

# Twitter 's Corporate Strategy Analysis - Based on SWOT-PEST Model

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**Abstract.** This paper takes Twitter as the research object, and analyzes the external environment and internal resources of Twitter based on PEST model and SWOT model. By analyzing Twitter 's corporate competitive strategy, it is found that its leading position in social network media is due to its high-quality information platform positioning and excellent advertising marketing. In this article, I will be based on my view that in the long run, Twitter is very capable of becoming one of the leading companies in all media and entertainment companies. These issues will be elaborated and evaluated based on the company 's strengths and challenges in the current strategy and user groups.

**Keywords:** Twitter; corporate strategy; user groups; advantages and challenges.

## 1. Introduction

The impact of COVID-19, combined with increased international tensions, has led to major changes in media and entertainment companies around the world. Social media has become the main channel for netizens to obtain news in various countries, and it is also one of the main positions of media external communication during the 20th National Congress. Although the use of Twitter in China is limited, the influence of Twitter has been extended to most parts of the world. Some domestic news media have also opened Twitter accounts for external communication, and domestic scholars' research on Twitter is also frequent. In this article, I will be based on my view that in the long run, Twitter is very capable of becoming one of the leading companies in all media and entertainment companies. These issues will be elaborated and evaluated based on the company 's strengths and challenges in the current strategy and user groups. This article selects Twitter as the research object, draws on previous research methods, and based on content analysis, conducts in-depth discussions on its corporate strategy, finds problems, and gives suggestions.

## 2. Literature Review

Research on the characteristics of Twitter communication has emerged in an endless stream. Scholars have demonstrated from different perspectives, but they have reached roughly similar conclusions. In the continuous supplement of scholars, we can see the overall performance of Twitter in the field of communication.

Liu Hui[1] combed the development process of Twitter in the article " Twitter: the arrival of the era of micro-blog. " By comparing with other media, he pointed out that Twitter, as a micro-blog, is instant, fast, convenient and simple. Compared with traditional media, Twitter has the disadvantages of non-organization, limited breadth and lack of reliability. He believes that Twitter and other micro-blogs cannot defeat or replace traditional media, but the two can and must complement each other. In their opinions, Twitter is more emphasis on user participation as the core, content distribution channels are more diverse, and has a distinct immediacy, randomness and interactivity, and therefore prone to lack of checks [2]. Shen Peng pointed out the characteristics of Twitter in the form of communication : the "decentralized" disseminators of the main body of communication are the same as the recipients, and the new mode of communication of asynchronous integration; content fragmentation and communication interactivity [3]. Deng Jianguo introduced the role of Twitter in the content production process of American newspaper industry in detail, and pointed out the advantages of Twitter in speed and the shortcomings in content depth. [4] Zhang Chunmei

summarizes the characteristics of Twitter 's communication into three points. First, users participate in information dissemination, and the main body of communication is more diversified. Second, short writing, quick release, real-time interactive communication; the third is socialization and personalization, and the characteristics of self-media are more prominent[5]. Xiang Debao studied the characteristics and influence of communicators of China-related public opinion leaders on Twitter through data mining. He found that organizational users became the main body of Twitter-related public opinion, but the influence of individual users was higher than that of organizational users. Among organizational users, traditional media had the highest influence. [6]

Although scholars' statements are different, they have shown characteristics of Twitter in the process of communication: fragmentation, interactivity, immediacy, user core and shallow characteristics.

### **3. SWOT-PEST Model**

#### **3.1 SWOT Analysis**

SWOT analysis is a method of systematic evaluation after considering the internal and external environment of the enterprise. S ( Strengths ) refers to the internal advantages of the enterprise in a competitive environment, W ( Weaknesses ) refers to the internal disadvantages of the enterprise, O ( Opportunities ) refers to the opportunity to obtain benefits more easily than other competitors, T ( Threats ) refers to the challenges posed by the threat of the external environment of the enterprise. Scholars use SWOT to analyze the research object, but its deficiency is that the analysis of the problem is too general, which easily leads to the inability to analyze the causes of the problem in depth. [7]

#### **3.2 PEST Analysis**

PEST analyzes the macro environment outside the organization through the four dimensions of political P ( Politics ), economic E ( Economic ), social S ( Society ) and technology T ( Technology ).[8] Generally speaking, these factors generally come from the outside and are less affected by the internal organization, so the objectivity of PEST analysis is also strong. PEST analysis has a high reference significance for grasping the macro environment of the research subject, the influence of evaluation factors on the strategic objectives of the organization and the influence of strategy implementation.

### **4. Analysis of the Macro Conditions of Twitter Development**

#### **4.1 Political and Legal Factors**

##### **4.1.1 Freedom of Speech and the Right to Expression**

Twitter, as a social media platform, benefits from the state 's protection of freedom of speech and the right to expression. In an environment that allows people to freely express their opinions and discuss issues, Twitter is able to provide an open platform for users to freely express their views.

##### **4.1.2 The Looseness of the Legal Framework**

The degree of government regulation of the Internet and social media industries will also have an impact on the rise of Twitter. If the legal framework is relatively loose, allowing social media platforms to operate freely and provide services to users, then Twitter can expand and develop more easily.

##### **4.1.3 Digital Infrastructure and Network Popularization**

The rise of Twitter requires a good digital infrastructure and widespread Internet penetration. Government investment and support play an important role in building network infrastructure and providing Internet access, so that more people can access platforms such as Twitter.

## **4.2 Economic Factors**

### **4.2.1 The Development of Digital Economy**

With the popularity of digital technology and the popularity of the Internet, the digital economy is developing rapidly. As an online social media platform, Twitter can make full use of the opportunities of the digital economy, attract users and advertisers, and achieve business growth.

### **4.2.2 The Growth of the Advertising Market**

Advertising is one of Twitter's main sources of income. When the size of the advertising market expands, Twitter has more opportunities to attract advertisers to advertise and get income from it. The rise of digital advertising and the convenience of online advertising have provided more business opportunities for Twitter.

### **4.2.3 The Popularity of Mobile Internet**

The popularity of mobile devices and the development of mobile Internet enable users to access Twitter anytime and anywhere. Twitter can provide a convenient user experience through mobile applications, attract more users and increase user activity.

## **4.3 Sociocultural Factors**

### **4.3.1 Economy Social Media Usage Habits**

The rise and growth of Twitter has benefited from society's habit of using social media. If society is generally accustomed to using social media for information dissemination, communication and interaction, then Twitter can more easily attract users and expand its user base.

### **4.3.2 Importance of Public Discussion**

Twitter provides a platform for public discussion, allowing users to share their views, opinions and news. If social culture encourages public discussion and popular participation, Twitter will have a better chance of becoming a mainstream social media platform.

### **4.3.3 The Demand of Real-time Information Dissemination**

Twitter is famous for its real-time and immediacy. If social culture has a high demand for real-time information dissemination, Twitter will become an important tool to meet this demand and play a greater role in society.

## **4.4 Technical Factors**

### **4.4.1 Internet Penetration and Broadband Connectivity**

The rise of Twitter has benefited from the spread of the Internet and the provision of high-speed broadband connections. If more people can easily access the Internet and have high-quality network connections, they will be more likely to use social media platforms such as Twitter.

### **4.4.2 The Development of Mobile Technology**

The advancement of mobile technology provides an opportunity for the rise of Twitter. The popularity of smart phones and mobile applications enables users to access Twitter anytime and anywhere and interact with other users. The continuous development and innovation of mobile technology provides more possibilities for Twitter's user experience and functionality.

### **4.4.3 Data Storage and Processing Capabilities**

As a big data platform, Twitter needs to have strong data storage and processing capabilities. With the advancement of technology, the decline of storage costs and the improvement of processing power, Twitter can better process and analyze massive user data and provide users with personalized content and experience.

## **5. Analysis of the Internal Conditions for the Development of Twitter**

### **5.1 Dominance**

Twitter is a unique tool to connect friends, relatives and so on. Especially during the epidemic lockdown, people focus on social media. Weibo sites such as Twitter are a good place for start-ups to market. It is not only useful for enterprises, but also good for users who are willing to learn from peers. Here are some of the advantages of Twitter.

Ease of use is one of Twitter 's common strengths. Setting up a Twitter account is easy. After setting up, you can start publishing tweets online for the world to see. Like all other social networking platforms, there are other custom options on Twitter. In order to get a better response, we must pay attention to people and let others pay attention.

Shorter Tweets Twitter limits tweets to 140 characters before 2017, which seems too short for many users. But now, you can value a tweet at 280 characters. If you are a person who likes to talk less, then this is a suitable place for people to talk. Straightforward and understandable is one of the main advantages of Twitter, which is why many users like it.

Advertising Twitter can be placed for everyone, from business owners to learners. This social media platform allows companies to promote their brands in different forms, and promotion tweets are one of them. You can use the promotion tweet to immediately push the timeline to the target audience. This is a simple way to introduce them to the brand.

If the scheduled tweet is a future planner, you can try to arrange the tweet to publish the content in the future. Any products planned for later launch can be arranged in advance. If you leave for a month or a week, you can maintain continuity by arranging posts in advance and attracting viewers.

### **5.2 Disadvantages**

Twitter is indeed a comprehensive tool to express concerns or promote business. However, recent controversies have created loopholes in how terms and conditions affect users ' right to freedom of speech and target groups. In addition, different other issues have exposed Twitter 's shortcomings.

In addition to criminals, fake accounts and robots are also a little worrying, because if things go beyond the normal range, the real culprit cannot be traced. As many as 20 million fake Twitter accounts have reportedly posted most of the distasteful content.

The lack of message broadcasting may be one of Twitter 's biggest drawbacks for business owners. Twitter usually uses this strategy to prevent spammers. One of Twitter ' s main drawbacks is the restriction that it can only send direct messages to one user at a time. If you want to send related messages to a specific group of followers, there is additional work to be done.

### **5.3 Opportunity-User Group Portrait Analysis**

Twitter is a global social media platform that attracts users of all ages, genders, geographic locations and interests. As of the second quarter of 2021, the platform had 206 million monthly active users, 69 % of whom were in overseas markets, according to data released by Twitter Inc.

#### **5.3.1 Age**

The age distribution of Twitter users is very wide, but most of them are young people aged 18 to 29, accounting for 38 %. Followed by 30 to 49-year-old middle-aged people, accounting for 26 %. Users aged 50 and above accounted for 19 %. This shows that Twitter is very popular among young people and is a very suitable promotion channel for young people.

#### **5.3.2 Sexuality**

The proportion of men and women on Twitter is relatively balanced, with a slightly higher proportion of women, about 53 %.

### 5.3.3 Geographic Position

Twitter is popular around the world, but the US remains the platform 's biggest market, with 40 per cent of users. Europe and the Asia-Pacific region accounted for 22 % and 21 % respectively. In addition, there are also a large number of Twitter users in the Middle East and Africa.

### 5.3.4 Interests

Twitter 's user groups have a wide range of preferences, mainly focusing on news, current affairs, sports, entertainment, technology and other fields. Due to the powerful real-time nature of Twitter, the platform has also attracted the attention of professionals in the political, financial, social and other fields.

### 5.3.5 Occupational Distribution

financial service	29%
management layer	27%
marketing	22%
freelancer	21%
miscellaneous	21%

## 5.4 Intimidation

The business model not only describes how a company makes money, but also informs people about the basic way it operates. At first glance, Twitter and Facebook are similar. They are all social networks that connect online users and continuously deliver content of interest to them. Both companies make money by selling advertising. However, careful observation will find that these similar business portfolios have created two very different companies. Twitter is essentially a modern ' speech corner ', where anyone can gush, and others can also refute. Social media studies call it a one-to-many broadcast network. The core of Facebook is a one-to-one or a few-to-one network that replicates the kind of acquaintance social relationship between friends, family or colleagues. First, Facebook can collect more users' data because they interact more closely with other users, which makes advertising easier to locate. At the same time, Facebook also benefits from a stronger “network effect”, which means that as users increase, the service is more useful for other users, thereby attracting more users. Twitter does not rely on such a network effect : although having friends is a human need, it is not necessary to maintain a temporary podium. This explains why compared with Twitter, Facebook had nine times as many users, 21 times as much revenue and 12 times as much profit in 2019 . More importantly, Facebook 's powerful network effect is an important asset that Facebook is fiercely defending : it has spent heavily on companies it sees as potential future rivals, such as Instagram, which it bought for \$ 1bn in 2012, and WhatsApp, which it bought for \$ 19bn in 2014.

## 6. Twitter Competitive Strategy Analysis

Compared with Facebook, Twitter is more like an information platform, belonging to microblogging site. The information on Twitter is more massive and the pace is faster. If the brand information is not interesting enough, users may not notice it at all. Twitter was founded in 2006, the biggest feature is that it can only publish up to 140 words of information ( see Weibo ). Twitter allows users to post pictures, texts, videos and other information, and also allows users to interact with each other through likes, comments, retweets and so on.

Brands spread brand information by establishing their own Twitter accounts. It should be noted that how to make your information attract attention. Users pay attention to brand accounts, not only because they want to know more information, but also because they want to participate in the dialogue with the brand. So, like Facebook, brands should also use Twitter to build relationships with consumers. Twitter can drain the brand website and increase the brand traffic.

A major feature of Twitter is topic marketing , through the topic can reach a wider user group than followers. Twitter users often browse through topics when looking for specific information. The brand can promote information through topics.

## 7. Conclusion

In general, Twitter is a global social media platform with a wide audience. The distribution of user groups is relatively scattered, but young people, professionals and social media enthusiasts are still the main users. When formulating a Twitter promotion plan, it is necessary to select appropriate copywriting and marketing strategies according to the characteristics of the target audience to improve the promotion effect and conversion rate. I believe that the main reason Twitter will thrive in the future is because of its current strategy to promote its products, thus creating a virtuous circle. By providing the platform as a product to the public, registered users can freely access its tweets or use its extensive information base. With these potential customers, Twitter has become attractive to advertisers, and advertisers are willing to provide generous funds to companies in exchange for the attention of a large number of Twitter users. Due to the characteristics of micro-blog media, text is shared for a short time, resulting in high information flow rate, so advertising is spread on a larger scale. Advertising revenues accounted for 86 %. It can be used both to promote products and to invest in innovations, such as subscription-based products mentioned in the current strategy above, where users can monetize their subscriptions themselves. In this case, enhanced products can encourage interaction and attract more users. As the user base grows, the virtual loop generates more and more revenue, enabling Twitter to maintain sustained growth with increased market share.

In addition, in the future media and entertainment companies, Twitter is more competitive than other leading social media because of its relative news nature, rather than entertainment. Although TikTok is a social media aimed at entertainment, Twitter is often a more official news platform that provides users with basic information. Over time, people 's need for entertainment may change according to personal tastes, and people 's need to keep up with what 's happening around the world may be permanent. In this case, the risk of Tik Tok being outdated is higher.

Judging from the above discussion and assessment, Twitter has great potential to develop into one of the major media and entertainment companies in the near future due to its market strategy and advantages as a news organization. Personally, I suggest that Twitter add meta-universe elements to the socialization of text, pictures, and videos. For example, users may choose to purchase a building near a friend or celebrity 's home. In this way, the platform not only benefits from the improvement of user loyalty, but also benefits from the digital currency in the meta-domain.

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