

Discussion on the Development of China's Media and Financial Integration

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Abstract: At present, the development of the media industry continues to accelerate, the structure continues to optimize, the industry integration continues and the new media presents a leaping development momentum. This paper expounds the current situation and problems of the development of financial and media integration in China, analyses and introduces the best three major media WeChat, micro-blog and APP. Finally, combined with the experience of financial and media integration development at home and abroad, this paper puts forward some ideas for the healthy and rapid development of China's financial and media industry.

1. Introduction

The global economic crisis should provide a once-in-a-lifetime opportunity for China's media industry[1]. It is very likely that the State Council will liberalize the media industry because we can see such a prospect[2]. If the country liberalizes the media industry, China's 70 large and medium-sized cities will be in the next three years. At least 100 new listed companies with high quality assets can be added[3]. The total output value can reach 3 trillion and the contribution to GDP can reach 1%. I would like to ask if there are any industries in China that can grow ten times in three years[4]. The enlarging of development space, the number of new jobs can exceed 2 million per year and the new employment target is now a college graduate who is difficult to find employment.

2. The Background of the Integration and Development of China's Media and Financial Industry

2.1 The support of national and local policies is a strong support for the integration of media industry and finance

In recent years, the Chinese government has paid more and more attention to the economic benefits of the cultural industry and has actively promoted financial support for cultural industries, including the media industry. The state and local governments have introduced a series of policies to promote the docking of financial and cultural industries. The Decision on Several Major Issues in the Great Prosperity pointed out the specific methods and ways of achieving the docking of media enterprises and financial institutions, and provided strong policy support for the integration and development of the media industry and finance.

2.2 The rapid development of the media industry has increased the demand for finance

In recent years, some media creative industry gathering areas have emerged in various places. The industrial chain of the media industry has been continuously improved, and the agglomeration effect of development has begun to appear. The development of these clusters means that the entire park's demand for investment and financing and financial product innovation has increased. Taking Shanghai as an example, since its establishment in 2008, Zhangjiang National Digital Publishing Base has gathered a number of digital publishing leading enterprises including Chinese Online and Juli Media and more than 300 small and medium-sized digital publishing companies, with an annual

output value exceeding 13 billion yuan [5, 6]. In order to meet the financial needs of enterprises in these parks, the Shanghai banking industry increased the effective credit supply to the cultural industry including the media industry and the loan scale increased substantially. As of the end of April 2011, the balance of Chinese-funded cultural enterprises' loans was 19.945 billion, increased by 103.4%.

2.3 Related financial products appear one after another

At present, China's commercial banks have introduced some special financial products tailored for media companies, which has promoted the integration and development of China's media industry and finance. These products develop and utilize the intangible assets of media companies and finance the intangible assets of enterprises as collateral and collateral, which is in line with the characteristics of the assets of media companies. For example, the Industrial and Commercial Bank of China Beijing Branch launched the special financial product "Ronghui Loan" for copyright-related enterprises and the Bank of China developed the special financial product "Television and Tune" for the film and television enterprises in Zhejiang Hengdian Film and Television Industry Experimental Zone.

3. The Main Form of Media Dissemination in Internet Financial Industry

3.1 WeChat

In summary, it can be seen that WeChat can not only achieve peer-to-peer communication in the chat situation, but also realize the exchange of peers in the circle of friends, with both privacy and openness. To maximize profits, costs must be kept to a minimum, as is the Internet finance industry. The development cost of the Internet gold knocking enterprise is generally difficult to reduce. Only in the later promotion and promotion, the cost will be minimized and the cost of sales of the enterprise will be reduced. WeChat's entry port is low. For Internet finance companies that need to reduce costs, it is the best choice to use the subscription number in the WeChat public number platform for promotion. The path used by Internet finance companies to use WeChat to spread is generally that corporate propagators use WeChat subscription numbers to publish information and forward them through internal employees to achieve small-scale diffusion and sharing of information for limited information dissemination.

3.2 Micro-blog

In August 2009, Sina micro-blog was launched as China's Twitter form and quickly developed into the most representative micro-blog platform in China. Subsequently, with the help of Sina micro-blog, all kinds of micro-blog platforms came into being. The structural feature of micro-blog is "personal center and content association" and a micro-blog account represents a personal center and this individual will also send out information about 140 Chinese characters as content. Micro-blog does not need to add friends to each other. It can pass through a user name to the user's information and the transmission of information has a bad time and can browse all the public content of the user.

3.3 APP

At first, APP joined the Internet business activities in the form of cooperation with third-party applications. With the development and opening of the Internet, APP's profit function has gradually received attention and it has also begun to develop into platform forms. At present, APP is used more and more frequently in Internet companies and e-commerce platforms. Enterprises can accumulate users to form traffic through the APP platform and can also obtain traffic through grafting of other application platforms. According to the data provided by Zesi Network, compared with the traditional Internet, APP brings a huge amount of traffic to mobile phone e-commerce and can also bring new profit models and development directions to e-commerce based on their own characteristics.

4. The Development of Foreign Media and Financial Integration

4.1 American

The US media industry is relatively developed and is a typical media power. The media industry accounts for about 20% of GDP each year. It can be seen that the US media industry is at the forefront of the world. Since the 1960s, the US government has given great support to the media industry from political, economic and legal perspectives. For example, the construction of multi tier investment and financing system, including the federal government's investment, attracting foreign investment and improving the financing system. Among them, the government supports the construction of some public museums; or the Chase Bank Foundation in the fund field, the Mellon in the banking industry and Carnegie in the steel industry. At the same time, in terms of finance and taxation, the US tax law clearly stipulates that if individuals or enterprises donate money or goods in some directions in accordance with relevant laws, they will be able to obtain opportunities to reduce or even exempt taxes.

4.2 England

Since the end of last century, the deep penetration of creativity in the British media industry has formed a new form of media development and gradually incorporated many industries, such as film and television, broadcasting and so on. After many years of development, the UK has developed the media industry into another key industry after the financial industry and the media industry is also a major industry. It is precisely the implementation of differential tax rates that has prompted Britain to become one of the world's publishing powerhouses. In order to promote the development of its academic publishing industry, the British government has given the University of Cambridge, University of Oxford and other famous schools more favorable, such as tax exemption, encouraging and guiding colleges and universities to give full play to their own academic advantages and provide strong support for their own development.

4.3 Korea

South Korea's attention to the media industry since 1998, especially after the financial crisis, the South Korean economy has been severely damaged. In order to revitalize its own advantages, South Korea makes full use of its own advantages, vigorously develop a way of culture to build the country and gradually become a media cultural power. At the same time, a lot of funds have been invested in the industrial park and the media industry chain has been built, forming a relatively strong media development scale. As a unique way, the financing of the government and the people mainly refers to the joint injection of government and private capital into the media industry. This way can effectively expand the financial channels of the media industry, reduce investment risks and provide more financial support for the domestic media industry.

5. The Main Problems facing the Development of China's Media Industry and Financial Integration

5.1 Single financial institution system

Diversified financial institutions have been established in the media industry and countries with better financial integration. Taking South Korea as an example, South Korea is developing new industries, setting up various financing institutions with non market government resources, investing directly or indirectly in high-tech industries and cultural and creative industries. The insurance industry has too little involvement in the media industry and the financial services related to the media industry are rare. These are restricting the rapid development of the integration of China's media industry and gold melts.

5.2 Poor ability to resist risk in media enterprises

At present, in the process of the development of China's media industry, there are fewer large-scale enterprises and most of them are state-owned enterprises. Many are small and medium-sized enterprises, small in scale, limited in fixed assets for mortgages and more intangible assets. Moreover, these enterprises have a low degree of marketization, have not yet formed a relatively mature operating model, have low ability to continue to make profits, have not formed or completed a risk management system, have insufficient awareness of risk management and have poor ability to resist risks.

5.3 The single channel of investment and financing in the media industry

At present, the capital market development of China's media industry is unbalanced. Most of the financing of media companies rely on bank loans as an indirect financing channel. Financing enterprises through direct financing channels such as equity financing, venture capital and bond issuance are few. At present, the use of direct financing channels by Chinese media companies is mainly reflected in the listing. However, this model has high requirements on the scale, operation period and profitability of the enterprise and is not applicable to small and medium-sized enterprises. This is not conducive to the docking of financial institutions and media companies to a certain extent.

6. Prospects for the Development of China's Media Industry and Financial Integration

6.1 Promote the diversification of the financial institution system

First of all, it is possible to encourage the establishment of private investment and financing institutions within the scope permitted by laws and regulations, to promote the development of the existing financial institution system in a diversified direction and to develop financial products suitable for the characteristics of media companies. Secondly, the insurance industry can be more involved in the investment and financing process of the media industry, which plays a crucial role in reducing the risk in the process of investment and financing of the media industry. Third, the government can encourage the business of existing financial institutions such as guarantees and trusts to tilt toward media industry companies through preferential policies.

6.2 Create a group of market-oriented media companies

Create a group of market-oriented media companies, making them a market operation entity with independent operation, self-accumulation, self-motivation and self-discipline. They have relatively mature operation mode and continuous profitability and have a sound risk management system and strong Anti-risk awareness and anti-risk ability. Therefore, the government gradually withdraws from the status of the investment and financing entity of the media industry, allowing the market to play a fundamental role in the investment and financing operation of the media industry. In view of the current state-owned media enterprises in the development of China's media industry, it is imperative to construct a group of media industry investment and financing operators with state-owned capital as the main body and encourage them to invest and finance in the media market.

6.3 Broaden investment and financing channels and make full use of private capital

Since the reform and opening up, China's market economy-oriented reform has gathered a large amount of private capital. According to statistics, as of the end of 2008, excluding corporate deposits, the balance of savings deposits of only national residents in China has reached 21.8 trillion yuan. For the medium and small media enterprises that have just started, it can make them integrate into the capital quickly and get rid of the financial difficulties in the development of the enterprises. It can be used as a way to absorb the investment of private capital in the media industry.

6.4 Establish and improve the intangible assets assessment system

First, establish a professional and authoritative intangible asset assessment agency. Professional

intangible assets assessment agencies are the primary prerequisite for the accurate and reasonable assessment of intangible assets. China can learn from Japan's evaluation model and incorporate the operation status of media companies into the scope of assessment in the assessment of intangible assets, so as to make an accurate and comprehensive assessment of the development potential of the enterprise.

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