

Analysis of Business Model Innovation Strategies for the Convergence Development of Professional Publishing: A Case Study of Chinese People's Health Press

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This paper, grounded in the theory of business model innovation, examines the Chinese People's Health Press (人民卫生出版社) as a case study to explore strategies for innovating business models within the context of professional publishing convergence development. The research posits that effective business model innovation in this domain necessitates a comprehensive reform of its constituent elements. It advocates for a systematic approach to reconstructing value propositions, enhancing value creation and delivery processes, and optimizing value capture mechanisms to achieve desired outcomes.

Keywords: professional publishing, convergence development, business model innovation, Chinese People's Health Press

Introduction

The report presented to the 20th National Congress of the Communist Party of China emphasizes that high-quality development is the foremost task in comprehensively building a modern socialist country. It underscores the necessity of maintaining innovation-driven modernization as a core focus within this broader context. The current convergence development within the publishing sector represents an innovation-driven process aimed at achieving modernization in publishing. Among various aspects of innovation, business model innovation holds particular significance. This is not only directly linked to social and economic benefits—such as product positioning, value creation, and revenue generation—but also involves integrating technological innovations with market developments, content advancements, product enhancements, channel improvements, and management innovations rooted in technological progress. Ultimately, for these efforts to be genuinely successful, they must culminate in effective business model innovation.

To innovate the business model of convergence development of professional publishing, we must first make clear the connotation and method of business model and its innovation. From the perspective of value, business model is an organic logical system to realize the expression of enterprise value proposition, value creation and

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transmission, and value acquisition (Richardson, 2008). Its components are mainly positioning (customer segmentation), value proposition (products and services), value network (important cooperation), core resources, key businesses, marketing and brand communication (channels and channels), customer relationship, cost structure and profit model (Wang & Dong, 2013; Osterwalder & Pigneur, 2016). The so-called business model innovation is to systematically and constructively change the basic logic of the value system in order to optimize the behavior of the key dimensions of the original business model, specifically, to continuously improve, adjust, redesign, and transform its constituent elements (Xu, Zhang, & Zhao, 2023), so as to promote the innovation and optimization of value proposition, value creation and delivery, value acquisition, and other links.

Domestic attention has been paid to the issue of business model innovation in the publishing field, such as the discussion on the business model innovation of educational publishing, science and technology periodical business model innovation (Li, 2022), children's book publishing business model innovation (Wu & Fang, 2023), publishing convergence business model innovation and development (Li, 2019), and business model innovation of convergence publishing enterprises (Huang & Wang, 2019). However, so far, there is little research on the innovation of business model of convergence development of professional publishing. In order to avoid the discussion of vagueness and strengthen the industry reference role, the paper briefly discuss this issue using Chinese People's Health Press (hereinafter referred to as "CPHP") as an example.

Business Model Innovation Strategy for Convergence Development of Professional Publishing Based on Value Proposition Reconstruction

Value proposition includes user value, partner value, and enterprise value, in which user value is the core, and the latter two are mainly the monetary performance of profit, which is determined by the realization of the former. User value refers to the unique value that an enterprise claims its products and services can bring to consumers, and is the sum of a series of available values that users can perceive (Wang, 2021). Modern digital intelligence technology has profoundly changed people's publishing consumption demand and behavior model, resulting in the integration of publishing market, products, and services. To innovate and reconstruct the value proposition, professional publishing enterprises need to closely track these changes, gain insight into user needs and their characteristics, identify market opportunities, locate the market segments that can be used according to their own resource endowments and the possibility of meeting user needs, and reconstruct the value proposition through multi-dimensional innovation and update of products and services.

Focusing on target market users and their consumption changes and demand pain points, CPHP actively adopts the required digital intelligence technology to promote the horizontal expansion and vertical extension of product and service supply, covering medical teachers and students, medical staff, the general public, and related institutions, from paper publishing to digital publishing, from knowledge services to convergence publishing, from publishing services to educational services and cross-border convergence; actively develop and launch products and services integrating teaching materials, knowledge (material) resource library, digital education and learning platform, knowledge service platform, open university, electronic books and periodicals, value-added education services, smart mall, series of new media accounts, etc., and constantly innovate and upgrade, covering professional publishing, educational publishing, mass publishing, and related cross-border business in the field of medical health; adapt to, lead, and fully meet the needs of education and learning, work reference, and life application of medical and health knowledge, and strive to update and deepen the scope and connotation of value

proposition, so as to better impart medical and health knowledge, spread medical and health technology, spread medical and health culture and inherit medical and health civilization, and “root in health and serve healthy China”.

Based on the Value Creation and Delivery Reconstruction of Professional Publishing Convergence Development of Business Model Innovation Strategy

Value creation is the process of developing specific key business activities based on core resources and value production relations. The value delivery is mainly manifested in full communication with users, transmission of product and service information, handling the relationship with users, enhancing users' brand awareness and loyalty, and promoting users' purchase and use behavior. However, disruptive innovation has promoted the value production relationship from the value chain to the value network which is more conducive to resource integration and sharing and agile response to market changes. Therefore, efforts should be made mainly in the six aspects of value network construction, core resource construction, key business building, marketing and brand publicity, and user relationship management, so as to restructure the value creation and delivery links to promote the innovation of the business model of convergence development of professional publishing.

Innovative Construction of Value Net

Value network is a network of value production relations concluded by the participants inside and outside the enterprise according to certain rules, which is generally upgraded from the value chain. It defines and characterizes the important partners and their relationships in the value production relations. Innovation to build a value network, the purpose is to reconstruct the organizational structure and production relations, specifically, according to the needs of division of labor and cooperation, divide, extend, add or reduce, and reorganize the value chain, so as to analyze and define the collaborators, and formulate relevant contact rules to integrate them back into the network system, the key mechanism of which is modularization and platformization. As a scientific method to solve complex systems, modularization includes two operational stages: modularization decomposition and modularization concentration. First, the value chain of professional publishing convergence is decomposed into a number of functionally independent semi-autonomous value modules, such as content creation, technical support, marketing operation, etc. They are then integrated into new, more complex systems by means of association rules such as cooperation contracts, business processes, and distribution mechanisms. Platformization is a specific way to integrate various value modules in the system. It connects different individuals, institutions, and platforms based on digital intelligence technology and network mechanism, builds platform mechanism, forms a “point-line-face-body” three-dimensional platform architecture, and promotes the platformization of review and calibration process, content resource platform, publishing knowledge service and consumption platform, as well as publicity marketing and copyright trading platform, in order to achieve information flow, resource sharing, risk sharing, cost reduction and efficiency, and value co-creation and sharing. The adjustment of production relations with the reconstruction of value network as the core also requires the supporting reform and optimization of the organizational model and management mechanism of professional publishing, so as to ensure the innovation and collaborative development of all elements of the integrated development business model of professional publishing.

In order to build the value network, on the one hand, according to the principle of separability and value,

CPHP establishes the necessary functional departments, professional committees, production and operation organizations, and affiliated companies, and defines the cooperative medical colleges, technology companies, new media platforms, and individual and institutional user objects, so as to define their value module identity and functional relationship, and complete the value network structure design; on the other hand, formulate a series of business norms, standards, and management methods, build an independent and controllable production and operation platform such as CPHP knowledge compilation assistant, CPHP content production and management platform, CPHP health and medical big data intelligent platform, and use the platform mechanism to force the generation of new organizational forms, operation models, and management mechanisms. Therefore, a systematic and centralized integration of various resource elements and value modules has been constructed to construct the overall system of medical and health professional publishing integration service, and to realize the formation and benign operation of the value network.

Core Resources Construction Innovation

Core resources are the foundation and source of value creation. The core resources and its degree of innovation are directly related to the realization of enterprise value proposition and the performance of value acquisition. For professional publishing, its core resources mainly include content (copyright) resources, human resources such as authors and editors, and brand resources.

Integration and innovation of content (copyright) resources. Content (copyright) resource integration and innovation construction mainly lies in the principle of overall planning and construction, the development of quality assurance system and standard specification system, actively explores new data resources, comprehensively sorts out and integrates stock resources, increases the application of high-tech digital intelligence technology, and builds an intelligent data resource library that is open to the bottom, convenient to use, and scientifically managed. On the one hand, CPHP has established a steering committee with some medical institutions and experts, and formulated the “3311” topic selection demonstration system, “931” quality control system, “Technical Standards for the Production of Medical Digital Resources of Human Health Society”, “Production Standards and Related Technical Standards for Value-Added Services of Human Health Integration Teaching Materials”, “Measures for the Management of External Use of Data Resources”, and “Medical Digital Resources Construction Plan of People's Medical Publishing House (2019-2022)” and other norms and systems, so as to comprehensively guarantee the quality of content (copyright) resource integration and innovation construction. On the other hand, CPHP focuses on the overall planning, attaches importance to the application of data and structured technology, comprehensively combs and integrates stock resources, and adopts the fabric system of “resource layer—metadata layer—processing layer—distribution layer—application layer”; and establishes medical and pharmaceutical professional word database, “Western Medicine Book Database”, “Clinical Case Database”, “Medical Diagnosis and Treatment Guide Database”, “Human Health Compilation System” and “Human Health Content Cloud Platform”, etc., to realize the accumulation and reserve of digital knowledge resources, the online compiling of knowledge modules in a team, and the unified retrieval and sharing of data resources.

Human resource construction innovation. Editors and authors and other human resources are the first resources. Its innovation construction, in addition to the appropriate recruitment of new people, is to establish a variety of cultivation mechanisms and career platforms to strengthen internal training. First, CPHP formulates the “Convergence Editing Business Talent Training Program”, regularly holds middle-level cadres convergence

development seminars, and carries out a series of business training of “one lecture per month” to achieve full coverage from high-level to grassroots. The second is to innovate the system mechanism, including implementing the project responsibility system, the double creation studio system, the editorial post competition system, the practical training system, and the scientific research activity system, and to customize the incentive measures and career platforms for each editor, in order to start a business and grow into a talent, encourage cross-departmental communication, tolerate innovation failure, activate learning initiative, and promote the rapid growth of integrated talents. Thirdly, in the construction of author resources, CPHP attaches importance to the cooperation with experts from medical colleges and medical institutions, sets up a “medical-education-technology-digital” expert creation group, promotes the development of text editing to rich media editing and online creation, and fosters the “Internet + maker” editor and the “author—editor—reader” team of makers.

Innovation of brand resources. Nowadays, the competition in the publishing market is changing from the “flow model” with low value efficiency and winning for number of people to the “brand model” with high value efficiency and winning for people’s hearts. And innovation to build brand resources needs to be multi-efforts, painstaking efforts to create. To this end, CPHP is from the overall work to build the “human health brand (人卫品牌)”, for example, strictly selecting the topic and product quality, and creating content IP; establishing a first-class team of authors and editors to create talent IP; developing integrated products, opening up new market space, and creating product operation IP; vigorously promoting and creating brand image publicity IP in full range of the whole platform. By these, CPHP gradually realizes the “human health manufacturing” across the “human health creation”, “human health brand +” development, and constantly upgrades the connotation and quality of the “human health brand”.

Key Business Innovation

Key business activities are the specific development of value creation, which should be locked, and constantly expand, optimize, and upgrade according to changes in demand, and strive to explore new types and new forms of products and services, new models and new formats of production and operation, and new ecological and new situations of convergence development, and new situations of integration and development, as well as multi-directional development, in-depth excavation, technological empowerment, comprehensive optimization, and the promotion of the benign evolution of business integration and innovation. The following are the main three key businesses of the innovation layout.

Integration of medical education publishing and medical education services. On the one hand, CPHP actively adopts digital intelligence technologies such as database, audio and video, AR/VR/3D/APP/AI, from paper + audio and video + digital “addition” to “integration” and “deep integration”, and develops products such as rich media integration medical teaching materials, teaching AIDS, and one-stop knowledge and teaching materials resource library; and digital courses, simulation systems, online evaluation and training platforms and mobile clients, and other products. On the other hand, it actively expands medical education services, develops digital education platforms such as Human Health Open University and National Health Open University, and cooperates with more than 100 medical colleges in China to build MOOCs alliance and education alliance, and integrates online courses into student training programs of colleges and universities to achieve co-construction and sharing. In addition, it cooperates with the National Medical Examination Center and the Talent Exchange Service Center of the National Health and Health Commission to provide online counseling courses for professional qualifications (doctors, pharmacists, nurses) examinations, and provides employment promotion

services on the “Health Employment Network”.

Medical academic publishing and knowledge services. In terms of medical academic publishing, CPHP firstly set up a human health journal network, and collected 20 electronic journals such as “Chinese Medical Journal”, “Chinese Clinician”, “Electronic Journal of Infectious Diseases”, and “Electronic Journal of Practical Organ Transplantation” for cluster publication, which not only facilitates the rapid exchange of academic achievements, but also benefits the accumulation of copyrighted resources for the contents. Secondly, based on the accumulated content resources, it has constructed specialized knowledge resources such as the Clinical Knowledge Base (人卫临床知识库), the Human Health Assistant Knowledge Base (人卫助手知识库), and the Human Health E-Book (人卫电子书).

In terms of knowledge services, CPHP has developed a series of apps called “Human Health Assistant” (人卫助手), which include clients such as human health clinical assistant (人卫临床助手), human health medication assistant (人卫用药助手), and human health traditional Chinese Medicine assistant (人卫中医助手), and other platforms to interface with enterprise users. It also embeds intelligent services to comprehensively assist medical workers, and provides knowledge resources for many Internet companies and system integrators, such as Baidu Lingdian, Ali Health, and Weining Health.

Popularizing medical and health sciences. In the field of medical and health science popularization, in addition to the regular publication of popular science books and the “Life and Health” magazine, CPHP follows the trend of the times and devotes itself to innovating the channels and means of popularizing medical and health sciences.

First of all, it builds and operates the “About Health” (约健康) online platform and its mobile client, the “People’s Health” micro-signal (人卫健康微信号), the “Learning Strong Country” (学习强国号), the “People’s Health Quick Hand” (人卫快手号), and other series of new media account groups. Especially in 2019, following the guidelines of the national health development strategy, we formulated the “Healthy China Action” implementation plan in a timely manner, and further strengthened the popularization of science and technology. Secondly, it also frequently carries out offline and online synchronized thematic and live science popularization activities on its own or in cooperation with other media, such as the “New Era Countryside Reading Season” and “Immunity Is a Good Doctor”, which have expanded the popularization and influence of science popularization.

Marketing Innovation

Marketing is the intermediary of transferring value to users to obtain value gains, and its key lies in the establishment of marketing channels and innovative marketing means.

First, it innovates traditional marketing channels and means. CPHP has established cooperative relationships with many domestic medical schools, medical institutions, and foreign publishing organizations. This kind of cooperative relationship is a very important marketing channel. CPHP strengthens research and interaction on it, and carries out precise marketing, three-dimensional marketing, and multi-line marketing in a targeted way.

Secondly, it opens up e-commerce channels and strengthens online marketing. In addition to the sales window on the official website, CPHP also develops smart malls and small programs, opens flagship stores on Tmall, Jingdong, and Dangdang, and makes full use of new media channels. It opens accounts, sets up jumping labels for publicity and promotes marketing, and activates users’ spontaneous referrals to promote fission of circles.

Third, QR codes, VR/AR entrances, and connection buttons are set up on paper books and magazines,

product platforms, flagship stores, and smart malls to realize associated inter-visits to expand marketing.

Fourth, CPHP utilizes relevant academic conferences, book fairs, and other opportunities at the right time to set up posters and increase staff promotion to actively carry out street marketing. In addition, CPHP is also developing big data applications and intelligent services, aiming at accurate user profiling to achieve scenario-based, personalized, and more precise marketing services.

Brand Publicity Innovation

Strengthening internal and external brand publicity is very important for enterprise value identification and product and service marketing; after all, the brand is the embodiment of high quality and the best marketing channels and means. Human Health Society from the height of the whole society casts corporate culture, with all channels, full action to publicize the “human health” brand. The first is to use the official website, internal newspapers, OA news board, publicity column, social media, and other means to actively publicize the achievements and culture of human health internally. The second is to cooperate with traditional media such as Health News and China Publishing Media Business Daily News to vigorously promote the highlights of human health and display the image of human health. The third is to make full use of new media means, such as integrating the Human Health Wisdom Platform and the new media accounts opened by various departments, through the website of the National Health Commission, the website of the Science and Technology Committee of the China Publishing Association, and the online version of some new media and traditional media, to carry out live broadcast, graphic push, video release, and news reports and other publicity activities through multiple channels, so as to comprehensively improve the publicity effect. Fourthly, by attaching importance to the focus of publicity and time event nodes, and cooperating with the situation to achieve concentrated publicity results, such as making use of major events in the publishing sector such as the World Book Day, the Book Fair, the Frankfurt Book Fair, and other occasions such as holidays, and other major publishing events, these are conducive to the strong promotion of CPHP's values, innovative products, performance achievements, and brand image.

User Relationship Management Innovation

User relationship management (URM) aims to understand users' situation, strengthen mutual communication, enhance mutual feelings, increase users' stickiness and loyalty, and even further stimulate the value of users to co-create productivity. For example, on the one hand, CPHP has established close cooperation with domestic medical schools and medical institutions to build a CRM management system, which not only facilitates the understanding of the actual needs and characteristics of users in order to accurately develop and supply relevant integrated products and services, but also ensures the accuracy of marketing and stable sales.

On the other hand, in order to solidify the relationship with the National Health Commission, the National Medical Examination Center, and other institutions and cooperative medical schools at home and abroad, it is necessary to cooperate with them in the research and development of medical education curricula and teaching aids for learning, examination and qualification certification, as well as the evaluation system of the curricula and examination and the tutoring courses for medical certification, so as to construct a full chain of user service relationships. Furthermore, by utilizing new media means such as online flagship stores, “Human Health” (人卫健康), “Human Health Assistant” (人卫助手), “About Health” micro-signal and apps are used to close user relationships, build user communities, and carry out online and offline integration theme activities, which can not only explore the community economic model, but also carry out some interactive experience and training activities. In this way, we can not only explore the community economy model, but also carry out interactive

experience and training activities with rich contents.

Business Model Innovation Strategy for Convergent Development of Professional Publishing Based on Value Acquisition Reconstruction

Value capture refers to the realization of the products and services provided by the enterprise, the identification of profit sources, the establishment of a profit model, and the generation of business income streams to cover costs and obtain profits. However, at the root, cost is also a component of value, which is directly related to the effectiveness of value capture. Therefore, the reconstruction and innovation of value acquisition can be realized mainly by optimizing the cost structure and innovating the profit model.

Cost Structure Optimization

The costs associated with professional publishing are diverse and multidisciplinary, encompassing both unavoidable and reducible elements. Driven by advancements in information technology, shifts in the market environment, and changes in the value network, the cost structure of professional publishing has undergone significant transformation. Optimization of these costs can be achieved through innovative methods such as improved management, cost savings, risk mitigation, efficiency enhancement, redundancy reduction, cross-functional collaboration, and cooperation. In this context, CPHP has implemented several strategies to promote cost reduction and efficiency: Firstly, CPHP has established mechanisms and optimized management practices, leveraging digital intelligence to drive cost reductions and improve efficiency. For instance, the Strategic Planning and Information Technology Working Committee, along with the “Intelligent Digital Center”, is responsible for overall planning and coordination of digital transformation initiatives, thereby enhancing operational efficiency and reducing friction costs. Secondly, CPHP has formed a steering committee for textbook construction and related expert committees to develop comprehensive plans, standards, and management protocols. This approach aims to enhance quality control and mitigate risk-related costs. Thirdly, CPHP has implemented advanced billing management, single-variety accounting, and refined management practices to tighten financial controls and reduce unnecessary expenses. Fourthly, CPHP has optimized costs by promoting data-driven resource allocation and intelligent product and service development, ensuring diversified utilization and precise matching. Additionally, CPHP has developed management systems such as ERP, OA, content cloud platforms, submission and review systems, and back-office compilation and operation management systems for integrated teaching materials, thereby streamlining information flow and reducing communication costs. Fifthly, CPHP has empowered multiple self-established production companies, studios, and subsidiaries by innovating management and incentive mechanisms, leading to increased efficiency and cost reductions. Lastly, CPHP has reduced costs through enhanced cooperation by strengthening project research and development, technology application, and external partnerships.

Profit Model Innovation

Changes in the structure of convergent products and services under the development of publishing convergence provide more possibilities for innovation in profit sources and profit models. Professional publishing enterprises should grasp and fully explore profit points in a timely manner and build appropriate profit models to gain value. In this regard, the main innovations of CPHP are as follows:

The first is the profit model of publishing products and copyrights. On the one hand, it earns profits from the sale of integrated medical teaching materials and aids, and on the other hand, it has established copyright

cooperation with more than 40 countries around the world, and earns profits from the export of copyrighted products in multiple languages.

The second is the profit model of knowledge payment. We earn revenue from the sale of products and services such as medical teaching database, professional knowledge database, and clinical decision-making assistant.

The third is the value-added service profit model. Professional publishing press can add value-added services such as knowledge expansion, expert support, examination and assessment, and teaching aids to integrated teaching materials, online courses, medical education assessment, and health consultation to generate additional revenue.

The fourth is the co-operation profit model. Professional publishers work with relevant national institutions, such as medical schools and cultural and technological enterprises, to build medical education curricula, provide tutoring courses for qualification exams, develop medical simulation systems and obtain a share of the proceeds.

The fifth is the cross-border profit model. Professional publishing press can expand across borders by using their brand influence and service systems, launching medical teaching aids, developing medical education support services, etc., and obtaining revenue from them.

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