and indirectly on the value-added benefits. While the increasing comprehensiveness of the subjects is progress, how to balance the relationship between the subjects, so that businesses can make profits while consumers can also get the highest degree of satisfaction, needs to be further optimised and integrated[10].

## 3. Analysis of Current Status and Drivers

As an emerging mode of entertainment, short dramas have risen rapidly in the film and television industry, showing significant value-added benefits as the main factor for their explosion. The length of a single episode of a short drama is usually less than 15 minutes, and the shortest one is even only 1-2 minutes. In the past years, there was no clear time condition for short dramas, which were only shorter than the length of TV dramas and could be watched in fragments, so they could be called short dramas.

Because of their short duration, the characters in short dramas are particularly well defined. In the shortest possible time leaving a deep impression on the audience, which is not without some stereotypes and the influence of the old traditional plot direction. The production threshold and cost of short drama is lower than that of film and television drama, which allows more creators to express

their ideas and creativity. Short dramas are mainly disseminated on small mobile phone screens, which is suitable for the fast-paced lifestyle of contemporary people with fragmented leisure time.

Based on the research of domestic scholars, this paper analyses and discusses user demand, platform technology, content expression, business model and market environment[11-13].

### **3.1 The current state of innovation in the short drama business model**

First, the quality of short-form content has significantly improved. With the rise of short video platforms and the prevalence of fragmented draw content, user demand for browsing content in video graphics has increased dramatically. Meanwhile, short dramas have achieved rapid growth in recent years, and their market size is widening. More and more professional organisations are discovering the high profitability that comes with short dramas, and thus the number of related creators is climbing fast. What's more, there is the emergence of brand customisation, which makes the content creation aspect more refined and thus meets the needs of different users. In addition to the common love and affection, short dramas are gradually taking on more diverse themes.

Secondly, the profit model of short dramas is gradually maturing. Payment for content is one of the main profit methods in the current short drama industry. Viewers can express their support for the programmes and recognition of the creators by recharging their membership. Advertising promotion, on the other hand, is an important part of the short drama profit model. By cooperating with the production team of short dramas and implanting advertisements in the short dramas, brands not only promote their own products, but also successfully attract traffic for the short drama team. According to the traffic to the production team to share, the platform and the short drama production team complement each other, to promote the output of more quality content.

Thirdly, the regulatory policy for short dramas needs to be continuously improved. In order to standardise the short drama market, the State Administration of Radio and Television (SARFT) has issued the latest working tips for the filing of micro-short dramas, which require that micro-short dramas need to be categorised and vetted in tiers according to the amount of investment. Following the introduction of the system, regulators have been strengthening their supervision of short drama content, and major short drama platforms have also stepped up their management efforts to promote more works in line with social values to be discovered by users.

Combining domestic scholars' research on content innovation and business model innovation, and based on the emerging trend of short dramas, *Escape from the British Museum* is taken as an example for discussion[14].

#### **3.1.1 Content Innovation**

Firstly, the short drama unfolds with a unique narrative perspective and thematic setting. It anthropomorphises the traditional cultural relic of the Chinese thin-bodied jade pot with entwined branches, and presents it to the audience in the image of a cute girl.

Secondly, a favourable theme. It is the story of the escape of the Chinese Tangled Jade Jug from the British Museum and its journey home with a Chinese media person working overseas.

Thirdly, characterisation and characterisation. The main characters in the short drama are not heroes or great men in the traditional sense, but a terminally ill museum curator, a Chinese media person living abroad and a small jade pot which is not an ancient relic.

Fourth, emotional resonance and social value. Summer, one of the creators who played the small jade pot, said that the Chinese Tangzhi pattern thin-bodied jade pot was chosen because the small jade pot was created by non-genetic inheritor Yu Ting in 2011, and was sent to the British Museum in 2017 to prove that Chinese jade carving had not been lost[15].



### 3.1.2 Business Model Innovation

Through broadcasting on various video platforms, short dramas receive a lot of traffic and thus enjoy the creator's cut offered by the platform. Regular short drama producers also broadcast a portion of the episodes as free-to-air, with subsequent episodes unlocked for a fee. However, all three episodes of *Escape from the British Museum* are free to air and have no advert placement. When some businesses attempted to associate the sketch with an exhibition, both creators of *Escape from the British Museum* said that the production would reject all commercial co-operation. However, it is not difficult to find out through "*Escape from the British Museum*" that excellent works with depth and connotation, regardless of the length and number of episodes, can trigger strong resonance[16].

### 3.2 Analysis of the Drivers of Short Drama Business Model Innovation

Firstly, user needs have changed. Internet users from the beginning of the fragmentation to carry out leisure and entertainment projects, to now use fragmented time to learn network knowledge. As the times change, the viewing habits of users also change.

Secondly, the market is highly competitive. The increase in the number of related creative teams has brought about a crisis for similar teams, obliging them to improve the quality of their content and innovate their plots and approaches at the original level.

Thirdly, there are diversified modes of commercial realisation. The diversified profit models of short dramas also provide an effective impetus for the development of the market economy. Based on traditional paid projects, new profit models such as advertisement implantation and brand marketing are the main sources of income for short drama production teams[17].

## 4. Pathways to Realisation and Innovative Strategies

### 4.1 Innovative Models of Short Drama

The innovation mode of short drama has a tendency to develop towards diversification and refinement in recent years, which mainly makes the innovation of content theme, including the innovation of application and the innovation of business model.

First, innovation in content and subject matter. Mainstream media are actively carrying out cross-border integration of short micro-dramas with games, animation, education and other industries, so as to help break the circle of subject matter with a new development model. The short drama creation team improves the content quality of micro short drama through IP creation or IP adaptation, customisation and other creation methods.

Second, innovation in technology application. Mainstream media try to use VR, AI and other new technologies in short dramas to create enhanced user experience. Digital transformation is used to promote innovative production and improve production efficiency.

Third, business model innovation. Short micro-drama is not a stand-alone product, but a product that integrates with other industries in its development. To create a "micro drama +" business model, combined with cultural tourism, e-economy and other products, to achieve complementary demand with the partner[18].

### 4.2 Path to Realisation

Firstly, extract the detailed stories around you that are easily overlooked. The unfolding of tiny events will make the audience feel more immersed and feel the reality of the events through the content.

Second, embellish the story. Art comes from life and is above life. Whether it is lens processing or voice-over, it can make the finished film more high-quality.

Finally, the story is given its final finishing touches through editing techniques and copywriting. Editing is very important to film and television production, and different editing sequences may create completely different stories[19].

### 4.3 Innovation Strategy

First of all, digging out materials worth shooting and writing scripts. Script is the cornerstone of creating good work, and how to choose materials with novelty and attraction are worth the creative team thinking deeply about.

Secondly, make technological innovations. Compared to the scripting, the technology integration of the plot is relatively easy. For example, the use of VR technology makes the audience more immersed. Or we need to add the audience's choice of plot to enhance the sense of experience.

Finally, to create the "short drama +" effect. The heat brought by the short drama can easily cause a crowd effect on the Internet, and the connection between the work and the product can integrate the audience of the two, and then attract more people's attention twice[20].

## 5. Conclusion and Recommendations

### 5.1 Conclusion

Firstly, the business model innovation using short drama as a medium masters the characteristics of short drama. This paper finds through the research of domestic scholars on business model innovation that short dramas, as a business promotion mode, can better implant products into the fragmented life of the audience by browsing through the drama.

Secondly, the content of the short drama itself is attractive. This paper finds through the study of short dramas that innovation is an unchanging means of attraction for short dramas.

Finally, the advantages of short dramas themselves. Through research, this paper finds that short dramas mostly win with interactivity and versatility. However, the current content of short dramas is fixed in form, and the integration of commercial advertisements is relatively rigid and abrupt.

### 5.2 Recommendations

Firstly, authors should strengthen the interactivity of short dramas. At present, the interactivity of short dramas lies more in the content creativity of filming, and the lower cost of filming brings more room for trial and error.

Secondly, create common stems in life. As the language symbols of daily communication, network hot terriers can better bring heat to the short drama.

Thirdly, content diversification. The traditional plot can no longer meet the needs of the audience, and the successive browsing are similar causes, passages, climaxes and endings. Similar contradictory points make the audience guess, and the familiar formula cannot be the reason to attract users.

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