

Attention marketplace: Douyin/TikTok For You feeds create scarce attention; ads take the primary cut; CapCut freemium (\$19.99/mo or \$179.99/yr Pro list) feeds creators; TikTok Shop / Douyin e-commerce add referral fees (US Shop generally 6%); livestream gifts attach; China still dominates revenue while TikTok scales international — press-reported H1’26 revenue ~\$120B with AI spend pressing net profit to ~\$20B.

KEY PARTNERS • Creators, livestream hosts, and CapCut editors supplying content. • Brand / performance advertisers on Douyin, TikTok, Toutiao. • TikTok Shop and Douyin merchants + affiliate creators. • App stores, OEMs, and payment processors. • Music labels / rights holders for soundtrack inventory. • Cloud / GPU suppliers and (US) regulators / JV investors.	KEY ACTIVITIES • Recommendation ranking and personalization (For You / Douyin). • Ad auction, targeting, and measurement across apps. • Operate TikTok Shop / Douyin commerce + referral settlement. • Ship CapCut freemium editing and AI creator tools. • Content moderation, localization, and regulatory compliance. • Build AI models and GPU/cloud infrastructure (press narrative). KEY RESOURCES • Recommendation / ranking models and engagement data. • Consumer brands — TikTok, Douyin, CapCut, Toutiao, and siblings. • Creator + livestream host network effects. • Merchant catalogs on TikTok Shop / Douyin commerce. • Ad auction, measurement, and payments tech. • Private balance sheet supporting >\$330B buyback valuation (SECONDARY).	VALUE PROPOSITIONS • Personalized short-video entertainment (TikTok / Douyin For You). • Discovery that blends content and product (Shop / live). • CapCut — freemium editing with Pro AI/assets (FACT list prices). • Performance and brand reach for advertisers. • Merchant demand + checkout via TikTok Shop / Douyin. • Livestream entertainment and virtual-gift experiences.	CUSTOMER RELATIONSHIPS • Self-serve consumer accounts + algorithmic feed habit. • Creator studios, analytics, and payout tools. • CapCut Pro subscription / in-app upgrade relationship (FACT). • Advertiser self-serve + managed brand campaigns. • Merchant Seller Center (referral settlement, affiliates). • Livestream host ↔ fan tipping relationships. CHANNELS • Primary — TikTok and Douyin mobile apps + web. • CapCut mobile, desktop, and web editors. • App stores and OEM preloads / partnerships. • TikTok / Douyin Ads Manager. • TikTok Shop / Douyin Seller Center portals. • Creator affiliate and in-feed brand challenges.	CUSTOMER SEGMENTS • Consumers of short video and live entertainment. • Creators and livestream hosts seeking distribution / income. • Brand and performance advertisers. • TikTok Shop / Douyin merchants and affiliates. • CapCut free and Pro editors (individual + team). • China-heavy revenue mix; TikTok international + US regulatory risk (SECONDARY).
COST STRUCTURE • Cloud, GPU, and AI infrastructure (press — profit pressure H1’26). • Trust & Safety / content moderation at scale. • Sales & marketing, creator incentives, Shop promotions. • Music and IP licensing. • R&D for apps, ads, Shop, and CapCut AI tools. • No invented audited COGS — private company (cite press only).		REVENUE STREAMS • Advertising on Douyin / TikTok / Toutiao (majority — SECONDARY press). • Q2’25 revenue ~\$48B; H1’26 ~\$120B (SECONDARY). • CapCut Pro \$19.99/mo or \$179.99/yr list (FACT CapCut). • TikTok Shop US referral generally 6% (FACT Seller U). • Livestream / virtual gifts and related IAP (SECONDARY drivers). • H1’26 net profit ~\$20B under AI spend pressure (SECONDARY).		

Sources: reuters.com/business/finance · seller-us.tiktok.com/university/essay · capcut.com/resource/capcut-standard-vs-pro · bytedance.com · tiktok.com · capcut.com · hindustantimes.com/business/tiktok-parent-s-revenue-grows-as-ai-spending-pressures-profits-101789549698386.html
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