

CapCut ventures into the business realm with advanced AI tools amid privacy concerns

Article

The news: CapCut, the consumer video editing app from TikTok parent ByteDance, is launching a business offering for brands, marketers, small firms, and content creators.

How it works: CapCut has frequently graced the top rankings in the iOS App Store in part for its easy-to-use templates and seamless TikTok integration.

- AI, a technology that CapCut has masterfully employed in its consumer app, takes center stage in its business version, too.
- The **CapCut for Business** platform offers an **AI-fueled script generation** tool along with **AI-generated presenters**. These virtual hosts can exhibit products, give detailed demonstrations, or narrate explainer videos, bridging the gap between a product and its potential customer.
- Its “virtual try-on” feature, powered by AI models, stands out as a boon for ecommerce businesses and clothing retailers, enabling customers to visualize products, enhancing their shopping experience.

Yes, but: The company’s reputation is potentially tainted by **concerns over privacy practices**. According to The Record, a proposed class action lawsuit in an Illinois federal court alleges that CapCut collects extensive user private data, including facial scans, stirring fears about potential access by the Chinese government.

- This raises alarms, especially since the suit emphasizes that users, including minors, aren't adequately informed and do not provide consent for such data practices.

Why it matters: The digital realm today is both a playground and a battleground for businesses. Video content, being an immensely powerful medium, necessitates tools that simplify its creation while ensuring high quality.

Our take: ByteDance's decision to extend CapCut's capabilities to the business sector is both strategic, offering advanced yet user-friendly tools to create engaging content that is vital given today’s fleeting attention spans.

- While CapCut has already carved a niche for itself among individual users, its venture into the business world is a promising one. However, navigating the stormy seas of privacy concerns will be pivotal to its long-term success. In the era of digital transparency, trust is important, and allegations of privacy problems can potentially deter would-be users, especially more conservative businesses.
- The tight integration of AI within CapCut for Business signifies a broader trend that has technological innovation enhancing human creativity rather than replacing it. The companies that embrace this new paradigm rather than run from it can help shape the future.

Frequency With Which US Adults Use AI for Select Personal and Business-Related Tasks, June 2023

% of respondents

	Often	Some- times	Rarely	Never
Personal tasks				
Research an item	18%	29%	27%	26%
Create content (text, images, video, music, etc.)	13%	16%	29%	42%
Give instructions in a humanlike way with a voice assistant, search engine, or other software	12%	23%	24%	41%
Automate schedule/tasks	8%	19%	21%	52%
Business-related tasks				
Research and learn	16%	27%	18%	39%
Generate ideas (images, computer code, lists, etc.)	8%	16%	17%	59%
Review, edit, or enhance content	7%	19%	15%	58%
Create content (text, presentations, images, video, music, etc.)	6%	15%	17%	61%
Transcribe or summarize meetings/conversations	6%	13%	11%	71%
Automate tasks like scheduling or correspondence	5%	18%	12%	65%

Note: ages 18+; among respondents who have used AI in the past 6 months; numbers may not add up to 100% due to percentages for skipped responses not shown (1% or less per item)

Source: Ipsos, "Tech and Society Survey," July 27, 2023

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