

Operation and Management of Micro Short Drama Platform: Taking “Hongguo Free Short Drama” as an Example

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Abstract: According to the research, China's micro short drama industry will reach 662 million users in 2024, with the market size exceeding 50.5 billion yuan, and the overseas market also shows explosive growth, with Reel Short as the representative platform successfully penetrating the European and American markets through localization strategy. The paper focuses on the IAA model of Hongguo Short Drama, pointing out that it lowers the threshold of user consumption through the strategy of "free viewing + advertisement incentive", realizes low-cost traffic acquisition and IP transformation by relying on ByteDance's ecological resources, and its monthly active users have rapidly climbed to 140 million. At the same time, the study reveals the challenges faced by the micro short drama industry. In the future, meta-universe technology and AI-generated scripts may revolutionize the industry. Through case studies and comparative research, this paper provides theoretical and practical references for China's micro short drama platforms.

1 INTRODUCTION

In 2024, the user scale of China's micro-short dramas has reached 662 million people, accounting for 59.7% of the overall Internet users, and the market scale has reached 50.5 billion yuan, a year-on-year growth of 35.03%, exceeding the scale of the movie box office for the first time, which indicates that the market of micro-short dramas has become a highly potential segment in the field of online audiovisuals (Li, 2025). The 2024 China Micro Short Drama Industry Research Report predicts that the market size will reach 63.43 billion yuan in 2025, and further grow to 85.65 billion yuan in 2027, with a compound annual growth rate of 19.2%.

After American movies, Korean culture, Japanese comics and Chinese online literature, Chinese micro-sketch dramas are becoming the new thing in culture going overseas. 2024 saw explosive growth in the overseas sketch drama market, with apps generating 370 million downloads, inbound purchase revenue of about US\$570 million, and about 202 apps for overseas sketch dramas, which is five times more than that of the previous year, which Chinese sketch dramas accounted for 80%. Reel Short's performance in the overseas market is particularly outstanding, as

of February 2024, the cumulative global downloads exceeded 33 million times, and it has repeatedly ranked at the top of the total app download list in the U.S., the U.K., Canada and other countries, with a total revenue of 320 million yuan, and The New York Times evaluated it as "a Chinese app that has made a major breakthrough in the U.S. market" (Long & Li, 2024).

Micro shorts, a combination of TikTok and Netflix, are mini soap operas filmed in a vertical format. These episodes usually have exaggerated performance forms and absurd storylines (Fan, 2024). The rapid development of micro-short drama platforms has triggered extensive academic attention. Some scholars hold the view that the explosive popularity of micro-short dramas is due to their low production costs and rapid online distribution allowing for rapid iteration, and generating a wealth of high-quality content that meets the needs of a diverse audience (Zhang, 2023). On November 9, 2023, ReelShort briefly surpassed TikTok to become the most popular entertainment app in the U.S. Apple App Store. Other scholars have further analyzed ReelShort's strategy of localizing the theme of "Werewolf Love" and concluded that its success stems from the accurate capture of regional cultural symbols (Pham, 2025). On the technical level, studies

have shown the key role of algorithmic recommendation on user stickiness, emphasizing the dynamic adjustment mechanism driven by AI (Globe Newswire, 2025).

In order to deeply analyze the operation and management mode of micro short drama platform, this paper adopts the following research methods: First, the case study method. Taking "Hongguo Free Short Drama" as the key research case, we analyze in detail its specific strategies in content creation, user growth, profit model and other aspects of management, summarize its successful experience and challenges, and then provide practical reference for the management of the entire micro short drama platform. The second is the comparative research method. Compare the development mode of China's micro short drama with international platforms, select representative international cases such as Reel Short, and summarize the characteristics and laws of the operation and management of micro short drama platforms under different modes, to provide a reference for the international development of China's micro short drama platforms.

2 INDUSTRY ANALYSIS: GLOBAL MICRO SHORT DRAMA ECOLOGICAL COMPARISON

2.1 The Chinese Model: Traffic Driven and Paid Conversion

2.1.1 Profit Model

The first way to monetize micro short dramas adopts the IAP model (In-App Purchase), which means that users directly pay to watch short dramas, and it is the most direct way to monetize. The core logic is to put traffic on short video platforms such as Jittery, RedNote, and Shutterbug, and use the first few episodes for free to attract users to pay for subsequent content. Seize the "golden six seconds" to create a "hook" for impulsive consumption. The second method adopts IAA mode (In-App Advertisement), that is, users watch short dramas for free, and the film producer obtains revenues through advertisements, etc. This model has a longer start-up cycle and a stronger scale effect. The third method of profitability is IAAP mode (IAP+IAA), which is to obtain revenue through both user payment and advertisement, and to improve user acceptance while fully utilizing the traffic value of short dramas.

2.1.2 User Profiling

The age range of micro-drama users is relatively broad, but mainly middle-aged and young people. 25% of teenagers aged 19 and below are fond of fantasy and campus themes, and micro-dramas satisfy their imaginations of a diversified world, while 60% of users aged 20-49 are young people who are new to the workplace or college students. Among them, young users aged 20-34, mostly newcomers to the workplace or college students, are in pursuit of fresh and trendy entertainment, and the viewing experience of micro-dramas is suitable for their fast-paced lives. Middle-aged users aged 35-49, who have a certain amount of spending money and leisure time, are interested in themes such as family and emotion and the urban workplace, and hope to relax through micro-dramas. Meanwhile, the proportion of older users aged 50 and above is also increasing gradually, about 15%, they prefer traditional family ethics, history and legend themes, and the simple and easy-to-understand plots and shorter duration of micro short dramas are in line with their viewing habits.

There are slightly more female users than male viewers of micro short dramas, accounting for about 55%. Female users are inclined to sweet favor, love, revenge and other emotional themes, while male users are more interested in suspense, mystery, action and other themes.

In terms of city-level distribution, the proportion of users in second-tier cities is the highest, about 35%, providing a good basis for the dissemination of short micro-dramas. The proportion of users in first-tier cities is about 25%, micro-sketch dramas have become their choice of using fragmented time for entertainment. The proportion of users in third-tier cities and rural areas is about 40%, and there is a relative lack of entertainment content. Micro-drama has attracted a large number of users by virtue of its rich content and the advantage of free viewing.

2.2 International Case: Reel Short's Localization Strategy for Werewolf Romance

2.2.1 Plot Setting and Cultural Integration

Cultural Discount refers to the phenomenon that film and television products are less accepted in the international market due to cultural differences, and Reel Short realizes the reverse breakthrough of Cultural Discount through localized narrative. Reel Short follows the storytelling structure of a Chinese hegemony drama, transforming the "hegemonic

president" into a "werewolf leader". In "Fated to be My Forbidden Alpha", the common hegemony episodes such as wall thumping and slapping are retained, which are fresh to overseas audiences. At the same time, it combines with Western pop culture and utilizes the A/B/O setting to build a complex social hierarchy, such as Alpha as a powerful leader and Omega in the lower class of society. On this basis, we design character relationships and plots, such as the female lead's low status in the early stage and her status reversal in the later stage, to enhance the sense of immersion by utilizing the cultural background familiar to the Western audience.

2.2.2 Characterization of Characters in Line with Local Mainstream Values

Modern mainstream Western culture emphasizes individual heroism and focuses on self-awareness and self-realization. In *My Chosen Werewolf Chief*, the four protagonists represent common American Latina women, white women, southern American men, and northern American men, which accurately corresponds to American stereotypes and labels of these four groups of people, so that the audience can get a general idea of their personality traits through the characters' images.

2.2.3 Sensitization and Promotion to Match Local Habits

Reel Short strategically placed carefully - selected clips from short, high - tension episodes of its shows on TikTok. The clips were designed to be attention - grabbing, often featuring cliffhangers or emotionally charged scenes. Once on TikTok, these videos quickly gained an astonishing number of airplays. The allure of the snippets was so strong that it immediately piqued the curiosity of TikTok users. This, in turn, effectively attracted their attention and seamlessly directed them to the Reel Short platform. By leveraging TikTok's extensive global reach, spanning across diverse regions and demographics, and its massive user base numbering in the billions, Reel Short managed to execute highly effective traffic diversion.

3 CASE DIGGING DEEPER: "HONGGUO FREE SHORT DRAMA" BUSINESS MANAGEMENT MODEL

Based on the global ecological comparison, the following section will take "Hongguo Free Short Drama" as a typical case study and analyze its business management strategy in depth. Hongguo Short Drama is a short drama online viewing media platform, which provides a huge amount of popular and high-quality short drama resources and was first introduced to the market by ByteDance Group in May 2023. 2024 The industry report mentions that Hongguo Short Drama's monthly active user scale has already reached the fifth place in the industry, only behind Aiqiyi, Tencent Video, Mango TV, B Station and Youku Video.

3.1 Exploration of Causes

3.1.1 Profitability Model of IAA

While other short drama platforms within the volume of payment and membership, Hongguo another way, using IAA free model. Users do not need to recharge, do not need to buy membership, just watch a few minutes of ads in the intervals of several episodes to watch a large number of short dramas for free. Hongguo relies on this model to quickly gather many users. According to Quest Mobile data, after the official launch in August 2023, when the market for short dramas was not yet clear, Hongguo short dramas began to emerge, and in less than a year, the DAU (daily active users) exceeded 4 million, and the MAU (number of monthly active users) soared to 140 million.

Compare the logic of paid short dramas inheriting infomercials - after a new drama is online, the playwright puts the exciting and wonderful clips of the plot on platforms such as Jitterbug, Shutterbug, etc., and these free episodes often end abruptly at the climax, and viewers can't stop watching at this point, but to continue to watch it, they need to jump to the mini-programs or download the app to pay for it, while To watch a short drama in its entirety requires tens of yuan, sometimes even more expensive than a movie ticket (Wei, 2024). In contrast, the free model of Hongguo Short Drama fits the psychological needs of users just right. You only need to pay a small amount of time watching the ads, and then you can enjoy the full episode. This model greatly lowers the consumption threshold of users, enabling them to

obtain a rich entertainment experience at a very low cost.

3.1.2 Earn Money by Watching Short Dramas to Prolong Users' Usage Time

The strategy of "watching dramas and earning gold coins" has always been an effective means of user growth in the Internet content industry, and Hongguo Short Drama has also successfully applied it to its business model. This model not only encourages users to watch short dramas more frequently, but also extends their stay on the platform, effectively increasing the activity and stickiness of Hongguo users. In addition, this incentive mechanism also attracts a large number of new users to join, forming a virtuous cycle and bringing continuous user growth to the platform.

3.1.3 Relying on the Byte-Hopping Ecosystem to Maximize Cost Savings

For the short drama industry, the most important link, in addition to production, is the cast flow and script, which are precisely the two advantages of Hongguo short drama backed by ByteDance. According to statistics, the profit model of short drama is heavily dependent on user acquisition, and almost 80% of the cost is spent on the marketing and user acquisition of major traffic platforms such as Jitterbug and Shutterbug. As a product under byte, Hongguo has a natural advantage in casting flow.

Also, as a product of ByteDance, Tomato Novel provides a huge amount of IP copyright resources for Hongguo Short Drama, and most of Hongguo's short dramas are adapted based on its popular IP. This resource sharing has greatly enriched the library content of Hongguo's short dramas and provided users with diversified viewing options. In addition, Aqiyi has also reached a strategic partnership with Hongguo Short Drama to jointly develop intellectual property and produce high-quality content.

In addition, the Hongguo app not only provides short drama content, but also covers a variety of free audio-visual content such as novels, audiobooks, etc., forming a comprehensive entertainment platform, creating a one-stop content and entertainment channel for users, enriching the user's experience, and broadening the direction of the future development of Hongguo.

3.2 Melolo's Internationalization Quest

Melolo, the first short drama app launched by ByteDance for overseas markets, was launched in November 2024 in Indonesia, the Philippines, and other Southeast Asian markets. Its first-month downloads exceeded those of a similar competitor Reel short by 30%, a figure that suggests Melolo has the potential for high user growth. By the end of February 2025, Melolo had been downloaded more than 1.32 million times globally, 99% of which came from the Southeast Asian market, with Indonesia accounting for a whopping 58.85% of the total, laying the foundation for overall user growth (Yang, 2024).

4 CHALLENGES FACING THE MICRO-SKETCH PLATFORM

Despite the promising future of the micro-sketch industry, its development still faces multiple challenges.

At the content level, the micro drama track has attracted a large number of participants due to its low investment, quick payback and low risk. However, the excessive pursuit of short-term gains has caused the industry to fall into the predicament of "bad money driving out good money", and shoddy content has squeezed the space for high-quality creations. The quality of scripts is perfunctory, the acting skills of the actors are embarrassing, from the preparation to the finished product is fast only a week, slow is half a month, the actors are even serving as editors, directors and make-up artists and other positions at the same time, and there is no sense of texture to speak of, and the presentation of the character's image relies on the surface of the creation of the.

In addition, many micro short dramas have obvious homogenization in terms of plot setting and characterization and lack innovation and depth. According to the 2024 China Micro Short Drama Industry Research Report, the duplication rate of micro short drama scripts exceeds 60%, which leads to aesthetic fatigue of the audience during the viewing process.

At the copyright level, micro-short dramas are disseminated through a wide range of channels, including short video platforms and social media, in addition to major micro-short drama platforms. This makes it difficult for copyright holders to comprehensively monitor and manage the dissemination of works, and infringements are prone

to spread rapidly across multiple platforms, increasing the difficulty of copyright protection (Liao et al., 2023).

On the social level, micro-short dramas may exacerbate the fragmentation and speed dating of cultural consumption (Li, 2024). Surveys show that the duration of single-episode attention span of Generation Z viewers declined from 45 seconds in 2020 to 28 seconds in 2023. High-stimulation, short and fast audio-visual experiences keep hitting people's brains, expelling deep reading and thinking from real life. In order to attract attention, some dramas will adopt some elements of vulgarity, violence and pornography, which will easily have a negative impact on the values of viewers, especially teenagers.

5 CONCLUSION

Through the study of the global micro-short drama ecology and the business management model of Hongguo Free Short Drama, this paper finds that micro-short dramas have risen rapidly globally by virtue of their unique advantages and become a new growth pole of the global digital content industry. Its characteristics of fragmentation and strong plot fit the current fast-paced life, attracting a large number of users and expanding the market scale.

Chinese micro-short drama platforms have accumulated rich experience in operation and management, such as precise traffic operation and efficient payment conversion strategies, which are important insights for developing markets. In terms of traffic acquisition, social media and short video platforms are utilized for promotion to attract potential users; in terms of payment conversion, quality content is created, and diverse payment modes are set up to increase users' willingness to pay. These experiences provide a path that can be drawn for the development of micro-short drama platforms in developing countries, helping them to develop and grow rapidly with limited resources.

Looking into the future, meta-universe skits and AI-generated scripts will bring technological disruption to the micro-skits industry. Meta-universe short drama can break the limitations of traditional viewing mode, with the help of virtual reality, and augmented reality technology, allowing the audience to feel the scene in the drama and interact with the characters, opening up a new development direction for the industry, while AI-generated scripts can greatly improve the efficiency of the creation of the data analysis to mine the user's preferences, generate

scripts that are more in line with the market demand, and bring more creativity and possibilities to the creation of content. However, the development of technology also brings new challenges, such as the high cost of the technical realization of meta-universe short drama, AI script creation may have copyright attribution disputes. In the future, the micro-skits industry needs to seek a balance between technological innovation and standardized development, continuously improve the quality of content, strengthen copyright protection, and promote healthy and sustainable development of the micro-skits industry.

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