

Platform for digital entertainment

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In its search for the next Inke (3700), Tencent (0700) is collaborating with VS Media and K11 by launching Tencent WeStart (Hong Kong) to guide digital content creators and start-ups on their journey to success.

Inke is a Chinese live-streaming app.

Tencent WeStart (HK), the first WeStart establishment outside mainland China, is at Koho in Kwun Tong with K11 providing valuable commercial real estate resources such as an editing room and multi-purpose studio.

VS Media is its official operator to help with monetization and promotions.

"We are excited to partner with Tencent and VS Media to expand this ecosystem by supporting a new generation of digital and creative entrepreneurs," says Ben Cheng, head of investment of K11 Investment Company.

Different from the previous 35 WeStart spaces covering 15,000 projects, which have diverse focuses such as facilitating the innovation of e-commerce in Hangzhou, the new creative hub puts a new core focus on the digital entertainment industry, including content creation and media, animation, new media technology, as well as gaming and e-sports.

In a bid to attract more members, Tencent offers the content entrepreneurs revenue sharing, industrial resources, IP protection and, most importantly, supports members' products distribution to over 10 products including WeiShi, QQ, QQ Zone, as well as Weixin&WeChat, with combined monthly active users of over 1.86 billion.

"By providing access to Tencent's vast online and offline resources, we believe that the opening of WeStart HK will empower content entrepreneurs to break into China and new markets," says Hou Xiaonan, vice president of Tencent's mobile internet group, general manager of Tencent Open Platform, and general manager of Tencent Open Media Platform. The pledges underline that the internet giant worth HK\$3.42 trillion is speeding up its dominance of the content creation industry.

With pressure from mainland regulators on the gaming industry, the tech giant seeks to expand its business content.

This is evidenced by Tencent's 2018 interim report. Value-added services contributed to 57 percent of its total revenue, boosted by a 30 percent growth of social network revenue, driven by higher contributions from digital content services such as video streaming subscriptions and live broadcast services.

To strengthen its competitive advantages in the cultural and creative industry, Tencent has been investing in digital entertainment entrepreneurs including self-media platform for a long time, amid more and more live-streaming and video companies going public in both in Hong Kong and the United States, such as Huya, Inke and Bilibili. Other than its Double Hundred Plan which has seen 10 billion yuan (HK\$11.4 billion) investments in 100 start-ups, it announced to establish Tencent Open Platform Interest-based Content Fund with over 10 billion yuan last year, specifically focusing on short videos as well as the pictures with passage and audio in the next two years.

"We divide the short-videos into three parts in terms of timing. Videos within one minute, such as those in Tik Tok, can spread fast but not last a long period," says Xu Haohao, senior director of Tencent Open Platform global business and Tencent Open Media Platform.

"Comparatively, those videos between one to five minutes can have a longer cycle, enough for the director to tell a full story and offer more earning opportunities through direct advertising or branded content," she adds.

She hopes those videos could help generate more internet sensations and lead trends.