

## Digital Transformations in Taiwanese TV Industry

(Work in Progress)

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### ABSTRACT

In the past, TV was always regarded as an indispensable member of every family. Watching TV programs with the whole family was once one of the key consumer behaviors. However, with the development of technology, the digital wave and the invasion of Over-The-Top (OTT) platforms, consumer behavior has begun to undergo drastic changes. Mobile phones and tablets occupy most of our time. Multi-screens have long become the norm.

According to the "Digital Whirlpool" report published by IMD in 2019: "Due to the impact of digital convergence, digital disruption has already occurred in the media, entertainment, and telecommunications industries. If digital transformation is not carried out in time, the next five may be replaced by other new services". Observe that the number of cable TV subscribers in Taiwan has dropped from 5.23 million in 2017. With the influence of online platforms and online pirated content, it has fallen all the way to the current low of 4.83 million in 2021. Facing the changes in viewers' viewing behaviors and the shift in TV advertising budgets in recent years, various TV stations have also provided solutions and actively transformed from internal thinking to external environments. TV stations such as TVBS, Eastern Broadcasting Company (EBC), Sanli TV and Ctitv have begun their digital transformation.

*Keywords:* E-business, digital transformations, TV industry

### INTRODUCTION

Television is still an important viewing channel for Taiwanese viewers. Even if the number of cable subscribers declines, there are still more than 4 million subscribers. Take EBC as an example, it not only set a new record for broadcasts of the Olympics, the highest ratings in the Tai Tzu-ying's gold medal match reached 18.20, and the total viewership (not repeated) population including the award ceremony reached 5.518 million, accounting for the proportion of Taiwan's population 25.2%; The audience rating of the Golden Melody Awards has also reached an average rating of 4.22, with a total of 3.29 million viewers, which is 308,000 more than last year. The highest rating is when Cao Yawen won the Best Taiwanese Album Award, the viewership population is 13.79 million; In terms of drama, the first broadcast on the TV channel of the girl's development has been a red plate for two consecutive seasons. In the second season, it scored an average viewing rate of 3.59 per minute, and the female audience was 35 years old. By the age of 54, the ratings are as high as 5.46. After being put on the OTT platform, the viewing behaviors are still very impressive.

Whether it's TV or the Internet, consumers' viewing behaviors are constantly changing, but the media market will not disappear. It will only be redefined and divided again and again. TV media is no longer pursuing ratings, content is the essence. The program is the IP, which is operated according to the type and interest preferences. After packaging, it contacts different audiences. The segmentation is for the content of the audience. In the future era of the long tail effect, TV and the Internet will not be a clear competitive relationship, but a cross-platform presentation of mutual cooperation and complementarity. The use of digital transformation is to help content multiply and create new needs, with the audience as the core!

TVBS established a new media department, evaluated its programs and believed that "Women I'm the Biggest" is suitable for designing as an electronic database, developing new business models, establishing exclusive websites and integrating shopping functions.

Develop exclusive program content on the internet, and actively operate social platforms such as Eastern Broadcasting Company's "Buzz", which has launched a series of millions of films such as "10 Troubles of Various Girls", and the total number of views on the YouTube channel of "Buzz" has reached 460 million.

Continue to optimize the function of the official website and develop a mobile APP to provide instant news. Eastern Broadcasting Company also provided instant ticketing information on the APP during the presidential election, and the download volume was as high as 5 in the Android ranking.

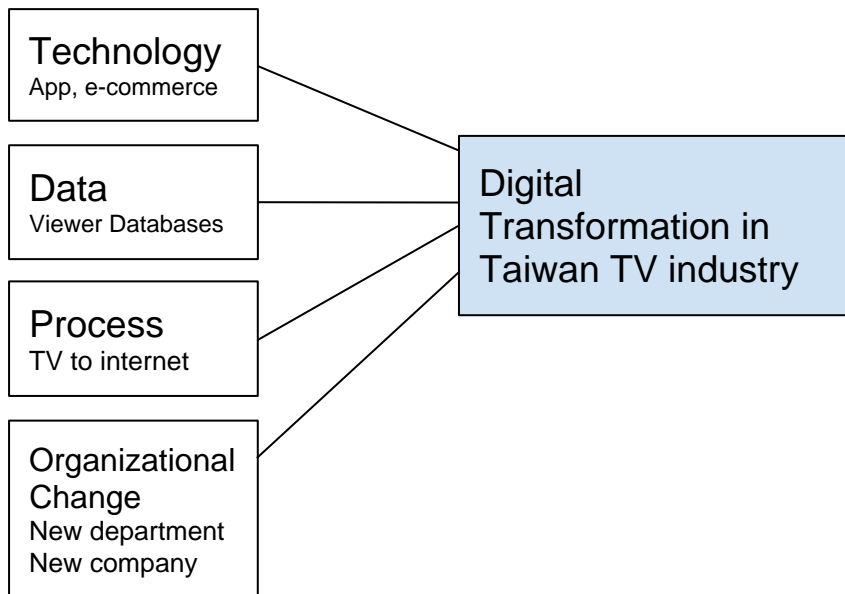
**RESEARCH METHOD**

In order to analyze how companies implement digital transformation strategies. This research adopts multiple cases of world-renowned TV stations analysis. Case analysis is used to collect the relevant topics of the papers, and then surveys are conducted by questionnaire survey methods.

**LITERATURE REVIEW**

**Digital Transformation**

As we all know, digital transformation is trending nowadays. Here are four main areas of digital transformation that need to be noticed. Successful digital transformation requires bringing these four areas together and coordinating a greater range of effort. Data has shown in any one of four interrelated domains — technology, data, process, or organizational change capability — can scuttle an well-conceived transformation.



Source: This study  
Figure 1: Conceptual Framework

*Technology Change*

Traditional pay TV players transform into super-aggregators. Traditional pay TV players have been impacted by OTT audio and video, so they have begun to cooperate with OTT players on a large scale to make OTT audio and video content widely available. They launched on pay-TV platforms, transforming itself into super-aggregators across different content sources. This strategy is generally adopted by many large international cable TV operators. The first operator to conduct hyper-convergence is Virgin media in the UK, which started cooperation with Netflix in 2013. Consumers can use Netflix’s APP and watch Netflix content on Virgin media. Comcast in the U.S. also partnered with Amazon in 2018. Comcast TV users can watch Amazon Prime Video through their set-top box device, the Xfinity X1, and support fast voice search. In addition to supporting each other in set-top box devices, pay-TV and OTT players are also collaborating on content production. In 2018, Liberty Global and Amazon began working together to co-produce the album "The Feed", which will be released in Europe in 2019.

In the past five years, various TV stations, whether active or passive, have started their own digital transformation. With years of experience in content production, the TV stations have constantly revised and combined the characteristics of digital platforms.

1. Oriental Pearl launches digital cross-platform shopping service

Oriental Pearl Tower is the largest cable TV operator in mainland China, and its e-commerce platform “Oriental Shopping” is the most important transformation business within the group. In 2018, its revenue accounted for more than 50% of the group’s revenue. The biggest feature of Oriental Pearl Tower is to copy its old traditional TV shopping model to the Internet, and provide different live and on-demand videos at different time periods in its online mall. In order to reach all consumer groups, Oriental Shopping has launched exclusive applications on various device platforms, including mobile phones, tablets and even Smart TVs, so that consumers can use the phone, mobile phone/tablet/TV APP to download videos.

2. Sky Network

British cable operator Sky Network has recently been actively using AI to improve the consumer experience. For example, in the 2018 broadcast of Prince Harry’s royal wedding, AI facial recognition was used to provide instant introductions to wedding

guests. Sky uses Amazon's Rekognition AI cloud image analysis technology, which can quickly analyze facial image information and display it on the broadcast screen, helping viewers to quickly understand the names of the characters appearing on the screen. This facial recognition technology is also expected to be used in awards ceremonies such as the Oscars and the Golden Globes in the future. In addition, Sky is currently trying to use advanced technologies such as big data and machine learning to achieve automatic content recommendation to increase customers' consumption of TV content. In 2018, Sky introduced Adobe Target's AI system for internal testing, and hopes to successfully apply AI technology to improve customer consumption experience and business performance in the future.

### 3. BBC

BBC has several thousand people working in the Internet area. They have been on the Internet for 10 years, had considerable success and are the major reference- point for information on the Web (Lloret, 2008b). According to Klontzas (2006: 610), BBC Online is «centered on a combination of interactivity, branding and content, BBC Online is ambitious to become a global brand». Hills and Michalis (2000: 491) characterized the BBC Online strategy as a defensive means of expanding audience reach and they conclude that this is mainly due to it being a trusted brand.

### 4. TVBS

At present, TVBS has developed four major IPs under the umbrella of "Women I'm the Biggest", "Food Player", "Earth Golden Line", and "Health 2.0". It has also been awarded the brand trust of Oxford University's "Global Digital News Report" for 4 consecutive years. The first "TVBS News", TVBS is not only IP management team, but also has a large number of professional talents, experts and opinion leaders... etc., established a top TVBS firm, provides in-depth cooperation opportunities in different fields, and builds a high-quality brand Assets and KOL resources continue to create new types of content and transfer entities to online.

In recent years, various online platforms have risen and impacted the traditional media ecology. TVBS is actively carrying out digital transformation and has strong content production capacity and brand power. TVBS News has irreplaceable reach and unique news influence in Taiwan. In addition, actively expand various IP programs, deliver information to the target group in 360 degrees, and start from understanding audience behavior and meeting audience needs, providing audiences with interesting content on different media vehicles, and creating all-round media.

For example, the digital original programs developed by each IP, the biggest "playing beauty research room" by the woman, and the "William Shen Happy Delivery" from the hot shop at 11 o'clock, the video can reach more than 100,000 views in three days. In addition, it has developed a dedicated APP and e-commerce platform. In recent years, it has developed exclusive IP apps. The "TVBS News" APP has 1.3 million downloads.



Figure 2: "Women, I'm the Biggest" TV program websites

Table 1: Digital Transformation from the Technology Perspective

TV stations	Technology Transformation
Oriental Pearl Tower	Oriental Pearl launches digital cross-platform shopping service

TVBS	TVBS has developed four major IPs, and developed a dedicated APP and e-commerce platform
Sky Network	Using AI to improve the consumer experience
Comcast	Comcast in the U.S. also partnered with Amazon
Virgin Media (UK)	cooperate with OTT players such as Netflix

Source: This study

Data Change

1. TVBS

TVBS established a new media department, evaluated its programs and believed that "Women I'm the Biggest" is suitable for designing as an electronic database, developing new business models, establishing an exclusive website and integrating shopping functions into e-commerce models.

TVBS has opened at least 18 original network programs, with several major TV programs leading the way, extending network programs. For example, "Women I'm the Biggest " has " Beauty Room", which has been enlarged from a small theme, such as two episodes of the short program of the actress transforming the room, and the number of views exceeded 2.5 million.

Process Change

Process transformation entails modifying the elements of a business's processes in order to achieve new goals. Most companies engage in a business process transformation when they require a radical update. Undergoing such a transformation will modernize an organization's processes, integrate new technology, save money, and better incorporate core systems.

1. Sanli TV

Sanli's "All-Star Games" raised the reality program to the competition level, and opened ticket sales to allow the program to further connect with the audience.

2. EBC

In 2015, Eastern Broadcasting Company TV decided to invest in the digital battlefield, looking for audiences and shaping influence in the online community. In the initial stage, starting with the life and entertainment content preferred by social media at the time to quickly gain popularity and accumulate fans.

In the early stages of digital transformation, the profit model was uncertain, and internally began to review the monetization ability of various types of content, and continued to innovate. Regularly use quantitative data to measure the performance of each platform, analyze traffic trends, evaluate the cost of each content production system, and gradually improve content with revenue monetization capabilities. To ensure that the content of the production system can get the traffic it deserves, and at the same time, it can successfully obtain the advertising campaign. Only by creating content that audiences want to watch , so that you have the opportunity to make further profits.

The influence of pure online media is limited and the development of the platform is difficult to compete with international platforms; Eastern Broadcasting Company is committed to integrating TV and the Internet, combining the popularity and naming of TV channels, as well as the rapid reach of digital social platforms and personalized favorite content , Whether it is daily news and entertainment content, or major international issues and large-scale events, EBC can have a high degree of influence on a broad audience.



▲東森《噪咖》N個女生困擾系列影片

▲東森噪咖YOUTUBE頻道

Figure 3: EBC TV program websites

### Organizational Change

#### 1. CJ Group

South Korea's CJ Group will make its production department independent, and cooperate with other foreign TV stations as a completely independent company.

#### 2. Ctitv

Ctitv News switched to YouTube at the end of 2020. After a year of hard work, it has won the championship in the number of subscribers of news channels on the YouTube platform in Taiwan. 10,000 people, and revenue has repeatedly hit new highs; Ctitv TV won the annual digital transformation award (Partner of Transformation (digital transformation)). The frequency of "Ctitv TV Channel" has grown to 2.61 million subscribers, and the reflection after setting a single-day viewing record of 12 million.

From the ratings of Nielsen to the number of people watching live online now, the audience feedback is more immediate, the news focus that was previously perceived is not necessarily the focus that netizens and audiences want to watch now. New media's data and real-time responses bring the truth, and we have to adjust to the audience's preferences and remain professional in journalism. In the field of digital content, there are no certain laws and standards, and the continuous improvement of algorithms is an endless road, which also leads to the need for quick and flexible adjustments.

Ctitv is the first to interact with fans in real time, listens deeply to fans' ideas and suggestions, launches content that everyone cares about, and constantly improves and adjusts existing content, and plans a website and APP "Ctitv News Network" that combines audio and video content. In the future, new blood will be recruited. The 2021 Ctitv Internet Celebrity Anchor Contest is just the beginning, and Ctitv TV will continue to enter the campus to discover future stars of tomorrow. In addition to doing good content, Ctitv TV is taking a road that no one in Taiwan or even the whole world has gone through. Because of the support and encouragement of fans, Ctitv TV will continue to persevere.

### CONCLUSION

For the media industry, we found that digital transformation can lead to new sources of revenue or even to new business models (e.g., the management of content platforms). TV industries have also embraced the business opportunities offered through digital technologies. Hence, when applying the Digital Transformation Framework to formulate a digital transformation strategy, we will likely need to customize the value creation dimension so it corresponds to the specific requirements of their industries or business models.

Digital transformation is a highly complex, company-wide endeavor. A systematic approach to formulating a digital transformation strategy is crucial for success. Moreover, a firm's first steps toward digital business models are characterized by a high level of uncertainty. To help managers address the challenge more systematically, we have extended previous work on digital transformation strategies through the lessons learned from TV companies in the Taiwan media industry.

This research has identified a set of frameworks that managers responsible for digital transformation have to consider. Digital transformations is also committed to innovating various project placement styles. In addition to the production of industry distribution content, through cooperation with platform technology.

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