

Research on the Strategic Transformation Path of Traditional Media Based on Value Chain: Post-print

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Abstract

With societal evolution, public aspirations for a better life continue to intensify, catalyzing substantive revolutions across an increasing number of industries. Under the impact of new media, traditional media industry's customer service resources are continuously diminishing, with their operational space substantially compressed. To ameliorate the current adverse circumstances, strategic transformation has become an imperative trend. Grounded in the value chain framework, this paper conducts a multi-dimensional analysis of strategic transformation pathways for traditional media, ultimately synthesizing both the methodologies for traditional media to achieve transformation in the contemporary era and the practical significance of such strategic transformation.

Full Text

Preamble

Research on Strategic Transformation Path of Traditional Media Based on Value Chain

Abstract: With the evolution of the times, people's demand for a better life continues to strengthen, and numerous industries have ushered in truly revolutionary changes. Under the impact of new media, traditional media's audience resources have continuously diminished, and their survival space has substantially contracted. To alter this unfavorable situation, strategic transformation has become an inevitable trend. This paper conducts a multi-faceted analysis of traditional media's strategic transformation path based on value chain theory, and ultimately summarizes methods for traditional media to achieve transformation in the contemporary era along with the practical significance of such strategic transformation.

Keywords: value chain; traditional media; new media; strategic transformation; practical significance

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1. Definition and Basic Application of Value Chain

The value chain concept was first proposed by Michael Porter in 1985. From product manufacturing to final sales, although each activity differs, they are interconnected, forming a dynamic value creation process—the value chain. For enterprises to survive, they must compete, and this competition has evolved beyond individual segments into competition between entire value chains. This value chain competition directly reflects a company's viability and indicates its future survival space.

How does the value chain function within enterprises? The value chain reflects the benefits created by each link in the production, manufacturing, and sales processes, connecting them into a cohesive chain. Based on value chain analysis, managers can identify problems in product manufacturing, sales, and after-sales service, make corresponding adjustments, reduce costs, enhance audience resources, and implement significant changes in cultivating employees who generate substantial benefits for the company, thereby creating enormous economic value. The management model formed through value chain analysis can be summarized as optimizing forecasting, decision-making, planning, measurement, control, reporting, and evaluation to build robust supply chains, identify suitable partners, create efficient business processes, and achieve substantial cost savings that drive remarkable growth in benefits.

China's traditional media primarily includes television, radio, newspapers, and magazines. These media forms played crucial roles in information dissemination in past eras, spreading social hot topics to help people understand the world while providing entertainment that brought happiness to those with busy lives. Therefore, media's primary value lies in enabling people to live better lives. Examining the four communication methods reveals that their processes for achieving goals are largely similar. From a value chain perspective, they all involve fundamental activities such as data content integration, production, website maintenance, and supporting activities like technology research and development—all essential processes for traditional media to achieve information dissemination. Data content integration extracts useful information and expresses topics of interest concisely, while content production quickly captures attention and engages audiences to disseminate information to the masses. Website maintenance ensures information remains accessible long-term and allows people to

retrieve it anytime, anywhere; without regular maintenance, information loss and errors can easily occur—unacceptable outcomes in media dissemination.

The emergence of value chain theory has enabled people to recognize the value each activity brings to enterprises, understand what core competencies their companies should establish, and thereby ensure better survival.

3.1 Emergence of New Media

New media represents a product of continuous technological development in the digital age. It is a broad concept that utilizes digital and network technologies, based on the Internet of Things, broadband local area networks, and wireless communication networks, to deliver entertainment services and information to users through mobile phones, computers, digital televisions, and other devices. The advent of new media has not only transformed information dissemination speed but also changed people's lifestyles and entertainment patterns. The emergence of smartphones, in particular, has propelled the new media industry's rapid development while fundamentally altering previous modes of life and entertainment. Through smartphones, people can read books, watch television, and access news, significantly expanding new media's customer resources and enabling rapid establishment of proprietary user communities—advantages that traditional media cannot match.

3.2 Analysis of New Media Value Chain

New media represents the crystallization of human wisdom and a new way for people to rapidly receive information. In the past, people obtained information at fixed times and locations. Today, however, new media enables people to access information anytime and anywhere, with dissemination speeds several times faster than traditional media. Through wireless networks, new media can quickly combine video, images, and text into a single article, rapidly presenting information to audiences. This approach yields lower activity costs and better results.

Compared to traditional media value chains, new media value chains can generate greater economic benefits in the contemporary era. New media does not require the multiple tools of traditional media—only office buildings where staff create information tailored to modern tastes using computers. This model results in lower costs and higher efficiency. Additionally, new media value chains are shorter, making it easier for managers to identify problems in value creation and implement targeted changes. This value chain structure enables new media enterprises to develop strong core competencies and better survive in today's society.

3.4 Advantages of Traditional Media Value Chain

Traditional media has existed for many years and become deeply rooted in people's minds. Even in today's new media-dominated environment, people still occasionally purchase newspapers or weekly magazines and listen to broadcast news at regular times—practices that have become integral to Chinese lifestyles. This demonstrates that traditional media still maintains a substantial consumer base and room for continued development.

Over years of operation, traditional media has accumulated abundant human and material resources, rich experience, and well-developed network resources, most importantly establishing reputable brand resources. These are assets that new media lacks, and their rational utilization is indispensable for traditional media to achieve new-round development. However, while traditional media's advantages are evident, its disadvantages are also apparent. The information dissemination process requires multiple activities, creating complexity in the traditional media value chain. This complexity increases production costs and places greater pressure on managers. More activities mean higher product prices, and without distinctive features to attract readers, generating profits becomes difficult, substantially reducing survival space. Moreover, value chain complexity makes it challenging for managers to identify operational problems or make correct decisions. Therefore, studying the value chain is essential for traditional media's better development.

4. Strategic Transformation of Traditional Media

Strategic transformation of traditional media has become an inevitable trend. This transformation must preserve traditional media's inherent advantages while continuously creating new elements to inject fresh vitality and enable vigorous development. Based on traditional media's value chain, we can clearly identify its advantages in human and material resources, network resources, and strong brand assets—resources that new media does not possess. Effectively utilizing these resources while developing new elements to make traditional media's value chain more aligned with contemporary enterprise development is of paramount importance.

4.1 Emphasizing Brand Effect

Imagine if traditional media leveraged its established brand resources to publicize an event—many people would trust its reliability. This is the brand effect, which possesses tremendous power. Brand equity is an intangible asset accumulated over time, not formed overnight. Online media has only recently emerged and remains unfamiliar to many; coupled with its lack of authority and rigor, this results in limited consumption capacity. In contrast, traditional media is

not only rigorous and authoritative but also possesses brand effects, thereby maintaining a stable consumer base. Therefore, traditional media should focus on protecting its brand, allowing brand effects to pave the first step toward transformation.

4.2 Enhancing Diversification of Traditional Media

Traditional media must transform partly due to its inherent singularity. Previously, traditional media served only to disseminate information, relying solely on advertising revenue. New media, by contrast, appropriately pushes content that users might need based on their browsing habits—a approach that not only facilitates people' s daily needs but also generates consumer goodwill. This model not only increases profits but also drives substantial traffic, significantly expanding survival space. If traditional media constructs a robust platform where people can access needed traditional media content while also participating in exciting activities such as consumption, shopping, and publishing their own works, this diversified approach will not only increase platform appeal but also greatly enhance traditional media' s viability. Diversification allows for continuous addition of new elements while discarding outdated ones, keeping the platform vibrant and dynamic.

4.3 Strengthening Information Resource Integration Capability

Information dissemination must be vivid, engaging, and diversified to attract readers' attention while maintaining authenticity and reliability. Achieving these elements requires strong information integration capabilities. When obtaining large volumes of resources, we often receive disorganized or overwhelming information. Processing this data requires exceptional abilities to extract useful information from massive datasets, edit it into authentic and reliable content based on rationality, and publish it promptly so audiences know they are receiving first-hand information. Vivid language is essential for sustaining readership, authenticity is crucial for long-term traditional media development, and diversification increases article traffic by making content readable for different demographics. The importance of resource integration capability is thus evident. How can we enhance this capability? Talented individuals with resource integration skills are the only solution. Such personnel possess not only strong analytical and holistic thinking abilities but also comprehensive capabilities beyond ordinary individuals. Retaining these talents not only provides traditional media with room for improvement but also significantly influences future strategic transformation path selection.

4.4 Cooperation and Communication

Cooperation and communication represent viable pathways for rapid development in any industry. Traditional media can engage with new media industries, reaching cooperation agreements in certain areas that benefit both parties. Through such collaboration, traditional media can replicate new media development methods, create its own new media industries, apply traditional media advantages to new media contexts, and attempt to develop novel industries combining new and traditional media, thereby forging a unique development path. Traditional media must abandon singular operational channels and profit models. For instance, it can apply its accumulated political resource advantages and brand strengths to cultural industries, creative industry parks, elderly care, and health sectors, truly converting brand value into visible profits. These goals can be achieved through cooperation. Exchanging ideas with others also helps identify internal deficiencies and weaknesses, providing significant assistance for future development.

4.5 Establishing Sound Enterprise Management Models

Most traditional media exist as enterprises, making optimization of management models imperative for better development. Managers must thoroughly understand their company's value chain, reducing activities where expenditures exceed income to save costs and allocate more resources to meaningful initiatives. Management personnel cannot be found overnight—many are cultivated internally through substantial company investment. Therefore, implementing effective policies to retain more talents willing to wholeheartedly create value for the company is essential. A sound management model must achieve fairness, justice, and transparency—these three deeply ingrained principles are crucial for winning people's trust. Ensuring fairness motivates staff to contribute more, as they believe they will receive greater rewards; administering justice in every matter establishes a positive corporate culture that prevents employees from pursuing personal interests at the company's expense; and maintaining transparency encourages more people to engage in long-term development planning, enabling continuous innovation. A robust enterprise management model is key to long-term development and the foundation for leading companies to new heights.

5. Practical Significance of Strategic Transformation

The transformation of traditional media is not only an era's demand but also an urgent societal need. In today's environment of rapid information expansion, an increasing number of individuals disregard others' interests, fabricating eye-catching false information that harms personal interests at best and disrupts

social order at worst. Therefore, authentic and reliable information is critically necessary. The accuracy of social information forms the foundation for people's peaceful living. Traditional media's responsibility is to stand firm against new media's impact, continue delivering authentic and reliable information to help people understand the truth promptly, and undertake the era's mission of spreading positive energy and traditional culture, enabling more people to feel the happiness brought by China's rapid development.

The rise of new media has significantly impacted traditional media, forcing necessary changes. However, change does not mean abandoning everything; rather, it involves retaining useful elements while absorbing modern concepts and methods. Value chain-based transformation is key to traditional media development—a sharp tool for rapidly changing traditional media's original appearance. For traditional media to survive today, it must confront its own deficiencies, avoid rigid adherence to conventions, thoroughly analyze current development challenges, face difficulties head-on, combine its advantages, and create effective strategic transformation methods to solve problems and achieve transformation. Only through this approach can traditional media usher in better development.

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Note: Figure translations are in progress. See original paper for figures.

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