

Risks and Opportunities in the Next Frontier of the Digital Business Ecosystem: A Strategic Perspective

TREO Talk Paper

Vernita Jackson

TWU College of Business
vjackson@twu.edu

Lam Thieu Ngo

TWU College of Business
lngo@twu.edu

Cammie Martin

TWU College of Business
cmartin@twu.edu

Mahesh Raisinghani

TWU College of Business
mraisinghani@twu.edu

Abstract

This research study examines the evolution of the digital economy in terms of its effect on business strategy. The focus will include an analysis of successful media organization strategies as well as steps that can be taken for traditional businesses to better embrace the shift to integrating information systems in conjunction with their business strategy as demonstrated in the Information System Strategic Triangle. Without making purposeful strides to integrate themselves into the digital economy, organizations will continue to suffer and lose what types of competitive advantage they had previously. This study addresses the need to determine what steps traditional business models can take in order to compete and remain relevant in the digital economy. This will be done by examining several digital and traditional media companies and identifying key moves that have contributed to either their success or failure. This paper will address the shift in the media industry due to changing economics, technology availability, and customer expectations. In addition, several areas that can allow traditional media organizations to adapt and survive in the economy will also be examined.

iTunes and Netflix are prime examples of learning to pivot within the organization's business strategy to leverage new technology to better support their business. Traditional organizations such as movie production and satellite television must be willing to take concrete steps to also utilize these technologies or they risk becoming obsolete in the constantly changing digital business ecosystem.

This research study is limited to a few specific streaming media companies and a broad scope of view of studio production companies. Further research should be conducted on studio production companies that have initiated redesign to incorporate technology and analytics into their business model (and processes) in order to compete in the current digital landscape. This topic needs to explore changes in dynamics of its organizational strategy and business strategy with its information strategy. Further research should include case studies on media companies to understand the framework of managerial decisions in pursuing competitiveness and use of information technology in processes. This focus will give insight into how decisions are being made, translated, and employed into digital economy to meet business goals of profitability, market share, and consumer connectivity. It also provides consideration for discussion on the use of data analytics as an additional driver of strategy decisions within digital economy.

Additionally, industry will greatly benefit by continued research of streaming media companies (Netflix, iTunes, Hulu, etc.) to monitor reactivity to consumer demand, adaptability to new technology, and innovative uses of data analytics. Analyzing how these factors help streaming media companies excel or maintain their position within the marketplace gives perspective on its business models, and lays the foundation for growth within the industry for prospective streaming businesses. Streaming giants like Netflix and iTunes have all but guaranteed the system will never return to its status quo. Businesses must possess the leadership with creativity, intellect, and flexibility to compete in an environment that is rapidly changing. The future of media is here and if an organization is unable to adapt and embrace new digital technology systems and processes, then those businesses run the risk of fossilization.