

Business model innovation of cultural industry under the Internet thinking based on Guangming Daily

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Abstract: As the embodiment of national soft power, culture has always been valued by the party and the country. Different from traditional manufacturing enterprises, the products and services provided by cultural enterprises must create experience value and spiritual enjoyment for customers, which is the key to value creation. Nowadays, with the rapid development of the Internet, the traditional cultural industry will usher in a comprehensive change. Taking Guangming Daily as an example, this paper analyses the following problems in the process of business model innovation: (1) failure to fully mobilize the enthusiasm of users; (2) neglect the importance of explicit integration in media integration; (3) incomplete path change and rigid business model. Combined with the previous research on business model innovation, the optimization path is proposed: (1) provide an open and effective communication platform to mobilize the enthusiasm of users; (2) create products and services to meet customer value proposition; (3) innovate talent mechanism to enhance the original motivation.

1. Introduction

The Party and the government attach great importance to the development of the cultural industry, and explicitly put forward the need to promote the cultural industry to become a pillar industry of the national economy. Today, the cultural industry is developing rapidly on the Internet platform and occupies a large proportion of the total market value of the cultural industry. In order to gain new life, traditional cultural enterprises must accelerate the transformation of their business models in order to gain a competitive advantage in the ever-changing market. Under the new trend of implementing the transformation of old and new kinetic energy, the cultural industry needs to achieve leapfrog growth with knowledge, technology, talents and other innovations. Resources as a basis for promoting the emergence of new businesses and new models [1]. To meet the new needs of network users, enterprises should provide a full range of services, from inward product-specific innovation to the creation of new business models. Innovation for consumers, a profound understanding of the concept of Internet thinking "customer-centric", the focus from innovative products Gradually shift to customer experience, customer satisfaction, and enhance customer value. In this context, how to improve the competitiveness of enterprises through innovative business models has become the concern of cultural enterprises in the mobile Internet era.

2. Literature Review

The term "Internet Thinking" was first mentioned by Robin Li in 2011, meaning to think based on the characteristics of the Internet [2]. Then the CCTV news feed began with the question "What has Internet thinking brought?" The term "Internet Thinking" became popular. According to famous scholar Yu Guoming (2014), the core logic of Internet thinking is "connectivity", and the Internet brings us the biggest change is the formation of a new pattern of interconnectedness of previously relatively fragmented, localized, and dispersed social resources, which the traditional society failed to make use of, undervalued and neglected. "Scattered resources" of society and related elements are being made available through Internet connectivity and activation into a variety of new values,

new forces and new social structures that present and future societies can create, with the resulting A series of profound changes in social rules and modes of operation[3]. Feng Xuefei (2015) argues that Internet thinking is based on the characteristics of the Internet on the enterprise value model, marketing model, and Re-thinking the profit model and operation model, with the rapid development of Internet technology and social change. In order to achieve business model innovation, customer-oriented[4]. Teng Yongchang (2014) proposed that Internet thinking is to follow the network megatrend, stand in the consumer's perspective, using the Internet to guide consumer consumption and satisfy consumer, which coincides with Feng Xuefei's "customer orientation"[5]. Although different scholars have different definitions of Internet thinking, its essence is similar-whether it is "interconnectedness" or "interoperability". The business model is also "customer-oriented", and sends the signal of "total participation".

So far, there is no unified definition of business models accepted by all scholars, but Shafer et al. (2005) understand business models as follows, the internal logic and strategic choices that a business adopts to achieve value creation and acquisition in a value network [6]. Chesbrough H (2010) argues that the essence of a business model is to determine the value that a firm delivers to its customers, a way to extract value from customers and converting it into profit[7]. This paper argues that the business model refers to the specific ways and means by which an organization does business in general, articulating the ways in which organizational value is formed and realized business logic. Business model innovation is not simply technological innovation, marketing innovation or value chain restructuring, it is a complex system of innovation. There are many ways to realize business model innovation, and different researchers in different fields have also given different ways to innovate. But no matter how different they are in terms of content, characteristics, expression models or paths, the source of business model innovation is "value". The core concept of "advocacy" has been recognized by everyone and a unified consensus has been formed (Oster alder, 2003) [8].

3. Cultural Industry Business Models, Their Components and Types

3.1. Components of the Cultural Industry Business Model

Most scholars agree with Osterwalder on what constitutes a business model. Include key partners, key businesses, core resources, value proposition, customer relationships, channel access, customer segmentation, cost structure and Revenue Sources. The cultural industry, as a special cultural economic form, differs from other industries in terms of the constituent elements of its business model. There are four-factor and six-factor theories of the composition of the business model of the cultural industry. Chen Yamin and Lu Tianpin proposed four elements, including value proposition, consumer target group, distribution channels and partner network, value Configuration and core competencies [9]. Shi Editei argues that "creative ability, financing model, risk avoidance and business model" are the components of the business model of the cultural industry. According to Baodinguo and Chen Xin, it consists of six elements: value proposition, target customers, key competencies and core resources, and channel channels with significant collaboration, copyright system, and capital operation [10]. In summary, this paper argues that the components of the cultural industry business model include value proposition, creativity capability, principles of communication, and target customers, distribution channels, resource allocation, capital operation and other elements.

3.2. Types of Business Model of Cultural Industry

3.2.1 Pan-Entertainment Business Model.

Xing Hua believes that the pan-entertainment business model is the result of industrial integration, the organic combination of various modules, mutual integration and symbiosis, laying the foundation for value creation [11]. In a pan-entertainment style business model, cultural intellectual property is the basis for business model innovation, while relying on the Internet to achieve the combination of multiple fields such as theater, games, film and television, live

entertainment, etc., the ultimate value creation and value realization.

3.2.2 Flatbed Business Model.

As a business model of recurring activities and trading platform, under the digital industry, most of the profits are earned by the platform companies; the best business model is an Internet-based model [12]. For example, JinjiangFiction.com makes use of the Internet to create a "wide range, fine content" novel reading platform for readers, and also provides a platform for authors to read novels. Provide a platform to fulfill your dreams and draw profits from it.

3.2.3 Value Chain Business Model.

The value growth of "Internet + culture industry" has two basic principles: one is to increase value through scale advantage, and the other is Growing value through uniqueness [13]. We can see these two principles as a microcosm of the value chain of the "Internet + cultural industry", while different companies have to be Build your value chain based on these two principles.

3.2.4 Integrated business model.

In this model, the above three models coexist harmoniously and are further upgraded. This model can not only reduce transaction costs, but also improve the efficiency of resource allocation, and ultimately achieve a win-win situation for all parties. The three Internet giants BAT (Baidu, Alibaba, and Tencent) are building their own integrated business model circle.

4. Case Study

4.2 Case Review

In October 2014, the Guangming Daily responded positively to the media integration reform policy launched by the central government by launching in-depth In order to achieve this, the Guangming Daily is committed to promoting the integration of the media, not only at the technical level, but also at the all-round industrial level, thus realizing the innovation of business models. At the same time, Guangming Daily focuses on its position as "spiritual home for intellectuals" and constantly innovates new media products. The Guangming Daily, the client of Guangming Daily, was developed on this basis. The "Guangming Daily" is not only a way for the Guangming Daily to capture the new media market, but also a way for the company to expand its presence in the central media camp. It is an important reflection of the results of influence, and is one of the best developed and most popular of all the convergence products of Guangming Daily.

While focusing on "content is king", Guangming Daily has paid full attention to the importance of channels. As access to information becomes more convenient and channels more diverse, if the media lacks the ability to control and manage content, then any interesting, high quality content cannot be delivered to the user. In order to provide authoritative, high-end and timely information while providing users with the best reading experience, it is positioned as a cross-platform news information system. The "Guangming Daily" has been released in various versions for various carriers. The comprehensive coverage of many new carriers such as display screens. In terms of operation, due to the impact of new media received by the newspaper media advertising revenue is declining, and docking with the market is a natural development of media integration. Choice. Building on its accumulated experience in producing a wide range of products, Brighter Daily has integrated marketing to provide a variety of value-added services, information services and Technology services, and the development of new business revenue models to generate value-added income.

The "Guangming Daily" is based on the concept of continuity of tradition and bold innovation, which not only continues and enhances the function and value of Guangming Daily and Guangming.com, but also explores a path for the Party newspaper to expand its influence and strengthen public opinion guidance through transformation and integration in the mobile Internet era.

4.2 Causes of Difficulties

The cultural industry is not a simple transformation, not just focus on the Internet and then become e-readers on the line, but must find a kind of business model is able to meet the demands of the Internet. The Guangming Daily also has some problems to solve in the transformation process, and these problems are precisely reflected in the fact that it does not meet the requirements of the Internet [14]. In the process of transformation, Guangming Daily also has some problems that need to be solved, but these problems are precisely reflected in the fact that it has not Fostering an "Internet mindset" from the ground up.

4.2.1 Failure to Fully Motivate Users

The survey data show that the role of the "two micro" than the "one end" is more obvious, whether it is the official microblogging or WeChat public number, are with the help of a relatively mature platform, but the client needs to develop and operate independently, and needs to spend a lot of money to publicize and promote. As a result, the competition between the media differs more clearly in terms of the market share of the clients [15]. However, in the "two micro-ends", the participatory production of users has not been given enough attention, nor have user resources been fully utilized. was activated, sharing and interaction was not thorough enough. In the case of Brighter Daily, it had 22.12 million followers as of April 19, 2020, but its microblogging Most of the comments are no more than 15, and very few have reached 50 or more, while most of their content is current hot news, some even made it to Weibo hot search. Obviously, it's not that users don't comment, it's that they don't comment under Brighter Daily's Weibo, and at a deeper level, users don't strongly willingness to interact.

4.2.2 Ignoring the Importance of Explicit Integration in Media Convergence

There are two levels of media integration in the newspaper industry, one is the explicit level, which is the integration of content, platform, channel, operation and management. The other is the invisible dimension, which is the convergence of cultures and ideas. Convergence is a cultural change that links disparate media content, organizations, and media in a specific form. Media convergence involves the operation of different organizations within a medium, and different media have their own unique cultures as they develop. Truly successful media convergence must achieve the co-development of the explicit and implicit dimensions of convergence. In the process of integration, Guangming Daily has a clear market positioning, and on the basis of ensuring the quality of news, articles, and videos, it pursues a mass information, the content section is near flawless. But there are major problems with the design of the client app, with flashbacks and forced binding of mobile phone numbers (some Internet users are concerned about possible information leaks), rough layout, brightness can not be adjusted.

4.2.3 Incomplete Path Change and Rigid Business Models

Compared to other industries in the cultural industry, traditional cultural enterprises in China such as newspapers, publishing, radio and television have a longer history of development, and each region has its own cultural industry. Leading enterprises have emerged, basically forming an oligopolistic product market [16]. These enterprises are seriously dependent on the path, and still continue to strengthen the original traditional main business, adapt to the Internet and big data environment. The pace of fostering new formats and business model innovation has been slow. Although some of the publishing, newspaper and other traditional media have also undergone digital transformation, such digital transformation is basically equivalent to network transformation, Instead of using technology platforms for cross-industry, cross-industry and even cross-regional expansion[17]. In fact, the content of traditional paper newspapers is presented in the form of news websites, and the offline competition of newspapers is transformed into online competition. The competition has not achieved true innovation [1]. The Guangming Daily's online interaction and client-side app design do not show that it understands the importance of "Internet" thinking. The real connotation, did not realize that the "customer core" is the inspiration of Internet thinking to the

enterprise, but simply will news from the newspaper! It has been "moved" to various platforms, relying on its existing status and channels to gain fans and attention.

5. Solutions

5.1 Provide an Open and Effective Communication Platform to Mobilize Users' Enthusiasm

The biggest advantage of the mobile internet is real-time interactivity, where consumers can interact with businesses anytime and anywhere to build customer engagement. The value communication platform facilitates the communication between the enterprise and the customer, which is conducive to the co-creation of value between the enterprise and the customer[18]. The communication platform should be open, encouraging and guiding communication, and can mobilize users' enthusiasm. The positioning of Guangming Daily is still "the spiritual home of intellectuals", but it is difficult to mobilize intellectuals to work together to build a spiritual home. Activism. Neither the "Guangming Daily" nor the "Guangming Daily" microblog is, strictly speaking, an effective communication platform. On the one hand, the number of users participating in the discussion is small; on the other hand, the platform does not provide guidance to users and is not an effective platform for communication. Publicity gets the attention of users.

5.2 Create products and services that meet customer value propositions.

A customer's value proposition is an in-depth description of the customer's real needs, and the mobile Internet has changed the customer's needs from "satisfying needs" to "creating needs". With the development of "demand", customers pay more attention to the personalized and experiential expansion of products and services [19]. In Internet thinking, "user thinking" is the core, and the operation of newspaper media in all aspects of the media development process. All of them should be "user-centered", meet user needs, create user needs, let users participate in product innovation, and optimize user experience.

5.3 Innovative talent mechanism to enhance originality drive

The core of cultural enterprise is cultural creativity, and its innovative development is always inseparable from cultural creative talents, but also inseparable from familiar with the operation of the cultural industry. Regulation of management personnel. With the increasingly fierce competition in the market of cultural products, the market share of private cultural enterprises is gradually increasing. Reform the selection mechanism of newspaper-type institutions' executives and the incentive mechanism of creative talents to stimulate the initiative of cultural and creative teams and management teams. This is the basic condition for realizing the innovation of the business model of cultural enterprises, and enhancing their organizational pride and sense of social responsibility with creativity. The path innovation under Internet thinking is shown in Figure 1.

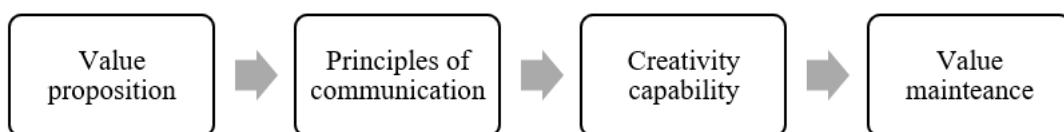


Fig1. Path innovation model under Internet thinking

6. Conclusion

6.1 Research Findings

Through a case study of the business model innovation of the Guangming Daily, this paper analyzes the problems in the transformation process of the cultural industry, mainly in the three aspects of value communication, value proposition, and creative ability, and proposes corresponding

optimization paths, taking into account the components of the cultural industry business model.

6.2 Research limitations

Although this paper informs the theoretical and practical research on business model innovation in the cultural industry under Internet thinking, it is based primarily on the study of the The single case study of Bright Daily does not examine multiple industries or companies. Therefore, the Bright Daily's path of business model innovation in Internet thinking in this paper is only one of many corporate innovation paths, not the only path. In future research, the validity of the findings can be tested and extended through multiple case comparative analysis and dynamic simulation. To further enrich the findings of this paper.

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