

The Analysis of the Media Convergence Ecosystem Value Chain

Chi-ung Song¹, Mi-young Park²

^{1,2} Science and Technology Policy Institute
Boramaero5gil 15 [Shindaebang-Dong] Tongjak-Ku, Seoul, Korea

¹cusong@stepi.re.kr, ²ollive@stepi.re.kr

*Corresponding author: Mi-young Park

Abstract. This analysis addresses the questions of where economic profits are created and what is being generated or eliminated in the value chain. Broadcasting and communications industries with traditional value chains, such as live performances, music, event planning, broadcasting, movies, publishing, and advertising, operate under planning, production, distribution, and consumption stages and have witnessed the fusion of planning and production, the simultaneous occurrence of production and distribution, and the convergence of producers and consumers, resulting in changes in the traditional value chain structure.

Keywords: Creative Domestic Industries, Value Chain of the Broadcasting and Communications Industries, Media Convergence Value Chain

1 Introduction

This paper examines the most recent broadcast and communications media convergence technologies and provides an AHP analysis based on in-depth interviews and surveys targeting experts in terms of what economic and scientific/technological importance future technology projects may have in advancing domestic media convergence. More specifically, structural characteristics of various areas of cultural content in creative industries, including broadcasting/drama, film, and music industries, are examined through their economic ecosystems for their roles in determining the status of domestic broadcast and communication media convergence technologies and predicting changes in their future demand. The results have important implications for science and technology policies.

2 Evolutions of the Broadcast and Communications Media Convergence Value Chain

2.1 Concept and Elements of Broadcast and Communications Media Convergence

The traditional “planning-production-distribution-consumption” value chain has shifted based mainly on broadcast and communications media convergence technologies. In this regard, there is a need to examine this topic not only from a theoretical perspective but also from a policy perspective with respect to why these changes are important. Figure 1 shows the traditional broadcast and communications content value chain [3].



Fig. 1. Traditional Broadcast and Communications Content Value Chain

However, broadcast and communications firms have been reestablishing the planning, production, distribution, and consumption flow of content based on the convergence of broadcast and communications technologies. As shown in Fig. 2, these firms have realized technological and economic profits through the CPNT value chain, in which content is moved to a platform, distributed through a network, and passed on to consumers through terminal devices [2].

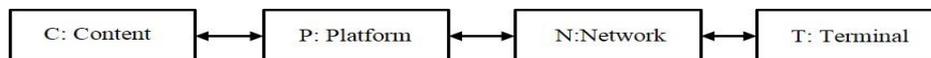


Fig. 2. CPNT Value Chain

The most notable aspect of this new value chain is how the planning, production, and processing of content are divided according to the technology necessary for each level. Platform technologies refer to various media sources such as 1) multichannel-based broadcasting, 2) the widespread use of clip content, 3) the widespread use of individual media based on bilateral communication, and 4) the supply of realistic media. Figure 3 presents the convergence of the traditional content production process and the new technology-centered content production process and shows the broadcast

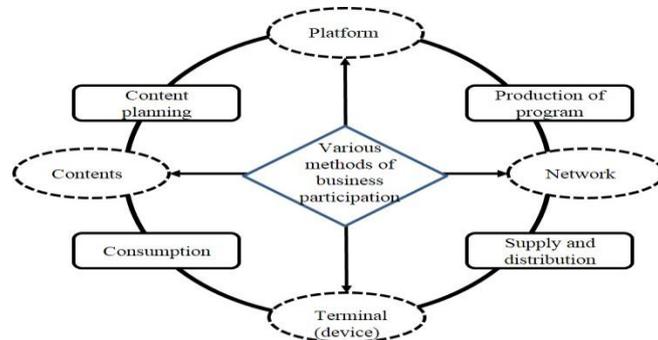


Fig. 3. Broadcast and Communications Media Convergence Value Chain as Evolved from the Traditional Value Chain

and communications infrastructure technologies that form the basis of the convergent value chain (content creation, network technologies, services and platforms, and device environments) in Table 1. The figure also shows how changes in business participants are included in the CPNT value chain stages and how they (a fusion of producers and proactive consumers) are central to the convergence.

2.2 Broadcast and Communications Media Convergence Technologies and the Media Convergence Value Chain

This paper restructures the core technological elements of the domestic broadcasting and communications industries up to 2030 by taking into consideration future broadcast and communications technologies and policies in the era of smart media [1,5,6]. Media convergence technologies are divided into media convergence expression, information-processing, content, content and information security, and transmission and linkage technologies, and each category is examined by domestic experts and consultants in broadcasting and communications fields. Figure 4 takes the evolved media convergence value chain in Figure 3 into consideration to show how these five influence and fuse in the evolved value chain model [7,8]. In addition, the figure shows how changes and developments in technological environments in turn change and fuse economic value chains.

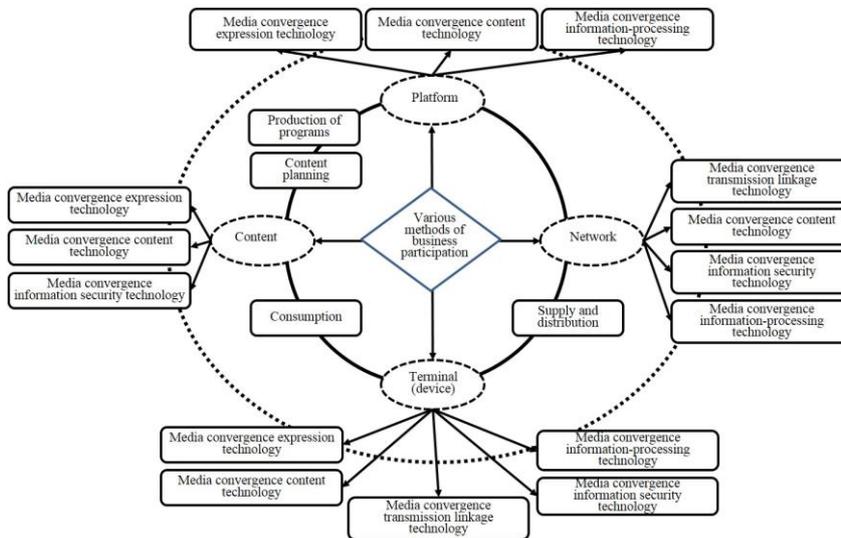


Fig. 4. Media Convergence Value Chain Based on Broadcast and Communications Media Convergence Technologies

Unlike Fig. 3, Fig. 4 combines the content-planning and production stages into a single stage because of advances in the first-level planning stage of high-concept, high-touch content technologies that combine technologies with emotions (a meeting of the story, harmony, empathic immersion, play, and meaning) to increase the number of production activities that require the participation of the user from planning to production. Therefore, with the convergence of the content-planning and development stages and consequent accelerated feedback between users and producers, better-quality production efforts are being realized. In addition, information security measures such as watermarks, trademarks, and encryption must take place early to further ensure security later in the creation process. Those media convergence technologies that influence content production technologies include, according to the platform, media convergence expression, content, and information security technologies.

3 Conclusion

What first characterizes the broadcast and communications convergence media value chain, through the advent of multilateral transmission, an increase in channels, and the variety of distribution methods, traditional content provided exclusively by media service suppliers in the past can now be produced in greater variety and transmitted more openly. Because of the development of new formats and forms, media no longer need to be limited to one platform. The second characteristic is the new variety in services and platforms, including the TPS (the triple-play service based on the

Internet, telephone, and broadcasting) and the QPS (TPS + mobile), and here packaging, service provision, and transmission are being handled in a single stage. The third characteristic is the development of various networks. With media-to-media, short-range, and long-range transmission and advances in the speed of transmission, vast amounts of content can now be enjoyed quickly. The fourth characteristic is how new devices have evolved from being simply media for content consumption to being gateways for content production by users, strengthening their control [4].

References

1. Lee S. I., “.The IT New Business Strategy of the Communication Business Operator” Weekly Technology Trend vol. 1279, pp. 29-32, IITA, Korea, 2009.
2. Kang S.W. and Hong T.W., “Market Definition for New Telecommunications Services under Convergent Environment” ETRI vol.23, no.2, Korea, 2008.
3. Howkins, J., *The Creative Economy: How People Make Money from Ideas*, the Penguin Press, London: Allen Lane, 2001.
4. Dupagne, M., and Garrison, B., “The meaning and influence of convergence: A qualitative case study of newsroom work at the Tampa News Center,” *Journalism Studies*, vol. 7, no. 2, pp. 237-255, 2006.
5. Ahn J. B., et al, *The Broadcasting Communication Policy of Smart Media Age and the Future of Technology*, Published of JinhanMNB, Korea, 2012.
6. ETRI, 2013 ETRI Technical Notice, Published ETRI Press, Korea, 2013.
7. Jenkins, H., *Convergence Culture: Where Old and New Media Collide*, New York University Press, New York, 2006.
8. Jianhua, L., “Communication and the evolution of ecosystem,” *The Journal of Global Education*, vol. 52, issue 1, 1998.