



**THE EFFECTS OF DIGITAL TRANSFORMATION ON
MARKETING STRATEGY OF
TRADITIONAL CULTURAL ENTERPRISES : A CASE STUDY
OF SOUTHERN WEEKLY**

Chen Wen
6717195706

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION
GRADUATE SCHOOL OF BUSINESS
SIAM UNIVERSITY
2026**



**THE EFFECTS OF DIGITAL TRANSFORMATION ON
MARKETING STRATEGY OF
TRADITIONAL CULTURAL ENTERPRISES : A CASE STUDY
OF SOUTHERN WEEKLY**

Chen Wen

This Independent Study Has Been Approved as a Partial Fulfillment of the
Requirements for the Degree of Master of Business Administration

Advisor.....
(Dr.Zhang Li)

Date:11/.....9...../.....2026

.....
(Associate Professor Dr. Jomphong Mongkhonvanit)
Dean, Graduate School of Business

Date.....26/.....9...../.....2026

Title: The Effects of Digital Transformation on Marketing Strategy of Traditional Cultural Enterprises : A Case Study of Southern Weekly

Researcher: Chen Wen

Degree: Master of Business Administration

Major: International Business Management

Advisor:


.....
(Dr.Zhang Li)

..... 11 / 9 / 2026

ABSTRACT

With the rapid development of digital technology and new media platforms, the marketing model of traditional cultural enterprises has increasingly struggled to adapt to competition in the digital era. Before undertaking digital transformation, many traditional print media enterprises, including Southern Weekly, faced a mounting survival crisis marked by shrinking print circulation, declining advertising revenue, and a rapid shift of readers toward online and mobile platforms. This study aimed to examine how digital transformation reshapes the marketing strategy of traditional cultural enterprises, and to explore how internal strengths and weaknesses, together with external opportunities and threats, drive the reconstruction of the marketing mix and its resulting effect on marketing performance. This study adopted a qualitative research methodology, using Southern Weekly as the research case. Secondary data were collected from Southern Weekly's official website, mobile application, and WeChat official account, and were analyzed through a theory-driven framework combining PEST analysis, Porter's Five Forces model, SWOT analysis, and the 4Ps Marketing Mix, further supported by Vertical Integration Theory, Marketing Channel Theory, Integrated Marketing Communication (IMC) Theory, and Long Tail Theory. The findings showed that, shaped by supportive policy conditions and intensifying platform competition, Southern Weekly reconstructed its marketing mix through diversified digital content products, a subscription-based membership system, a self-controlled multi-channel distribution structure, and an integrated cross-platform promotional strategy, thereby achieving measurable improvements in revenue diversification, user engagement, and market competitiveness. The study concludes that digital transformation functions as a key driving force behind the reconstruction of marketing strategy in traditional cultural enterprises, and

recommends that such enterprises treat content quality as a core advantage, build self-controlled digital channels, and establish a dynamic marketing-management mechanism, while future research may extend these findings through multiple-case comparison and quantitative validation.

Keywords: digital transformation, marketing strategy reconstruction, SWOT analysis, 4Ps marketing mix, traditional cultural enterprise, Southern Weekly



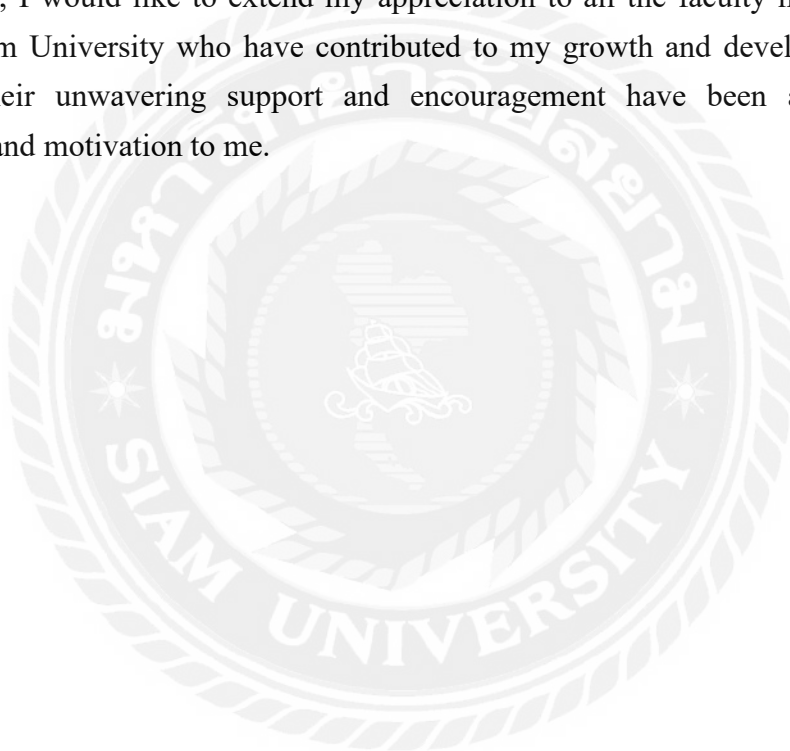
ACKNOWLEDGEMENT

I would like to express my deepest gratitude to my advisor for his invaluable guidance, support, and encouragement throughout my Independent Study. His insightful comments and constructive criticism have significantly improved the quality of my work.

Additionally, I am grateful to Associate Professor Dr. Jomphong Mongkhonvanit, Dean, Graduate School of Business, for his support and encouragement throughout my studies. His dedication to the graduate program and commitment to excellence have inspired me to strive for academic excellence.

Finally, I would like to extend my appreciation to all the faculty members and staff of Siam University who have contributed to my growth and development as a student. Their unwavering support and encouragement have been a source of inspiration and motivation to me.

Chen Wen



DECLARATION

I, Chen Wen, hereby declare that this Independent Study entitled "The Effects of Digital Transformation on Marketing Strategy of Traditional Cultural Enterprises : A Case Study of Southern Weekly" is an original work and has never been submitted to any academic institution for a degree.

Chen Wen.

(Chen Wen)

Aug 17,2026



Contents

ABSTRACT.....	I
ACKNOWLEDGEMENT.....	III
DECLARATION.....	IV
CONTENTS.....	V
LIST OF TABLES.....	VII
LIST OF FIGURES.....	VIII
Chapter 1 Introduction.....	1
1.1 Background of the Study.....	1
1.2 Questions of the Study.....	3
1.3 Objectives of the Study.....	3
1.4 Scope of the Study.....	3
1.5 Significance of the Study.....	4
1.6 Definition of Key Terms.....	5
Chapter 2 Literature Review.....	7
2.1 Digital Transformation.....	7
2.2 PEST Analysis of the Macro-Environment.....	8
2.3 Porter's Five Forces Model.....	9
2.4 SWOT Analysis Model.....	10
2.5 Vertical Integration Theory.....	11
2.6 Marketing Channel Theory.....	12
2.7 4Ps Marketing Mix Theory.....	12
2.8 Integrated Marketing Communication (IMC) Theory.....	14
2.9 Long Tail Theory.....	15
2.10 Conceptual Framework.....	16
Chapter 3 Research Methodology.....	17
3.1 Research Design.....	17
3.2 Case Selection Rationale.....	17
3.3 Research Instrument.....	18
3.4 Sources of Data.....	18
3.5 Data Analysis.....	19
Chapter 4 Findings and Discussion.....	20
4.1 Findings.....	20
4.1.1 Macro-Environment and Industry Structure	20
4.1.2 SWOT Analysis	21
4.1.3 4Ps Marketing Mix Reconstruction	22
4.1.4 Marketing Performance.....	24
4.2 Discussion.....	26
4.2.1 Discussion on Macro-Environment and Industry Structure	26
4.2.2 Discussion on SWOT Analysis Results.....	27
4.2.3 Discussion on 4Ps Marketing Mix Reconstruction.....	27
4.2.4 Discussion on Marketing Performance Improvement.....	28
Chapter 5 Conclusion and Recommendation.....	29

5.1 Conclusion.....	29
5.2 Recommendation.....	31
5.3 Further Study.....	32
References.....	34



LIST OF TABLES

Table 4.1 Southern Weekly's Membership Pricing Tiers.....	23
Table 4.2 Key Indicators of Southern Weekly's Digital Marketing Performance	25



LIST OF FIGURES

Figure 2.1 Conceptual Framework	16
---------------------------------------	----



Chapter 1 Introduction

1.1 Background of the Study

With the deep penetration of digital technology and mobile internet, new media — with its high interactivity, precise dissemination, and diverse channels — has rapidly reshaped the landscape of information dissemination (Shao, 2025). Against this backdrop, traditional media face unprecedented transformation pressure: audiences are shifting online on a large scale, and the circulation and advertising revenue of print media continue to decline, making the traditional business model difficult to sustain (Zhao, 2016). At the same time, the Chinese government has actively introduced a series of policies to promote media convergence, providing policy guidance for the digital transformation of traditional media (Hu & Li, 2019). Driven jointly by market forces and policy, traditional newspaper enterprises urgently need to accelerate digital marketing transformation in order to rebuild core competitiveness within the new media ecosystem (China Newspaper Industry Innovation and Development Case Analysis Report, 2025). However, in the course of transformation, traditional cultural enterprises often face difficulties such as path dependence and insufficient technological adaptation.

Digital transformation is not merely a technological upgrade attached to an existing business model; it is a process in which digital technologies disrupt the established logic of value creation and compel enterprises to alter their value propositions, value networks, and organizational structures (Vial, 2019). For traditional media enterprises, this disruption dissolves the gatekeeping power of physical distribution channels, turns anonymous audiences into identifiable users whose reading and payment behavior becomes a strategic asset (Lemon & Verhoef, 2016), destabilizes a revenue model built on the indirect monetization of attention as advertising budgets migrate to platforms offering measurable targeting (Zhao, 2016), and imposes new capability requirements in data analysis and algorithmic distribution that legacy organizations rarely possess internally (Wu, 2021). Digital transformation therefore cannot be confined to the technology department: it inevitably reaches the marketing function, because it simultaneously changes what the enterprise sells, how it sets prices, where it reaches its audience, and how it communicates — that is, all four elements of the marketing mix.

Traditional cultural enterprises constitute a particularly instructive setting in which to observe this process. Their core asset is intangible and reputational — editorial credibility, professional judgment, and accumulated brand trust — and is

neither easily replicated by new entrants nor automatically convertible into digital revenue. They therefore face a double bind: the very resources that made them authoritative in the print era, such as in-depth reporting and careful verification within a fixed publication cycle, sit uneasily alongside the speed and personalization logic of digital platforms. Moreover, because serious journalism performs an information-provision function for society as a whole, the collapse of these business models would represent a loss of public as well as commercial value, which is precisely why national media-convergence policy has encouraged such enterprises to migrate online (Hu & Li, 2019). Southern Weekly, as one of China's most influential in-depth news brands, offers an unusually clear window onto this tension.

Examining this process requires more than a narrative description of what the enterprise did; it requires an analytical structure capable of linking environmental change to concrete marketing decisions. This study therefore organizes its analysis around four classical yet complementary instruments. PEST analysis identifies the political, economic, social, and technological forces acting on the enterprise separately, so that transformation pressure can be traced to specific causes rather than to a generalized sense of crisis (Aguilar, 1967). Porter's Five Forces situates the enterprise within a specific industry structure, showing how substitutes, entry barriers, and buyer power determine the strategic room for maneuver any marketing decision actually has (Porter, 1980, 2008). SWOT analysis serves as the pivot at which external scanning meets internal resources, converting these findings into a diagnosis on which strategic choice can be grounded (Andrews, 1971). Finally, the 4Ps marketing mix translates diagnosis into executable decisions, since a strategy becomes observable only when expressed as concrete changes in product, price, place, and promotion (McCarthy, 1960; Kotler, 1967). Used in sequence, these four tools form a continuous analytical chain from macro-environment to marketing action.

Despite the substantial body of existing research on media convergence, three gaps remain. First, existing studies have concentrated on technological application, organizational restructuring, and content production, while the marketing dimension has received comparatively little systematic attention. Second, the analytical tools discussed above are frequently applied in isolation, producing either an environmental description that carries no strategic implication, or a marketing-mix description that offers no environmental explanation. Third, much of the discussion of newspaper transformation in China remains at the level of policy commentary rather than firm-level case evidence. The core issue this study addresses is therefore why the marketing strategies of traditional cultural enterprises must undergo fundamental

change under digital transformation, and how such enterprises can reconstruct their marketing systems to match the continuously shifting locus of user value.

1.2 Questions of the Study

Before undertaking digital transformation, Southern Weekly, like most traditional print media in China, confronted a severe survival crisis. Print circulation and advertising revenue continued to decline year after year, readers rapidly migrated toward online and mobile platforms, and the traditional business model built around print newspapers gradually lost its viability, placing the enterprise under mounting financial pressure and even a real risk of losing its market position. Under these circumstances, this study addressed three research questions. First, what internal strengths and weaknesses, and what external opportunities and threats, have shaped Southern Weekly's marketing strategy in the context of digital transformation? Second, how has Southern Weekly reconstructed its marketing strategy across the dimensions of product, price, place, and promotion in order to adapt to the digital communication environment? Third, how has this reconstruction affected the enterprise's marketing performance, and what practical implications does it carry for other traditional cultural enterprises?

1.3 Objectives of the Study

This study aimed to explore the impact of digital transformation on the marketing strategies of traditional cultural enterprises, using Southern Weekly as a case study. The specific research objectives are as follows: (1) To identify the internal strengths and weaknesses, and the external opportunities and threats, affecting Southern Weekly's marketing strategy in the context of digital transformation. (2) To examine how Southern Weekly reconstructs its marketing strategy across the four dimensions of product, price, place, and promotion in order to adapt to the digital communication environment. (3) To explore how the reconstruction of marketing strategy enhances corporate marketing performance, and to provide a practical reference for the digital transformation of traditional cultural enterprises.

1.4 Scope of the Study

The scope of this study was delineated along the dimensions of subject, content, and theory. In terms of subject, this study focused on the marketing transformation of traditional cultural enterprises in the digital era, selecting Southern Weekly as a typical, purposively selected case. As an outstanding representative of

traditional serious news media and cultural enterprises in China, Southern Weekly possesses both a deep content-asset base and an urgent need for channel transformation in its process of digital transformation, making it highly suitable for in-depth analysis. In terms of content, this study focused on the adjustment of Southern Weekly's marketing strategy in the context of digital transformation, with particular emphasis on analyzing changes across the four dimensions of Product, Price, Place, and Promotion, as well as the macro-environmental and industry-structural forces underlying this adjustment. This study did not address non-marketing issues such as the evaluation of news content quality, internal organizational management, or technology development. In terms of theory, the study was bounded by the nine bodies of theory reviewed in Chapter 2 — digital transformation, PEST analysis, Porter's Five Forces, SWOT Analysis, Vertical Integration Theory, Marketing Channel Theory, the 4Ps Marketing Mix, IMC theory, and long tail theory — and does not extend to marketing theories outside this framework.

1.5 Significance of the Study

Theoretical Significance

At the theoretical level, this study enriches and extends the marketing theory matrix applicable to traditional cultural enterprises in the context of digital transformation. First, the classic 4Ps marketing mix theory has mostly been applied to traditional physical industries or fast-moving consumer goods sectors; this study introduces it into the domain of traditional cultural media, demonstrating how digital technology reconstructs the four elements of product, price, place, and promotion, and further deepens each of these four dimensions through vertical integration and channel theory (Place), IMC theory (Promotion), and long tail theory (Product and Price), thereby providing new academic evidence for extending 4Ps theory into the digital content industry. Second, this study transforms the SWOT analysis model from a static environmental-assessment tool into a dynamic guide for strategic evolution, by explicitly linking it to PEST analysis and Porter's Five Forces model as upstream environmental-scanning tools, organically connecting the logical pathway from macro-environmental change to micro-level reconfiguration of the marketing mix. Finally, this study moves beyond a narrow, purely descriptive treatment of media transformation, and instead examines changes in the marketing strategy of traditional cultural enterprises through an integrated, multi-theory framework, offering a more systematic theoretical structure for research on cultural-industry upgrading and media convergence.

Practical Significance

At the practical level, this study provides actionable guidance and decision-making references for traditional cultural enterprises facing a survival crisis. Using Southern Weekly as a representative case, this study systematically shows how, amid the wave of digitalization, an enterprise can maintain a high-quality content core while reshaping its digital subscription mechanism, expanding multi-platform distribution channels, and implementing coordinated, integrated promotional marketing. This can offer other traditional newspaper, publishing, and cultural organizations struggling amid transformation a set of concrete reference practices. In addition, this study provides an in-depth answer to the industry-wide question of why marketing strategy must change, helping the management of traditional cultural enterprises understand how new media technology reshapes audience behavior, and guiding enterprises to reasonably allocate resources between product development, channel construction, and promotional marketing, thereby helping them reconstruct their core business models amid intense digital competition and achieve a balance between cultural value and sustainable commercial development.

1.6 Definition of Key Terms

Digital Transformation

In this study, digital transformation refers to the systematic process through which a traditional cultural enterprise applies digital technology to reshape its content production, distribution channels, and marketing system, rather than a narrow application of information technology alone (Vial, 2019).

Traditional Cultural Enterprise

In this study, a traditional cultural enterprise refers to an enterprise whose core business was originally built around print-based news, publishing, or cultural content, and which is now undergoing digital transformation; Southern Weekly is treated as the representative case of this category.

Marketing Strategy / Marketing Mix (4Ps)

In this study, marketing strategy refers specifically to an enterprise's coordinated set of decisions across the four dimensions of Product, Price, Place, and Promotion (McCarthy, 1960).

SWOT Analysis

In this study, SWOT analysis refers to the diagnostic tool used to classify case materials into internal Strengths, internal Weaknesses, external Opportunities, and external Threats (Andrews, 1971).

PEST Analysis

In this study, PEST analysis refers to the tool used to scan Political, Economic, Social, and Technological forces in the macro-environment surrounding Southern Weekly, prior to and feeding into the SWOT analysis (Aguilar, 1967).

Vertical Integration (Forward/Backward Integration)

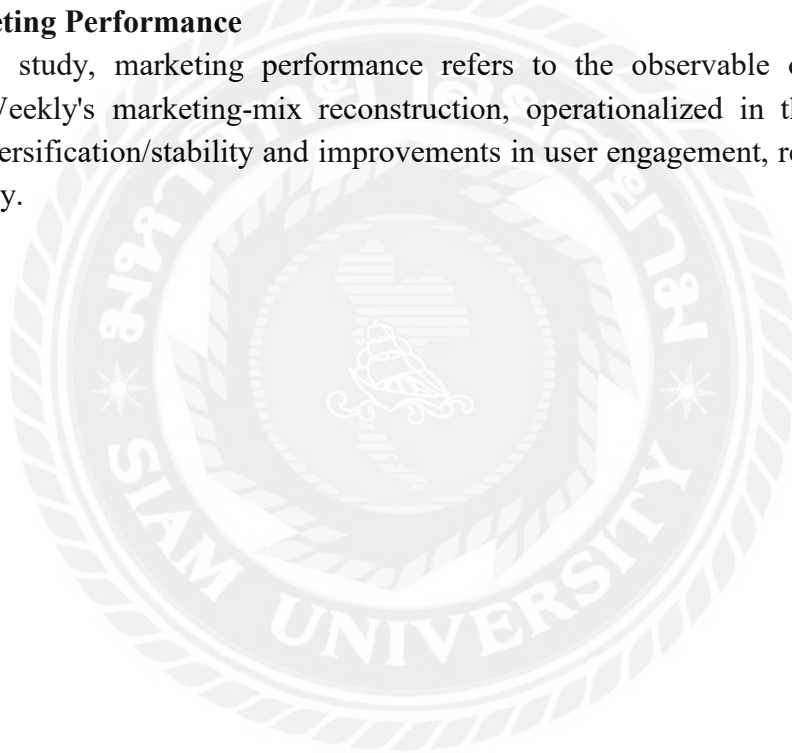
In this study, vertical integration refers specifically to Southern Weekly's forward integration into digital distribution and payment infrastructure — that is, the enterprise's extension of control downstream toward the end reader (Harrigan, 1984).

Integrated Marketing Communication (IMC)

In this study, IMC refers to the coordinated use of multiple communication activities and channels — such as hot-topic planning, livestreaming, and brand forums — to deliver a consistent brand message (Schultz et al., 1993).

Marketing Performance

In this study, marketing performance refers to the observable outcomes of Southern Weekly's marketing-mix reconstruction, operationalized in this study as revenue diversification/stability and improvements in user engagement, retention, and brand loyalty.



Chapter 2 Literature Review

2.1 Digital Transformation

With the rapid development of digital technology, mobile internet, and artificial intelligence, digital transformation has become an important strategic path through which traditional cultural enterprises pursue sustainable development. Existing research first distinguishes digital transformation from two adjacent concepts. Verhoef et al. (2021) proposed a three-stage progression: digitization converts analog information into digital form; digitalization applies digital technologies to improve the efficiency of existing processes; and digital transformation, the most far-reaching stage, redefines the business model itself and generates new logics of value creation and value capture. This distinction is important for the present study, because a newspaper that merely publishes printed articles online has achieved digitization, whereas a newspaper that rebuilds its product system, revenue structure, and channel architecture around digital users has entered digital transformation in the full sense.

Vial (2019), in a systematic review of the literature, provided the most widely cited process account of this phenomenon. He argued that digital transformation is triggered by disruptions arising from digital technologies, to which the enterprise responds by altering its value creation paths; these responses in turn require structural changes in organizational culture, roles, and leadership, and produce outcomes at both organizational and societal levels. Crucially, Vial placed changes in value creation paths at the center of the process, which implies that digital transformation is ultimately a strategic rather than a purely technical question.

Hess et al. (2016) approached the same phenomenon from a decision-making rather than a process perspective. Based on cases of media enterprises, they argued that a digital transformation strategy must be formulated along four interrelated dimensions: the use of technologies, changes in value creation, structural changes, and financial aspects. Read alongside Vial (2019), their contribution is to make transformation actionable, specifying the concrete decisions that management must make. Warner and Wäger (2019) added a capability perspective, conceptualizing transformation as an ongoing process of strategic renewal that depends on the dynamic capabilities of sensing, seizing, and transforming.

In the Chinese media context, Hu and Li (2019) argued that media convergence is moving toward an intelligent omni-media ecosystem in which content, channels, platforms, and operations are integrated rather than merely coexisting. Tao

(2026) further argued that the transformation of traditional print media has evolved from early-stage channel expansion into a comprehensive reconstruction of content production, platform operation, and business-model innovation, while Wu (2021) showed how artificial intelligence and algorithmic recommendation improve content-production efficiency. Overall, existing research has concentrated on technology application and media convergence, whereas how digital transformation drives the adjustment of marketing strategy remains underexplored — the gap this study addressed by treating digital transformation as the external driving variable behind marketing-mix reconstruction.

2.2 PEST Analysis of the Macro-Environment

Before an enterprise can diagnose its internal strengths and weaknesses through SWOT analysis, it first requires a systematic instrument for scanning the macro-environment in which it operates. The PEST framework originated in Aguilar (1967), whose study *Scanning the Business Environment* examined how managers actually obtain information about events outside the firm. Aguilar observed that environmental information reaches managers through modes ranging from undirected viewing to formal search, and argued that firms relying only on incidental exposure tend to recognize environmental change too late, whereas firms that institutionalize scanning identify strategic issues while there is still time to respond. To structure such scanning, he grouped external forces into political, economic, social, and technological categories. This origin establishes environmental scanning not as description, but as an early-warning mechanism connected to strategic responsiveness.

Fahey and Narayanan (1986) subsequently developed macro-environmental analysis into an explicit procedure of scanning, monitoring, forecasting, and assessing, and emphasized that macro-environmental forces are interconnected rather than independent: technological change alters social behavior, social behavior reshapes economic demand, and economic pressure often triggers policy responses. This relational view is directly relevant here, since the decline of print media cannot be attributed to any single force, but to the mutual reinforcement of several.

Applied to a traditional Chinese newspaper enterprise, the four dimensions carry specific content. Political factors refer chiefly to national media-convergence policy, which legitimizes and accelerates digital investment (Hu & Li, 2019). Economic factors refer to the contraction of the print advertising market and the migration of advertising budgets toward measurable digital channels (Zhao, 2016). Social factors refer to the migration of readers toward mobile terminals and social

platforms and the fragmentation of reading time. Technological factors refer to the diffusion of mobile internet, big data, and algorithmic recommendation (Wu, 2021). PEST, however, describes the environment only at a general level and cannot by itself explain competitive outcomes within a specific industry. It was therefore used in this study as the analytical entry point: its findings are refined through Porter's Five Forces and subsequently translated into the Opportunities and Threats dimensions of the SWOT framework.

2.3 Porter's Five Forces Model

To complement PEST's broad macro-environmental scan, this study also draws on Porter's Five Forces model to analyze the competitive structure of the industry in which Southern Weekly operates. Proposed by Porter (1980) in *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, the model identifies five forces that jointly determine the intensity of competition and the long-run profitability of an industry: the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitute products or services, and rivalry among existing competitors (Porter, 2008). Its central claim is that profitability is determined less by the characteristics of an individual firm than by the structure of the industry it occupies, and that strategy consists of positioning the firm where these forces are weakest, or of acting to reshape them in the firm's favor.

Applied to the traditional media industry, the five forces are unevenly distributed. The threat of substitutes is the most salient: digital-native content platforms, short-video applications, and social-media accounts increasingly substitute for the news and cultural content traditionally supplied by print media. Barriers to entry for online content producers are comparatively low, since publishing no longer requires printing facilities or distribution networks, which sustains a continuous inflow of new competitors. The bargaining power of buyers has risen sharply, because readers face abundant free alternatives and can switch at almost no cost, which weakens the pricing power of any single publication. Supplier power is more ambiguous: while editorial talent remains a scarce input, digital platforms have become powerful gatekeepers of audience access, and to the extent that they supply the traffic on which content producers depend, they exercise a form of bargaining power over the industry.

In this study, the Five Forces model was used primarily to substantiate and deepen the external-threat dimension of the SWOT analysis, providing an industry-structural explanation for why Southern Weekly's traditional business model

came under pressure, and clarifying which competitive pressures a reconstructed marketing mix must actually address.

2.4 SWOT Analysis Model

As a core analytical tool in strategic management, the SWOT model is widely used in strategy formulation and competitive-environment analysis. Its intellectual origin lies in the design school of strategy associated with Andrews (1971), whose central proposition is that strategy is the match between what an organization is capable of doing and what the external environment permits it to do. Within this logic, Strengths and Weaknesses describe the enterprise's internal resource position, while Opportunities and Threats describe the external conditions it faces; strategic soundness depends on the fit between the two, rather than on the attractiveness of either in isolation. This matching logic is the reason SWOT occupies the pivotal position in the framework of the present study: it is the point at which environmental analysis becomes strategic diagnosis.

An important extension was proposed by Weihrich (1982), whose TOWS matrix converts the four categories from parallel lists into four generic strategy types: SO strategies, which use internal strengths to capture external opportunities; ST strategies, which use strengths to counter threats; WO strategies, which overcome weaknesses by exploiting opportunities; and WT strategies, which minimize both weaknesses and threats. This extension is analytically significant because it shifts SWOT from description toward prescription: the value of the tool lies not in enumerating factors, but in pairing them to generate strategic options.

At the same time, the framework has attracted sustained criticism. In a comprehensive review of SWOT research, Helms and Nixon (2010) note that the tool is frequently applied in a static, subjective, and unweighted manner, producing long lists of factors without prioritization or evidence, and they recommend that SWOT be combined with other analytical frameworks and grounded in systematically collected data. The present study responds directly to this critique: the Opportunities and Threats dimensions are not asserted intuitively but derived from the preceding PEST and Five Forces analyses, and all four dimensions are grounded in documented case evidence rather than in impression.

Applied to traditional cultural enterprises, existing research generally holds that such enterprises possess internal strengths in brand influence, content resources, and social credibility, while facing internal weaknesses such as insufficient digital-technology capability and strong inertia in traditional business models (Huang,

2016). Externally, national media-convergence policy and the growth of the digital economy have created new opportunities, while intensifying competition among internet platforms heightens market challenges.

In this study, SWOT therefore functioned not as a standalone checklist but as the pivot of the analytical chain: it receives the macro-environmental and industry-structural findings of Sections 2.2 and 2.3, converts them into a diagnosis of the enterprise's strategic position, and passes that diagnosis downstream as the rationale for the reconstruction of the 4Ps marketing mix analyzed in Section 2.7.

2.5 Vertical Integration Theory

Beyond the four elements of the marketing mix, this study draws on Vertical Integration Theory to explain Southern Weekly's strategic choice to build and control its own digital distribution infrastructure rather than relying entirely on third-party platforms. Vertical integration refers to a firm's expansion of control over successive stages of its value chain (Porter, 1985). Such expansion may proceed in two directions: backward integration, in which a firm takes on activities previously performed by upstream suppliers, and forward integration, in which a firm extends control downstream toward distribution and end customers. Harrigan (1984) argued that integration decisions are not binary but multidimensional, identifying four dimensions: the number of stages integrated, the breadth of activities undertaken, the degree of internal transfer, and the form of ownership, so that firms may pursue partial or tapered integration rather than full ownership.

The strategic trade-off is well established. Integration increases control over quality, timing, and customer information, and reduces dependence on powerful intermediaries; but it also raises fixed costs, reduces flexibility, and requires capabilities the firm may not possess. In digital content industries this trade-off is particularly consequential, because distributing content exclusively through third-party platforms transfers the user relationship, the payment interface, and the behavioral data to the platform, leaving the content producer exposed to changes in traffic allocation rules.

In the case of Southern Weekly, the development of a proprietary mobile application, a membership-payment system, and a user-data platform can be understood as forward integration: the enterprise moves downstream to control directly the channel through which content reaches, and payment is collected from, the end reader, rather than depending solely on third-party app stores or social platforms. This theoretical lens explains the strategic logic behind the

Place-dimension adjustments analyzed later in the 4Ps discussion, and clarifies why channel ownership is a strategic rather than merely operational decision.

2.6 Marketing Channel Theory

Marketing Channel Theory provides the theoretical foundation for analyzing the Place dimension of the 4Ps framework in greater depth. Stern, et al. (1996) defined a marketing channel as the set of interdependent organizations involved in making a product or service available for use or consumption, and emphasize that channels perform indispensable functions — information provision, promotion, contact, matching, and payment collection — which do not disappear when an intermediary is removed, but are instead reassigned to another party. This principle is central to the present study: when a publisher abandons newsstand distribution, the functions once performed by distributors must be absorbed either by the publisher itself or by a digital platform. The theory further emphasizes that channel design and channel power are strategic decisions, since the party controlling the customer interface tends to control the terms of exchange.

More recently, Palmatier, et al. (2019) extended this classical framework into the omni-channel era, arguing that customers increasingly access goods, services, and content across multiple channels simultaneously and interchangeably, so that channel strategy must shift from a linear, single-path model toward a seamlessly integrated, multi-touchpoint system. In such a system, channels are no longer alternative routes competing for the same transaction, but complementary touchpoints that jointly shape a single customer relationship, which implies that consistency across channels matters as much as coverage.

Applied to this study, Marketing Channel Theory explains why Southern Weekly's shift from a single print-distribution channel toward a coordinated combination of mobile application, official website, WeChat official account, and video account constitutes not merely channel addition, but a structural transition from a traditional to an omni-channel distribution model — one in which each channel performs a distinct function within an integrated system rather than duplicating the others.

2.7 4Ps Marketing Mix Theory

The 4Ps marketing mix theory was proposed by McCarthy (1960), who condensed the extensive list of marketing ingredients identified in earlier work into four controllable variables — Product, Price, Place, and Promotion — and was further

developed by Kotler (1967), who embedded the mix within a managerial process of analysis, planning, and control. The framework's durability derives from a specific analytical property: it defines strategy in terms of variables the enterprise can actually manipulate, which makes an otherwise abstract strategic intention observable and assessable. For the present study, this property is decisive, since the reconstruction of a marketing strategy becomes visible only when expressed as concrete changes in these four decision areas.

The framework has nonetheless been extended and criticized. Booms and Bitner (1981) argued that services require three additional elements — people, process, and physical evidence — because production and consumption are simultaneous and the service encounter itself shapes perceived quality. Lauterborn (1990) reframed the mix from the buyer's perspective as the 4Cs of customer value, cost, convenience, and communication, contending that the original formulation is seller-centric. Constantinides (2006), reviewing the framework in the internet context, noted that its main limitations are its transactional orientation and its limited treatment of interactivity, personalization, and relationship building, and concludes that the mix remains useful provided it is applied with these limitations in mind. Kotler et al. (2021) subsequently argued in *Marketing 5.0* that digital and human elements must be integrated, with technology deployed in service of customer experience rather than as an end in itself.

In the context of digital transformation, the research focus of the 4Ps has accordingly shifted from the traditional mix toward the optimization and reconstruction of digital marketing strategy. In terms of product strategy, traditional cultural enterprises continue to enrich the forms of their digital content products, extending from text into audio, video, and paid columns. In terms of pricing strategy, membership subscriptions, tiered benefits, and value-added services have become important profit models, replacing indirect advertising monetization with direct and recurring user payment. In terms of place strategy, enterprises are shifting toward mobile terminals and social-media platforms — informed in this study by vertical integration and channel theory (Sections 2.5–2.6). In terms of promotion strategy, digital marketing places greater emphasis on brand communication and sustained user interaction across touchpoints — informed in this study by IMC theory (Section 2.8) — since the customer journey is now non-linear and cumulative rather than a single exposure (Lemon & Verhoef, 2016).

This study therefore retained the 4Ps as its principal analytical structure while acknowledging the above critiques, and compensates for the framework's recognized

limitations by embedding the supporting theories reviewed in Sections 2.5, 2.6, 2.8, and 2.9 within the corresponding dimensions, so that each element of the mix is interpreted with adequate theoretical depth rather than treated as a descriptive label.

2.8 Integrated Marketing Communication (IMC) Theory

On the promotion dimension of the 4Ps framework, this study draws on Integrated Marketing Communication (IMC) Theory to explain how Southern Weekly coordinates multiple communication channels into a coherent brand voice. IMC was first systematically developed by Schultz et al. (1993), who argued that marketing communication should no longer be planned and executed separately across advertising, public relations, and promotion, but should instead be strategically integrated so that all messages a customer receives from a brand are consistent and mutually reinforcing. Their central premise is that audiences do not distinguish between communication disciplines: they experience a single brand, and inconsistency across channels is therefore perceived as a defect of the brand itself rather than of any particular campaign.

Kliatchko (2005) further refined the concept, defining IMC as an audience-centered, channel-agnostic, and results-driven process of strategically managing brand communications, and organizing it around the pillars of stakeholders, content, channels, and results. This refinement is significant because it shifts the criterion of integration from internal coordination of departments toward measurable outcomes among defined audiences. More recently, Rehman, et al.(2022) extended IMC into the social-media era, showing how brands integrate social media and consumer-generated content into a broader communication strategy, and noting that integration now requires managing messages the enterprise does not fully control.

In this study, IMC theory was used to interpret how Southern Weekly's coordinated use of hot-topic planning, livestreaming, brand forums, and cultural events across its official website, WeChat official account, and video account functions as an integrated rather than fragmented promotional strategy, in which each activity reinforces a single position built on editorial credibility. The theory is particularly appropriate for a media enterprise, because its promotional content and its product are drawn from the same editorial resource, so that consistency of voice is not only a communication requirement but also a condition for preserving the credibility on which the product itself depends.

2.9 Long Tail Theory

This study also draws on long tail theory to explain the logic underlying Southern Weekly's digital content and membership strategy. Anderson (2006) argued that, in a digital distribution environment where the marginal cost of storing and distributing content approaches zero, businesses can profitably serve a very large number of niche items with low individual demand, rather than relying solely on a small number of high-demand hits, and that the cumulative demand for these niche items — the long tail — can rival the demand concentrated at the head of the distribution curve. He attributed this shift to three forces: the democratization of production tools, the democratization of distribution, and the reduction of search costs, which connects supply with dispersed demand. The third force is essential rather than incidental, since a long tail that users cannot locate generates no revenue; recommendation and curation mechanisms are therefore a precondition for long-tail monetization.

Zhao (2016) applied a related profit-model perspective to the Chinese newspaper industry, arguing that digitalization allows print media enterprises to move beyond a single advertising-dependent revenue model toward a more diversified structure that captures long-tail demand for niche or in-depth content through digital subscription.

In this study, long tail theory helped explain why Southern Weekly's digital membership system and diversified digital-content offerings represent a deliberate strategy rather than incidental product proliferation: a single print edition, constrained by fixed page space and printing costs, could never economically serve dispersed and specialized reader interests, whereas a digital archive combined with paid columns and differentiated membership tiers allows the enterprise to monetize precisely that dispersed demand. The theory thus provides the underlying rationale for the Product and Price dimensions of the marketing-mix reconstruction analyzed in this study.

2.10 Conceptual Framework

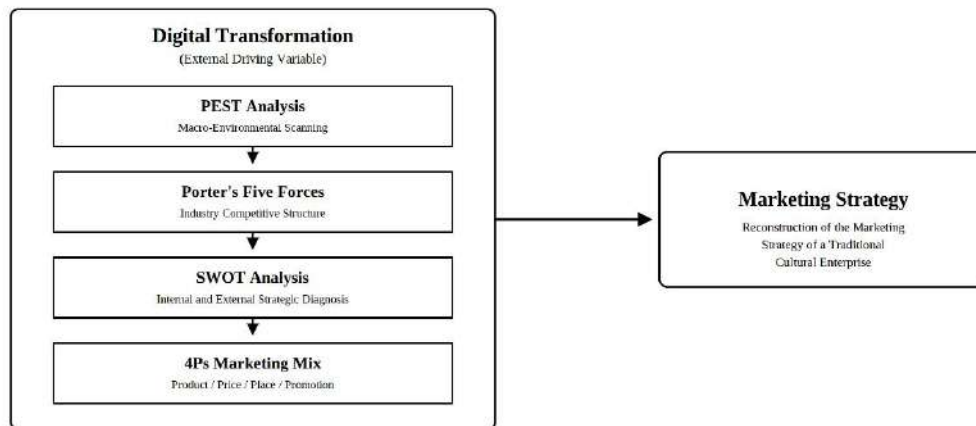


Figure2.1 Conceptual Framework

Figure 2.1 summarizes the analytical chain of this study: under the condition of digital transformation as the external driving variable, PEST and Porter's Five Forces scan the macro-environment and industry structure, SWOT synthesizes these into a strategic diagnosis, and the 4Ps translate that diagnosis into the reconstructed marketing strategy examined in this study.

Chapter 3 Research Methodology

3.1 Research Design

This study adopted a qualitative single case study as its research design. Case study research is well suited to addressing ‘how’ and ‘why’ questions, and can provide in-depth analysis of the underlying mechanisms of corporate strategic adjustment and marketing practice in complex, real-life situations (Yin, 2014). Yin (2014) identified several rationales that justify a single-case design, including cases that are critical, unusual, common, revelatory, or longitudinal in nature. The present case is best understood as a common yet revelatory case: Southern Weekly is a widely recognized traditional media brand undergoing a digital transformation process that is broadly representative of the challenges facing China's traditional cultural enterprises, while at the same time its transformation practices are relatively well documented and observable through public digital channels, making the underlying mechanisms of strategy adjustment more accessible to systematic analysis than would be the case for a less transparent enterprise. Compared with quantitative research, case study research is more conducive to systematically revealing the evolution and impact mechanisms of marketing strategy in traditional cultural enterprises in the context of digital transformation. This study therefore took Southern Weekly as the research subject and, through a systematic analysis of its digital transformation practices, examined how digital transformation drives the adjustment of marketing strategy in traditional cultural enterprises and further affects corporate marketing performance.

3.2 Case Selection Rationale

Because this study adopted a single case study design, the selection of the research case was not based on statistical representativeness, as would be required in a probability-sampling survey, but on purposive sampling logic (Patton, 2002). Southern Weekly was selected as the research case for three reasons. First, it is one of the most influential and long-established traditional media brands in China, which makes its transformation experience broadly informative for the traditional cultural-enterprise sector as a whole. Second, Southern Weekly has undertaken a relatively comprehensive digital transformation, encompassing a proprietary mobile application, a membership-payment system, and coordinated multi-channel operation across its official website, WeChat official account, and video account, which provides sufficiently rich material for analyzing all four dimensions of the 4Ps

marketing mix. Third, because Southern Weekly conducts its digital operations primarily through publicly accessible platforms, sufficient secondary data are available to support a systematic and well-triangulated case analysis. Taken together, these characteristics make Southern Weekly a purposively selected, information-rich case (Patton, 2002) for examining how digital transformation drives marketing-strategy adjustment in traditional cultural enterprises.

3.3 Research Instrument

Unlike quantitative studies, which typically rely on a structured questionnaire or survey instrument, this qualitative case study relied on a theory-driven analytical framework as its research instrument (Miles & Huberman, 1994). This framework, developed in Chapter 2 and summarized in the Conceptual Framework (Section 2.10), functions as a structured coding scheme through which the collected case materials are systematically interpreted. Specifically, PEST analysis (Aguilar, 1967) and Porter's Five Forces model (Porter, 1980, 2008) serve as the instrument for scanning the macro-environment and industry structure; the SWOT framework (Andrews, 1971) serves as the instrument for diagnosing internal and external strategic factors; and the 4Ps Marketing Mix (McCarthy, 1960; Kotler, 1967), together with Vertical Integration Theory (Harrigan, 1984), Marketing Channel Theory (Stern et al., 1996), IMC Theory (Schultz et al., 1993), and Long Tail Theory (Anderson, 2006), serves as the instrument for interpreting the specific content of Southern Weekly's marketing-strategy adjustment. Using an established theoretical framework as the analytical instrument, rather than an emergent, purely inductive coding scheme, allowed the findings of this study to be more directly compared with, and situated within, the existing body of literature on digital transformation and marketing strategy (Dermawan, 2023).

3.4 Sources of Data

This study primarily employed the secondary data collection method. Research materials were drawn mainly from Southern Weekly's official website, mobile application (App), and WeChat official account, as well as other official digital platforms, publicly available corporate materials, industry reports, news reports, and related academic literature. Cross-validation of data from multiple sources was used to enhance the authenticity and reliability of the case analysis (Yin, 2014). The main categories of secondary data collected for this study, together with their respective sources, corresponded to the analytical dimensions established in the research

instrument (Section 3.3): environmental and industry-level materials inform the PEST and Five Forces analysis; materials on internal resources and competitive positioning inform the SWOT analysis; and materials on content offerings, pricing and membership schemes, distribution channels, and communication activities inform the 4Ps analysis, respectively.

3.5 Data Analysis

This study classified and analyzed the collected case materials in four sequential steps, following the layered analytical framework developed in Chapter 2 (see Section 2.10 and Figure 1). First, the case materials relevant to the macro-environment and industry structure were categorized using the PEST framework into four categories — Political, Economic, Social, and Technological factors — and using Porter's Five Forces model into five categories of competitive pressure. This step identified the external forces shaping the environment in which Southern Weekly's digital transformation has taken place. Second, building on this environmental scan, the case materials were further categorized according to the SWOT analysis model into four types — internal Strengths, internal Weaknesses, external Opportunities, and external Threats — with the Opportunities and Threats categories directly informed by the PEST and Five Forces findings from the first step, in order to identify the key strategic factors Southern Weekly has faced during its digital transformation. Third, building on the SWOT analysis results, the case materials were further categorized according to 4Ps marketing theory into the four analytical dimensions of Product, Price, Place, and Promotion, systematically organizing the specific adjustment paths of Southern Weekly's digital marketing strategy (Dermawan, 2023). Within this step, the Place dimension was further interpreted through Vertical Integration Theory and Marketing Channel Theory, the Promotion dimension was further interpreted through IMC Theory, and the Product and Price dimensions were further interpreted through Long Tail Theory, consistent with the theoretical depth established for each 4Ps dimension in Chapter 2. Finally, the findings across each analytical dimension were synthesized to summarize the implementation effects of the enterprise's digital marketing strategy and analyze its impact on the improvement of marketing performance, thereby answering the research questions posed in this study.

Chapter 4 Findings and Discussion

4.1 Findings

4.1.1 Macro-Environment and Industry Structure

The case materials reveal four categories of macro-environmental forces shaping Southern Weekly's digital transformation.

Politically, national media-convergence policy has actively encouraged traditional media enterprises to pursue digital and multi-platform development. The Opinions on Accelerating the Deep Integration of Media Development, issued jointly by the General Office of the CPC Central Committee and the General Office of the State Council in September 2020, require mainstream media to direct high-quality content, advanced technology, professional talent, and project funding toward the internet as the primary battlefield, with priority given to mobile platforms, and encourage them to explore new operating models in order to strengthen their self-sustaining capacity (General Office of the CPC Central Committee & General Office of the State Council, 2020). For an enterprise such as Southern Weekly, this policy framework supplies both legitimacy and institutional impetus for reallocating resources from print to digital operations.

Economically, the traditional advertising-dependent revenue model has come under sustained pressure. According to the national press and publishing statistical bulletin for 2023, the number of newspaper titles published nationwide fell by 2.3% to 1,669, total print run fell by 3.7% to 26.10 billion copies, and operating revenue from newspaper publishing fell by 1.7% to RMB 55.52 billion (National Press and Publication Administration, 2025). For a weekly newspaper whose revenue base was historically tied to print circulation and print advertising, this industry-wide contraction translates directly into pressure on the core business model, creating a concrete incentive to diversify income sources.

Socially, audience media-consumption habits have shifted decisively toward mobile terminals and social platforms. By December 2025, the number of internet users in China had reached 1.125 billion, with a penetration rate of 80.1%; 1.121 billion of them, or 99.6%, accessed the internet through mobile devices, and 1.114 billion, or 98.9% of all internet users, used social networking services (China Internet Network Information Center, 2026). For a publication whose traditional product was tied to a fixed weekly print cycle and a physical distribution network, this shift represents a fundamental relocation of the audience it must reach.

Technologically, the continued development of mobile internet, together with algorithmic content distribution, has reshaped how content is produced, distributed, and consumed, enabling enterprises to deliver content instantly and at near-zero marginal cost while simultaneously requiring capabilities in data analysis and platform operation that print-era organizations rarely possess.

At the industry-structure level, the case materials further show that the threat of substitutes is particularly pronounced, and this can be observed directly in usage statistics: by December 2025, online video services reached 1.093 billion users, or 97.1% of all internet users, of whom 1.074 billion, or 95.4%, used short-video applications (China Internet Network Information Center [CNNIC], 2026). Digital-native content platforms, short-video applications, and social media accounts thus increasingly compete for the same finite pool of audience attention that traditional print media once held, while the relatively low entry barriers for online content producers, which no longer require printing facilities or distribution networks, have intensified rivalry among competitors within the broader media industry.

4.1.2 SWOT Analysis

Building on the environmental scan above, the case materials were further classified into the four SWOT categories. Internal Strengths center on Southern Weekly's long-accumulated editorial professionalism, high-quality news content, and strong social credibility. Internal Weaknesses lie mainly in relatively insufficient digital-technology capability and a limited reserve of digital-native talent. External Opportunities, drawn directly from the political and social forces identified in Section 4.1.1, include the supportive media-convergence policy environment and the growing demand for digital reading. External Threats, drawn directly from the industry-structure forces identified in Section 4.1.1, include intensifying competition from new media platforms, the diversion of audience attention toward substitute content sources, and the resulting content-homogenization pressure. Together, these four sets of factors constitute the diagnostic foundation on which Southern Weekly's subsequent marketing-mix reconstruction is based. Read through the TOWS logic (Wehrich, 1982), this configuration points primarily toward an SO strategy, in which the enterprise's strongest internal asset — editorial credibility — is deployed to capture the opportunity created by growing digital reading demand and supportive convergence policy, complemented by a WO element, in which that same policy environment and the availability of established digital platforms help offset its internal weakness in digital-technology capability.

4.1.3 4Ps Marketing Mix Reconstruction

Building on the SWOT diagnosis, the case materials show that Southern Weekly has implemented a relatively comprehensive reconstruction of its marketing mix across all four dimensions of Product, Price, Place, and Promotion.

(1) Product

Southern Weekly has launched an official mobile application and digital membership service, gradually shifting from a traditional print newspaper toward digital content services (Southern Weekly, n.d.b). Content formats have expanded from paper print into diversified digital formats including graphics, text, audio, and video, and paid columns have been introduced alongside the enterprise's free content offerings. The scale of this expansion is itself indicative of a portfolio strategy rather than a simple migration of print content: the enterprise reports producing over ten million characters of original content annually, maintaining an archive of more than five hundred back issues of its newspaper and affiliated magazine, and offering more than thirty humanities video and audio courses within the membership area of the application (Southern Weekly, n.d.b; Xu,2023).

(2) Price

Southern Weekly has explored new profit models through membership subscriptions, differentiated benefits, and value-added services (Southern Weekly, n.d.c), achieving a synchronized upgrade of its product system and pricing mechanism. The enterprise launched its membership system on 23 August 2018, becoming the first newspaper in China to establish a metered soft paywall, under which readers may access a limited number of original articles free of charge each month before payment is required for continued full-text access (Southern Weekly, n.d.a). The resulting pricing structure is tiered along three dimensions simultaneously, as summarized in Table 4.1.

Table 4.1 Southern Weekly's Membership Pricing Tiers

Tiering dimension	Product	Price
By commitment period	Auto-renewing monthly membership	RMB 28 / month
	Auto-renewing quarterly membership	RMB 78 / quarter
	Auto-renewing annual membership	RMB 188 / year
By bundle	Annual digital membership	RMB 288 / year
	Annual print subscription	RMB 260 / year
	Dual subscription (print and digital membership)	RMB 365 / year
	Co-branded membership with another paid news provider	RMB 648 / year (list price RMB 1,066)
By unit of consumption	Virtual currency top-up	RMB 1 to RMB 188
	Article tipping	RMB 6 / article

Note. In-app prices are those published in the App Store listing of the Southern Weekly application (Southern Weekly, n.d.d); other prices are those published through the enterprise's official channels (Southern Weekly, n.d.b).

Three features of this structure are notable. First, longer commitment is rewarded with a lower effective monthly price, which favors retention over one-off purchase. Second, the coexistence of digital-only, print-only, bundled, and co-branded products allows a single content asset to be sold into several distinct reader segments. Third, the virtual-currency and tipping mechanisms provide an entry point for readers unwilling to commit to any subscription, so that willingness to pay can be monetized across a wide range rather than only at the annual-subscription level. Taken together, this shift has moved the enterprise's revenue structure away from reliance on a single advertising stream and toward a more diversified structure that includes sustainable subscription revenue.

(3) Place

Southern Weekly has built a multi-channel communication and distribution matrix relying on its official website, mobile application, WeChat official account, and video account. The development of a proprietary mobile application and membership-payment system further indicates that Southern Weekly has extended its

control downstream toward the end reader, rather than depending solely on third-party platforms for content distribution and payment collection. The scale of this matrix is substantial: as of 31 March 2023, cumulative downloads of the application had exceeded 24.33 million and registered valid users exceeded 74.79 million, while the official WeChat account had over 4.5 million followers and the official Weibo account 17.15 million followers (Southern Weekly, n.d.c). Notably, the channels the enterprise owns outright — the application and the payment system — are those through which payment is collected, whereas the third-party social platforms serve primarily to extend reach.

(4) Promotion

Southern Weekly has strengthened interaction and engagement with users through hot-topic planning, online livestreaming, brand forums, and cultural events, coordinated across its official website, WeChat official account, and video account. These promotional activities function together, rather than as isolated, channel-specific campaigns, to further expand brand influence and user engagement. The cumulative effect of this coordination is reflected in output and reach: between 2017 and 2022, the enterprise's production of convergence-media products grew by an annual average of 90%, and total readership across its application, WeChat, and Weibo channels increased fifty-fold (Xu, 2023).

4.1.4 Marketing Performance

The case analysis shows that the above adjustments to the marketing mix have been accompanied by substantial improvement in Southern Weekly's overall marketing performance, and that this improvement has proceeded along two mutually reinforcing pathways. The key indicators disclosed by the enterprise and by industry sources are summarized in Table 4.2.

Table 4.2 Key Indicators of Southern Weekly's Digital Marketing Performance

Indicator	Figure
Cumulative paying members (2018–2022)	320,000
Direct revenue from the Content Payment Project (2018–2022)	RMB 44 million
Followers acquired by the knowledge-payment product line	430,000
Total revenue (2022)	RMB 210 million
Profit (2022)	approx. RMB 11 million, a ten-year high
Annual revenue growth (2018–2022, except 2020)	above 10%, in some years above 20%
Growth in convergence-media output (2017–2022, annual average)	90%
Growth in original news output (2017–2022, annual average)	7%
Growth in total readership across app, WeChat, and Weibo (2017 vs. 2022)	fifty-fold
Cumulative app downloads (as of 31 March 2023)	over 24.33 million
Registered valid users (as of 31 March 2023)	over 74.79 million

Note. Figures for 2017–2022 are drawn from Xu (2023); figures current as of 31 March 2023 are drawn from Southern Weekly (n.d.c).

The first pathway is structural. Digital content products and the membership system have expanded the enterprise's revenue sources and reduced its dependence on advertising, thereby enhancing revenue stability. The significance of this change lies less in the absolute scale of subscription income than in its character: it is recurring, and it is paid directly by readers rather than intermediated by advertisers, which repositions the enterprise's commercial interest toward reader satisfaction rather than advertiser demand alone. The timing of the change is also instructive. Management describes the enterprise as having reached a historic low point in 2017; the Content Payment Project was launched in April 2018; and by 2022 the enterprise had recorded its highest profit in a decade, having grown revenue by more than 10% in every year of the intervening period except 2020 (Xu, 2023). The recovery therefore coincides closely with the reconstruction of the marketing mix rather than preceding it.

The second pathway is relational. The multi-platform communication network and interactive promotional activities have enhanced brand exposure, expanded user reach, and improved retention, forming a sustainable base of user assets and strengthening brand loyalty. The fifty-fold increase in total readership across the enterprise's own and social channels, together with a user base of more than 74 million registered users, indicates that the distribution matrix has produced not merely wider circulation but a body of identifiable users with whom an ongoing relationship can be maintained (Xu, 2023; Southern Weekly, n.d.c).

Two qualifications should be noted. First, because this study relied on publicly available secondary materials, the figures reported above are those disclosed by the enterprise itself and by industry media, and cannot be independently verified. Second, the ratio of paying members to cumulative application downloads indicates a conversion rate of approximately 1.3%, which suggests that, while the paid-content model has been successfully established, the conversion of reach into paying relationships remains the principal constraint on further performance improvement. Taken together, these two pathways indicate that Southern Weekly has sustained a meaningful competitive position in the digital media market, while the constraint identified above marks the direction in which that position must still be consolidated.

4.2 Discussion

4.2.1 Discussion on Macro-Environment and Industry Structure

The macro-environmental and industry-structure findings reported in Section 4.1.1 are broadly consistent with existing research on the digital transformation of traditional media. The policy-driven and technology-driven forces identified in this case echo Vial's (2019) and Hess et al.'s (2016) characterization of digital transformation as a systemic, multi-dimensional process, and align with domestic scholars' observation that China's traditional media are moving from early-stage channel expansion toward comprehensive reconstruction under media-convergence policy (Tao, 2026). The prominence of substitute-product threats identified through the Five Forces lens is also consistent with Wu's (2021) and Shao's (2025) observations that algorithm-driven new media platforms are reshaping the competitive landscape faced by traditional content producers. Taken together, these findings suggest that Southern Weekly's transformation pressures are not idiosyncratic to a single enterprise, but reflect broader, industry-wide structural forces, which strengthens the case for treating Southern Weekly as a revelatory rather than merely illustrative case (see Section 3.1).

4.2.2 Discussion on SWOT Analysis Results

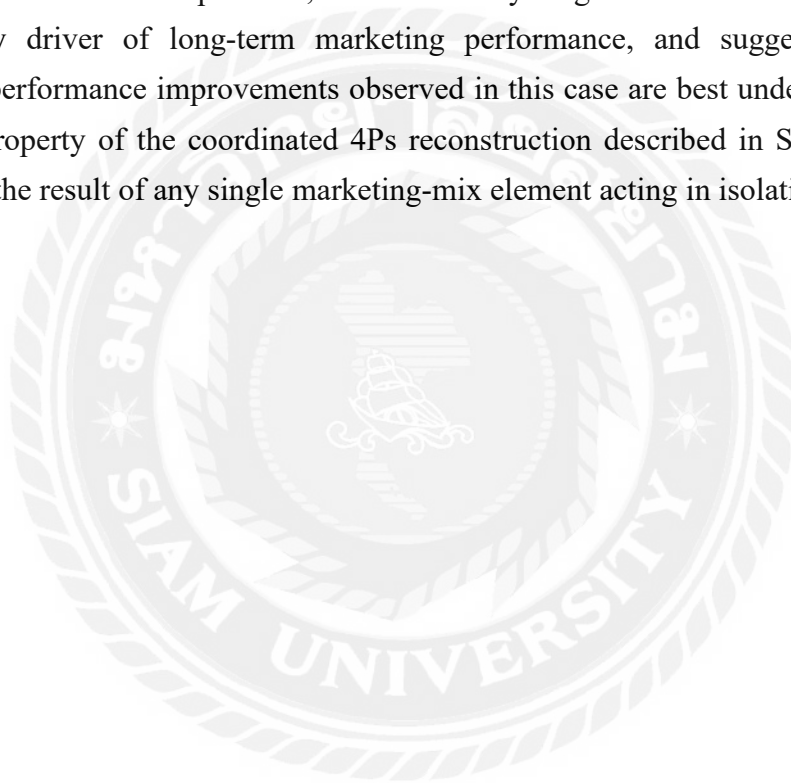
The SWOT findings reported in Section 4.1.2 support and extend Huang's (2016) observation that traditional cultural enterprises typically possess brand-related internal strengths alongside digital-capability weaknesses in the process of transformation. A noteworthy pattern in this case is that Southern Weekly's most significant internal strength is not a newly acquired digital capability, but a pre-existing, legacy asset — its long-accumulated editorial professionalism and brand credibility. This suggests that, at least in this case, successful digital transformation appears to depend less on the acquisition of entirely new capabilities and more on the enterprise's ability to translate existing brand-based strengths into the digital environment, a nuance that is not always made explicit in more generic SWOT-based accounts of media digital transformation (Andrews, 1971; Huang, 2016).

4.2.3 Discussion on 4Ps Marketing Mix Reconstruction

The Place-dimension findings reported in Section 4.1.3 are consistent with vertical integration theory (Harrigan, 1984; Porter, 1985): Southern Weekly's development of a proprietary application and membership-payment system reflects a deliberate forward-integration strategy, extending enterprise control downstream toward the end reader rather than depending solely on third-party platforms. This finding also aligns with marketing channel theory's account of the shift from linear, single-path distribution toward an integrated, omni-channel model (Stern et al., 1996; Palmatier et al., 2019). The Promotion-dimension findings similarly support IMC theory (Schultz et al., 1993; Kliatchko, 2005): the coordinated, rather than fragmented, use of hot-topic planning, livestreaming, brand forums, and cultural events across multiple platforms illustrates how a traditional media enterprise can achieve a consistent brand voice across channels, consistent with Rehman et al.'s (2022) account of IMC in the social-media era. Finally, the Product- and Price-dimension findings are consistent with long tail theory (Anderson, 2006; Zhao, 2016): the diversification of digital content formats and the introduction of membership-based paid content suggest that Southern Weekly is deliberately positioning itself to capture long-tail reader demand that a single print edition could not economically serve, rather than relying solely on high-circulation flagship content.

4.2.4 Discussion on Marketing Performance Improvement

The two performance-improvement pathways identified in Section 4.1.4 — revenue diversification through subscription and value-added services, and user-asset accumulation through multi-channel interaction — can be further interpreted through the lens of customer journey and customer experience theory (Lemon & Verhoef, 2016). Rather than treating each touchpoint (App, WeChat, video account, livestreaming) as a separate marketing channel, the case suggests that Southern Weekly's performance gains arise from managing these touchpoints as a coordinated customer journey, in which engagement at one touchpoint reinforces retention and willingness to pay at another. This is consistent with Lemon and Verhoef's (2016) argument that customer experience, rather than any single transaction or channel, is the primary driver of long-term marketing performance, and suggests that the marketing performance improvements observed in this case are best understood as an emergent property of the coordinated 4Ps reconstruction described in Section 4.2.3, rather than the result of any single marketing-mix element acting in isolation.



Chapter 5 Conclusion and Recommendation

5.1 Conclusion

Response to Research Objectives

Read together, the findings presented in Chapter 4 allow the three objectives set out at the beginning of this study to be answered in a connected rather than a piecemeal manner, since each stage of the analysis supplies the premise for the next.

The starting point is the strategic position from which Southern Weekly entered its transformation. The case evidence shows that the enterprise's principal advantage lies in intangible rather than physical assets: decades of accumulated editorial professionalism, a body of in-depth journalism that new entrants cannot replicate at comparable cost, and a level of social credibility that functions as a durable brand asset in an information environment characterised by oversupply and uneven reliability. Against these strengths stand two internal constraints of a different nature — a relative deficiency in digital-technology capability and a limited reserve of digital-native talent — which restrict the speed at which the enterprise can develop platform products, apply algorithmic distribution, and operate data-driven user management. The asymmetry between these two sets of factors is itself analytically significant: what the enterprise lacked was capability that could be acquired or partnered for, whereas what it possessed was credibility that competitors could not acquire at all.

The external picture is similarly uneven. Two forces identified through the macro-environmental scan operate in the enterprise's favour: a supportive national media-convergence policy environment, which legitimises and accelerates investment in digital operations, and the sustained growth of demand for mobile and digital reading, which enlarges the addressable market for paid digital content. Working against the enterprise, the industry-structure analysis shows that the threat of substitutes is the most salient competitive force in this sector, as digital-native content platforms, short-video applications, and social-media accounts compete directly for the audience attention that print media once held, while comparatively low entry barriers sustain a continuous inflow of new producers and generate persistent content-homogenisation pressure. Taken together, these four categories of factors form the diagnostic foundation on which everything that follows rests, and they explain why the subsequent reconstruction took the particular form observed in this case: the enterprise built its digital strategy upon the asset it already held, while

compensating for its technological weakness through platform cooperation and gradual internal capability accumulation.

What that diagnosis produced was not a partial adjustment but a coordinated reconstruction of the entire marketing mix. On the product side, the enterprise moved from a single printed newspaper toward a portfolio of digital content services, including an official mobile application, a digital membership service, and content extending across text, graphics, audio, and video, with paid columns positioned alongside free offerings. This diversification follows a long-tail logic: a printed edition constrained by fixed page space could never economically serve dispersed and specialised reader interests, whereas a digital portfolio can. Pricing was reconstructed in step with the product system, shifting from dependence on advertising toward a combination of membership subscription, differentiated benefit tiers, and value-added services. The significance of this shift lies less in the additional revenue itself than in its character: subscription income is recurring and is paid directly by readers, which ties the enterprise's commercial interest to reader satisfaction rather than to traffic volume alone.

The remaining two dimensions concern how the enterprise reaches its readers and how it speaks to them. Distribution was rebuilt as a multi-channel matrix comprising the official website, mobile application, WeChat official account, and video account. The development of a proprietary application and an independent membership-payment system carries particular theoretical weight, since it constitutes forward vertical integration: rather than surrendering the user relationship and the payment interface to third-party platforms, the enterprise extended its control downstream toward the end reader and thereby retained ownership of both. Promotion, in turn, was managed as a single integrated system rather than as a series of channel-specific campaigns, with hot-topic planning, livestreaming, brand forums, and cultural events coordinated across the enterprise's owned channels so that each activity reinforces one consistent position built on editorial credibility. The four dimensions therefore did not change independently of one another: product diversification created something worth subscribing to, pricing converted readership into revenue, self-controlled channels secured the user relationship through which that revenue flows, and integrated promotion sustained the attention and trust on which the whole structure depends.

The consequences of this reconstruction for marketing performance emerge along two mutually reinforcing pathways. The first is structural. Digital content products and the membership system broadened the enterprise's revenue sources and

reduced its dependence on advertising, improving revenue stability and lowering its exposure to fluctuations in the advertising market. Because this income is generated directly by users rather than by intermediaries, it also gives the enterprise a more predictable planning horizon than advertising ever afforded.

The second pathway is relational. The multi-platform communication network and interactive promotional activities enlarged brand exposure, extended user reach, and improved retention, accumulating a sustainable base of user assets and strengthening brand loyalty. These two pathways are connected rather than parallel: stable revenue permits continued investment in content quality, and content quality sustains the very user relationship on which subscription revenue depends. For other traditional cultural enterprises, the practical implication that follows is that digital transformation should not be approached as an exercise in technological catch-up, but as a sequenced reconstruction that begins from the enterprise's existing credibility advantage, converts that advantage into a payable digital product, secures the user relationship through self-controlled channels, and reinforces it through integrated communication.

Considered as a whole, the evidence supports the overall conclusion of this study: digital transformation functions as an important external driving force behind the reconstruction of marketing strategy in traditional cultural enterprises. It does not act on marketing performance directly, but through an identifiable chain in which macro-environmental and industry-structural change is diagnosed through SWOT analysis, translated into a reconstructed marketing mix, and finally realised as improvements in revenue structure and user assets. The case of Southern Weekly thus offers a structured and theoretically grounded illustration of how a traditional cultural enterprise may translate environmental pressure and legacy brand strength into a digitally reconstructed, performance-enhancing marketing strategy.

5.2 Recommendation

Recommendations for Traditional Cultural Enterprises

Based on the findings of this study, traditional cultural enterprises pursuing digital transformation are advised to attend to three areas of practice. First, enterprises should continue to treat high-quality content and brand credibility as their core competitive advantage: while maintaining editorial professionalism, they should actively develop digital content products, enrich the forms of membership services, and continuously enhance user experience and product value, consistent with the long-tail logic of serving diversified, niche reader demand rather than relying solely

on high-circulation flagship content. Second, enterprises should further strengthen the construction of self-controlled digital distribution channels, coordinating official websites, mobile applications, and social media platforms into an integrated, omni-channel system, and should manage promotional activities across these channels as a single, integrated communication strategy rather than as isolated, channel-specific campaigns. Third, enterprises should establish a dynamic marketing-management mechanism that closely monitors changes in the macro-environment, industry competition, and user demand, and that promptly adjusts product, price, place, and promotion strategies in response, in order to sustain and continuously improve marketing performance and market competitiveness.

Applicability of the Recommendations

These recommendations are grounded in the case of Southern Weekly and can offer a practical reference for other traditional cultural enterprises pursuing digital marketing. However, because enterprises differ in resource endowment, market positioning, and stage of digital development, the recommendations should be adjusted in light of each enterprise's actual circumstances, rather than applied uniformly, in order to enhance their applicability and effectiveness.

5.3 Further Study

This study is subject to certain limitations that point toward directions for further research. First, because this study relies on a single case, its findings may not be fully generalizable to traditional cultural enterprises operating under different resource conditions or in different media segments; future research could adopt a multiple-case comparative design, for example contrasting Southern Weekly with other newspapers, magazines, or broadcast media enterprises, in order to examine whether the marketing-mix reconstruction pattern identified in this study holds across different organizational contexts. Second, because this study relied primarily on qualitative analysis of secondary data, its findings describe patterns of association rather than statistically tested causal relationships; future research may adopt quantitative or mixed-methods designs, such as surveying subscribers or analyzing platform-level engagement and revenue data, to test more rigorously the relationships this study has proposed between specific marketing-mix adjustments and marketing-performance outcomes. Third, because this study analyzed Southern Weekly's transformation at a single point in time, it cannot capture how the observed marketing strategy may continue to evolve; future research should consider a longitudinal design that tracks the enterprise's marketing-mix adjustments and performance outcomes over an

extended period. Finally, future research could usefully deepen the theoretical treatment of any single element examined in this study — for example, testing the vertical-integration logic of self-built distribution channels, or the long-tail logic of digital membership monetization, against more fine-grained, enterprise-level performance data.



References

- Aguilar, F. J. (1967). *Scanning the business environment*. Macmillan.
- Anderson, C. (2006). *The long tail: Why the future of business is selling less of more*. Hyperion.
- Andrews, K. R. (1971). *The concept of corporate strategy*. Dow Jones-Irwin.
- Booms, B. H., & Bitner, M. J. (1981). Marketing strategies and organization structures for service firms. In J. H. Donnelly & W. R. George (Eds.), *Marketing of services* (pp. 47–51). American Marketing Association.
- China Internet Network Information Center. (2026). The 57th statistical report on China's internet development. <https://www3.cnnic.cn/6/86/88/index.html>
- China Newspaper Industry Innovation and Development Case Analysis Report. (2025). *China Newspaper Industry*, (21), 14–25.
- Constantinides, E. (2006). The marketing mix revisited: Towards the 21st century marketing. *Journal of Marketing Management*, 22(3–4), 407–438.
- Dermawan, M. (2023). SWOT analysis and marketing mix 4P model as a method to develop strategic plan for newly marketed agricultural corn seed product. *IOP Conference Series: Earth and Environmental Science*, 1188(1).
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532–550.
- Fahey, L., & Narayanan, V. K. (1986). *Macroenvironmental analysis for strategic management*. West Publishing.
- Harrigan, K. R. (1984). Formulating vertical integration strategies. *Academy of Management Review*, 9(4), 638–652.
- Helms, M. M., & Nixon, J. (2010). Exploring SWOT analysis — where are we now? A review of academic research from the last decade. *Journal of Strategy and Management*, 3(3), 215–251.
- Hess, T., Matt, C., Benlian, A., & Wieschke, F. (2016). Options for formulating a digital transformation strategy. *MIS Quarterly Executive*, 15(2), 103–119.
- Hu, Z., & Li, Q. (2019). Toward a smart omnimedia ecosystem: The historical evolution and future prospects of media convergence. *News and Writing*, (5).

- Huang, Y. (2016). SWOT analysis and transformation strategy of the radio and television newspaper. *Broadcasting & TV Journal*, (15).
- Kliatchko, J. (2005). Towards a new definition of integrated marketing communications. *International Journal of Advertising*, 24(1), 7–34.
- Kotler, P. (1967). *Marketing management: Analysis, planning, and control*. Prentice-Hall.
- Kotler, P., Kartajaya, H., & Setiawan, I. (2021). *Marketing 5.0: Technology for humanity*. John Wiley & Sons.
- Lauterborn, B. (1990). New marketing litany: Four Ps passé; C-words take over. *Advertising Age*, 61(41), 26.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69–96.
- McCarthy, E. J. (1960). *Basic marketing: A managerial approach*. R. D. Irwin.
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook* (2nd ed.). Sage Publications.
- Palmatier, R. W., Sivadas, E., Stern, L. W., & El-Ansary, A. I. (2019). *Marketing channel strategy: An omni-channel approach* (9th ed.). Routledge.
- Patton, M. Q. (2002). *Qualitative research & evaluation methods* (3rd ed.). Sage Publications.
- Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. Free Press.
- Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free Press.
- Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, 86(1), 78–93.
- Rehman, S. ul, Gulzar, R., & Aslam, W. (2022). Developing the integrated marketing communication (IMC) through social media (SM): The modern marketing communication approach. *SAGE Open*, 12(2), 1–13.
- Schultz, D. E., Tannenbaum, S. I., & Lauterborn, R. F. (1993). *Integrated marketing communications: Pulling it together and making it work*. NTC Business Books.
- Shao, J. (2025). Dilemmas and innovative paths of in-depth reporting in the new media environment. *Journalism and Communication Science*, 13(2), 151–157.

- Southern Weekly. (n.d.a). About us. <https://www.infzm.com/about>
- Southern Weekly. (n.d.b). Introduction to the Southern Weekly App. Yingyongbao. <https://sj.qq.com/appdetail/com.infzm.ireader>
- Southern Weekly. (n.d.c). Membership service description. Southern Weekly User Center. <https://passport.infzm.com/payment>
- Stern, L. W., El-Ansary, A. I., & Coughlan, A. T. (1996). *Marketing channels* (5th ed.). Prentice Hall.
- Tao, N. (2026). Research on transformation paths and strategies for traditional print media in the media convergence environment. *News World*, (6), 24–27.
- Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Qi Dong, J., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*, 122, 889–901.
- Vial, G. (2019). Understanding digital transformation: A review and a research agenda. *Journal of Strategic Information Systems*, 28(2), 118–144.
- Warner, K. S. R., & Wäger, M. (2019). Building dynamic capabilities for digital transformation: An ongoing process of strategic renewal. *Long Range Planning*, 52(3), 326–349.
- Weirich, H. (1982). The TOWS matrix — A tool for situational analysis. *Long Range Planning*, 15(2), 54–66.
- Xu, P. (2023). Southern Weekly's five-year content payment project: 320,000 paying users and RMB 44 million in direct revenue. China Press, Publication, Radio and Television Journal.
- Wu, X. (2021). How traditional media can better leverage algorithmic thinking in convergence transformation. *New Media Research*, 7(22), 81–83.
- Yin, R. K. (2014). *Case study research: Design and methods* (5th ed.). Sage.
- Zhao, S. (2016). Research on the profit model of the newspaper industry in the context of digitalization: An analysis based on the long tail theory (Master's thesis, Hebei University of Economics and Business).