

# ***Transformation, Adjustment and Ethics: An Analysis of the Behavior of Internet Capital Intervening in the Media Industry***

***———Based on the perspective of AST theory***

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**Abstract:** Internet capital directly or indirectly involved in the media industry, realizing the transformation of data assets into capital, through the organization of attributes, data technology and the technical social structure model of the actors, adapting the media industry with technology, in the process of data rules and resource acquisition, the output is The new social structure has made Internet capital an “industry” capital, and has created an ethical connection in terms of input, adaptation, and output. To this end, it is necessary to establish the moral value of data technology input, strengthen the moral adjustment of internetwork capital adjustment, and regulate the privacy context of data privacy output.

## **1. Introduction**

Peruvian scholar Hernando De Soto believes that “living” capital must undergo a process of transformation from assets to capital, which is the secret of “capital”. 1 The reason why Internet capital represented by BAT is involved in the media industry several times is to realize the transformation of assets. The biggest asset of Internet capital is the data assets: Alibaba (hereafter referred to as "Ali") Mastering consumer big data, Tencent is deeply engaged in social big data, Baidu precipitation search big data, and the data capacity is huge <sup>[1]</sup>. At the same time, data as an advanced technology also has social structural attributes. It is a product of long-term accumulation of certain actors (eg, Internet companies) in certain actions (eg, transactions), and also has obvious structural properties (eg: database Design and composition). Adaptive Structuration Theory (AST) considers advanced technology to have structural characteristics, including various structures (including tasks, environments, and internal systems) input into the organization, through structural adoption and decision-making processes, and human actions. The person creates social connections, outputs as a new social structure or decision-making outcome, and the new social structure acts on social connections again. 2 Therefore, data is both an asset for Internet capital to be transformed and an advanced technology for adapting the media industry. The adjustment of Internet capital to the

media industry through data assets and data technology drives the capital from “outside the industry” to “industry”, which in turn affects the media industry. Based on the above analysis, this paper puts Internet capital under the perspective of adaptive structure theory and examines the following three questions: What is the logic of Internet capital intervening in the media industry to realize asset transformation? How will it affect the media industry? How to ethics a series of problems brought about by the regulation of Internet capital?

## **2. Asset Transformation: Two Logics of Internet Capital Intervening in the Media Industry**

In China, “although some of the extra-industry capital can enter the media’s business operations, it still has to adhere to the basic principles of 'two separates of propaganda and management' and 'state-owned news media capital holdings', represented by newspapers, radio and television. The state-owned news media and the private media represented by the new media companies have jointly formed a new system of mixed media. The mixed ownership of the media determines the attributes of ownership, thus framing the two logics of Internet capital intervening in the media industry <sup>[2]</sup>.

(1) The direct logic of Internet capital involved in the media industry. The direct logic is to intervene in various media behaviors in the form of general participation or high-share participation or acquisition (when participating in state-owned news media, it is necessary to maintain the optimal holding of state-owned capital) to obtain cross-ownership of the media. “Cross-ownership is the ownership of one company to another in the same or similar market of multiple market entities.” Ali Capital focuses on private media (including the acquisition of 2 private media and 1 Hong Kong) Media) achieved cross-ownership in the media. Among the 20 direct interventions, 14 involved in the private media, involving film, technology, finance, intelligence, advertising and other types of media. In particular, the acquisition of Easy Media also shows Ali's intention to influence state-owned news media through advertising. Ali Mama is Ali's data marketing platform. Through the advertising technology platform of Easy Media, it can better open the existing data technology of Ali. Thereby obtaining more data resources and building a self-built global marketing technology system. In the above logic of direct intervention, data assets obtain cross-ownership through capital participation or acquisition, in exchange for more data resources in the media field, and Internet capital realizes the value of technology-loaded data assets to capital conversion through the technology of wrapping.

(2) The indirect logic of Internet capital involved in the media industry. Indirect logic is embedded in the media organization by cooperation of data technology, triggering changes in the structure of the media and promoting the transformation of data assets into capital. It does not change the ownership of state-owned news media, nor does it cross-ownership. AST theory believes that the new social structure changes brought about by advanced information technology can be explained from two aspects: structural characteristics and technical spirit. Structural features are the specific types of rules and resources (capabilities) provided by the organizational system; the technical spirit is the basic intent of values and objectives under the characteristics of technical structures, and can provide a framework of behavior for the actions of data technology. 5Ali adheres to the data technology rules and the types of consumer data resources. Through 11 strategic cooperation and 9 product and marketing cooperation, it indirectly participates in state-owned news media, involving newspapers, film and television, Internet TV license companies, and CCTV channels. Go to the Ali Internet Capital Cooperation Media Statistics Table).

### 3. Adjusting the industry: the impact of Internet capital on the media industry

The AST theory stems from the technical duality of Wanda J. Orlikowski: "Technology is created and changed by human behavior, but it is also used by humans to perform certain actions. The cyclical view of this technology, It is the duality of technology. According to this, he proposed the social structure model of technology, actors and organizational attributes. The enlightenment of this model is that it can analyze how Internet companies intervene in media organizations through the action of data technology. What kind of relationship will the media's organizational attributes have with data technology and Ali's actor, so as to think about how Internet capital adapts to the media industry?"<sup>[3-4]</sup>.

First, the interaction between actors and data technology: Data technology is the result of Ali's actions and an intermediary for the media industry. Ali's capital introduction, data technology drives all areas, and share data dividends. It is the result of Ali's continuous data strategy decision and action from 2009 to 2017. Taking Alibaba Cloud Computing as an example, Gartner reports that Alibaba Cloud Infrastructure as a Service (IAAS) has the third largest market share in the world, and can provide media services such as media processing and intelligent media management. Data represented by Alibaba Cloud. Technology has become an intermediary in the media industry. The specific performance is as follows: In 2015-2016, Alibaba Cloud has cooperated with China Digital Media, Hunan Satellite TV and People's Network Research Institute for strategic cooperation and artificial intelligence products.

Second, the relationship between media attributes and actors: The institutional conditions of the media regulate the involvement of Ali's data technology in media behavior. As mentioned above, the Chinese media industry is a mixed ownership system. State-owned and private ownership coexist. The state-owned news media holds the controlling stake in state-owned capital and directly determines the degree of involvement of Alibaba's data technology.

Third, the relationship between data technology and media attributes: Ali's data technology involvement in media behavior indirectly affects the institutional attributes of the media. Ali indirectly involved in state-owned news media through data technology. Although it did not directly change the institutional attributes, it affected the media's operating process, that is, by strengthening the use of technology, improving the media's operating methods, attracting media to adopt the structure of data technology, and making data decisions. This led to the social connection between data technology and the media industry. In this way, technology gains a legalized structure into the media, which indirectly affects the institutional attributes of the media.

### 4. Ethical review: the ethical response of Internet capital to the media industry

Establish the moral value of data technology input. First, be wary of the publicity of data technology input being ignored. Through the use of data technology, Ali has established data technology rules and resource acquisition channels, and regards data technology as the output of understanding and practicing its own value. Data technology has acquired structural attributes and become a massive data asset in Ali. Importing data technology into the media industry and reconfiguring the media market from a technical perspective has accelerated the commerciality of Chinese media. Taking the strategic cooperation between Beijing Satellite TV and Ali in 2017 as an example, it claims to realize the normalization of "Double Eleven" online shopping through T2O. In addition, the TV stations that Ali Capital favored were all among the top ten "China TV Satisfaction Boya List" (2014-2018). Only the three TV stations in Anhui, Jiangsu and Shandong were not involved in the top ten list. Ali's task of realizing T2O business goals through technological intervention, the tool bias of data technology, reflects the social structure formed by data technology into a specific industry, and gradually erodes the publicity of state-owned media, with data

Technology leads the commercialization of the media. Second, face up to the biased benefits of data entry. Ali has always claimed that it is not an e-commerce company. Its ideal value is to establish an open Internet ecosystem to empower enterprises through data technology. With knot although the data technology can empower the media industry, this technology obviously carries the value load of Internet companies. The so-called empowerment is only the result of Ali's external expansion of its own value. While Ali's data technology is empowering the media industry, it is more empowering itself and may form a monopoly of data technology because of the openness of Ali's construction. The core data technology of the Internet ecosystem is still controlled by it, and all external data resources can become Ali's data assets through data technology. Therefore, the media industry faces Ali's data technology input, not only to see the enabling effect of data technology value, but also to face the biased benefits that data technology may bring.

Strengthen the moral adjustment of Internet capital adjustment. The famous economist Li Yining believes that: In the social and economic life, there are two major areas of coexisting transactions and non-transactions. In the field of trading, market regulation as an "invisible hand" regulates resource allocation, government regulation as a "tangible hand" to guide and manage the market; and in the non-transactional field, there is a kind of "invisible hand" and "tangible" The adjustment between the hands---habits and moral adjustment. Ali Capital can participate in or share with the state-owned news media, directly involved in or set up private media. This is the trading field of Internet capital in the media industry market. Through market regulation of media allocation, capital operation under government capital control, access to Internet capital. The pursuit of profit. However, it should be noted that Internet capital is indirectly involved in the non-transactional field of the media industry. Strategic cooperation with state-owned news media, especially in investing in data resources, requires capital to be adjusted under the media culture to achieve moral adjustment. The constraints of Internet capital. Market-based Internet capital must strive to capture consumption resources and obtain capital returns through technological innovation and capital leadership. The cooperation of the "Double Eleven" party is the most typical. Ali cooperates with Hunan Satellite TV (2015), Zhejiang Satellite TV (2016), Beijing Satellite TV, Zhejiang Satellite TV and Shenzhen Satellite TV (2017), and in 2018, it mainly focuses on the acquired Youku platform. Joining Zhejiang Satellite TV and Oriental TV, it reflects the entertainment and consumer culture of "buying while buying". Therefore, media organizations should adhere to the future ideals and morality of capital beyond the capital in the adoption and decision-making process of data technology structure of Internet capital. It is not easy for the media to easily enter the Internet at the data level. In the "private database" of capital transactions, the inevitable and unpredictable nature of the consequences of preventing data resources that are divorced from the cultural ethics of the media.

## 5. Conclusions

The Internet capital represented by Ali does not belong to the individual's investment behavior, nor is it the single capital investment of the enterprise. It has the dual attributes of technology and capital, and is the "infrastructure" that affects the society and becomes an important variable affecting the media industry. From the analysis of AST theory, Internet capital with social structural attributes intervenes in the media industry through direct and indirect logic, transferring data structure characteristics to the technical spirit, inputting the internals of the media industry through data technology, and forming data from the adoption of data structure and media decision-making. The process of adaptation of the technology and media industries is ultimately exported as a new social structure. Some researchers believe that: behind the process of China's media industry transformation, its core driving force comes from three major forces: technology, capital and policy.

However, Internet capital has both the dual attributes of technology and capital, and it can achieve balance in the game of policy. To this end, it is necessary to establish the moral value of data technology input, strengthen the moral adjustment of Internet capital adjustment, and regulate the output of data privacy. Privacy context to realize the ethical connection of Internet capital in the process of input, adjustment and output.

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