

Innovative Strategies for the Media Economy in the Era of New Media

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Abstract: The advent of the new media era has provided a new environment for the innovative development of the media economy, but the dissemination of media information has also caused a certain impact on the development of the media economy. The rise of new media platforms has brought stronger interactivity, faster communication speed and more diverse data services to information dissemination. More and more people started to pay attention to media information. Additionally, the media industry has a bigger market and more room to grow through time and In the age of new media, conventional media should take use of the opportunities available, market need with technological advancement, innovate, and grow based on adhering to objective laws. The media economy's growth will become more crucial as a result, opening almost limitless opportunities for it to flourish.

1. Introduction

In the era of new media, technical innovation has brought about significant changes in the media sector, influencing the development of the media economy. Stepping into Web 2.0 era, emergent of Internet media began to challenge established media's commercial position, and traditional media began to seek exploration and change in response to market pressure. Academics outlined the characteristics and definitions of new media at the start of their emergence, discussing about the consumers, marketing effects, and communication contents of the important new Internet media platforms. These debates suggest that the media sector is undergoing significant changes in the new media era. Some of these changes are beneficial, while others are detrimental. However, the main focus of this essay is on how to respond positively to these changes in the new media period, to actively promote the positive features while also suggesting ways to respond to the less positive parts in order to assist the media economy flourish.

2. Overview of New Media and Media Economics

2.1 The Concept of New Media

Traditional media refers to media that consistently disseminate information to the public or provide educational and entertaining platforms using mechanical equipment, mainly including media in the traditional sense, such as newspapers, outdoor, newsletters, radio, television and the Internet, with the exception of self-media. The media industry has ushered in the new media era with the proliferation of media forms brought about by technical advances. Linda Weiser Friedman and Hershey H. Friedman define the new media age from the perspectives of Web 2.0, old vs new, and history, highlighting the technological foundation of new media, the rivalry between traditional media and new media, and the relevance of past and present media. [1]In general, new media refers to changes in media formats brought about by technical breakthroughs, such as digital television and mobile phone terminals. They are all new types of media that are based on wireless communication and network technologies. Changes in technology have also resulted in changes in communication techniques and content, which have become an essential feature of new media.

2.2 The Concept of Media Economy

According to Alan B. Albarran, the media economy is defined as the study of how media businesses and industries function with other forces at different levels of activity by using theories,

concepts and principles derived from macroeconomic and microeconomic perspectives.[2] This is a relatively broad and inclusive definition. Specifically, media economy includes two main aspects: first, a macro to micro economic activity carried out by the media using industrial and trade and organizational forms integrated into the social economy and industry; second, an economic activity carried out by the media from all levels of the economy, industry and society, in the form of ecological and innovative elements to optimize market allocation and innovative resources.

2.3 The Development of the Media Economy

The rapid expansion of the global economy has increased the importance of cultural influence. In the new media era, media is not only a powerful tool for conveying information and expanding national influence, but also a growing way to promote the overall economic, political and cultural development of nations. The continuous development of related technologies has aided in the diversification of the global media industry. The media sector has undergone substantial changes due to continuous advances in digital technology and fundamental shifts in consumer behavior. New sectors based on technologies such as artificial intelligence, expanded displays and big data have matured, introducing new areas of economic development such as paid content, data services and digitization of the industry. But in parallel, the impact of the new coronavirus pneumonia outbreak over the past two years has created significant challenges for the media sector.

3. Challenges to the Development of the Media Economy

The development of the media economy has good prospects, but at the same time there are also certain problems.

3.1 Traditional Advertising Monetization Models Are Being Challenged

Advertising revenue, the backbone of the media industry, has been almost unchallengeable in the past. In the traditional media era, although competition for advertising revenue within the industry was fierce, almost no industry was able to take a share of the advertising revenue. However, in the new media era, the rise of emerging platforms such as Facebook, YouTube, and tiktok have pried up a considerable number of users. They have also gained a large number of users with their accurate content delivery technology, richer content, and greater interactivity, and traditional media have little counter power to this offensive. The loss of users has led to a decrease in external advertising investment. In today's unpredictable media environment, the traditional profit model is clearly unsustainable. Traditional media, especially paper media, need to make new attempts from platform building to profit models. According to data released by the World Advertising Research Center (WARC), in 2020, the online advertising market will contribute more than half ---- of the global advertising market, totaling \$303.3 billion. And the advertising market revenue declined to \$552.3 billion, a decline of more than 10 percentage points.

3.2 Impact of the Pandemic

In 2020, the spread of the epidemic had a huge impact on the global economy. The global entertainment and media industry suffered its first recession in 10 years. As shown in Fig.1, according to PwC's forecast, the output value of the global entertainment and media industry is expected to fall to US\$2 trillion and the overall market size is shrinking by 5.6% compared with 2019. The absolute value loss is 120 billion US dollars and the industry growth rate is declining and showing a negative growth trend [3].

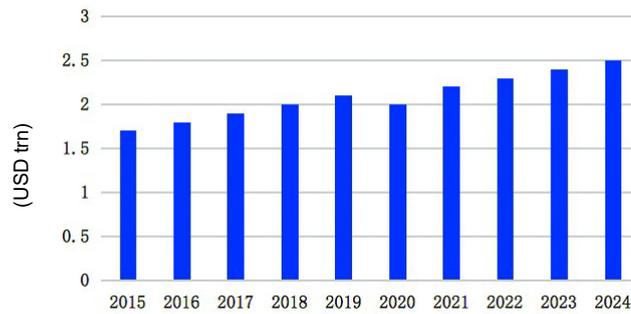


Fig.1 Scale and Forecast of Global Entertainment and Media Industry from 2015 to 2024

In this case, the impact on traditional media is paramount. According to KPMG 2020, during the epidemic, consumers spent more time on media and demand for media increased significantly. Users are eager to get more information in less time. According to research done by Roberta Carlini and Konrad Bleyer-Simon (Fig.2), consumer demand for and attention to news increased significantly during the epidemic, but the increased demand did not lead to increased revenue[4], and most countries also saw an overall decline in news media revenue due to a decline in overall advertising spending. The advertising revenue that the media industry once relied on is being challenged, and consumer revenue sectors such as channel subscriptions and digital services are on the rise.

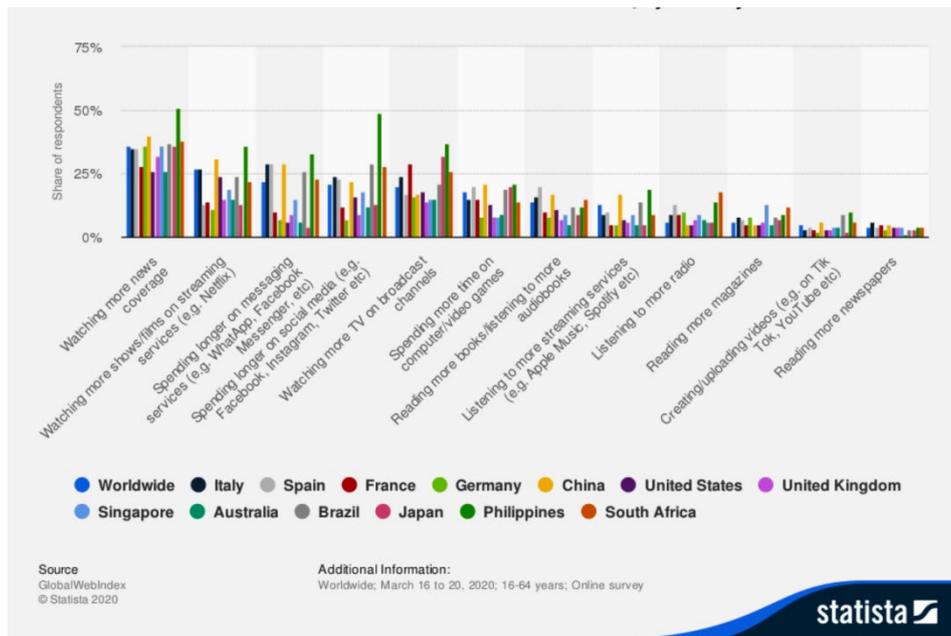


Fig.2 Increased Time Spent on Media Consumption Due to the Coronavirus Out Break Among Internet Users Worldwide as of March 2020, by Country

3.3 New Consumer Behavior Changes

The development of technology in the new media era has also begun to change the behavior of media consumers. First of all, due to the impact of the epidemic, many events, performances, education training, etc. have been transferred to online holdings, consumers' dependence on online media activities has become even more noticeable, and the demand for online content has also increased significantly. In terms of consumer interest content, vertical subdivision content accurately reaches users through big data computing. Coupled with the social attributes of new media platforms, it forms different interest communities, changes consumers' media usage habits and puts forward higher requirements for the accuracy of content and the interactivity of content platforms. These service experiences are all difficult to provide by traditional media. In order to

comply with the changes in consumers' consumption behavior, there have been changes in traditional media. In 2020, the digital user increment of the New York Times exceeded 1 million, digital revenue exceeded the income of print media. At the same time, Australia News Group stopped the production of its 112 newspaper products in May 2020. All this news is sending a clear message: news media are transforming to digital. But how to accurately grasp the changing consumption of new consumers? This is a question that traditional media will need to explore further in the future.

3.4 Privacy Issues Posed by Big Data

With the development of big data technology, social media platforms can label users' dynamic data and static data through mining data of target users, so as to obtain user portraits. By accurately retrieving the user portrait of each user, it realizes the service of accurate marketing information recommendation, personalized content recommendation, intelligent social recommendation and so on for users. In this process, the collection of digital data by digital service providers is inevitable, but in recent years, the problem of user information leakage that has been continuously reported has also made consumers realize that they are facing the threat of personal privacy leakage while enjoying the accurate delivery of their favorite content with big data. From an economic point of view, privacy is associated with the loss of control over personal information and the invalidity of the risks associated with the release of personal information[5]. Not only will this lead to consumers' insecurity in using these social media, but private information leakage may lead to malicious competition in the industry and is not conducive to the rapid development of the media industry.

4. Discussion on the Innovative Development Strategy of Media Economy in the New Media Era

4.1 Explore New Monetization Models

At present, although traditional media are still in the exploration stage of expanding new forms of profitability or profitability channels, they can still draw inspiration from the emerging media industry and the existing exploration experience. First, actively promote the capitalization operation. Bezos' acquisition of The Washington Post in 2013 is a relatively successful example. Through the Amazon platform, The Washington Post can share Amazon's consumers and sell digital news products on the platform. On top of that, the huge audience resources and consumer data brought by the platform also bring benefits to the Washington Post. The platform itself can strive for more revenue from content channels, leveraging the expertise of traditional media to create irreplaceable specialized vertical segments of content. This content can be turned into paid content, thus increasing the revenue of content channels. At the same time, drawing on the emerging media platform model to increase personalized and customized content services can further increase the possibility of paying for online content. But these also put demands on traditional media's data technology[5].

4.2 Seize the Opportunity of Technological Development

The development of new technologies has provided technical support for the innovation of new media. In the new media era and information age, media economy has been developed. However, at the same time, it has also encountered opportunities and challenges. New media not only provide a new environment and new forms of communication for the development of media communication, but also provide breakthrough opportunities for the transformation and development of media economy. However, to another extent, new media also have an impact on the development of media economy. The advent of the new media era has facilitated the rapid and widespread dissemination of information. Free and readily available information attracts not only a large number of users, but also the attention of most advertisers. As a result, the profitability of the media economy will inevitably be affected. Media companies, especially large traditional media companies, will either

be left behind by the times or be eliminated because they do not adapt to the needs of new consumers if they do not seize the opportunities presented by the new media era. The development of new media technology has provided technical support for the change of media economy development method, so the development of media economy can also make use of new technology. For example, online virtual display technology is used to fill the gaps of offline activities and digital content is used to replace traditional paper-based printed content. In the era of new media, the development of media economy should make good use of new technologies to fully develop the potential of media economy and expand the audience of media economy. Therefore, media companies should analyze the opportunities of the times, make full use of the favorable factors in new technologies, and seize the opportunities brought by the times and economic development.

4.3 Grasp the New Media Consumer Market

The market plays a decisive role in economic development. Changes in living environment, improvement in quality of life and cultural taste have all led to higher and more diverse consumer demand for media. Under the influence of new media, some industries such as Facebook, TikTok, Twitter and other platforms have adapted to the times, gradually expanding their scope and integrating with the times. However, some traditional industries have been abandoned or gradually disappeared. Newspapers, radio and other traditional media channels are gradually decreasing.

While the new media era brings users massive amounts of information, it also cuts information into different vertical contents to more accurately capture the areas of consumer interest, bringing stronger platform user stickiness and a more seamless user experience. In addition to the head several social media platforms, media companies focusing on different niche areas are also making their own efforts. Take Clubhouse, the voice social platform that took the world by storm in 2021, for example. By focusing on real-time audio social, they have successfully met users' needs for a more immersive and accompanying social experience. All of this is based on two things. One is the niche these companies have found for themselves. The other is a clear analysis of market needs. So media companies need to analyze market demand in the context of user needs and provide services accordingly.

4.4 Strengthen User Privacy Management

To avoid user privacy leaking, a solid legal structure should first be built to regulate and restrict the privacy leakage problem at the legal level. Second, the link between data access and privacy security must be balanced. Finally, a solid legal process and accountability system should be formed, and legal mechanisms should be employed to limit privacy leaks and other security concerns. At the same time, the APP must gather personal information in accordance with the law. Users are increasingly strengthening their self-privacy awareness and are paying greater attention to the security of personal information. As some users' lagging understanding of privacy and security cannot adjust to the rapid growth of big data technologies, relying solely on the legislation to limit is insufficient. It is very critical to raise user security awareness. We should warn consumers that crucial information such as their name and address are not the only privacy concerns. Their browser history and action tracker are similarly classified as private.

5. Conclusion

The advent of the new media era has provided new opportunities and challenges for the development of the media economy. While on the whole, the media economy has great potential for future growth. The impact of the epidemic, the ever-innovating media technology, the changing market environment and the still-improving user privacy management all bring challenges to the development of the media economy. But behind the challenges there are still opportunities. Media companies should face up to the accelerated transformation of the industry brought about by the new media era epidemic, actively explore new profit models, seize the opportunity of new media technology innovation, tap and respond to the real needs of consumers in today's era, and realize the innovative development of the media economy in the new media era. In the face of the development

of user privacy management and other industry regulation issues, it is necessary to improve relevant laws and regulations, and urge enterprises and users to strengthen their awareness of relevant privacy protection to achieve the long-term healthy development of the industry.

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