

China's Media Industry Development under the Management Strategy System

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Abstract. The purpose of this article is to sort out the existing management and development strategies of China's media industry, and evaluate the future market trend of the industry through research on consumer demand. The main resource of the article is secondary literature, mainly journal articles, and academic thesis. The results indicate that improving the competitive advantage by reshaping the industrial chain is a strategy suitable for developing the media industry at this stage. Under the trend of globalization, as the most potential market in the world, foreign media industry capital has entered the Chinese media market on a large scale. Although it has had a huge impact on the existing structure of the Chinese media market, it also brings world-class operational experience and professional standards in the media market to help China's media industry head to the word. At the same time, economic policies and consumer demand largely determine the future direction of the market, thereby further affecting the strategic layout of the industry.

Keywords: Chinese Economic Reform; Media Industry; Management Strategy; Development Strategy; Value Chain; Consumer Demand; Market Trend.

1. Introduction

After the Chinese economic reform in 1978, the development of China's media industry has gradually been on track. As an important part of the cultural industry, media has been elevated to the height of national strategy. China has continuously introduced and improved policies and regulations in order to provide a good policy and regulatory environment for the media industry, which promoted the development of related enterprises.

Since the global financial crisis broke out in 2008, major economies in the world have experienced recessions, slowing down, and even negative growth. Recently, the world economy has grown and rebounded slightly. Although China's economy has experienced several crises since the reform and opening, it can eventually be overcome or eased. China's capital market has achieved a qualitative change from scratch, and listed companies have accounted for about one-third of the overall economy [1]. With the further adjustment and upgrading of the industrial structure at the national level, the development momentum of the cultural media industry is relatively strong, consumers' expenditure on cultural entertainment has increased, and the cultural media industry chain has been further extended and integrated.

During this period, urbanization and the increase in urban population promoted the increase of consumption in the cultural and entertainment industry. This trend showed differentiation and diversification of consumption. At the same time, the economy and consumption capacity of rural areas have also increased in recent years, and their consumption potential cannot be ignored. In this context, this article will review the management strategies of the media industry, market trends, and the impact of consumer demand on the industry. The development of the industry and management strategies play a very important role in the industry. The management strategy of the media industry largely determines the direction of the industry in the next few years. Therefore, when discussing the development of the media industry, management strategy is an essential part. Additionally, the market trend of the media industry and consumer demand are important factors that cannot be ignored when discussing management strategies. What is more, it is necessary to analyze the internal and external environment of the industry to clarify the impact of consumer demand on the future development of the industry, thereby determining the market trend, to formulate the major strategy. At the same time,

the article will select several relatively successful companies as examples to study their management strategies. These representative companies could map to the entire industry.

The paper firstly discusses the management strategy of China's media industry. After Chinese economic reform, the development of the strategic research can also be divided into four stages: 1978-1983, 1984-1992, 1993-2000, 2000-nowadays [2]. In recent years, the industrial revolution triggered by digital technology has almost disrupted the original market order in the media market. The supply-demand relationship in the media market and the operating efficiency of media companies have also been fundamentally optimized and improved. Moreover, with the advancement of technology, the future media industry is still undergoing tremendous changes. The formulation and implementation of management strategies have a great effect on the development of the media industry. This article summarizes the theories put forward by Chinese scholars, and believes that the optimization and upgrading of the industrial chain and value chain is a noteworthy part of the management strategy.

The second section illustrates economic policies and market trends in China, and interpreted them from a macro and micro perspective. Through the analysis of China's modern media industry policies and the impact of foreign investment on China's media industry, it could be possible to summarize the market development trend of China's media industry.

The final section describes the influence of the entertainment media industry and consumer demand on the media industry. With the gradual increase of national income, cultural and entertainment life has gradually enriched, which has promoted the integration of entertainment and media. China's entertainment media industry has made a lot of efforts and innovations in order to meet the needs of consumers. At the same time, in order to meet the needs of some consumers, the media ignored their social responsibilities, and some media content that affected the social atmosphere appeared. Through a simple description of the development of the entertainment media industry and an analysis of consumer demand, the article finally puts forward the point of view that the media industry must maintain high and strict requirements on content quality in order to achieve long-term development in the fierce competition [3].

Due to the wide coverage of the media industry and its different branches, the domestic academic circles have relatively little research on the management and development strategies of the entire industry. When studying consumer behavior and industry relations, more emphasis is placed on the influence of industry on consumer behavior and choices, while there is relatively little research on the influence of the latter on the former. This article mainly focuses on management strategies, market trends, and consumer demand, aiming to supplement current research in these aspects.

2. Management Strategy of China's Media Industry

2.1 Development Stages and Characteristics of Management Strategies of China's Media Industry

The emergence of corporate strategic management is when people apply military combat readiness to the company's management. Corporate strategic management first appeared in the United States. At the beginning of the 20th century, especially in the United States and Europe, managers, not scholars, began to explore and define management tasks. At the end of the 1940s, World War II ended. With the progress of science and technology and the development of the world economy, the US economy entered a period of rapid growth. Since then, many companies have gradually developed into multinational companies, and corporate strategies have been truly developed during this period. In the 1980s, with the development of the global economy and the rapid development of computer data processing capabilities, major strategies began to emphasize the competitive factors of formal corporate strategies, and the new strategic theories that emphasized human resources were further deepened [4]. In the 1990s, the rapid economic growth in the Pacific Rim, the integration of the global economy, the emergence of network information technology, and the Asian economic crisis gave rise to a strategic global view, emphasizing the resources owned by the organization rather than just taking

competition as a strategy [4]. By the beginning of the 21st century, the global economy began to be depressed, and corporate strategy began to emphasize the importance of innovation [4].

China's economic development started late. Chinese scholars have learned from the strategic theories of many developed countries and localized them. From the 1930s to the mid-1960s, the research on corporate strategic management was still in its infancy. It was not until the late 1960s that corporate strategic management was explored as a formal theory. The formation of the basic theoretical system of company strategic management roughly went through four stages: (1) In the 1960s, the theoretical basis for strategic management research was initially formed; (2) In the 1970s, the emphasis was placed on the elements and rational research methods, strategic management started from theoretical to practical application research; (3) from the 1980s to the 1990s, the overall analysis method was combined with experience and methods to discover the importance of the competitive environment of the industrial structure to the corporate competitive strategy. Attach importance to innovation and entrepreneurship, and study the impact of internal capabilities and resources on competitive advantages; (4) after the mid-1990s, the implementation of flexible strategic management focusing on gaming, operability, and innovation, emphasizing utilization and manufacturing changes, and focusing on strategic Conversion efficiency and conversion cost to improve the effectiveness of the strategy [2].

After Chinese economic reform, China's corporate strategy has been greatly developed. The development of the strategic research can also be divided into four stages: (1) From 1978 to 1983, there was no room for survival in strategic management research, and theoretical research was blank; (2) from 1984 to 1992, the autonomy of enterprises was expanded, the concept of strategic management was established, and Western strategic theories were gradually introduced; (3) from 1993 to 2000, Western theories and research methods were digested and absorbed and grasped. The main theories and doctrines have begun to try to integrate with the practice of Chinese enterprises; (4) since 2000, they have absorbed and borrowed Western advanced theoretical methods, established management science with their own characteristics, and constructed strategic management theories and frameworks with Chinese characteristics [2].

2.2 The Management and Development Strategy of China's Media Industry

After the construction of strategic management theories and frameworks with Chinese characteristics, the media industry developed faster. At the same time, with the advent of the all-media era, the pace of media integration has accelerated, and the operating value of a single media has shown a declining trend. The audience is no longer consumers of a certain type of information, but requires a set of cross-media, interactive information consulting service packages. This fundamentally shakes the traditional profit model of the Chinese media, requiring the media to find a new business model and develop profitable media products and services. The diversification of capital sources, the reshaping of the industrial value chain, and the replacement of profit models all make the media's living environment in an uncertain state of dynamic competition [4].

At present, the research in the field of media strategy management mainly seeks media competitive advantages from two aspects. The first category is based on resource-based theory and capability theory to explore its competitive advantages from media companies. The other is to use Porter's industrial chain and other external industrial environment analysis tools to analyze the source of media competitive advantage, mainly emphasizing the impact of the external environment and competitive positioning on strategic management [2]. The value chain is one of the vital parts of the industrial chain. A value chain is a step-by-step business model for transforming a product or service from idea to reality. Value chains help increase a business's efficiency so the business can deliver the most value for the least possible cost. The media industry chain is a modern production and service system that produces or provides services for the media industry. The main components of the media industry value chain mainly include content providers, channel marketers, and product consumers. The media industry chain has three extension modes: 1) horizontal extension mode, which aims to reduce production costs; 2) vertical extension mode, which aims to reduce production and transaction

costs, removes intermediate transactions as much as possible, and ultimately forms economies of scale; 3) hybrid extension mode, which the purpose is to support multiple points to reduce operational risks [2].

Representative companies include Huayi Brothers Media Corporation. After successfully listed in October 2009, it began to transform into a comprehensive cultural and entertainment enterprise. At this stage, the company's traditional businesses include movies, TV series, artist management, movie theaters, and other businesses. In recent years, the rapid growth of the development and popularization of the Internet and mobile Internet, and a large number of Chinese netizens, and the high penetration rate have promoted the rapid integration between the cultural and entertainment industry and the Internet. Through investment activities in 2013, the company officially included Internet games in its industry chain. In 2014, the company established an Internet entertainment business, and its revenue has increased significantly. In terms of words, Huayi Brothers successfully integrated its business into three major sectors: film and television entertainment, brand licensing and live entertainment, and Internet entertainment [1].

3. Economic Policies and Market Trends of China's Media Industry

Since the Chinese economic reform, the development of the media industry can be divided into three stages [5]. 1) The stage of public institutions. The so-called "public institution" refers to the unit that conducts internal and external management in accordance with the administrative management system of the agency. The dominant one is the state-owned and state-run media and cultural systems. Under normal circumstances, it needs to act in accordance with government regulations, the intentions of higher-level authorities, and cultural regulations and policies. Since 1979, the advertising business in China's media industry has shown rapid development. The propaganda standard and ideology based on the "career type" are gradually being broken, and the media industry has been given commercial and industrial attributes. 2) The stage of collectivize management. In October 1994, the 14th National Congress of the Communist Party of China was held and the goal of reforming the socialist market economy system was established. Since then, domestic policies regarding the development of the media industry have been further liberalized. The media industry has begun its own path of market-oriented reform. The most direct impact of the "market-oriented" management mechanism in the media field is the birth of media groups. 3) Media capital operation stage. The so-called "capital operation" refers to the process of optimizing the allocation of various media resources and production factors [5]. The methods involved mainly include liquidity, merger, reorganization, transaction and transfer. The purpose is to invigorate the media assets and achieve the greatest increase in value. In 1999, the first media stock, "Radio and Television Industry", was officially listed in Shenzhen. Since then, the media industry has officially started a business reform model of capitalized operations [6].

Under the trend of globalization, the monopoly of the media industry makes it an industry with high profits and high growth rates. As the most potential market in the world, the Chinese media market has naturally become one of the important goals of foreign media's global strategy. In August 2001, the document [2001] No. 17 issued by the State Council Office of the State Council of the People's Republic of China slightly opened the door for foreign capital to enter the media industry [7]. In this context, foreign media, such as AOL-Time Warner, News Corp, Viacom, Bertelsmann, and Disney, have rushed to China. Hong Kong media, Phoenix Satellite TV, and Sunshine Satellite TV have landed in three-star and above hotels and special communities through broadcast media.

However, due to policy restrictions, foreign media groups cannot directly set foot in the Chinese media industry, so they seek partners in China through capital operations and jointly invest in the establishment of joint ventures through holding or equity participation. There are two main ways for foreign direct investment to participate in media operations: investment holding and investment participation [7]. In addition to investment holdings, overseas media companies also enter the Chinese market in a roundabout way through equity participation.

The scale entry of foreign media industry capital has had a huge impact on the existing structure of the Chinese media market. It brought world-class operational experience and professional standards in the media market to help China's media industry go global. These influences on China's media industry and market trends are manifested in the following aspects: (1) The acceleration of marketization. At present, there are not many news media in our country that have truly fully entered the market. A considerable number of media still rely on financial subsidies to maintain their operations. The entry of foreign media has intensified the competition of domestic media, forced the reform and development of the media industry. It also helps to master more specialized technologies and enable the industry to develop in a professional direction, thereby promoting the development of China's media industry. (2) Promote media restructuring. Facing the competition and challenges of international media industry groups, the Chinese media industry needs to use the capital market to improve its own governance structure, and to continuously explore the innovation of the management system for reference from international models. (3) Promote the integrated development of media and capital. (4) Diversification of media capital structure. Due to the particularity of media in social life, access to media in China is relatively strict. However, with the gradual entry of foreign media, public property rights and private property rights have penetrated and merged with each other in a mixed-ownership economy, exploiting strengths and avoiding weaknesses, forming a multi-win, multi-interest community structure [7].

4. The Consumer Demand and Entertainment Media Industry of China

The two basic functions of the media industry are to provide entertainment and information. Generally speaking, media information products emphasize the objective, truthfulness and timeliness of information, while entertainment products emphasize the originality, uniqueness and artistry of information. The two are very distinct. In fact, media entertainment products are increasingly deeply affecting the way information products survive. The media is the carrier of human communication, and it has various entertainment instincts. The entertainment function is the most significant function among the various functions of the mass media. In the West, the news media and the entertainment industry are collectively referred to as the entertainment media industry. For example, the boundaries between news programs and entertainment programs of TV stations tend to blur. Around entertainment, various media have made a big fuss. Movies are a typical example of the integration of media and entertainment. The integration of entertainment and media makes the internationally accepted method of dividing industries classified as an industry - entertainment media industry. The entertainment of the mass media is manifested in two aspects: 1) entertainment programs account for an increasing proportion; 2) entertainment thinking is like the penetration of certain non-entertainment fields, and serious content in the media is gradually entertained [8]. As the world's largest industry, the entertainment and media industry rank ahead of tourism, information, and other traditional industries. On the one hand, entertainment can be popularized and expanded through the spread of the media; on the other hand, the media has won audiences and markets through entertainment programs [9].

The profit model of the media industry is based on its products. As an industry, the media industry can provide many kinds of products. Therefore, the media industry theoretically can have many profit models. But to put it simply, the three basic profit models of the media industry recognized by the media academia are: selling only content products, selling only advertising resources, and selling both [9]. Without users, there is no sale of goods. Therefore, occupying user resources, building and expanding your own marketing network are regarded as important cornerstones of profitability. In today's society, industry competition has reached an unprecedented level of fierce competition, the status and importance of users must be elevated to unprecedented heights.

Statistics from the China Internet Information Center (CNNIC) in recent years show that the annual growth rate of netizens in China has gradually decreased, and the amount of time users spend on mobile devices in a single month has increased slowly [9]. It can be seen from the statistical data that

in China, people's daily use of mobile terminals is close to the upper limit, and the industry has moved from the application store to distribute APP to attract traffic and enter the stage of attracting users to retain content with content [2]. The attractiveness of content has a more and more obvious influence on the distribution of user usage time, which shows that users have a higher and higher demand for creative content and quality. Practitioners in the media industry must strive to create higher-quality content that is more in line with user interests and needs in order to stand out in the fierce market and win the favor of users. In addition, according to the 2017-2022 China Media Market In-Depth Survey and Development Trend Research Report, the proportion of education, culture, and entertainment expenditure in total consumption expenditure of Chinese residents has increased year by year. Compared with mature markets, the economic foundation of domestic residents has been able to support the transfer of more personal consumption expenditures to culture, education and entertainment through high-quality content [9]. Attracting people to pay for cultural and entertainment consumption will be an important opportunity for the cultural media industry in the future. The rapid rise of Tiktok short videos at the beginning can illustrate this point.

In modern society, people's work and life pressures are relatively high. It is already difficult, and few people are willing to spend time reading long-form works. In order to make full use of time, more and more people are more willing to use the fragmented time to read, study or entertain. Compared with simple text and pictures, short videos with a duration of fewer than 5 minutes and interesting and personalized content are more suitable for the leisure needs of modern people's "fast food", so it is immediately sought after by people [10]. However, the frequent vulgar content and anomie have also exposed the frivolousness of the report, reflecting the impetuosity of the media, reducing the quality of the media to a certain extent, and damaging the credibility of the media [11]. Therefore, the short video industry and the entire media industry must maintain meticulous high requirements and strict requirements on content quality in order to achieve long-term development in the fierce competition.

Since the reform and opening up, the role and function of the media industry have gradually become clear and complete. Facing the impact of the global knowledge economy and information revolution, the status of mass media in the country's economic construction has become increasingly stable. Economic benefits have clearly become the social responsibility of the mass media. The annual increase in the total output value of the media industry and the tax paid are impressive.

5. Conclusion

In China, the mass media industry has gradually become an important part of the information industry and cultural industry, an important industry of the national economy, and has gradually become an important force that affects the national economy, politics, economy, and even international politics, economy, and culture. Chinese scholars generally believe that under the conditions of the socialist market economy, China's mass media industry is developing rapidly and constantly innovating. The media industry's organization, industrial structure, and industrial division of labor are increasingly improved and optimized. The internal interaction and integration of the industry are actively promoted, and the media industry is expanding its industry on a larger scale, wider scope, and higher level. The mass media industry has increasingly become a pillar industry of China's national economy and an important force affecting social, economic, and cultural life.

At present, nearly 40 large Western multinational media groups control the new pattern of global media, while the global high-end market is occupied by Western multinational groups, such as Disney, but there is no China Media Group. This situation is largely due to insufficient reserves of strategic thinking in the Chinese media industry. From this perspective, this article sorts out the development and management strategies suitable for China's media industry. The most important thing is to develop the competitive advantage of the media. The method is to use Porter's industrial chain and other external industrial environment analysis tools to analyze the source of media competitive

advantage, mainly emphasizing the influence of the external environment and competitive positioning on strategic management.

Under the trend of globalization, the Chinese media market, as the most potential market in the world, is one of the important goals of foreign media's global strategy. In August 2001, the document [2001] No. 17 issued by the State Council Office of the State Council of the People's Republic of China slightly opened the door for foreign capital to enter the media industry. The scale entry of foreign media industry capital has had a huge impact on the existing structure of the Chinese media market. However, foreign media has also brought world-class operational experience and professional standards in the media market to help China's media industry go global. Research on the ways in which foreign capital enters the Chinese media industry can help to better understand the future market trends of Chinese media.

Today's consumers are fully active information selectors based on their own needs. The audiences' way of contacting the media, communication habits, and the process of information cognition have also changed. This change is reflected in that consumers, starting from their own needs, freely choose media and information in the kingdom of media. The change in the status of consumers is an impact on the media that is undergoing a morphological revolution. This revolution has some impacts on the content and form of the media industry: how to accurately build a bridge with the target audience and how to attract a relatively small and focused audience is the media industry.

As people's living standards continue to improve, people's demand for high-quality content becomes more and more obvious. Today, when the media-entertainment industry is developed, we should study consumer needs and think about the development strategy of China's media industry from the perspective of the audience. A lot of interest in the media market will be discovered, which will inspire and encourage the industry to work hard to develop more audience resources and information resources. To a large extent, this can help the media industry develop in a better direction.

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