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**Original Research Article**

# The Value-Based Network of the Relationship between Business Model Innovation and Corporate Performance in Media Industries, China

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## ARTICLE INFO

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## ABSTRACT

This study examines the relationship between business model innovation (BMI) and corporate performance in China's media industry, using Shanxi Radio and Television Cultural Industry Development Co., Ltd. (Shanxi RTV) as a case study. In the context of rapid digital transformation and the decline of traditional broadcasting, Shanxi RTV has implemented strategic innovations across three BMI dimensions: value proposition, value creation, and value delivery. The research aims to assess how these innovations affect both financial and non-financial performance indicators and to explore the mediating role of the value network comprising partnerships, resource integration, and network stability. A mixed-methods approach was employed, combining qualitative interviews with company executives and employees with quantitative analysis based on corporate performance data. The study population includes management personnel and operational staff from Shanxi RTV, with purposive sampling used to select participants for the qualitative component, and secondary data collected for quantitative analysis. Research tools include structured interview guides and performance evaluation metrics. The data were analyzed using thematic analysis for qualitative insights and statistical techniques such as regression analysis to test the hypothesized relationships.

The results reveal a significant positive correlation between BMI and corporate performance. Moreover, the value network plays a mediating role, amplifying the positive effects of BMI on performance. These findings contribute to the theoretical understanding of BMI in the digital media context and offer practical guidance for traditional media enterprises undergoing digital transformation. The study underscores the strategic importance of dynamic business models and robust value networks in sustaining competitiveness in an evolving media landscape.

**Introduction**

Digital platforms have disrupted traditional media's value propositions through personalized content delivery (Osterwalder & Pigneur, 2010, p. 15; Lotz, 2018). The rapid rise of digital platforms has posed a significant challenge for traditional media, particularly in regions like Shanxi, where broadcasters have historically relied on fixed schedules and advertising revenue (He & Zhang, 2022). In China, this trend has been accelerated by the country's widespread digital adoption, supported by an internet-savvy population and government policies aimed at advancing the digital economy. Traditional media companies, which have long relied on advertising revenue and fixed programming schedules, are now losing their audiences and market share to digital-native platforms that provide more flexible, younger audiences are increasingly migrating to digital platforms like Douyin and Kuaishou, leaving traditional media struggling to retain their audience base (Zhang & Yu, 2021). Personalized, and engaging content. This shift has created an existential challenge for traditional media enterprises like Shanxi Radio and Television Cultural Industry Development Co., Ltd. (Shanxi RTV).

For decades, Shanxi RTV served as the cornerstone of Shanxi Province's media landscape, producing a diverse range of cultural, informational, and entertainment programming for the region's residents. However, the traditional broadcasting model—where viewers had limited choice and were tied to fixed schedules—has become increasingly obsolete in the face of digital disruption. Younger audiences, in particular, are abandoning traditional television and radio in favor of mobile-first, interactive platforms like Douyin (TikTok), Kuaishou, iQIYI, and Tencent Video, which offer on-demand streaming and content tailored to individual preferences. This shift has drastically reduced Shanxi RTV's audience base, particularly among its most lucrative advertising demographic, further exacerbating its revenue decline. The core problem lies in Shanxi RTV's business model, which is rooted in outdated value propositions, operational processes, and revenue mechanisms. The traditional broadcasting model is no longer sufficient to meet the demands of today's highly competitive and consumer-driven media environment. The company's reliance on advertising as its primary source of revenue is particularly vulnerable, as advertisers are shifting their budgets toward digital platforms where they can achieve more targeted and measurable results. Audience fragmentation caused by the proliferation of digital platforms has severely impacted traditional broadcasters like Shanxi RTV, which rely heavily on advertising revenue (Zhang & Yu, 2021). Additionally, the fragmentation of audiences across multiple digital channels has made it increasingly difficult for Shanxi RTV to retain its influence and maintain profitability. The migration of advertising dollars to digital-native platforms is a major issue for traditional media companies that have not yet adapted to new business models (Chen & Wang, 2021). To address these challenges, Shanxi RTV has implemented a series of Business Model Innovation (BMI) initiatives aimed at modernizing its operations and diversifying its revenue streams. These initiatives include: Digital Transformation: Shanxi RTV has invested in developing its own digital platforms to distribute content and engage audiences through new, interactive formats. This includes creating mobile apps, on-demand streaming platforms, and live-streaming services to compete with leading digital competitors. Cultural Industry Integration: By leveraging Shanxi Province's rich cultural heritage, Shanxi RTV has expanded into the cultural tourism sector, by leveraging Shanxi's cultural heritage, Shanxi RTV has ventured into the cultural tourism sector, combining media content with immersive experiences to attract both local and international audiences

(Wang & Wu, 2022).Combining media content with immersive experiences such as tourism documentaries, virtual reality experiences, and cultural event promotions. Strategic Collaborations: The company has sought to strengthen its value network by forming partnerships with cultural organizations, advertisers, technology companies, and local governments. Shanxi RTV has focused on forming partnerships with cultural institutions and technology companies to enhance its capabilities and create innovative content (Xu & Li, 2020). These collaborations aim to enhance the company's capabilities, co-create innovative content, and access new revenue opportunities. Audience Engagement Strategies: Recognizing the need to capture younger audiences, Shanxi RTV has experimented with short-form content and social media integration to appeal to tech-savvy consumers accustomed to highly interactive media experiences. While these efforts represent a proactive approach to tackling digital disruption, their effectiveness in improving Shanxi RTV's corporate performance remains uncertain. The relationship between BMI and corporate performance is inherently complex, involving multiple variables such as innovation costs, organizational culture, stakeholder dynamics, and market acceptance. For Shanxi RTV, key questions remain unanswered

1. How effective are its BMI initiatives in driving measurable improvements in financial performance, such as revenue growth and profitability?
2. What impact do these initiatives have on non-financial metrics, such as audience engagement, brand equity, and cultural influence?
3. What role does Shanxi RTV's value network play in shaping the outcomes of its BMI efforts?
4. Which specific dimensions of BMI value proposition, value creation, or value delivery are most critical to achieving improved corporate performance?

These questions point to a broader problem facing not just Shanxi RTV but traditional media enterprises in general: the difficulty of achieving meaningful and sustainable transformation in the face of structural industry changes. Many traditional media companies face resource constraints, organizational resistance to change, and uncertainty about how to measure the success of innovation efforts. For Shanxi RTV, these challenges are compounded by its regional focus and relatively limited resources compared to national and global competitors.

This study addresses these issues by examining the relationship between BMI, value networks, and corporate performance in the context of Shanxi RTV. By analyzing the company's transformation journey, this research aims to identify the factors that enable or hinder the success of BMI initiatives and provide insights that can guide other traditional media enterprises in adapting to the digital age.

**Literature Review and Theoretical Framework**

This establishes the theoretical foundation for understanding the relationship between business model innovation (BMI), corporate performance, and value networks in media enterprises. It contextualizes the urgent need for transformation in the media industry due to digital disruption, technological advancements, and shifting consumer behaviors. The chapter first defines key concepts, then introduces relevant theories, and finally analyzes existing research findings and gaps.

**Key Concepts**

Business Model Innovation (BMI) is defined as the reconfiguration of a firm's value creation, delivery, and capture mechanisms (Chesbrough, 2007). In the media industry, BMI includes the shift from traditional advertising-based models to diversified formats such as subscriptions, freemium, pay-per-view, and hybrid revenue structures. It is particularly vital due to the rapid rise of OTT platforms, social media, and user-generated content (UGC). Corporate Performance encompasses financial indicators (e.g., ROI, revenue growth) and non-financial metrics such as customer satisfaction, content quality, and user engagement (Kaplan & Norton, 1996). Performance in media enterprises increasingly depends on digital transformation, innovation, and agility in responding to technological shifts. Value Networks refer to the dynamic web of relationships among stakeholders (e.g., content creators, platforms, advertisers, and consumers) that co-create and deliver value (Allee, 2003). In digital media, these networks are decentralized, data-driven, and interdependent, allowing firms to scale content delivery and monetize through various touchpoints.

**Theoretical Foundations**

The study draws from five key theories: Dynamic Capabilities Theory (Teece et al., 1997) emphasizes a firm's ability to sense, seize, and reconfigure resources to adapt to change—a core requirement for BMI in fast-evolving media markets. Resource-Based View (Barney, 1991) suggests that unique and inimitable resources—such as exclusive content or strong brand equity—can fuel BMI and lead to sustainable performance advantages. Open Innovation Theory (Chesbrough, 2003) highlights the role of external collaborations (e.g., partnerships with tech platforms) in co-developing new business models. Institutional Theory (DiMaggio & Powell, 1983) explains how media companies adapt to regulatory pressures and normative expectations, especially regarding content regulation and digital rights. Value Network Theory (Allee, 2003) provides a lens to analyze how firms orchestrate stakeholder interactions to co-create and capture value through innovative business models.

**Industry Development and Innovation Drivers**

The media industry has evolved through key stages—from print and broadcasting to digital platforms and immersive technologies. BMI is driven by four main forces: (1) technological advancements (e.g., AI, VR, data analytics), (2) shifting consumer behaviors (on-demand and mobile-first), (3) intense market competition (from global tech giants), and (4) regulatory shifts (e.g., GDPR, IP laws).

**Strategies and Models in Practice**

Contemporary media firms deploy various strategies including: Subscription-based models (e.g., Netflix), Advertising-based models (e.g., YouTube), Hybrid models (e.g., Hulu, Spotify), Crowdsourced/UGC models (e.g., TikTok). Platform ecosystems that integrate content creation, data analysis, and monetization. These models aim to improve profitability, diversify revenue streams, and enhance audience engagement. In conclusion, this provides a comprehensive foundation for understanding the complex, theory-driven relationship between

business model innovation and performance in media enterprises. It bridges conceptual clarity, theoretical grounding, industry context, and empirical insights—paving the way for the development of hypotheses and a robust research framework for empirical testing.

**Theoretical Framework**

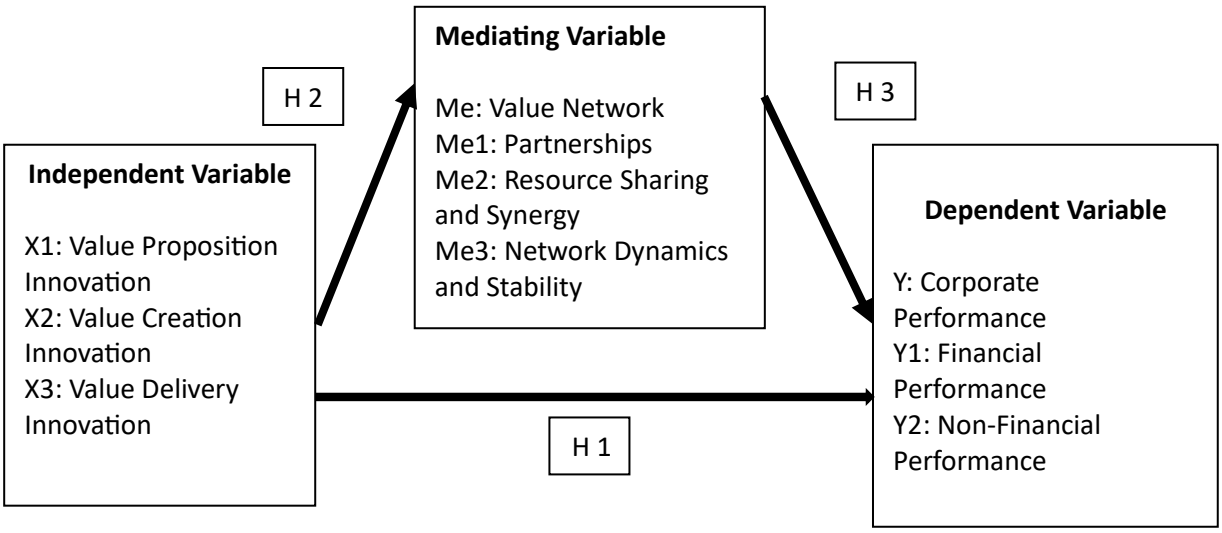


**Figure 1 Theoretical Framework**

Based on the variables described above, this study proposes the following hypotheses:

H1: Business model innovation directly affects corporate performance. Business model innovation directly enhances both the financial and non-financial performance of a company by improving its value proposition, value creation, and value delivery.

H2: Value networks play a mediating role between business model innovation and corporate performance. Business model innovation indirectly improves corporate performance by optimizing value networks, such as partnerships and resource sharing.

H3: Value networks have an independent impact on corporate performance. The optimization of value networks such as strengthening dynamic synergies can independently and significantly enhance a company's financial and non-financial performance.

H4: Value network plays a partial mediating role between business model innovation and corporate performance. Although business model innovation directly affects corporate performance, part of this influence is transmitted through the value network, indicating a partial mediation effect.

**Objectives**

This study aims to examine the relationship between business model innovation, value networks, and corporate performance within the context of traditional media enterprises, using Shanxi RTV as a case study. Specifically, the objectives of this research are both theoretical and practical, seeking to contribute to academic understanding while offering actionable insights for practitioners.

## Research Methodology

This study adopts a mixed-methods research design to investigate the relationship between business model innovation and corporate performance in media enterprises, with Shanxi Radio and Television Cultural Industry Development Co., Ltd. as the central case study. Combining descriptive and explanatory approaches, the methodology integrates qualitative insights from in-depth interviews and document analysis with quantitative data collected through structured surveys. A total of 120 participants were selected using stratified sampling, including 80 internal stakeholders (managers and employees) and 40 external partners (advertisers and content creators), ensuring balanced representation across the media value chain. Additionally, 12 semi-structured interviews were conducted—7 with internal personnel and 5 with external collaborators—to capture deeper qualitative insights.

Quantitative data are analyzed using statistical methods such as correlation and regression analysis via SPSS and Stata, while qualitative data are thematically analyzed. Ethical considerations, as well as the validity and reliability of research instruments, are carefully addressed throughout. By triangulating multiple data sources and methods, the study establishes a rigorous methodological foundation for generating practical insights and empirically validating its conceptual framework.

## Results

This study provides critical insights into the relationship between business model innovation, value networks, and corporate performance within media enterprises, specifically focusing on Shanxi Radio and Television.

### The Importance of Business Model Innovation

The results confirm that business model innovation significantly enhances corporate performance. For Shanxi Radio and Television, innovations such as multi-platform broadcasting, digital audience-tailored content creation, and strategic partnerships with online platforms are key drivers of both financial performance and audience loyalty. These findings align with the theoretical frameworks discussed in Chapter 2, including Schumpeter's theory of innovation and the resource-based view (RBV), which emphasize innovation as a vital competitive advantage.

### Value Networks as a Strategic Asset

Value networks play a crucial mediating role in linking business model innovation to firm performance. In the fast-evolving digital media landscape, Shanxi Radio and Television's engagement with a diverse array of stakeholders—advertisers, content creators, and technology partners—enhances its capacity for innovation and competitive advantage. This supports the theoretical perspectives on value networks from Chapter 2, highlighting the importance of interconnected stakeholder relationships in value creation and delivery.

**Challenges and Opportunities**

Despite the benefits, the study identifies significant challenges including organizational resistance to change, limited resources, and regulatory constraints. Shanxi Radio and Television's experience underscores the need for strategic leadership and investment in digital capabilities to navigate these obstacles. These challenges are consistent with prior literature reviewed earlier, which emphasizes adaptive strategies for traditional media firms undergoing innovation.

**Industry Implications**

The findings offer a valuable blueprint for other media enterprises seeking to innovate and improve performance. By analyzing Shanxi Radio and Television's approach, this study highlights best practices and actionable insights that can inform strategic decisions across the broader media industry.

**Hypothesis Testing**

H1: Business model innovation has a significant positive impact on firm performance.
H2: Business model innovation has a significant positive impact on value networks.
H3: Value networks have a significant positive impact on firm performance.
H4: Value networks partially mediate the relationship between business model innovation and firm performance.
The empirical analysis supports all four hypotheses:
Business model innovation significantly influences corporate performance ($\beta=0.552$, $p<0.01$), confirming H1.
Business model innovation positively affects value networks ($\beta=0.637$, $p<0.01$), supporting H2.
Value networks significantly enhance firm performance ($\beta=0.617$, $p<0.01$), confirming H3.
Mediation analysis shows that value networks partially mediate the effect of business model innovation on firm performance, with a significant indirect effect ($ab=0.487$, $p<0.01$, 95% CI= [0.333, 0.458]) and a still significant direct effect ($c' = 0.196$, $p<0.01$), supporting H4. Additionally, the explanatory power of the model increased ($R^2$ from 0.305 to 0.531), further validating the mediating role of value networks. These results suggest that business model innovation not only directly enhances firm performance but also indirectly improves performance through strengthening value networks, underscoring the critical role of value networks in converting innovation into tangible corporate success.

**Table 1** Results of Mediation Analysis (n=400)

| Corporate Performance | B | Standard Error | t | p | Value Network β |
|---|---|---|---|---|---|
| Constant | 0.963** | 0.158 | 6.092 | 0.000 | - |
| Business model innovation | 0.683** | 0.052 | 13.206 | 0.000 | 0.552 |
| | 0.453** | 0.137 | 5.655 | 0.000 | - |
| | 0.196** | 0.045 | 16.497 | 0.000 | 0.637 |
| | 0.657** | 0.135 | 3.354 | 0.001 | - |
| Value Network | | 0.055 | 3.559 | 0.000 | 0.159 |
| | | 0.047 | 13.832 | 0.000 | 0.617 |
| R 2 | 0.305 | 0.531 | 0.305 | | 0.531 |
| Adjustment R 2 | 0.303 | 0.528 | 0.303 | | 0.528 |
| F | | F (1,398) =174.394, p=0.000 | | | F (1,398) =272.137, p=0.000 |

Note: * p<0.05 ** p<0.01

**Table 2** Summary of Mediation Test Results

| Item | c Total Effect | a | b | a*b Mediation Effect Value | a*b (Boot SE) | a*b (z Value) | a*b (p Value) | a*b (95% Boot CI) | c' Direct Effect | Test Conclusion |
|---|---|---|---|---|---|---|---|---|---|---|
| Business Model Innovation=>Value Network=>Corporate Performance | 0.683** | 0.741** | 0.657** | 0.487 | 0.032 | 15.199 | 0.000 | 0.333 ~ 0.458 | 0.196** | Partial intermediary |
| Note: * p<0.05 ** p<0.01 | | | | | | | | | | |

Bootstrap type = percentile bootstrap method

**The relationship between specific dimensions of business model innovation and corporate performance**

H1a: Value proposition innovation has a significant positive impact on firm performance.
H1b: Value-creating innovation has a significant positive impact on firm performance.
H1c: Value delivery innovation has a significant positive impact on firm performance.

The results of linear regression analysis show that the three dimensions of business model innovation have a significant positive impact on corporate performance, supporting the three hypotheses H1a, H1b and H1c. Specifically, value delivery innovation has the strongest impact on corporate performance (β=0.301, p<0.01), followed by value creation innovation (β=0.289, p<0.01). The impact of value proposition innovation is relatively weak but still significant. (β=0.146, p<0.01). The overall explanatory power of the model reached 31.3% ($R^2$=0.313), and the F test showed that the model had good overall significance (F=60.267, p<0.001). Collinearity diagnosis showed that the VIF value of each dimension was less than 2

and the tolerance was greater than 0.8, indicating that there was no multicollinearity problem. The D-W value is close to 2 (1.966), indicating that the residual terms are independent of each other. These results show that when enterprises are innovating their business models, they should pay special attention to the value transfer and value creation aspects, while also not neglecting the innovation of value propositions. Only the coordinated promotion of the three dimensions can better improve corporate performance.

**Table 3** Linear Regression Analysis Results (n=400)

| | Unstandardized Coefficients | | Standardized Coefficients | t | p | Collinearity Diagnostics | |
|---|---|---|---|---|---|---|---|
| | B | Standard error | Beta | | | VIF | Tolerance |
| Constant | 0.968 | 0.158 | - | 6.144 | 0.000** | - | - |
| Value Proposition | 0.138 | 0.044 | 0.146 | 3.170 | 0.002** | 1.232 | 0.812 |
| Value Creation | 0.263 | 0.041 | 0.289 | 6.376 | 0.000** | 1.186 | 0.843 |
| Value Delivery | 0.280 | 0.043 | 0.301 | 6.511 | 0.000** | 1.231 | 0.813 |
| $R^2$ | 0.313 | | | | | | |
| Adjustment $R^2$ | 0.308 | | | | | | |
| F | F (3,396) =60.267, p=0.000 | | | | | | |
| D-W | 1.966 | | | | | | |

Note: Dependent variable = Corporate Performance
* p<0.05 ** p<0.01

**The relationship between the specific dimensions of business model innovation and value network**

H2a: Value proposition innovation has a significant positive impact on value network.
H2b: Value creation innovation has a significant positive impact on value network.
H2c: Value delivery innovation has a significant positive impact on value network.

The results of linear regression analysis show that the three dimensions of business model innovation all show significant positive effects on value networks, supporting the three hypotheses H2a, H2b, and H2c. Among them, value creation innovation has the greatest impact on the value network (β=0.311, p<0.01), followed by value proposition innovation (β=0.283, p<0.01), and the impact of value delivery innovation is relatively small but still significant (β = 0.256, p<0.01). The explanatory power of the model reached 40.7% ($R^2$=0.407), and the F test showed that the model had good overall significance (F=90.550, p<0.001). The collinearity diagnosis results showed that the VIF value of each variable was less than 2 and the tolerance was greater than 0.8, indicating that there was no multicollinearity problem. The D-W value is 1.826, which is close to 2, indicating that there is no autocorrelation between the residual terms. These findings indicate that an enterprise's business model innovation activities, especially the value creation link, can effectively promote the construction and

development of the value network, while value proposition innovation and value delivery innovation are also important driving forces for enhancing the enterprise's value network.

**Table 4** Linear Regression Analysis Results (n=400)

| | Unstandardized Coefficients | | Standardized Coefficients | t | p | Collinearity Diagnostics | |
|---|---|---|---|---|---|---|---|
| | B | Standard error | Beta | | | VIF | Tolerance |
| Constant | 0.777 | 0.138 | - | 5.645 | 0.000** | - | - |
| Value Proposition | 0.251 | 0.038 | 0.283 | 6.599 | 0.000** | 1.232 | 0.812 |
| Value Creation | 0.266 | 0.036 | 0.311 | 7.368 | 0.000** | 1.186 | 0.843 |
| Value Delivery | 0.224 | 0.038 | 0.256 | 5.963 | 0.000** | 1.231 | 0.813 |
| $R^2$ | 0.407 | | | | | | |
| Adjustment $R^2$ | 0.402 | | | | | | |
| F | F (3,396) =90.550, p=0.000 | | | | | | |
| D-W | 1.826 | | | | | | |
| $R^2$ | 0.518 | | | | | | |
| Adjustment $R^2$ | 0.514 | | | | | | |
| F | F (3,396) =141.635, p=0.000 | | | | | | |
| D-W | 2.022 | | | | | | |

Note: Dependent variable = Value Network
* p<0.05 ** p<0.01

**The relationship between specific dimensions of the value network and corporate performance**

H3a: Partnership has a significant positive impact on firm performance.
H3b: Resource synergy has a significant positive impact on firm performance.
H3c: Network stability has a significant positive impact on firm performance.

The results of linear regression analysis show that the three dimensions of value network have significant positive effects on firm performance, supporting the three hypotheses H3a, H3b, and H3c. Specifically, partnership has the greatest impact on firm performance (β=0.344, p<0.01), followed by network stability (β=0.280, p<0.01), and resource synergy has a relatively small but still significant impact ( β =0.252, p<0.01). The explanatory power of the model reached 51.8% ($R^2$=0.518), and the F test showed that the model had good overall significance (F=141.635, p<0.001). Collinearity diagnosis showed that the VIF value of each variable was less than 2, and the tolerance was greater than 0.6, indicating that there was no serious multicollinearity problem. The D-W value is 2.022, which is close to 2, indicating that there is no autocorrelation between the residual terms. These findings Indicate that companies can

effectively improve their performance by establishing good partnerships, maintaining network stability, and promoting resource synergy, and that particular emphasis should be placed on building and maintaining partnerships.

**Table 5** Linear Regression Analysis Results (n=400)

| | Unstandardized Coefficients | | Standardized Coefficients | t | p | Collinearity Diagnostics | |
|---|---|---|---|---|---|---|---|
| | B | Standard error | Beta | | | VIF | Tolerance |
| Constant | 0.722 | 0.114 | - | 6.313 | 0.000** | - | - |
| Partner Relation | 0.296 | 0.037 | 0.344 | 8.070 | 0.000** | 1.490 | 0.671 |
| Resource Synergy | 0.225 | 0.039 | 0.252 | 5.725 | 0.000** | 1.591 | 0.629 |
| Network Stability | 0.242 | 0.037 | 0.280 | 6.528 | 0.000** | 1.511 | 0.662 |

Note: Dependent variable = Corporate Performance
* p<0.05 ** p<0.01

**Analysis of specific dimensions of enterprise performance**

H1d: Business model innovation has a significant positive impact on financial performance.

H3d: Value network has a significant positive impact on financial performance.

The results of linear regression analysis show that business model innovation and value network have significant positive effects on financial performance, supporting the H1d and H3d hypotheses. Specifically, the impact of value network on financial performance is more significant (β=0.538, p<0.01), while the impact of business model innovation is relatively weak but still significant (β=0.161, p<0.01). The explanatory power of the model reached 42.6% ($R^2$=0.426), and the F test showed that the model had good overall significance (F=147.205, p<0.001). Collinearity diagnosis showed that the VIF value was 1.684 and the tolerance was 0.594, indicating that there was no serious multicollinearity problem. The D-W value is 2.032, which is close to 2, indicating that there is no autocorrelation between the residual terms. These findings suggest that value networks play a more critical role in improving corporate financial performance, while business model innovation, although it can also promote financial performance, has a relatively small impact. This may be because innovation activities need to go through value networks. The mediating role of can be better transformed into financial performance.

**Table 6** Linear Regression Analysis Results (n=400)

| | Unstandardized Coefficients | | Standardized Coefficients | t | p | Collinearity Diagnostics | |
|---|---|---|---|---|---|---|---|
| | B | Standard error | Beta | | | VIF | Tolerance |
| Constant | 0.411 | 0.169 | - | 2.438 | 0.015* | - | - |
| Business Model Innovation | 0.225 | 0.069 | 0.161 | 3.268 | 0.001** | 1.684 | 0.594 |
| Value Network | 0.646 | 0.059 | 0.538 | 10.899 | 0.000** | 1.684 | 0.594 |
| $R^2$ | 0.426 | | | | | | |
| Adjustment $R^2$ | 0.423 | | | | | | |
| F | F (2,397) =147.205, p=0.000 | | | | | | |
| D-W | 2.032 | | | | | | |
| Constant | 0.411 | 0.169 | - | 2.438 | 0.015* | - | - |

Note: Dependent variable = Financial_Performance
* p<0.05 ** p<0.01

H1e: Business model innovation has a significant positive impact on non-financial performance.

H3e: Value network has a significant positive impact on non-financial performance.

The results of linear regression analysis show that business model innovation and value network both have significant positive effects on non-financial performance, verifying the H1e and H3e hypotheses. Specifically, the value network has a stronger impact on non-financial performance (β=0.551, p<0.01), while the impact of business model innovation is relatively weak but still significant (β=0.119, p<0.05). The explanatory power of the model reached 40.1% ($R^2$=0.401), and the F test showed that the model had good overall significance (F=133.019, p<0.001). Collinearity diagnosis showed that the VIF value was 1.684 and the tolerance was 0.594, indicating that there was no serious multicollinearity problem. The D-W value is 1.956, which is close to 2, indicating that there is no autocorrelation between the residual terms. These findings indicate that value networks play a leading role in improving the non-financial performance of enterprises, and have a strong promoting effect on non-financial indicators such as brand awareness, customer satisfaction, and employee satisfaction. Performance can be improved, but its impact is relatively small, which may be because innovation activities need to be transformed through the value network before they can be better reflected in non-financial performance.

**Table 7** Linear Regression Analysis Results (n=400)

| | Unstandardized Coefficients | | Standardized Coefficients | t | p | Collinearity Diagnostics | |
|---|---|---|---|---|---|---|---|
| | B | Standard error | Beta | | | VIF | Tolerance |
| Constant | 0.495 | 0.174 | - | 2.849 | 0.005** | - | - |
| Business Model Innovation | 0.168 | 0.071 | 0.119 | 2.363 | 0.019* | 1.684 | 0.594 |
| Value Network | 0.668 | 0.061 | 0.551 | 10.931 | 0.000** | 1.684 | 0.594 |
| $R^2$ | 0.401 | | | | | | |
| Adjustment $R^2$ | 0.398 | | | | | | |
| F | F (2,397) =133.019, p=0.000 | | | | | | |
| D-W | 1.956 | | | | | | |

Note: Dependent variable = Nonfinancial Performance
* p<0.05 ** p<0.01

**Mediation hypothesis**

H4a: Value network partnerships partially mediate the relationship between business model innovation and firm performance.

H4b: The resource synergy effect of the value network partially mediates the relationship between business model innovation and firm performance.

H4c: The network stability of the value network partially mediates the relationship between business model innovation and firm performance.

The results of the mediation effect analysis show that the three dimensions of the value network (partnership, resource synergy, and network stability) play a significant partial mediating role between business model innovation and firm performance, supporting H4a, H4b, and H4c. A hypothesis. Specifically, business model innovation has the strongest indirect effect through partnership (ab=0.197, p<0.01, 95% CI = [0.108, 0.215]), followed by network stability (ab=0.153, p<0.01, 95% CI = [0.080, 0.169]), and the indirect effect of resource synergy was relatively weak (ab=0.138, p<0.01, 95% CI = [0.066, 0.160]). The direct effects of the three mediating paths were all significant (c'=0.195, p<0.01), and the total effects remained consistent (c=0.683, p<0.01), indicating that these three dimensions are important factors affecting business model innovation in terms of firm performance. Conduction pathway. These findings suggest that when companies are innovating their business models, they should pay special attention to the building of partnerships, while strengthening the maintenance of network stability and the promotion of resource synergy to better transform innovation activities into corporate performance.

## Discussion

This study set out to examine the relationship between business model innovation (BMI) and corporate performance in the context of China's media industry, using Shanxi Radio and Television Cultural Industry Development Co., Ltd. (Shanxi RTV) as a case study. The results strongly support the proposed hypotheses, offering both theoretical and practical insights into how BMI and value network dynamics influence organizational outcomes during digital transformation.

### BMI as a Driver of Corporate Performance

The findings reveal a significant positive relationship between BMI and corporate performance, encompassing both financial (e.g., revenue growth, profitability) and non-financial (e.g., operational efficiency, audience engagement) metrics. This is consistent with prior research emphasizing the strategic importance of BMI in volatile environments (Teece, 2010; Foss & Saebi, 2017). At Shanxi RTV, innovations across the three core dimensions value proposition, value creation, and value delivery have enabled the company to transition from a traditional broadcaster to a multi-platform content provider, enhancing competitiveness and market relevance. In particular, the reconfiguration of the value proposition through diversified digital offerings has allowed the company to tap into emerging customer segments. Improvements in value creation, such as cross-functional production capabilities and integration of digital tools, have led to greater content efficiency and faster time-to-market. Similarly, innovations in value delivery, including partnerships with online platforms and multi-channel distribution, have improved customer reach and service personalization. These results affirm the argument that BMI serves as a holistic mechanism for strategic renewal in mature industries (Amit & Zott, 2012).

### The Mediating Role of the Value Network

Crucially, the study also identifies the value network as a significant mediator in the relationship between BMI and performance. Comprising external partnerships, resource integration, and network stability, the value network amplifies the benefits of BMI by facilitating access to complementary assets and shared innovation opportunities. This mediating effect echoes the relational view of competitive advantage, which underscores the performance-enhancing potential of inter-firm collaborations (Dyer & Singh, 1998). For Shanxi RTV, collaborative partnerships with digital platforms, content creators, and technology vendors have extended the firm's innovation capacity and market reach. These partnerships have not only enabled knowledge transfer and capability building but also increased agility in responding to audience demands. Moreover, stable and strategically aligned networks have reduced transaction costs and uncertainty factors critical for sustaining innovation in fast-changing markets. These findings substantiate Zott and Amit's (2009) assertion that robust value networks enhance the scalability and resilience of innovative business models.

### Theoretical Contributions

This study contributes to the BMI literature in several important ways. First, it extends existing theories by empirically validating the mediating role of the value network, a dimension often highlighted in conceptual frameworks but rarely tested in industry-specific contexts. Second, by focusing on China's media sector a relatively under-explored setting in BMI research the study enhances contextual richness and relevance. Third, the use of a mixed-methods design strengthens the robustness of the findings and offers a nuanced understanding of how BMI operates in practice.

### Practical Implications

The findings offer clear guidance for traditional media organizations navigating digital transformation. Rather than focusing exclusively on internal innovation, firms should adopt an outward-looking perspective that leverages ecosystem relationships. Investing in adaptive capabilities, cultivating diverse partnerships, and designing network-centric business models can serve as critical enablers of sustainable performance. For policymakers, the study also highlights the need to support cross-industry collaboration and digital infrastructure that foster value network development.

## Conclusion

This study explored the relationship between business model innovation (BMI) and corporate performance within China's media industry, focusing on Shanxi Radio and Television Cultural Industry Development Co., Ltd. (Shanxi RTV) as a representative case. In response to the digital disruption and decline of traditional broadcasting, Shanxi RTV strategically innovated across three core BMI dimensions: value proposition, value creation, and value delivery.

The findings confirm a significant positive correlation between BMI and both financial and non-financial performance indicators. Furthermore, the study reveals that the value network through effective partnerships, resource integration, and network stability serves as a key mediating factor that enhances the impact of BMI on corporate performance. These results align with the study's objectives and underscore the critical role of adaptive and innovative business models in navigating the challenges of digital transformation in the media sector. The study contributes to the growing body of knowledge by highlighting how integrated, network-based innovation strategies can sustain competitiveness and drive performance in traditional media enterprises.

## Recommendations

### Knowledge from the research

1. Invest in Business Model Innovation (BMI): Traditional media companies, especially broadcasters, must prioritize strategic business model innovations to maintain relevance and profitability in the digital age. This includes reevaluating their value proposition, value creation,

and value delivery mechanisms to adapt to evolving consumer behaviors and technological shifts.

2. Strengthen Value Networks: Effective business model innovation is closely tied to the strength of a firm's value network. Media organizations should focus on building diverse and stable partnerships and improving internal resource integration to fully leverage innovation efforts.

3. Monitor Non-Financial Performance Indicators: In addition to traditional financial metrics, media firms should implement robust systems to track non-financial indicators of innovation effectiveness. These may include audience engagement, brand equity, employee competencies, and organizational learning capacity, all of which contribute to long-term sustainability.

**For Policy Makers and the Public Sector**

1. Support Digital Transformation: Government institutions and regulatory bodies should develop and implement policies that facilitate digital transformation in traditional media. This could include funding initiatives, tax incentives, and investments in digital infrastructure to lower innovation barriers.

2. Foster Industry Collaboration: Encourage inter-organizational collaboration by promoting knowledge sharing and joint initiatives between public and private media entities. This can help create resilient value networks and drive innovation across the sector.

**Propose ideas for future research**

1. Cross-Industry and Longitudinal Studies: Future research should explore business model innovation across different industries and geographical contexts. Longitudinal studies are especially valuable for understanding the sustained impact of innovation on organizational performance over time.

2. Investigate Additional Mediating Variables: Further studies should examine mediating factors such as organizational culture, leadership styles, and technological capabilities to better understand how these elements influence the success of business model innovation in media firms.

3. Expand Quantitative Research: Broader quantitative analyses using larger, multi-regional datasets would enhance the generalizability of the findings. Comparative studies across different types of media organizations (e.g., public vs. private, local vs. international) could provide more nuanced insights into BMI outcomes.

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