



Will Tiktok's Rival Firework Spark a Bidding War Between Google and Weibo?

Description

TikTok, a social media app developed by Beijing-based ByteDance, has become a global phenomenon over the past five years. It was formed by the merger of two short video apps, Douyin and Musical.ly, and surged past 500 million monthly active users (MAUs) last year.

TikTok's meteoric rise was sparked by its simplicity: Users recorded short videos, usually of themselves dancing or lip-syncing songs, and shared them. Creative videos often went viral and attracted more users to the platform. TikTok's growth caused social media giants like **Facebook** (NASDAQ: FB) and **Tencent** to launch their own TikTok clones, but none of those efforts have curbed its growth so far.

That's why it wasn't surprising when *The Wall Street Journal* recently claimed that **Alphabet's** ([NASDAQ: GOOG](#)) ([NASDAQ: GOOGL](#)) Google and [Chinese tech](#) company **Weibo** ([NASDAQ: WB](#)) were both interested in buying Firework, a new TikTok rival that was valued at \$100 million after its last funding round.

The report claims that Google has "held discussions" with Firework, but that a price hasn't been set and that "any acquisition would come at a premium." It also stated that Weibo had "expressed interest" in Firework, but that its discussions hadn't moved as far along as Google's. Could these two tech giants spark a bidding war for Firework and force the winner to overpay for a speculative bet?

Is Firework really the next TikTok?

Many TikTok clones, like [Facebook's Lasso](#), slavishly copy ByteDance's app without adding any meaningful new features. Firework is different because it employs both vertical and horizontal perspectives in a single seamless video with a "reveal" feature.

Users watch part of the video in vertical mode, then turn their phone to “reveal” the rest of the scene for a surprise or twist ending. Firework’s 30-second videos are twice as long as TikTok’s standard 15-second videos. To fend off the trolls, Firework doesn’t let viewers “like” videos or leave comments — it only lets them bookmark and share videos.

Firework claimed to have two million registered iOS and Android users in early 2019. Sensor Tower claimed that it had 1.8 million installations on iOS, and that 55% of those users were in the U.S.

Those are tiny figures compared to TikTok’s half a billion MAUs, so whoever acquires Firework needs it to post triple-digit user growth for several years to become a viable rival to TikTok. It’s still unclear how Firework plans to monetize the platform.



Image source: Getty Images.

Why would Google and Weibo want Firework?

Google has repeatedly tried (and failed) to crack the social media market and catch up to Facebook. Its long list of failures includes Orkut, Dodgeball, Latitude, and Google+. Google's biggest "social" platform is YouTube, which has over two billion MAUs, but it's usually considered a streaming video platform instead of a social media app competing against Facebook, **Twitter**, or **Snap**.

However, YouTube's popularity also suggests that streaming videos might offer Google the easiest path back into the social media market. It already started letting users film vertical videos last year to challenge Snapchat, Facebook, and others, so buying Firework — and possibly integrating its features into YouTube — could complement that push.

Weibo, often called the "Twitter of China", is already one of the country's top social media platforms with 486 million MAUs. But its core ad business [is struggling](#) due to the economic slowdown in China and competition from nimbler platforms like TikTok and Tencent's WeChat.

To counter those rivals and pivot away from its core platform, Weibo is expanding its ecosystem with new apps [like Oasis](#), which resembles a hybrid clone of Instagram and **Pinterest**. Buying Firework complements that expansion and would give it a foothold — albeit a small one — outside of China.

Could a bidding war happen?

There's a chance that Google and Weibo would try to outbid each other for Firework, but it probably wouldn't hurt either company — both tech giants can easily afford to pay big premiums over the start-up's latest valuation of \$100 million.

But Firework probably doesn't have much leverage in these negotiations. Other platforms, like Qiubi, are also experimenting with seamless vertical-to-horizontal videos, so it might be cheaper for Google or Weibo to simply develop a similar in-house app. In short, the rise of TikTok remains a big priority for top tech companies, but Firework probably isn't a magic bullet worth fighting over.

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