Rise of Internet Platform Economy: Case Study of Tik Tok in the Metaverse

Uzma Zaidi
Amity University -Dubai Campus
(uzmaiba@yahoo.com)

The rise of internet platforms has reshaped the economic landscape, with TikTok emerging as a significant player within the metaverse. This study investigates TikTok's role in the internet platform economy, particularly regarding wealth distribution and user engagement. A mixed-methods approach was employed, combining qualitative analysis of TikTok's operational strategies with quantitative metrics from financial reports of TikTok's parent company, ByteDance, and its competitors Meta and Microsoft. Data collection included financial performance indicators, user engagement statistics, and market analysis.The findings indicate that TikTok's unique algorithm and user-centric approach facilitate significant wealth creation for content creators and micro-entrepreneurs. Additionally, TikTok's data-driven business model enhances user engagement, serving as a vital asset in the platform economy. Ergo, TikTok's expansion into virtual worlds could redefine digital interaction and wealth generation, providing both creators and users with unprecedented opportunities tocreate, monetize, and interact in this new digital frontier.

Keywords: Internet Platform Economy, Tik Tok, Metaverse, Wealth Distribution, user Engagement, Content Creators, Financial Performance

1. Introduction

The rapid evolution of the internet has given rise to platform-based economies, where digital platforms such as social media networks, e-commerce sites, and content-sharing applications play a dominant role in shaping consumer behavior, economic exchange, and social interaction (Acs, 2021). In recent years, the platform economy has grown beyond traditional boundaries, with emerging technologies like virtual reality (VR), augmented reality (AR), and the *metaverse* expanding the horizons of user engagement and monetization (Billewar *et al.,* 2022). These advancements are reshaping the dynamics of entertainment, marketing, and socialization, creating novel economic opportunities and challenges (Mourtzis 2022).

The technology industry is poised to play a critical role in shaping the future of global economies. Governments worldwide, particularly in the United States and China, have made significant investments in the tech sector, reflecting its strategic importance (Wolff, J. 2021). This study aims to provide valuable insights for stakeholders and investors by analysing two key players within the technology landscape Meta and Microsoft—highlighting which company offers greater investment potential (Falchetta *et al.,* 2022). Additionally, the study addresses key challenges faced by tech companies and proposes strategies for adapting to these evolving dynamics. By examining financial indicators such as valuation, profitability, dividend payouts, and growth, this research employs both qualitative and quantitative methods to assess the performance of these companies (Vibhakar et al., 2023). The findings suggest that Meta's metrics are more favorable. Ultimately, this research will assist investors in making informed decisions regarding the comparative investment value of Meta and Microsoft within the rapidly growing technology sector (Shanmuganathan, M. 2020).

One of the most prominent players in the platform economy is TikTok, a short-video content-sharing platform that has gained unprecedented popularity across the globe (Palombo, N. G. 2024). With its algorithm-driven content recommendations, TikTok has not only transformed how users create and consume media but also empowered a new wave of creators, brands, and influencers to generate income through sponsorships, advertisements, and digital products (Koç, B. İ. R. K. A. N. 2023). As the metaverse emerges as a parallel digital universe where users can interact through avatars and immersive experiences, TikTok has begun exploring its potential in this new virtual frontier.

TikTok is a short video-sharing app available on iOS and Android, launched by a Beijing-based startup in 2016 under the name Douyin (Roth, S. M. 2021). The platform's parent company, ByteDance, is a major force in the Chinese tech industry, with various popular social media apps and services used by billions of users. Currently valued at $100 billion, ByteDance has grown to become one of the world's most valuable private enterprises (XING, G. 2023). The initial concept for TikTok stemmed from another app called Musical.ly, which was launched in 2014 and quickly gained popularity among teenagers for its lip-syncing features (Savic, M. 2021). With over 160 million users across Europe and the Americas, Musical.ly was a significant player in the market. In 2016, ByteDance introduced Douyin, which quickly gained traction beyond China. By 2017, the app was rebranded as TikTok and expanded globally, amassing over 100 million users within a year (Guerrero, K. J. 2023).

With over 60% of the global population connected to the internet, mobile applications have become a vital source of entertainment and social interaction (Khrais, 2021). These apps play a key role in enhancing user engagement and attracting large audiences. Mobile applications can generally be categorized into two types: life service apps, which offer convenience in

daily tasks such as shopping or transportation, and entertainment apps, which focus on leisure activities like video sharing or gaming (Diaz Baquero, A. P. 2021). Recent reports indicate that a significant portion of time spent on mobile devices is dedicated to using apps, with a majority of users favoring entertainment and video-sharing platforms (Ntoa, et al., 2021). These apps, often available for free, encourage users to create and share their own content. Beyond being merely platforms for social interaction, they represent companies with well-established business models, underscoring their commercial potential in the digital economy.

This study aims to explore TikTok's role in the expanding internet platform economy, focusing on how the platform leverages metaverse technologies to enhance user engagement, develop new revenue streams, and reshape digital culture. By analyzing TikTok's strategies, challenges, and future directions within the metaverse, this case study provides insights into the economic and social transformations accompanying the rise of the internet platform economy (Dwivedi 2022).

2. Research Problem Identification

The growing criticism of capitalism has sparked the development of new models and technologies aimed at addressing global inequalities in wealth and power distribution (Audard, C. 2024). TikTok, as an emerging platform, presents an opportunity to investigate whether its unique operational model can contribute to more equitable wealth distribution (Audard, C. 2024). This research seeks to identify the key success factors of TikTok's model in overcoming traditional capitalist shortcomings, providing insights into how it may contribute to more balanced economic structures.

3. Research Objective

The primary aim of this research is to explore how TikTok's innovative distribution model addresses and potentially mitigates the limitations of traditional capitalist structures. By using TikTok as a case study, this research will investigate how the platform's model redistributes wealth, promotes new forms of value creation, and fosters economic opportunities in ways that challenge conventional capitalist paradigms.

4. Literature Review and Theoretical Framework of the Study

The platform economy has emerged as a dominant force in the digital era, transforming business models, commerce, and user interactions (Veile 2022). At its core, this economy leverages online platforms that facilitate exchanges between users, collect vast amounts of data, and generate value from network effects. Platforms like TikTok epitomize this trend by providing spaces where users create content and engage in economic activities (Palombo, N. G. 2024).

Several factors drive the platform economy, including access to venture capital, robust internet infrastructure, and large user bases. This dynamic foster competition among platforms and promotes monopolistic tendencies, as seen in the rise of companies like Google, Amazon, and TikTok. These platforms rely on algorithms to match users and monetize data, resulting in winner-take-all outcomes where the most successful platforms attract most users and advertisers (Kim, H. Y.2024). The metaverse represents the next stage in this evolution, providing immersive virtual environments that integrate social interaction, commerce, and entertainment. TikTok's entry into the metaverse aligns with this shift, as it seeks to enhance user engagement through 3D experiences and virtual economies. This fusion of short-form video content and virtual environments reflects broader trends in the platform economy where platforms not only mediate but increasingly shape digital social experiences.

The studies by researcher (2024) offer essential insights into the convergence of platform economies with the metaverse, emphasizing both opportunities and challenges (Hussain, Z., & Khan, A. (2024).). Researcher conducted a bibliometric analysis of 595 publications, identifying four major research themes. These include the integration of immersive technologies like virtual reality (VR), augmented reality (AR), and extended reality (XR) into digital platforms, as well as the emergence of new consumer behaviors and virtual identities shaped by these technologies. They further highlight the need for digital governance frameworks to address ethical concerns, such as privacy and data ownership, as the metaverse reshapes industries like education, healthcare, and retail (Marr, B.2021).

Similarly, it is explored how metaverse technologies are transforming business models within the platform economy. They argue that the metaverse encourages active user participation through gamification and co-creation, fostering more interactive engagement compared to traditional platforms (Abrokwah-Larbi, K. 2024). Their study emphasizes the rise of new revenue models built on virtual goods, such as NFTs, and predicts that platforms like TikTok will leverage immersive experiences to extend user engagement. Both studies suggest that while platforms operating within the metaverse hold the potential for innovation and economic growth, they also bring challenges in terms of governance, digital labor, and sustainable platform management. Future research will need to focus on regulatory frameworks and user well-being to ensure a balanced digital ecosystem (Dwivedi et al., 2023). As the platform economy grows, challenges around monopoly power, data privacy, and platform governance become more pressing. Future research will need to address these concerns, especially as platforms like TikTok evolve within metaverse frameworks to remain competitive and relevant in the digital landscape (Jenny, F. 2021). The concept of a business model has been defined in various ways in previous literature. Some researchers equate it with a revenue model, viewing it as a method for generating income by positioning a firm within the value chain. Others describe it as the underlying logic of a "business system" that drives processes for creating value. Additionally, some scholars see it as the role that individual companies play within value networks (Töhönen et al, 2021).

However, these definitions provide a limited perspective when applied to social network firms. During the dot-com era and the rise of the internet, analysts began associating business models with e-businesses (Aggarwal, D. P. 2021). Despite this,

much of the existing literature focused primarily on how e-businesses create value, often neglecting the profit aspect. At that time, services were largely one-way (Web 1.0), cantered on information distribution and characterized by product-oriented sites that required minimal user involvement. Following the dot-com crash and the advent of Web 2.0 services, user engagement became increasingly significant, emphasizing the sharing and exchange of information and content, leading to the emergence of social networks, smartphones, and blogs. The web became more democratic and dynamic, making profit generation crucial for the survival of companies (Naidoo, S. 2021).

Consequently, business model designers and academics began to focus more on monetization strategies for these firms, exploring how social networking businesses could generate revenue (Gebauer et al., 2020). In his research on system dynamics, Sternman suggested that e-business models could assist managers in understanding the nuances of e-businesses. Norton compared a structured e-business model to a Balanced Scorecard Approach, highlighting its importance in identifying necessary actions within an e-business context (Chopra, M., & Gupta, V.2020). Osterwalder and Pigneur discussed the critical role of e-business models in implementing strategies, emphasizing that using a rigorous framework could facilitate the stimulation, assessment, modification, and measurement of businesses. Fensel highlighted that formalized e-business models could aid in understanding e-business dynamics among stakeholders, as an ontology provides a shared understanding of relationships within a specific domain (Djuraeva, L. 2021).

In a study by Edward Faber and colleagues, various definitions from researchers were synthesized to create an ontology focusing on four key design blueprints: service design, organization design, technology design, and financial design (Nielsen, L., & Havbro Faber, M.2022). This paper will utilize this ontology to examine the four domains of the video-sharing app TikTok, with an emphasis on its monetization strategy in an international context. The literature on TikTok explores several key areas, ranging from the platform's algorithmic design to its social, psychological, and economic impact. Recent studies highlight the influence of TikTok's recommendation system, which curates personalized content through user interactions and viewing patterns. This algorithm, known as the "For You" feed, dynamically evolves by learning user preferences, a feature that has been shown to significantly increase engagement. Empirical investigations further delve into the behavioral implications of TikTok. For instance, research by the Harvard Business School examines how TikTok's algorithm has not only maximized user attention but also raised concerns about data privacy and geopolitical ramifications, particularly in the context of U.S.-China relations. The study underscores that TikTok's ability to capture and retain user engagement makes it more effective than many Western social media platforms, even posing potential threats to democracy and societal norms.

A different dimension explored in TikTok research concerns the social connectedness and identity formation facilitated by the platform. A recent study published in the *Journal of Computer-Mediated Communication* found that users' perceptions of the algorithm's responsiveness impact their sense of belonging and identity reinforcement. This study, which utilized a longitudinal design, concluded that users who felt their content preferences were accurately met by TikTok's algorithm reported higher levels of social acceptance and connectedness (Taylor et al., 2024).

The economic significance of TikTok also emerges in studies investigating the platform's role within the creator economy. The rapid monetization of trends and content, alongside TikTok's ability to foster micro-celebrities, has redefined business models in digital platforms, promoting creator-led commerce. Additionally, the platform's design, which emphasizes virality over follower counts, democratizes content creation and influences consumption patterns on a global scale (Ferdinands, B. 2022). These studies reflect the multi-faceted nature of TikTok's influence, encompassing not just algorithmic personalization and user engagement but also broader societal and economic impacts. As research continues to evolve, it becomes evident that TikTok represents a unique intersection of technological innovation, cultural dynamics, and economic transformation.

4.1 Economic System of Capitalism

Capitalism, the dominant economic system worldwide, is characterized by private ownership of the means of production and the pursuit of profit. Markets, driven by competition and consumer choice, largely determine the allocation of resources (Wisman, J. D. 2020, July). The capitalist system fosters innovation and economic growth but also leads to disparities in wealth distribution and social inequality. Capitalism has faced increasing scrutiny due to its inherent tendency to concentrate wealth and power in the hands of a few. Critics argue that it exacerbates social divisions and leads to systemic inequalities. One of the central criticisms of capitalism is the widening gap between the rich and the poor (Baines, J., & Hager, S. B. 2020). Capitalism often rewards capital owners disproportionately, leaving wage earners with a smaller share of economic gains. Capitalism contributes to a hierarchical global economic system, where wealthy nations benefit from resources and labor in developing countries, further entrenching global inequalities and power imbalances. Capitalism can lead to uneven development, where certain regions or industries flourish while others decline, creating stark disparities in access to opportunities, leading to social and economic polarization (Fraser, N. 2023).

The rise of digital platforms and technologies has ushered in a new era of wealth creation, shifting the traditional paradigms of value generation and distribution. In the digital economy, data has become a crucial asset. Companies that harness user data effectively can monetize it, creating immense wealth (Azionya, C. M. 2022). This shift has transformed how value is generated, with data serving as the new currency. Digital platforms have created super assets, such as algorithms, data-driven services, and intellectual property, which can scale rapidly and generate massive value, often with minimal labor input compared to traditional industries. Digital platforms, like TikTok, are redefining how wealth is distributed by enabling creators to directly monetize their content, bypassing traditional intermediaries and potentially allowing for a more equitable distribution of economic benefits (Kozak, D.2023). The rise of the Internet platform economy represents a fundamental shift in global economic structures. Platforms like TikTok have become key players in this new economy, leveraging user-generated content and data to

create new forms of wealth while challenging the traditional capitalist model of wealth distribution (Nilsen, A., & Kvia, E. 2022)

5.   Methodology

This research utilizes a case study methodology to explore in depth the relationship between the platform dynamics, role of content creators and processes of wealth creation and distribution.

Our methodology consists of two main parts: a bibliometric analysis and a qualitative assessment of TikTok's economic impact and user engagement. To achieve this, a bibliometric analysis was conducted to identify and categorize the existing literature related to the platform economy and TikTok.

A systematic search through several academic databases—like Google Scholar, Scopus, and Web of Science—using keywords such as "platform economy," "TikTok," "metaverse," "user engagement," and "monetization strategies" was conducted which yielded a total of 595 relevant publications.

After collecting the literature, the relevant publications were analysed to uncover significant themes and trends. The analysis revealed four major themes: the integration of immersive technologies (like VR, AR, and XR), emerging consumer behaviours, virtual identities, and monetization strategies within the platform economy.

To deepen this understanding, a qualitative assessment was conducted that focused on economic significance and user engagement in the platform economy using TikTok as a case study.

TikTok was selected as a case study due to its rapid growth and substantial impact on the platform economy. The analysis concentrated on its algorithm design, user interaction patterns, and monetization strategies.

Information was gathered from various sources, including academic articles, industry reports, and user surveys available online. Special attention was given to empirical studies that examined TikTok's recommendation system and how it affects user behaviour.

Using thematic analysis, the qualitative data was explored to identify recurring patterns and insights about TikTok's role in creating economic opportunities for both creators and advertisers. Study's point-of-interest was how TikTok encourages micro-entrepreneurship and the effects of its algorithm on user engagement and content virality.

The insights from both the bibliometric analysis and qualitative assessment from case study were brought together to offer a comprehensive view of TikTok's influence in the platform economy. This synthesis highlights the opportunities and challenges posed by TikTok's model, especially in the context of the evolving metaverse.

6.   Limitations

While this methodology provides valuable insights, it is important to recognize some limitations. The bibliometric analysis may be limited by the availability of publications and might not capture all relevant studies. Additionally, the qualitative assessment relies on existing literature and user reports, which could introduce some personal biases.
By employing this approach, the study aims to shed light on the dynamics of the platform economy, particularly through the innovative strategies of TikTok and their implications for the future of digital commerce and social interaction.

7.   TikTok: Case Study of its Value Creation Model

Content creators are the lifeblood of TikTok, responsible for much of the platform's value. TikTok enables users to produce and share short, engaging videos, leveraging a variety of creative tools. This model democratizes content creation, allowing individuals from various socioeconomic backgrounds to participate. Creators, ranging from celebrities to small-scale users in rural areas, produce content that attracts and retains the user base (Hansen, S.2024). This widespread participation generates significant ad revenue, as well as potential partnerships and sponsorships for popular creators. The platform's focus on user-generated content (UGC) helps drive audience engagement, fostering a vibrant digital ecosystem that sustains itself through a continuous cycle of content creation and consumption (Gabelaia et al., 2023).

TikTok has also introduced various initiatives to support and incentivize creators. For example, through programs like the "Creator Fund" and partnerships with brands via the "TikTok Creator Marketplace," creators can directly earn revenue from their content (Johnson, A. 2021). These avenues allow even micro-influencers or individuals in remote regions to capitalize on their content and reach a global audience. This value creation model not only benefits TikTok as a company but also offers new income-generating opportunities for millions of creators worldwide, shifting the paradigm of how wealth is generated and distributed in the digital age.

7.1 User Data Captures Key Valuable Insights

TikTok's ability to capture and analyse massive volumes of user data is integral to the success of its value creation modeel. Every interaction likes, shares, comments, time spent on videos is collected and fed into ByteDance's sophisticated algorithm, which powers TikTok's content recommendations. The platform's machine-learning algorithms analyse this data to offer personalized content feeds tailored to individual user preferences, creating a highly engaging user experience (Liu, K. 2022).
This data-centric approach turns user interactions into valuable assets for the company. TikTok's precise targeting capabilities based on user behaviour allow for better ad placement, contributing to its profitability. Moreover, this data collection provides insights into user trends, behaviours, and preferences, which in turn shape how businesses and advertisers interact with their

audience on the platform. Data has become one of the most critical assets in the digital age, and TikTok exemplifies how user-generated data can be leveraged to create immense value, both for the platform and its stakeholders. In this sense, TikTok plays a pivotal role in the new economy where data is considered a key form of capital (Collie, N., & Wilson-Barnao, C. (2020). Playing with TikTok: Algorithmic culture and the future of creative work. In *The future of creative work* (pp. 172-188). Edward Elgar Publishing. Et al., 2022).

7.2 Wealth Distribution to Micro-Entrepreneurs, and Data Contributors

TikTok's platform fosters a new form of wealth distribution that benefits not only the company but also a wide array of stakeholders, including content creators, entrepreneurs, employees, and users who contribute data. This model represents a shift from traditional capitalist structures, where wealth accumulation was concentrated among a few elite groups, to a more inclusive system where digital platforms facilitate wealth creation at multiple levels.

TikTok enables content creators, even from remote areas, to monetize their creativity. Small-scale creators can become micro-entrepreneurs, generating income through brand collaborations, live streaming gifts, and participation in the TikTok Creator Fund. This has allowed individuals, particularly from developing countries or economically marginalized areas, to create supplementary or full-time incomes, challenging the geographic and economic boundaries that once constrained traditional business models.

7.3 Wealth Distribution to Employees, Developers, Advertisers and Entrepreneurs

TikTok has created thousands of jobs worldwide, from app developers and content moderators to marketing professionals and customer support staff. ByteDance, TikTok's parent company, relies on a global workforce to maintain and improve the platform, contributing to the economies of various regions. In addition to the direct employment provided by the company, TikTok also supports an ecosystem of third-party agencies, marketing firms, and tech providers that contribute to the platform's operations, indirectly supporting additional employment.

The platform also benefits advertisers and small business owners who use TikTok as a marketing tool to reach millions of users. The affordability and targeting precision of TikTok ads make it possible for smaller businesses to compete alongside global corporations, helping distribute advertising opportunities across a broader economic base. Entrepreneurs and small businesses, especially in the e-commerce space, use TikTok's viral nature to promote their products, increasing revenue potential and market reach.

7.4 Emergence of New Digital Wealth Model and Platform Economy

In the digital age, user-generated data itself has become a form of capital. While users do not receive direct financial compensation for the data they contribute, they gain access to an enriched and highly personalized user experience in return. This value exchange, although less tangible, reflects a new form of wealth distribution where users contribute to the growth of the platform through their engagement and data generation.

By distributing value across a wide spectrum of contributors, TikTok's business model exemplifies how digital platforms can facilitate a more egalitarian form of wealth creation. Even small content developers and users in remote areas, who would have had little opportunity to participate in the global economy in the pre-digital era, now have the potential to generate income and contribute to a rapidly growing digital marketplace.

Social media companies typically monetize their app businesses through four primary value models: Freemium, which combines free and premium services and relies on in-app purchases; Paid, which charges customers for downloading the app; Paidmium, a hybrid of paid downloads and in-app purchases; and In-App Advertising, the most common model for video streaming and sharing apps, where brands pay to advertise on the platform. Interestingly, TikTok did not rely solely on advertising for revenue (Martínez et al., 2022). Initially, the app depended more on user engagement than on advertisements, delaying the launch of a formal advertising program until late 2018, two years after its launch. During this period, the primary focus was on growth, which was critical for long-term survival in the competitive social media landscape. Four years after its launch, TikTok boasts a relatively innovative revenue model that employs various monetization strategies (Zhang, H., & Wang, X. 2024). The integration of TikTok into the metaverse represents an evolution of the platform's already successful economic model, which is built around user generated content, attention-based algorithms, and digital monetization. In the metaverse, TikTok's economy could be further amplified, where virtual interactions, assets, and attention create new dimensions of value (Du 2022).

TikTok operates on an attention economy model, where the value is created by capturing and maintaining user engagement. In the metaverse, this model could expand, as attention becomes even more valuable in virtual worlds. Users interacting with TikTok's content in immersive environments (such as augmented reality or virtual reality) could lead to higher levels of engagement, creating opportunities for deeper user interaction, brand advertising, and even virtual goods sales (Qu, M. 2022, June)

8. Results and Findings

The findings of this research highlight TikTok's pivotal role in the rise of the Internet platform economy, particularly within the context of the Metaverse. TikTok has experienced unprecedented growth since its launch in 2016, amassing over 1 billion active users globally by 2023, (Figure 1) making it the most downloaded app worldwide, (Figure 2) surpassing competitors like Instagram and Facebook (Mahetaji et al., 2024). The platform's demographic profile (Figure 3) shows a significant presence

among younger users, with over 60% of its user base aged between 16 and 24. This rapid expansion underscores TikTok's influential position in the evolving landscape of social media and content consumption (Bhandari, A., & Bimo, S. 2022).

TikTok has created a new wave of micro-entrepreneurs who monetize their presence through brand partnerships, sponsored content, and merchandise sales (Kowalchuk, S. 2023). Reports indicate that top creators can earn up to $5 million annually, showcasing how TikTok fosters financial opportunities for user adept at navigating its algorithms and trends. Additionally, TikTok's parent company, ByteDance, has reported a staggering 150% revenue growth in 2023, primarily driven by advertising, with projections suggesting revenues will reach $11 billion by 2024. These diverse monetization strategies, including in-app purchases and ad placements, solidify TikTok's position as a lucrative player in the Internet economy (Su, C. 2023).

Users engage extensively with the platform, spending an average of 52 minutes daily, with several users viewing multiple videos per session. Engagement metrics reveal that videos under 30 seconds receive the highest interaction rates, emphasizing the significance of short-form content in capturing audience attention. Successful creators, like Charli D'Amelio, who gained over 100 million followers within a year, illustrate the potential for substantial revenue through brand endorsements and merchandise. Factors contributing to this success include effective niche selection, audience engagement strategies, and the utilization of TikTok's trending features.

   The exploration of TikTok's integration with the Metaverse reveals users beginning to experience augmented reality (AR) filters and virtual spaces for content creation. Surveys indicate that 70% of users are enthusiastic about engaging with TikTok content in immersive environments, predicting enhanced user interaction and content diversity. Despite its achievements, TikTok faces challenges, such as regulatory scrutiny regarding data privacy and content moderation. A notable 40% of creators have reported difficulties navigating TikTok's monetization policies, raising concerns about income sustainability. Furthermore, the platform's rapid growth has led to increasing competition, complicating visibility for new creators. The results illustrate TikTok's significant impact on shaping the Internet platform economy. Its rapid growth, innovative monetization strategies, and integration with emerging technologies like the Metaverse position TikTok as a critical player in the digital landscape.
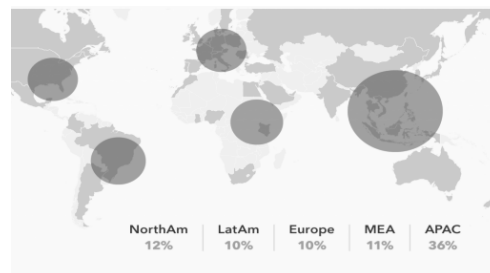

Figure 1 *Percentage of internet used between the age group 20-60, are particularly using Tik Tok across the globe (Source: Bibliometric Study 2024).*
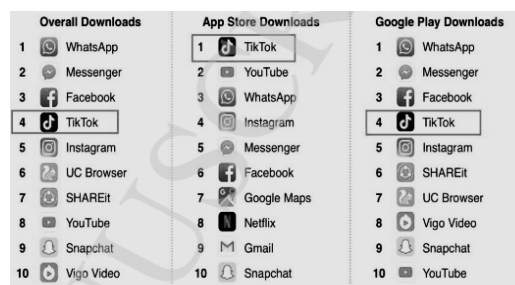

Figure 2 *The Highest Social Media Application Downloads Across the Globe between 2020 to 2023*
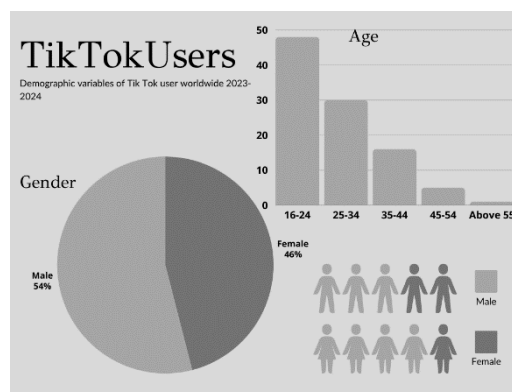*(Source: Bibliometric Study 2024).*

Figure 3 *Demographic Representation of TikTok user worldwide (Source: Bibliometric Study 2024)*

Social technologies have the potential to empower individuals to make a positive difference in society by fostering networking effects and encouraging community engagement. TikTok aims to be a social media platform that inspires new generations to create a positive impact. To support this mission, TikTok has developed several tools and initiatives, like the interactive feature that can be integrated into live streams and recorded videos, enabling creators to raise funds for charitable causes while inspiring goodwill through their creativity. This initiative allows non-governmental organizations (NGOs) and charities to create customized hashtag challenges at no cost. These challenges encourage users to participate by sharing the hashtag, thereby promoting awareness and raising funds for important causes. Organization design refers to a group of individuals possessing specific resources and capabilities necessary for an organization to create value for its customers. TikTok is an independent entity wholly owned and operated by the Chinese company ByteDance. To deliver its range of services, TikTok collaborates with various actors within its value chain, including Android and iOS developers, user experience designers, server administrators, mobile development teams, database experts, product managers, front-end and back-end developers, marketing teams, and end-users. Users play a crucial role in TikTok's value chain. As a user-generated content (UGC) platform, the success of TikTok hinges on its users creating and consuming content. TikTok users can be categorized into three groups: Creators: Individuals who have signed up for official accounts and produce content. In late 2019, TikTok launched the Creator Marketplace to incentivise creators, enabling brands to connect with TikTok influencers to engage customers.

Companies that leverage TikTok as a platform to promote their products and services. TikTok also relies heavily on artificial intelligence developed by ByteDance. This AI powers all of ByteDance's content platforms, utilizing natural language processing and computer vision technology to build intelligent systems that understand and analyse text, images, and videos. The algorithm allows TikTok to deliver content that resonates with users while enabling creators to share significant moments with a global audience.

9. Recommendation

TikTok's metaverse expansion would enable creators to produce immersive, interactive content. Instead of simply watching short videos, users could participate in interactive experiences or live performances within a virtual space (Kuru, K. 2023). Content creators could sell virtual goods, such as digital fashion, artwork, or NFTs (nonfungible tokens), much like other platforms in the metaverse economy. This would allow creators to monetize their work more effectively, attracting both content creators and users to engage with the platform in new ways (Trautman, L. J. (2021).

With the metaverse offering unique digital spaces, TikTok could integrate NFT technology to allow creators to tokenize their content. Creators could sell unique videos, digital collectibles, or virtual items directly to their followers as NFTs, adding an additional revenue stream. NFTs enable ownership of digital assets, making content creation more profitable for TikTok creators by giving them the ability to sell or trade their digital assets in metaverse marketplaces (Ghelani, D. 2022). As TikTok continues to grow its user base and attract advertisers, the platform could provide virtual shopping experiences within the metaverse. Brands could use TikTok to offer users interactive shopping experiences, where users can explore virtual stores, try on virtual clothing, or even attend virtual product launches. Brands can engage users directly in these spaces, offering an immersive advertising experience that blends entertainment, commerce, and social interaction.

The metaverse would allow TikTok to create shared virtual spaces where users can interact, collaborate, and form communities. This social networking capability can be a key driver of value within the TikTok metaverse economy. Users can participate in group challenges, collaborate on content creation, or even attend virtual events like concerts or festivals, all of which can deepen their connection to the platform and increase user retention (Zhou, Y., & Qin, F. 2022).

TikTok already offers ways for users to earn revenue through the Creator Fund, brand partnerships, and virtual gifts. In the metaverse, this model could evolve further by providing more inclusive wealth distribution opportunities (Koles et al., 2024). Content creators from different parts of the world, particularly those in economically marginalized areas, could take part in the platform's digital economy and earn income through virtual content and services. This democratization of content creation and monetization would echo TikTok's current efforts to make wealth generation accessible to all users (Arcagni, S. 2023).

TikTok's AI driven recommendation algorithm, which personalizes content feeds based on user behaviour, could be adapted for the metaverse to offer personalized virtual experiences. As users navigate through various virtual spaces, TikTok's algorithm could suggest experiences, content, and even virtual goods tailored to their preferences, enhancing engagement and promoting higher interaction rates. Virtual Ads: TikTok could extend its current ad model by allowing brands to place interactive ads within virtual worlds, where users can engage with products and services more immersivity (Longo, M. C., & Faraci, R. 2023).

Virtual goods and digital experiences in the form of NFTs or exclusive content could become new revenue streams for both TikTok and its users. Subscription Models: TikTok could introduce premium access to exclusive virtual events, content, or communities, offering a subscription-based revenue model in the metaverse. While the TikTok metaverse economy holds significant potential, there are challenges such as maintaining user privacy, regulating virtual transactions, and managing digital rights. Additionally, TikTok would need to navigate emerging laws around digital asset ownership, intellectual property, and platform governance to ensure a smooth transition into the metaverse (Terry, Q., & Keeney, S. 2022).

As TikTok steps into the metaverse, its economy will likely evolve to incorporate virtual goods, NFTs, immersive content creation, and social commerce. The attention driven platform is uniquely positioned to leverage its large, engaged user base to create new economic opportunities in the metaverse (Boffone, T. 2022). TikTok's expansion into virtual worlds could redefine digital interaction and wealth generation, providing both creators and users with unprecedented opportunities to create, monetize, and interact in this new digital frontier.

However, to maintain its trajectory, the platform must address ongoing challenges and continue to support creators in this dynamic environment.

10. Conclusion

TikTok operates within the framework of capitalism, where platform economies leverage user-generated content to drive revenue and sustain growth (Palombo, N. G. 2024). In capitalist systems, the emphasis is on profit-making through market transactions, with minimal direct intervention from state actors. TikTok exemplifies this by monetizing content through targeted advertising, influencer collaborations, and e-commerce integrations, creating an economy where both the platform and content creators benefit from user engagement (Maris et al., 2024). The platform's algorithm-driven economy reflects core capitalist principles of efficiency, innovation, and competition. Content creators compete for visibility and audience attention, which translates into economic value through ad revenues, brand partnerships, and virtual gifts. TikTok's success lies in its ability to harness attention economics, where users' time and engagement are commodified into profits (Abidin, C. 2021). The platform maximizes economic output by fine-tuning its algorithm to predict and sustain user interest, fostering an ecosystem where trends can emerge and disappear at an accelerated pace.

Moreover, the creator economy on TikTok aligns with the capitalist ideal of entrepreneurialism, where individuals can leverage their creativity and personal brand to generate income (Maris et al., 2024). However, while TikTok democratizes opportunities for creators, it also reflects some critiques of capitalism, such as precarity and exploitation (Dodini, M. 2023). Many creators face challenges from unstable income streams, algorithmic uncertainties, and the need to constantly produce content to remain relevant, raising concerns about the sustainability of such labour models.

TikTok has created a new wave of micro-entrepreneurs who monetize their presence through brand partnerships, sponsored content, and merchandise sales (Kowalchuk, S. 2023). TikTok's integration with the global platform economy further amplifies capitalist dynamics. It facilitates cross-border economic exchanges through in-app commerce, sponsorships, and micro-transactions, creating a decentralized marketplace (Adams et al., 2020). This global connectivity aligns with neoliberal capitalist frameworks, where technology-driven platforms minimize barriers to trade and maximize profits, although they also spark debates around data commodification, privacy, and regulation. The platform's growing influence raises important questions about governance within platform capitalism, especially as it intersects with geopolitical concerns and labour dynamics

11. Theoretical and Managerial Implications

This study contributes to the field of platform economy and content-sharing applications research (Acs, 2021) by its utilisation of Capitalism models of wealth generation (Azionya, C. M. 2022). It addresses the growing criticism of capitalism that has sparked the development of new models and technologies aimed at addressing global inequalities in wealth and power distribution (Audard, C. 2024). In doing so, the study provides beneficial insight into new digital wealth model and the influence of platform economy to develop new channels of wealth distribution. Building on this theory, it reinforces that platform economy renders great service by encouraging and enabling micro-entrepreneurs to contribute in remarkable ways to global wealth.

12. Limitations and Future Research Suggestions

This case study in nature and its outcomes were a snapshot of a defined moment in time. A longitudinal approach could be applied in future research to explore the long-term issues identified in the conclusion sections to investigate the progression of data privacy and debates around regulation of internet platforms. Specifically, this study used the case of TikTok to identify the new models of wealth generation. Further studies can explore other platforms that are more popular in Europe, US or Middle East. For instance, local studies to investigate the popular platforms in Middle East and their utilisation by micro-entrepreneurs. can provide more clarification into the complex dynamics of platform economy.

Declaration Of Interests

The author reports there are no competing interests to declare.

13. Funding

14. References

1. Acs, Z. J., Song, A. K., Szerb, L., Audretsch, D. B., & Komlósi, É. (2021). The evolution of the global digital platform economy: 1971–2021. Small Business Economics, 57, 1629-1659. DOI: 10.1007/s11187-021-00561
2. Billewar, S. R., Jadhav, K., Sriram, V. P., Arun, D. A., Mohd Abdul, S., Gulati, K., & Bhasin, D. N. K. K. (2022). The rise of 3D E-Commerce: the online shopping gets real with virtual reality and augmented reality during COVID-19. World Journal of Engineering, 19(2), 244-253. DOI:10.1108/WJE-06-2021-0338
3. Mourtzis, D., Angelopoulos, J., & Panopoulos, N. (2022). A Literature Review of the Challenges and Opportunities of the Transition from Industry 4.0 to Society 5.0. Energies, 15(17), 6276. doi.org/10.3390/en15176276

4. Wolff, J. (2021). How is technology changing the world, and how should the world change technology?. Global Perspectives, 2(1), 27353. DOI:10.1525/gp.2021.27353

5. Falchetta, G., Michoud, B., Hafner, M., & Rother, M. (2022). Harnessing finance for a new era of decentralised electricity access: A review of private investment patterns and emerging business models. Energy Research & Social Science, 90, 102587. https://doi.org/10.1016/j.erss.2022.102587

6. Vibhakar, N. N., Tripathi, K. K., Johari, S., & Jha, K. N. (2023). Identification of significant financial performance indicators for the Indian construction companies. International Journal of Construction Management, 23(1), 13-23. https://doi.org/10.1080/15623599.2020.1844856

7. Shanmuganathan, M. (2020). Behavioural finance in an era of artificial intelligence: Longitudinal case study of robo-advisors in investment decisions. Journal of Behavioral and Experimental Finance, 27, 100297. https://doi.org/10.1016/j.jbef.2020.100297

8. Palombo, N. G. (2024). " Sexual Context Collapse" on TikTok: Platform Politics, Content Moderation, and User Agency in Platform Governance. https://hdl.handle.net/10315/42118

9. Koç, B. İ. R. K. A. N. (2023). The Role of User Interactions In Social Media On Recommendation Algorithms: Evaluation of Tiktok's Personalization Practices From User's Perspective[Istanbul University]. DOI:10.13140/RG.2.2.34692.71040

10. Roth, S. M. (2021). Data Snatchers: Analyzing TikTok's Collection of Children's Data and Its Compliance with Modern Data Privacy Regulations. J. High Tech. L., 22, 1.

11. Xing, G. (2023). Study On The Marketing Strategy Of Bytedance Company In The Internet Industry.. Siam University. DOI:10.54097/fbem.v8i2.7148

12. Savic, M. (2021). Research perspectives on TikTok & its legacy apps-From Musical. ly to TikTok: Social construction of 2020's Most downloaded short-video app. International Journal of Communication, 15, 22. DOI: 15:3173-3194

13. Guerrero, K. J. (2023). An Analysis of TikTok's Digital Marketing Capabilities and Its Effectiveness for Brands and Businesses Across Different Industries. Theses. 532. https://digitalcommons.lindenwood.edu/theses/532

14. Khrais, L. T., & Alghamdi, A. M. (2021). How mobile phone application enhance human interaction with e-retailers in the middle east. Periodicals of Engineering and Natural Sciences, 9(4), 191-198. DOI:10.21533/pen.v9i4.2288

15. Diaz Baquero, A. P. (2021). Super apps: Opportunities and challenges (Doctoral dissertation, Massachusetts Institute of Technology. https://hdl.handle.net/1721.1/139585

16. Ntoa, S., Margetis, G., Rivera, F., Evans, M., Adami, I., Mathioudakis, G., ... & Stephanidis, C. (2021). User generated content for enhanced professional productions: a mobile application for content contributors and a study on the factors influencing their satisfaction and loyalty. Multimedia Tools and Applications, 80(25), 33679-33699. https://doi.org/10.1007/s11042-021-11381-2

17. Dwivedi, Y. K., Hughes, L., Baabdullah, A. M., Ribeiro-Navarrete, S., Giannakis, M., Al-Debei, M. M., ... & Wamba, S. F. (2022). Metaverse beyond the hype: Multidisciplinary perspectives on emerging challenges, opportunities, and agenda for research, practice and policy. International journal of information management, 66, 102542. https://doi.org/10.1016/j.ijinfomgt.2022.102542

18. Audard, C. (2024). Addressing the rise of inequalities: How relevant is Rawls's critique of welfare state capitalism?. Journal of Social Philosophy, 55(2), 221-237. DOI: 10.1111/josp.12517

19. Veile, J. W., Schmidt, M. C., & Voigt, K. I. (2022). Toward a new era of cooperation: How industrial digital platforms transform business models in Industry 4.0. Journal of Business Research, 143, 387-405. DOI: 10.1016/j.jbusres.2021.11.062

20. Kim, H. Y. (2024). What's wrong with relying on targeted advertising? Targeting the business model of social media platforms. Critical Review of International Social and Political Philosophy, 1-21. DOI:10.1080/13698230.2024.2309047

21. Hussain, Z., & Khan, A. (2024). Charting New Realms: Metaverse Analytics in the Hospitality Landscape. In Technology and Luxury Hospitality (pp. 237-251). Routledge.

22. Marr, B. (2021). Extended reality in practice: 100+ amazing ways virtual, augmented and mixed reality are changing business and society. John Wiley & Sons.

23. Abrokwah-Larbi, K. (2024). Transforming metaverse marketing into strategic agility in SMEs through mediating roles of IMT and CI: theoretical framework and research propositions. Journal of Contemporary Marketing Science, 7(1), 56-83. https://doi.org/10.1108/JCMARS-08-2023-0034

24. Dwivedi, Y. K., Hughes, L., Wang, Y., Alalwan, A. A., Ahn, S. J., Balakrishnan, J., ... & Wirtz, J. (2023). Metaverse marketing: How the metaverse will shape the future of consumer research and practice. Psychology & Marketing, 40(4), 750-776. DOI:10.1002/mar.21767

25. Jenny, F. (2021). Competition law enforcement and regulation for digital platforms and ecosystems: understanding the issues, facing the challenges and moving forward. Facing the Challenges and Moving Forward (June 1, 2021). http://dx.doi.org/10.2139/ssrn.3857507

26. Töhönen, H., Kauppinen, M., Männistö, T., & Itälä, T. (2020). A conceptual framework for valuing IT within a business system. International journal of accounting information systems, 36, 100442. DOI:10.1016/j.accinf.2019.100442

27. Aggarwal, D. P. (2021). A Contemporary Model Of Business: E-Entrepreneurship And Its Prospects, Constraints, And Prerequisites In The Indian Perspective. International Journal of Scientific Research in Engineering and Management (IJSREM), UGC and ISSN Approved, International Peer Reviewed Refereed Indexed Journal, Impact Factor, 4.

28. Naidoo, S. (2021). The promise and limits of Web 2.0 tools for Communities of Practice (Doctoral dissertation, Stellenbosch: Stellenbosch University). Available at: https://scholar.sun.ac.za/server/api/core/bitstreams/89cad8cd-32a2-4706-8efc-3ad25c540bdf/content

29. Gebauer, H., Arzt, A., Kohtamäki, M., Lamprecht, C., Parida, V., Witell, L., & Wortmann, F. (2020). How to convert digital offerings into revenue enhancement–Conceptualizing business model dynamics through explorative case studies. Industrial Marketing Management, 91, 429-441. https://doi.org/10.1016/j.indmarman.2020.10.006

30. Chopra, M., & Gupta, V. (2020). Linking knowledge management practices to organizational performance using the balanced scorecard approach. Kybernetes, 49(1), 88-115. DOI:10.1108/K-04-2019-0295

31. Djuraeva, L. (2021). Importance of the innovative business models for the future success of the company. In SHS Web of Conferences (Vol. 100, p. 01013). EDP Sciences. https://doi.org/10.1051/shsconf/202110001013

32. Nielsen, L., & Havbro Faber, M. (2022). Toward an information theoretic ontology of risk, resilience and sustainability and a blueprint for education–Part I. Sustainable and Resilient Infrastructure, 7(5), 459-479. https://doi.org/10.1080/23789689.2021.1937775

33. Taylor, S. H., & Chen, Y. A. (2024). The lonely algorithm problem: the relationship between algorithmic personalization and social connectedness on TikTok. Journal of Computer-Mediated Communication, 29(5), zmae017. DOI:10.1093/jcmc/zmae017

34. Ferdinands, B. (2022). The Exposure Economy Model: Navigating Visibility on Instagram (Doctoral dissertation).

35. Wisman, J. D. (2020, July). Marx, the predisposition to reject markets and private property, and attractive alternatives to capitalism. In Forum for social economics. Routledge. DOI: 10.1080/07360932.2018.1468798

36. Baines, J., & Hager, S. B. (2020). Financial crisis, inequality, and capitalist diversity: A critique of the capital as power model of the stock market. New Political Economy, 25(1), 122-139. Available at: https://hdl.handle.net/10419/196607

37. Fraser, N. (2023). Cannibal Capitalism: How our System is Devouring Democracy, Care, and the Planet and What We Can Do A bout It. Verso Books.

38. Azionya, C. M. (2022). The value creation of South African Millennial Interactions on Digital Multi-Sided Platforms in the Fourth Industrial Revolution (Doctoral dissertation, University of Johannesburg). Handle: https://hdl.handle.net/10210/503191

39. Kozak, D. (2023). Spatializing Digital Economy: TikTok Houses as Agents of Labor Reterritorialization (Doctoral dissertation, Central European University).

40. Nilsen, A., & Kvia, E. (2022). # TikTokMadeMeBuyIt A content analysis of TikTok to understand why product-related user-generated content goes viral (Master's thesis, University of Agder). https://hdl.handle.net/11250/3056784

41. Maris, E., Caplan, R., & Thach, H. (2024). Taking back and giving back on TikTok: Algorithmic mutual aid in the platform economy. New Media & Society, 14614448241238396. DOI: 10.1177/14614448241238396

42. Abidin, C. (2021). Mapping internet celebrity on TikTok: Exploring attention economies and visibility labours. Cultural science journal, 12(1), 77-103. DOI:10.5334/csci.140

43. Dodini, M. (2023). # IYKYK: TikTok as a Subversive Space: Democratizing Dance and Shifting Artistic Paradigms. https://digitalcommons.hollins.edu/dancetheses/25

44. Adams, Z., & Grosse Ruse-Khan, H. (2020). Work and works on digital platforms in capitalism: conceptual and regulatory challenges for labour and copyright law. International Journal of Law and Information Technology, 28(4), 329-370. DOI:10.1093/ijlit/eaaa017

45. Hansen, S. (2024). Exploring the Factors Influencing Gen Z's Buying Behavior attitude when engaging with User and Consumer-Generated Content on TikTok: A Qualitative Analysis (Master's thesis, UIS). https://hdl.handle.net/11250/3138562

46. Gabelaia, I., & McElroy, J. W. (2023, October). The Impact of User-Generated Marketing on Creating Greater Audience Connections and Brand Loyalty. In International Conference on Reliability and Statistics in Transportation and Communication (pp. 389-403). Cham: Springer Nature Switzerland. DOI:10.1007/978-3-031-53598-7_35

47. Johnson, A. (2021). Copyrighting tiktok dances: choreography in the internet age. Wash. L. Rev., 96, 1225. Available at: https://digitalcommons.law.uw.edu/wlr/vol96/iss3/12

48. Liu, K. (2022). Research on the core competitiveness of short video industry in the context of big data—a case study of tiktok of bytedance company. American Journal of Industrial and Business Management, 12(4), 699-730. DOI: 10.4236/ajibm.2022.124036

49. Collie, N., & Wilson-Barnao, C. (2020). Playing with TikTok: Algorithmic culture and the future of creative work. In The future of creative work (pp. 172-188). Edward Elgar Publishing. https://doi.org/10.4337/9781839101106.0

50. Mahetaji, K., & Nieborg, D. B. (2024). TikTok as a Platform Tool: Surveying Disciplinary Perspectives on Platforms and Cultural Production. In Creative Tools and the Softwarization of Cultural Production (pp. 23-45). Cham: Springer Nature Switzerland. DOI:10.1007/978-3-031-45693-0_2

51. Bhandari, A., & Bimo, S. (2022). Why's everyone on TikTok now? The algorithmized self and the future of self-making on social media. Social media+ society, 8(1), 20563051221086241. DOI: https://doi.org/10.5210/spir.v2020i0.11172

52. Kowalchuk, S. (2023). Post Memes or Post-Meme: TikTok and the Rise of Algorithmic Meme Cultures (Doctoral dissertation, Concordia University). Available at https://spectrum.library.concordia.ca/id/eprint/993401/

53. Su, C. (2023). Douyin, TikTok and China's online screen industry: The rise of short-video platforms. Taylor & Francis.

54. Yuan, L., Xia, H., & Ye, Q. (2022). The effect of advertising strategies on a short video platform: evidence from TikTok. Industrial Management & Data Systems, 122(8), 1956-1974. DOI:10.1108/IMDS-12-2021-0754

55. Martínez-López, F. J., Li, Y., & Young, S. M. (2022). Social Media Monetization. Future of Business and Finance.

56. Zhang, H., & Wang, X. (2024). The "backfire" effects of luxury advertising on TikTok: The moderating role of self-deprecating online reviews. Computers in Human Behavior, 155, 108163. https://doi.org/10.1016/j.chb.2024.108163

57. Du, X., Liechty, T., Santos, C. A., & Park, J. (2022). 'I want to record and share my wonderful journey': Chinese Millennials' production and sharing of short-form travel videos on TikTok or Douyin. Current Issues in Tourism, 25(21), 3412-3424. DOI:10.1080/13683500.2020.1810212

58. Qu, M. (2022, June). The study on Tik Tok interactive modes and future interactive video strategy development. In 2022 8th International Conference on Humanities and Social Science Research (ICHSSR 2022) (pp. 1746-1750). Atlantis Press. DOI 10.2991/assehr.k.220504.316

59. Kuru, K. (2023). Metaomnicity: Toward immersive urban metaverse cyberspaces using smart city digital twins. IEEE Access, 11, 43844-43868. DOI: 10.1109/ACCESS.2023.3272890

60. Trautman, L. J. (2021). Virtual art and non-fungible tokens. Hofstra L. Rev., 50, 361. Available at https://www.hofstralawreview.org/wp-content/uploads/2022/04/aa.4.trautman.pdf

61. Ghelani, D. (2022). What is Non-fungible token (NFT)? A short discussion about NFT Terms used in NFT. Authorea Preprints. DOI: 10.22541/au.166490992.24247550/v1

62. Koles, B., Audrezet, A., Moulard, J. G., Ameen, N., & McKenna, B. (2024). The authentic virtual influencer: Authenticity manifestations in the metaverse. Journal of Business Research, 170, 114325. DOI:10.1016/j.jbusres.2023.114325

63. Arcagni, S. (2023). The Dark Zone. Philosophy of the Metaverse. The Cultural Logic of the Algorithmic Society. img journal, (9), 18-39. DOI: https://doi.org/10.6092/issn.2724-2463/20029

64. Longo, M. C., & Faraci, R. (2023). Next-generation museum: a metaverse journey into the culture. Sinergie Italian Journal of Management, 41(1), 147-176. DOI: https://doi.org/10.7433/s120.2023.08

65. Terry, Q., & Keeney, S. (2022). The metaverse handbook: Innovating for the internet's next tectonic shift. John Wiley & Sons.

66. Boffone, T. (2022). Do you want to make a TikTok? Is it time to BeReal Gen Z, social media, and digital literacies. Journal of Language & Literacy Education, 18(2), 1-7. Available at: http://jolle.coe.uga.edu/wp-content/uploads/2022/12/Boffone-2022-Final-1.pdf