

Zhejiang Daily Digital Culture Group (Zhejiang Daily Media) Social Responsibility Research Report Post-print

Authors: Li Huijuan

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Abstract

Since its listing, Zhejiang Daily Media has pursued comprehensive internet-based development, continuously optimizing its industrial structure. The group focuses on internet-centric digital culture industries, emphasizing three major sectors: digital entertainment centered on premium IP, digital sports, and the “four-in-one” big data industry ecosystem, while developing e-commerce services, art services, and cultural industry investment businesses with strong monetization potential.

Full Text

Preamble

Zhejiang Daily Digital Culture Group (formerly Zhejiang Daily Media Group) was the first provincial newspaper group in China to achieve a public listing of its operational media assets. Following a major asset restructuring in 2017, the company was renamed “Zheshu Culture” to accelerate its transformation into an internet-based digital culture enterprise, focusing on three core sectors: digital entertainment, digital sports, and big data industries. The group has continuously driven industrial optimization and upgrading: in 2013, it acquired Hangzhou Bianfeng and Shanghai Haofang to establish a digital entertainment platform; in 2016, it invested in a “four-in-one” big data ecosystem comprising the “Fuchun Cloud” internet data center, Zhejiang Big Data Exchange Center, “Phoenix Tree+” Big Data Industrial Park, and a big data industry fund. Transcending the conventional “media + local” development model, the group actively explores innovative “news + services” paradigms. In terms of public opinion guidance, it leverages the “Media Cube” platform to build an omnimedia center while developing new internet-based government service models. In

social supervision, it has established Zhejiang's premier public opinion monitoring platform and hosts national governance forums. The group also actively engages in philanthropic activities, providing long-term support to vulnerable populations and cultivating enduring public welfare brands. Through scientific resource allocation and evolving management approaches, the group has comprehensively and deeply advanced its fulfillment of social responsibilities.

1. Basic Situation of Zhejiang Daily Media

Zhejiang Daily Digital Culture Group Co., Ltd. (hereinafter referred to as "Zhesu Culture") evolved from Zhejiang Daily Media Group Co., Ltd., the first provincial newspaper group in China to list its operational assets on the Shanghai Stock Exchange (stock code: 600633) through a reverse merger with ST White Cat on September 29, 2011. The group possesses 33 traditional mainstream media outlets including *Zhejiang Daily* and *Qianjiang Evening News*, over 300 new media platforms, 660 million registered network users, more than 50 million active users, and over 30 million mobile users, with 37 wholly-owned or holding subsidiaries.

Since its listing, Zhejiang Daily Media has pursued comprehensive internet-based development, continuously optimizing its industrial structure. The group focuses on internet-centric digital culture industries, emphasizing three major sectors: digital entertainment centered on premium IP, digital sports, and the "four-in-one" big data industry ecosystem, while developing e-commerce services, art services, and cultural industry investment businesses with strong monetization potential.

Zhesu Culture maintains a commitment to leading through continuous innovation and creating maximum value for users, achieving sustained rapid growth in recent years. The company has been selected for the Shanghai Stock Exchange Corporate Governance Index, SSE 180 Index, and CSI 300 Index, receiving the "Top 100 Most Respected Listed Companies" award for two consecutive years in 2014 and 2015. In 2016, it ranked among China's top 500 listed companies by market capitalization and was selected for Asia's 500 Best Brands and "World Media 500," while its board of supervisors received the "Most Effective 30" award.

2. Social Responsibility Fulfillment

2.1 Public Opinion Guidance Responsibility

In public opinion guidance and social supervision, the group actively leverages its role as a mainstream media outlet and the positive influence of a party newspaper, consistently prioritizing the construction and improvement of its social responsibility system.

2.1.1 “Media Cube” Builds Omnimedia Editorial Center, Comprehensively Enhancing Public Opinion Guidance Capacity Within its converged media collection and distribution network, the “Media Cube” platform employs cutting-edge technologies such as cloud computing and big data to integrate public opinion analysis, unified collection, multi-format production, diversified distribution, and impact assessment. It coordinates reporting, editing, reviewing, dissemination, and evaluation, providing robust support for news reporting and public opinion guidance. During the 2016 Two Sessions coverage from March 4-15, *Zhejiang Daily* published at least eight special pages daily, while *Qianjiang Evening News* published six pages daily. Zhejiang Online released 1,000 articles with over 8 million total views. The “Zhejiang News” mobile client published 1,559 related reports with 38 million total views. Including reposts on Weibo and WeChat, mobile content exceeded 52 million total views. According to *News Front* magazine’s 2017 Two Sessions provincial party newspaper influence ranking, *Zhejiang Daily* ranked first nationally.

In the second half of 2016, the group began piloting a “column system” for editorial operations, producing successful WeChat public accounts such as “Zhengyiyue,” “Yongjinlou,” “Nongchaohao,” “Lajiao Video,” and “Xuexiyouli.” A single article achieved a maximum readership of over 450,000. The group also established a dedicated omnimedia video department, producing 680 original videos since its inception—an average of 10 daily—with 329 videos reaching over 100,000 views across networks, accumulating 120 million total plays and a single video maximum of 6.42 million plays. The “Zhejiang News” client’s short video “98 Seconds to Review the 2017 Two Sessions” exceeded 3 million cumulative plays within 24 hours.

2.1.2 Leading Government Services, Creating New Internet-Based Government Service Models Commissioned by the Zhejiang Provincial Government, Zheshu Culture established the “Zhejiang Government Services Network Business Center” to handle information release and services for five levels of government departments (province, city, county, township, and village/community). As China’s first province-wide electronic government platform with government as the main body and services as the core, featuring unified architecture and five-level coordination, the website integrates administrative approval, convenience services, government transparency, interactive communication, and data openness, providing comprehensive one-stop online services for the public and earning the reputation of “Government Taobao.” By the end of September, the network had 12 million real-name registered users—over one-quarter of the province’s total internet users.

At the Second National Government Services Forum and Expo in September 2017, Zhejiang Government Services Network received the “China Government Services Outstanding Contribution Award,” following previous honors including “2014 Best Government Platform Practice Award,” “2015 Internet+ Government Best Practice Award,” “Top Ten Mobile Government Services,” and

“2016 Provincial Government Online Service Capability First Place.”

2.1.3 Efficiently Securing the G20 Summit, Actively Spreading Positive Energy

The G20 Summit was successfully held in Hangzhou in October 2016. From the preparatory stage, as a party newspaper group-controlled listed company, Zhejiang Daily Media Group focused on security work across reporting, network information, printing and publishing, and internal management to effectively prevent various incidents. During the summit security period, the company strengthened duty management systems and implemented stricter monitoring of newspaper advertisements, internet gaming platforms, and live streaming platforms, with 24/7 monitoring for key businesses to ensure correct value orientation in all published and broadcast content.

The company also continuously revised and improved emergency response plans and safety production management regulations, actively coordinating with relevant departments to strengthen management, enhance safety awareness, and eliminate all production, security, and fire safety issues. While securing the G20 Summit, the company spread positive energy to broad audiences and fulfilled its social responsibilities.

2.1.4 Actively Guiding Public Opinion Through Public Service Advertising

Zhejiang Daily Media attaches great importance to public service advertising and its positive role in opinion guidance, deploying resources across all levels with active cooperation from all media operations and companies. During the reporting period, *Zhejiang Daily* published over 60 full pages of public service advertisements, while *Qianjiang Evening News* published 75 pages, primarily featuring socialist core values and G20 Summit series. Original content included themes such as “Conserving and Intensively Utilizing Land Resources,” “Water is the Soul of Beautiful Villages,” civilized tourism, Zhejiang merchant return, green power, and Zhejiang manufacturing. Zhejiang Online published 286 public service advertisements, showcasing excellent provincial “Civilization and New Trends” ads across broadcast, print, and video formats, with 280 “Illustrating Our Values” pieces promoting socialist core values. Leveraging internet platform advantages, 80 public service advertisements utilized animated multimedia, generating positive social response.

2.2 Social Supervision Responsibility

2.2.1 Focusing on Big Data Industry Development, Jointly Building Cybersecurity Firewalls

In May 2016, Zhejiang Daily Media, jointly with the Ministry of Public Security’s Cybersecurity Protection Bureau and Zhejiang Provincial Public Security Department, convened an Internet Security Forum themed “Regulating Cyber Order, Protecting Information Security,” receiving strong support from the China Computer Federation’s Big Data Expert Committee and the National Engineering Laboratory for Information Security Level Protection Technology. Over 300 participants attended, with organizers, collab-

orators, and major websites including Tencent, NetEase, Sina, and Sohu jointly issuing an initiative to “build cyberspace security,” which received responses from major websites nationwide, collectively committing to “building a secure cyber information homeland.”

On July 8, 2017, the Third National “Internet Security and Governance Forum” was held in Hangzhou, hosted by Zhesu Culture under the theme “Internet Governance Innovation in the Big Data Era.” Addressing rapidly growing cybercrime, online fraud, and personal privacy breaches accompanying high-speed internet and big data development, experts and leaders proposed a “cloud governance” model and discussed how to leverage big data for timely risk warnings and control, stimulating governance vitality in cyberspace and achieving overall social risk prevention.

2.2.2 Building Zhejiang’s Premier Public Opinion Monitoring Platform, Hosting National Governance Forums On November 29, 2016, the “Modern State Governance: Art and Data”—First Zhejiang Big Data Public Opinion Summit Forum was held in Hangzhou. Guided by the Zhejiang Provincial Cyberspace Administration and Zhejiang Daily Press Group and hosted by Zhejiang Online News Website, the forum featured keynote speeches and roundtable discussions where experts and industry professionals explored how to utilize big data to monitor online public opinion in the information age and support government decision-making, management, and services. Discussions focused on effectively integrating national economic, political, cultural, social, and ecological data resources to provide foundational data and decision-making support for modernized state governance.

At the forum, Zhejiang Online’s “Xunyu” public opinion monitoring cloud service platform officially launched. Simultaneously, a new Zhejiang Public Opinion Think Tank was established, integrating government, industry, academia, and research with relevant department leaders, senior media professionals, renowned university scholars, and “internet influencers” as its core members. The forum also released the “Zhejiang Government Governance: Art and Data Practice Model Report,” revealing that by October 2016, Zhejiang’s government new media had achieved full coverage across 90 counties (cities, districts), with over 6,100 government WeChat public accounts (the first province-wide coverage nationally) generating 344 million annual reads, and more than 3,200 verified government Weibo accounts covering over 10.7 million followers, making Zhejiang a national leader in government new media development.

2.2.3 Strengthening Advertising Credit Index Social Benefit Assessment; Improving Advertising Review Mechanisms In 2016, the company enhanced advertising credit index social benefit assessments, increased monitoring intensity, and assisted subsidiaries in streamlining and improving their advertising review processes, enabling real-time online and offline consul-

tation and micro-learning discussions. It strengthened monitoring frequency and intensity. In September 2016, the company convened subsidiary advertising reviewers and frontline sales staff for comprehensive training on the “Internet Advertising Management Interim Measures,” compiling detailed “Zhejiang Daily Media Advertising Review Guidelines” addressing daily review challenges.

2.3 Market Responsibility

2.3.1 Company Operating Status and Asset Restructuring Currently, Zhejiang Daily Press Group’s total assets exceed 10 billion RMB, ranking second among domestic newspaper groups after Shanghai Press Group. Its listed company, Zhejiang Daily Media, since listing in 2011, actively explored “news + services” business model innovation. In 2016, the company reported total assets of 9.32 billion RMB, net assets of 6.473 billion RMB, annual revenue of 3.549 billion RMB, and net profit of 610 million RMB. In March 2017, the company initiated major asset restructuring, completely divesting news media assets valued at 1,996.71 million RMB to its controlling shareholder, Zhejiang Daily Press Group Holdings Co., Ltd., and renamed itself “Zheshu Culture.” This restructuring, a significant measure responding to national media convergence and deep reform initiatives, enabled the company to optimize its industrial structure, concentrate capital and resources on emerging strategic industries, and enhance core competitiveness and profitability.

Following the divestiture, the company’s industrial structure further optimized with ample liquidity, successfully raising 1.95 billion RMB. Based on this foundation, the company seized strategic opportunities to comprehensively develop internet-based digital culture industries, targeting “building a leading domestic internet digital culture industry group.” Overall asset quality and profitability will improve, further enhancing operational vitality and market competitiveness, effectively driving business transformation and sustainable development.

2.3.2 Shareholder Rights and Interests The company continues to prioritize information disclosure, strictly following the “Listed Company Information Disclosure Management Measures” to refine its institutional system, elaborate work requirements, and strengthen standardized implementation, ensuring investors’ rights to access company information and participate in major decisions according to their shareholdings. The company maintains accurate records without any false statements, misleading information, or material omissions, safeguarding all shareholders’ right to know. It completed announcements for regular reports, profit distribution, and external investments, receiving an “A” rating for information disclosure from the Shanghai Stock Exchange for the second consecutive year.

Throughout 2016, the company responded to over 150 inquiries on the SSE e-Interaction platform, providing online communication zones during performance briefings to maximize convenience for investor-company exchanges. Regarding the 2016 non-public offering of shares to fund major big data industry projects,

the company organized over 300 investor site visits to fully elaborate its strategic planning and development vision, achieving broad market recognition and successfully completing the issuance in December 2016.

The company strictly implements laws, regulations, and its Articles of Association regarding profit distribution policies, consistently creating value for shareholders and rewarding them with strong performance. Since its 2011 restructuring and listing, the company has maintained annual cash dividends, distributing 0.95 RMB (tax-inclusive) per share in 2016, totaling 123,682,775.54 RMB (tax-inclusive), representing 20% of net profit attributable to listed company shareholders.

2.4 Philanthropy and Brand Building

2.4.1 Public Welfare Initiatives and Brand Development During the reporting period, the company leveraged its strengths to launch multiple large-scale public welfare initiatives by partnering with relevant departments or introducing social resources, including the Zhejiang Merchant Media's "Love in Zhejiang" series and the "Zhejiang Filial Piety" awards.

In April 2016, the Zhejiang Businesswomen's Association held the second "From Stars—Caring for Autistic Children" art exhibition, with members claiming 13 paintings and donating 10,000 RMB. In August, Zhejiang merchant mothers contributed 159,000 RMB to 53 female university students through the "Beautiful Fund—Sailing Female University Student Aid Program," which received the fifth "Zhejiang Charity Award." In December, the Young Leaders Association's LittleWish • City Hunter team visited the pediatric game therapy room at Zhejiang University School of Medicine Affiliated Children's Hospital during Thanksgiving to see young cancer patients.

The Zhejiang Elderly News Co., Ltd. held the sixth "Zhejiang Filial Piety" awards ceremony in November 2017, featuring diverse stories of filial piety. Thirteen representatives were selected from hundreds of candidates. Having produced 71 representatives over five previous editions, this activity represents a valuable asset in Zhejiang's spiritual civilization construction.

In 2016, Zhejiang Online's "Sweet Spring for Schools" public welfare campaign entered its fifth year, drilling five 爱心 wells for water-scarce primary schools in Yunnan Province, benefiting over 5,000 villagers including teachers and students from five village schools. *Haining Daily's* large-scale public welfare education assistance program "Tide Riders Growth Plan" entered its eighth year, distributing 121,000 RMB in scholarships through its e-commerce platform. The program has cumulatively received over 800,000 RMB in donations, helping more than 200 disadvantaged students. Additionally, *Haining Daily* partnered with the Municipal Youth League and Young Pioneers to host the "61 Small Wishes" public welfare dream fulfillment initiative, where caring citizens participated in both material donations and gift delivery, creating a sustainable public welfare brand.

In 2016, Zhejiang Daily Company and the Zhejiang Provincial Disabled Persons' Federation co-hosted the "Innovative Zhejiang" disability assistance and entrepreneurship innovation competition, the province's first major competition focusing on public welfare innovation projects for social enterprises, particularly those employing disabled individuals. At the 2016 Zhejiang Disability Assistance Public Welfare Summit, 32 premium projects competed for "Top Ten" honors, generating positive public response. The "Zhejiang Daily Public Welfare" WeChat public account served as the competition's online display platform, publishing over 30 related reports with more than 40,000 participants voting via WeChat.

2.4.2 Employee Development and Welfare Zhejiang Daily Company consistently adheres to people-oriented management, regarding employees as its most valuable asset and source of development momentum. The company strives to build harmonious labor relations, protect employee rights, intensify talent recruitment and training, and provide employees with growth motivation and development prospects.

2.4.2.1 Standardizing Employment Systems and Improving Labor Protection Mechanisms The company strictly implements national labor laws and regulations, respecting human rights by signing standardized labor contracts with all employees to clarify rights and obligations. It has improved assessment and compensation incentive mechanisms, timely contributing to social insurance, housing provident funds, and enterprise annuities for eligible employees. The company deepened personnel and distribution system reforms to achieve equal pay for equal positions regardless of institutional status. It actively explored new management models aligned with internet enterprises, implementing P-sequence position management and KPI assessments. At the end of 2014, the company formulated trial measures for internet technology personnel management and P-sequence position management, piloting them in new media and technology departments. Statistics from five pioneering technology departments show that over two years, 20% of employees advanced in position grade and 30% received salary increases. Based on this experience, coverage gradually expanded to local branches, *Zhejiang Daily*, and *Communist Party Member* magazine from January 2016.

2.4.2.2 Strengthening Talent Development and Activating Workforce Vitality Zhejiang Daily Company has continuously deepened talent cultivation, establishing a three-tier training system for new employees, technical specialists, and management personnel, supported by the "600633 Café" and online college learning platforms. To meet omnimedia reporting requirements, the company established a dedicated video department with the goal of "standardizing video and normalizing live streaming," training all editorial staff in video production capabilities. The group equipped journalists with professional omnimedia reporting kits including smartphones, external lenses, handheld tripods, and

microphones featuring audio-video recording, live streaming, and wireless transmission capabilities. To date, 111 journalists have been equipped with these kits.

In 2016, the company organized over ten major training programs including “Set Sail” and “Navigation” management boot camps, “Iron Marketing Team Building,” smart operations, and product manager workshops, encouraging employee participation in external professional training and industry summits. More than 2,000 employees participated in online and offline training throughout the year. Notably, the company partnered with three enterprises to launch the year-long “First Elite Management Cross-Boundary Seminar,” which effectively broadened middle and senior management perspectives and stimulated creativity. The company also initiated internal trainer certification and mentorship programs, achieving positive results.

For career development, the company sent multiple journalists to study at world-renowned media outlets including *The New York Times* and *Financial Times* in 2016 and 2017, enhancing professional competencies and cultivating forward-looking and international perspectives.

2.4.2.3 Creating Positive Working Conditions and Culture, Safeguarding Employee Well-being The company consistently prioritizes employee health and safety, adhering to a “safety first, prevention foremost” occupational health and safety management philosophy. It has established robust labor safety and health systems, strictly implementing national regulations, organizing regular health examinations, and providing healthy, safe working environments to prevent occupational hazards.

The company advocates a “passionate work, happy life” philosophy, regularly organizing diverse corporate culture activities and “small but beautiful” team-building events to support employee-initiated cultural clubs, thereby enhancing cohesion and belonging. In 2016, the company organized a series of cultural activities around its fifth anniversary, including “Exciting Stories Here in Zhejiang” and “Ordinary People’s Storytelling,” which greatly stimulated employee enthusiasm, responsibility, and sense of mission.

3. Challenges and Improvement Paths

Currently, media convergence has entered a critical phase. Seeking new survival logic for internet-integrated development has become an unavoidable challenge for domestic media groups. Macroscopically, Zhejiang Daily Group faces several major puzzles in its media convergence journey: institutionally, as convergence deepens, the shift from incremental to structural reforms requires breaking original processes and mechanisms to create production systems better adapted to omnimedia integration; technologically, the mobile internet era challenges traditional communication paradigms, requiring keeping pace with technological trends to seize first-mover advantages; and monetarily, as readers become

users, traditional print media's business foundation is disrupted, necessitating reshaping business models to transform communication relationship chains into communication service chains. These are issues most media groups are currently exploring.

Despite substantial efforts in media convergence, deep-seated problems in ideology, institutional mechanisms, content innovation, and development momentum remain incompletely resolved. Addressing these fundamental issues will better facilitate social responsibility fulfillment and benefit broader social groups.

Over the next three years, Zhejiang Daily Group will actively pursue breakthroughs:

3.1 Advancing “Internet + Services” Platform Construction

Focusing on the “Media Cube” converged media dissemination service platform, the group will build a group user data warehouse reaching hundreds of millions of users within three years. It will develop an internet communication evaluation system, intelligent copyright protection system, Xunyu public opinion and influence products, and media cloud open platforms. Based on business requirements, it will construct vertical application systems for video, Zhejiang merchants, educational services, art auctions, traffic operations, and distribution platforms to support product planning and development for government service networks, better serving public opinion monitoring and government affairs.

3.2 Prioritizing Big Data Industry Development

Through a combination of non-public offerings and self-raised funds, the group will invest 2 billion RMB to establish Zhejiang Data Trading Platform and supporting large-scale data centers. With gradually improved big data strategies, open data measures, and regulations, this will accelerate the unification of government services and public services scattered across departments, creating trillions in new output value while profoundly impacting people's lives, thinking, and production methods, continuously contributing to urban construction and livelihood development.

3.3 Establishing Multi-Party Joint Training Mechanisms

The group will implement mentorship systems across editorial, technical, operational, and management positions. It will promote exchanges with media groups, universities, research institutions, and renowned internet enterprises with rich media convergence theory and practice, sending personnel for training at overseas journalism schools and media groups to learn from successful experiences and introduce advanced concepts. This will continuously optimize and upgrade research talent teams' thinking patterns, knowledge structures, and operational skills to build more professional and cutting-edge teams.

To implement General Secretary Xi Jinping's requirement that "the key to integrated development lies in becoming one," the crucial shift is from incremental to structural reform, from addition to integration, and from peripheral breakthroughs to frontal assaults, comprehensively advancing organizational restructuring, process reengineering, and institutional innovation. Truly achieving integration requires breakthroughs in institutional mechanisms, with human integration at the core. Within the existing framework, through flat management, innovative mechanisms, and trial-and-error tolerance, the group will scientifically allocate resources, evolve management methods, continuously stimulate innovation vitality, comprehensively and deeply promote social responsibility fulfillment, and better serve the nation and society.

(Author: Li Huijuan, Ph.D. from Renmin University of China School of Journalism, currently Associate Professor at Zhejiang Sci-Tech University Shiliangcai School of Journalism and Communication, Director of Hangzhou Public Opinion Research Center. Research interests: new media, media economics, big data and public opinion analysis.)

Note: Figure translations are in progress. See original paper for figures.

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