

ARTS AND ENTERTAINMENT

Big Tech embraces China's Web novels, short dramas. When will luxury follow suit?

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ByteDance, Baidu, Kuaishou and Xiaomi are venturing into Web novels and short dramas to realize a new monetization model. Image credit: Weibo

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Be it the "bossy president" or "rich boyfriend born with a golden spoon," the predictable yet addictive and highly satisfying plots of Web novels have amassed a myriad of online readers in China.

According to the [Chinese Academy of Sciences report](#), 48.6 percent of Internet users read Web fiction and the market size exceeded \$4.2 billion (30 billion RMB) in 2021.

Given this gold mine of opportunity, big tech giants such as ByteDance, Baidu, Kuaishou and Xiaomi are all venturing into the sector.

To realize a new monetization model, these companies are starting to release dedicated online literature apps and producing their own short dramas inspired by Web novels.

Phone company Xiaomi recently launched the "Duohua short video" app, allowing paid users to watch short video series. Baidu's free novel site Qimao is also testing the short drama business, and more than 2,000 series published on the video-sharing app Kuaishou have upwards of 100 million views on the platform.

The Jing Take: Amid sluggish advertising revenue performance, tech conglomerates in China are looking to find new engines of growth.

Compared with television dramas and movies which require significant budgets and do not necessarily have a high return on investment the shooting cycle of short plays is generally much faster within 10 days and the production costs can be kept below **\$1,400** (10,000 RMB), according to Tech Planet.

In addition, Web novel-inspired short dramas enjoy a broader audience: not only do millennials and Gen Z viewers love them, but they are also finding middle-aged readers, too.

According to the [18th National Reading Survey](#), 23.2 percent of seniors aged over 50 habitually read online literature. Chinese long-form video platforms including Youku, iQiyi and Tencent Video are also strengthening their presence

in this lucrative field.

Outside of Web novels and short dramas, they are monetizing the sector by developing IPs related to these online romances with the aim of selling related products to fans and offering potential joint collaborations for brands.

The booming industry presents an opportunity for luxury houses as well.

In recent years, high-end establishments have frequently made product seedings in hit TV series.

Yet, due to the extended production time and rigid plot structure, it is often challenging for labels to promote their new collections in these dramas.

Instead, speedier and low-budget Web romances present a gateway for businesses to co-create plots that perfectly fit their brand image and DNA.

As digital natives' consumption habits continue to evolve, short dramas' popularity might well surpass that of TV series. Brands should be snapping at their heels.

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