2017 Media Development Directions: What Do Editors-in-Chief Think? (Postprint)

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Abstract

Interviewer: Diao Yigang, Editor-in-Chief, China Media Technology Interviewees: - Li Guochen, Editor-in-Chief, Pearl River Times - Tian Kewu, Deputy Editor-in-Chief, Beijing Youth Daily - Du Shiguo, Deputy Editor-in-Chief, Yanzhao Evening News

Full Text

Interview: Media Development Directions in 2017

Preamble

Interviewer: Diao Yigang, Editor-in-Chief, *China Media Technology*
Interviewees:
- Li Guochen, Editor-in-Chief, *Pearl River Times*
- Tian Kewu, Deputy Editor-in-Chief, *Beijing Youth Daily*
- Du Shiguo, Deputy Editor-in-Chief, *Yanzhao Evening News*

Question 1: Perspectives on 2017 Media Development Trends

China Media Technology: As internet and technology companies fully enter the content industry, please share your predictions for traditional media development directions in 2017.

Li Guochen: Traditional media today are undergoing rapid transformation and media convergence according to General Secretary Xi Jinping's requirements for the media sector. This means that while maintaining their traditional operations, they must strengthen their mobile internet information collection and dissemination capabilities to better fulfill their role as mainstream media and face competition from new media.

Tian Kewu: In 2017, metropolitan newspapers will continue the trends of 2016, specifically in three areas. First, they will continue to control print volume and reduce ineffective circulation to save costs. Since breakthroughs in revenue generation have not yet been achieved, cost reduction is a necessary choice. Earlier this year, *China Youth Daily* announced it would stop weekend print editions, which may serve as a positive signal for other metropolitan media. I believe more newspapers will join the trend of ceasing weekend publications. Second, they will continue adjusting content structure. Overall, seeking differentiated content strategies from new media will be a key focus. The space for traditional media to disseminate immediate news will further shrink. While metropolitan newspapers will continue this work, they will shift their main dissemination positions to new media channels. Accordingly, each media outlet will focus on differentiated content, with possible breakthrough directions including strengthening in-depth reporting to provide readers with deep interpretation and analysis of major news events and figures, which will make long-form reporting increasingly common, and strengthening local services. Local news and services help maintain connections with local readers and enhance the commercial value of media platforms, making them worthwhile initiatives. Additionally, in recent years, metropolitan newspapers have significantly compressed domestic and international news coverage, creating room to increase local news and services. They will also strengthen humanities supplements, which essentially disseminate a certain sentiment and lifestyle—content that new media often struggles to provide. Third, media transformation will accelerate. Unlike before, this transformation may receive official financial support. However, whether government-driven media transformation will achieve actual results remains uncertain. Nevertheless, the exploration of transformation by various metropolitan newspapers will accelerate, which is a foreseeable fact. Hopefully, this process will produce some distinctive and valuable attempts rather than uniform responses to official directives.

Du Shiguo: 2017 is destined to be a "historic fission year" for traditional media. At the beginning of the year, the shutdown of print editions by two prestigious Beijing and Shanghai newspapers—*Oriental Morning Post* and *Beijing Times*—marked the beginning of the second half of the mobile internet era. Except for a small number of media groups that transformed early and secured positions in new media, a considerable portion of traditional media groups, due to accumulated internal and external factors, face both cash flow anxiety and the pain of platform switching. An era of uncertainty has fully arrived.

The switching between two platforms is like "jumping off a cliff"—it has become unavoidable. Inertia from institutional mechanisms and historical debts have caused slow action, leaving many traditional media groups unprepared for "winter" before they must "run naked" in a "race for survival," achieving two switches: first, the editorial platform switch from traditional "integrated model" to new media "distribution model"; second, the business platform switch from traditional "advertising model" to new economy "project model." Smart traditional media groups have also prepared a third platform—the capital platform—

to escort the first two.

The "central kitchen" model has emerged in response to central media's need to "build new mainstream media groups." As an officially-driven "standard configuration" for traditional media groups, it is likely to trigger a "one-size-fits-all" and "grand unification" reform trend that breaks conventional group structures, represented by the three central media giants—*People's Daily*, Xinhua News Agency, and CCTV—packaging and distributing to local areas. This objectively overcomes "hard" obstacles of administrative levels and group mergers, achieving cross-regional business integration. Combined with "government procurement" of some "smart government" functions, it reshapes a new digital communication form integrating media and government information at the national governance level.

Another approach involves using group subsidiaries, publications, websites, and channels as "local pilots," gradually expanding and sequentially developing proprietary platform construction. The challenges lie in: first, clarifying the relationship between "production kitchen" and "distribution ports," i.e., the relationship between "unified production" and "personalized presentation"; second, and more importantly, transforming traditional production mechanisms from the traditional "bureaucratic system" that satisfies "grand unification" to a "center system" that supplies "personalization" in batches, i.e., "platform + individual/group." The difficulty here lies in building terminal product brands—a platform without "head effect" content IP products equals zero.

Another platform construction effort involves internal project incubation platforms. Since the traditional advertising "secondary purchase" model can no longer serve as an economic pillar, and capital platforms are unavailable, internal project incubation platforms become particularly important. To connect with external resources and achieve "platform + individual/group" corporate-style operations, urgent institutional loosening is needed, using traffic-sharing revenue to solve immediate overall needs.

Without capital operation platform support, the switching of content and business platforms ultimately lacks long-term support to achieve sustainable market survival. Capital is the "cotton-padded jacket" during economic winter. How to use government guidance funds to attract social capital and build long-term, bottom-line fund-style financing platforms—"The Paper" and "Southern Finance" are exemplary models.

Question 2: Sustainability of Party Newspaper Recovery and Metropolitan Newspaper Future

China Media Technology: In 2016, party newspaper subscriptions and revenues fully rebounded. Do you think this phenomenon is sustainable, and what are the future development directions and space for metropolitan newspapers?

Li Guochen: Three years ago, I predicted China's newspaper trajectory: party newspapers would become public welfare oriented, and metropolitan newspapers would become community oriented. 现在看来，基本方向是这样的。The party newspaper will certainly move toward public welfare orientation, where party committees pay for subscriptions and distribute them free to target readers—government officials and grassroots party members. This direction is driven by the enormous cost and competitive pressure on party newspapers. On one hand, party newspapers primarily undertake public opinion guidance functions, and fewer people choose to pay for news subscriptions in the rapidly developing mobile internet context. On the other hand, since the second half of last year, paper prices have continuously risen from 4,000 yuan to 5,200 yuan per ton. This huge cost pressure forces party newspapers to raise prices, which in turn further affects subscription numbers. Under these circumstances, some localities have begun exploring unified party committee procurement and distribution models.

The sustainability of this phenomenon involves two aspects. First, total subscription numbers are determined by local party committee needs, not by social or market-driven increases, so they generally remain stable at a basic level. Local party committees won't arbitrarily increase party newspaper subscription tasks every year. Second, subscription revenue is not entirely market-driven, as many party newspapers enjoy government subsidies or charge for special reports. This revenue structure should be relatively stable and won't experience explosive growth. Under significant economic downward pressure, this revenue may even decline.

Local party committees need a party newspaper to transmit mainstream voices and will do their utmost to support it. Therefore, overall, party newspapers will continue to fare well. However, the days of expecting newspapers to generate huge profits are gone forever.

The future development direction and space for metropolitan newspapers are, in my view, not optimistic. Unlike party newspapers, they cannot seek support from party committees and governments when encountering difficulties. Currently, one viable path for metropolitan newspapers is community orientation. In the long run, metropolitan newspapers must transform toward media-style service industries. If they cannot transform, they may gradually fade away. In fact, starting two years ago, metropolitan newspapers have been exiting the market, and more newspapers—especially large-scale metropolitan newspapers in first-tier cities—may exit in the future because they face greater pressure and will decline faster.

Tian Kewu: The comprehensive rebound in party newspaper subscriptions and revenues reflects, to some extent, the predicament of traditional media groups facing increased pressure from both internal initiatives to adjust pricing and increase promotion, and external support from relatively advantageous "government procurement" services.

In the long term, under the pressure of new media, party newspaper print distribution will still face structural difficulties. With the requirements of "building new mainstream media groups" and "occupying the main battlefield of public opinion," and the trend of government personnel becoming younger, the ultimate shift to emerging media forms will occur, as evidenced by the diversification of new media products in this year's Two Sessions coverage.

To find future development directions, metropolitan newspapers must maintain their brand influence and professional, irreplaceable content production capabilities. Recent developments have shown that even in the mobile internet era, quality content remains scarce and valuable. Metropolitan newspapers must firmly grasp their role as professional content producers.

Maintaining brand influence is also crucial. One view holds that since traditional media don't make money, future revenue will come from products and services beyond print media, causing some traditional media professionals to lose focus on newspaper quality, leading to rapid decline in quality and brand influence. This is inappropriate. Losing brand influence means losing credibility, directly resulting in declining commercial value of media brands and platforms—extremely detrimental during the transformation period. Current traditional media must, on one hand, maintain brand influence, and on the other, accelerate development of new products and services, leveraging media brand influence to expand commercial value and enhance monetization capabilities. In other words, they can separate influence building from monetization.

Du Shiguo: The comprehensive rebound in party newspaper subscriptions and revenues partially reflects the 困境 of traditional media groups facing increased pressure. The future development space for metropolitan newspapers requires maintaining brand influence and professional content production's irreplaceability. Recent changes tell us that even in the mobile internet era, quality content remains scarce and valuable. To find future directions, metropolitan newspapers must firmly grasp their role as professional content producers.

Question 3: Progress on Deep Media Convergence

China Media Technology: Recently, Minister Liu Qibao emphasized at the "Deep Media Convergence Work Symposium" at People's Daily the need to promote deep integration between traditional and new media. What stage is your media organization's convergence work at, and what remains to be done to achieve "deep integration"?

Li Guochen: Although *Pearl River Times* started media convergence early and has conducted some explorations, it remains at an initial stage according to deep integration requirements. The so-called initial stage means that beyond the traditional newspaper channel and platform, we have established other new media channels like Weibo, WeChat, websites, clients, and video livestreaming that other media possess, and have basically achieved information sharing and synchronized distribution.

The problem is that we have not yet formed an efficient, complete all-media information collection, production, and dissemination chain. At the end of last year, *Pearl River Times* established an "All-Media Collaborative Command Platform" integrating all business processes, which has played a certain role. However, to achieve complete deep integration, three aspects of work remain:

First, we need an integrated all-media information network platform where all information can be fully shared and collaborated, and which possesses big data collection, convergence, mining, and application functions. Only this can guarantee and promote deep integration.

Second, media convergence awareness is a major bottleneck in deep integration. Many newspapers have established central kitchens to promote media convergence, but the most important integration depends on the editorial team's convergence awareness. Media convergence doesn't require everyone to know everything, but requires everyone to have convergence awareness and learn to use all-media means to maximize their business process efficiency.

Third, building advantages—either having strong information collection capabilities, good dissemination channels, exceptional depth of thinking, or unique strengths in targeted interaction. *Pearl River Times* will mainly break through in local full data collection, network video livestreaming, public opinion monitoring, in-depth thinking, and think tank research to form its comparative advantages.

Tian Kewu: For *Beijing Youth Daily*, media convergence has just begun and is far from achieving deep integration. Over the past few years, our convergence explorations have been relatively superficial, including: first, establishing official Weibo and WeChat accounts, investing resources to expand *Beijing Youth Daily* website, and facilitating secondary dissemination of news information; second, encouraging editorial departments to develop WeChat public accounts, Toutiao accounts, and other products within the existing framework, exploring new media content production and operation patterns in segmented fields, achieving some breakthroughs in certain areas—for instance, the Politics Knowledge series of public accounts and Toutiao accounts in the current affairs field, and the Tuanjiehu Reference in current affairs commentary have generated considerable influence. The vertical public account Education Roundtable in the education field has gathered a large number of loyal fans, launched meaningful offline activities, and its commercial value has become increasingly prominent; third, creating *Beijing Youth Daily* instant news and news livestreaming products to further expand influence on mobile internet through new product forms.

However, overall, our integration has just begun, and much work remains. In the next stage, *Beijing Youth Daily* must focus on at least the following aspects:

First, reconstruct product forms, gradually making new media products the main product form of *Beijing Youth Daily*. This means that someday in the future, the main dissemination channel for *Beijing Youth Daily* products will be the internet, not paper. This transformation will take several years to complete—it's still unclear exactly when, but we can see that time point gradually approaching. Of course, even then, we may still maintain print publication because some readers need the paper format.

Second, reconstruct our media platform, gradually 摆脱 dependence on current super media platforms. Today's newspaper new media products have basically developed on super media platforms like Sina, Tencent, and Toutiao. In the long run, for a media outlet to truly generate lasting influence, it must have its own media platform. Many media organizations are vigorously promoting APPs, and supervisory authorities seem to intentionally support media APP development. Some media APP experiments may succeed, but rushing headlong into APP development may not be advisable. Even if all develop APPs, they don't necessarily have to follow the comprehensive news APP route. The choice of which media platform to build depends on each organization's strategy.

Third, reconstruct content production processes, gradually shifting from newspaper production processes to new media production processes. Previously, the entire process was designed around newspaper publication, with new media departments' tasks merely being secondary dissemination of newspaper content—subsidiary in nature. After transforming to a new media-centered production process, the entire editorial department's operation will fundamentally change, while the print publication department may be streamlined into a small editorial group whose role is merely to disseminate content already diffused through new media channels on paper. At this point, content produced by the entire editorial department will be primarily disseminated through new media channels, with paper channel dissemination becoming subsidiary. Production process reengineering may be the key step in media transformation or convergence development. Without this step, convergence development cannot succeed. The difficulty of traditional media transformation today lies, to some extent, in outdated production processes and related evaluation systems.

Du Shiguo: Currently cooperating with a national news client on a local version APP, the problems revealed in initial integration also represent the development space for deep integration. Main tasks include: How to quickly shift operational focus from offline to online during the "newspaper-client dual-track system" stage; How to achieve mechanism transformation from the "vertical management" of "newspaper" to the "horizontal operation" of "client" without affecting relative stability; How to build our own phenomenal communication product brand under guaranteed platform traffic and connect with social resources in group formation.

Question 4: Talent Drain and Retention Measures

China Media Technology: In 2016, many media professionals sought opportunities at internet companies or started self-media ventures. Is your organization facing a similar talent drain crisis, and what measures will you take to ensure talented people can fully utilize their abilities?

Li Guochen: The talent drain phenomenon is probably similar across traditional media nationwide. At *Pearl River Times*, the situation is relatively better. Those with high turnover are basically young people who joined recently; few middle-level backbone employees have left. In the past three years, only one business backbone responsible for advertising operations has left at the department director level.

The stability of *Pearl River Times*' talent team mainly benefits from our talent rooting plan. We have comprehensively improved software and hardware environments suitable for talent to take root at *Pearl River Times* through integrated improvements in evaluation, benefits, personnel authority, and business innovation. Next, we will explore performance evaluation, talent treatment, and innovation and entrepreneurship mechanisms to provide more career growth opportunities and space for business backbones.

Tian Kewu: Traditional media talent drain has been a common phenomenon in recent years, and *Beijing Youth Daily* also faces this situation. However, I must say that the period of frequent talent drain at *Beijing Youth Daily* has passed. In my memory, 2014 and 2015 were years with relatively high talent drain, when two to three dozen people left successively within two years, putting us in a very passive position at one point. To address this, we intensified internal mobility and adjustment of editors and reporters on one hand, and increased recruitment efforts on the other. Over the past few years, we have recruited a batch of new graduates annually to supplement the editorial team. Although some editors and reporters left in 2016, the number was much smaller than before, and the reasons for leaving varied—some went to new media, some started their own businesses, and others went to other traditional industries. Now, talent drain at *Beijing Youth Daily* has returned to a relatively normal level.

To retain talented people, we will take the following measures: First, the newspaper must do a good job in top-level design for convergence development so that employees can see the future clearly. Honestly, inability to see the future was an important reason why some people left the newspaper previously. During transformation, the future is not easy to see, but top decision-makers must grasp the top-level design, first see the future themselves, and then help employees see it. Second, break some rules and regulations in talent utilization, creating conditions for capable, experienced, and new media-enthusiastic people to take important positions and responsibilities. In recent years, we have promoted several outstanding young editors and reporters to middle-level leadership positions, causing positive reactions among employees. In the future, steps in this area should be bigger. Third, reform the evaluation and compensation system.

The basic orientation has three aspects: delegate evaluation authority, implement overall cost contracting, and fully implement "more pay for more work" and "better pay for better work."

Du Shiguo: Traditional media temporarily faces difficulties, content entrepreneurship is surging, and social mobility of talent is normal. Conversely, talent drain also means loss of content foundation and social resources. How to break through internal and external resource and system barriers, provide momentum for convergence development, and better retain, guide, inspire, cultivate, incubate, and even industrialize talent is currently brewing a series of reform policy plans.

Question 5: Content Entrepreneurship

China Media Technology: "Content entrepreneurship" was a hot concept in 2016. Do you think this trend will continue? As traditional media organizations with professional editorial teams, how can you leverage advantages and gain dividends in the "content entrepreneurship" era?

Li Guochen: I think once something becomes hyped, it starts to become somewhat irrational, and content entrepreneurship is no exception. Originally, traditional media relied on content for survival, but because we stubbornly held onto content without paying attention to dissemination channel and method innovation, we became very passive and even fell into difficulties when confronted by tech companies that had technology but no content. So the currently hyped content entrepreneurship is not something new. For traditional media, content has always been our foundation and lifeline. We must always take content as the origin point and then provide other services.

Our *Pearl River Times* has been enjoying dividends from exclusive collection and creative content these past two years. For example, when the government needs to produce a brochure for investment promotion, it certainly needs beautiful design, but more importantly, it needs excellent text and pictures inside. Although we don't have great advantages in design, we have comprehensively collected content including pictures, videos, and reports that other advertising companies cannot replace. In the media convergence era, we add some all-media means, such as allowing audiences to scan QR codes to watch live videos of interest on their phones, bringing static images to life. However, having text, pictures, and video content doesn't automatically mean it can be sold for money. We also need strong creativity, 融媒体 expression methods, and powerful dissemination channels. When all these elements are in place, we become strong competitors in the market.

Tian Kewu: After several years of rapid new media development, more and more people recognize that quality content and content teams have irreplaceable value in the mobile internet era. The value of good content is becoming apparent. Traffic alone is not enough; good content plus traffic can generate commercial value beyond ordinary levels. I believe the content entrepreneurship trend will continue for some time.

However, this doesn't mean traditional media with professional editorial teams will necessarily profit in the content entrepreneurship era. Traditional media institutions must solve several problems to succeed in content entrepreneurship.

First, reinvigorate the creative passion of editorial teams. Frankly speaking, due to new media impact, many traditional media content teams lack the passion to produce quality content. A team without passion and dreams cannot continuously produce quality content under any circumstances. To be honest, quite a few traditional media professionals lack confidence in the future, and many are living day-to-day with a "man in Cao camp, heart in Han" mentality. Traditional media must solve the morale and mental state issues of their teams to succeed in the content entrepreneurship era.

Second, they must develop and design media products that meet people's specific needs. Producing good content is important, but more important than producing specific content is developing and designing media products with personality, characteristics, and the ability to meet people's specific needs. Having a few good works doesn't count as success; being able to continuously produce content that meets specific needs and aggregating this content onto specific media products creates greater value.

Third, they must have flexible organizational structures and effective distribution and incentive mechanisms. Traditional media's previous evaluation methods based on counting articles or words cannot meet content entrepreneurship requirements and must be reformed.

Du Shiguo: Since 2012, the first half of the mobile internet era has ended, and the second half is beginning. The first half was "heaven striking earth," where concepts equaled money; the second half is "earth striking heaven," where strength does the talking. The first half's theme was platforms, with content entrepreneurship being hottest; the second half's theme is resources, with IP possibly becoming the hottest.

Although content entrepreneurship tends toward bubbles, the real economy tends toward sensibility. In the foreseeable future, content remains an important connection tool linking virtual economy 下沉 and real economy upgrading. Possible trends include: first, increasingly 下沉, becoming heavier, linking resources; second, increasingly specialized and focused, becoming lighter, building IP.

"Penetrating insight" and "large body, sharp application"—whatever the era or platform, building branded products never goes out of style. Content teams with product manager systems need excellent "generals" and optimized groups to achieve diverse coordination, flexible deployment, calling for firepower, and resource allocation.

Question 6: Adoption of New Technologies

China Media Technology: In 2016, new technologies like "VR/AR/MR" and "artificial intelligence" received industry acclaim, and some new technologies stole the spotlight at this year's Two Sessions. How is your media organization applying these new technologies, and where will you invest or focus efforts in 2017?

Li Guochen: These technologies are all good, but they won't become mainstream business for our *Pearl River Times* yet. For these not fully mature new technologies, media can use them when doing promotional activities or attracting fans. However, relying on these new technologies to form core media competitiveness remains too idealistic.

Tian Kewu: We are very concerned about these new technologies, but honestly, our newspaper hasn't started applying them yet. As of now, there is no clear plan for applying these technologies at the newspaper level in 2017. From the newspaper's perspective, we are more concerned about how to build our own media platform and a new editorial operation model compatible with new media production.

Du Shiguo: 2017 is a life-or-deuth year for livestreaming. As multi-platform, localized livestreaming applications become increasingly accessible, VP, AR, and even drone vision have been widely applied, playing irreplaceable roles in daily activities. I believe that "artificial intelligence" methods including voice compilation and machine writing will also soon become popular. Currently, rather than asking where to invest or focus, it's more important to ask how to quickly digest these technological achievements and form systematic operational methods with commercial or social value.

Case Study: Dual-Brand Dual-Engine Strategy

West China Metropolis Daily, a leading metropolitan newspaper with glorious history and reputation, faces the tempting question of how to integrate with *Cover News*, which flows with new media blood.

"External parties are very concerned about this issue. At the end of last year, Sichuan Daily Press Group proposed that the West China Media Cluster build 'dual brands, dual engines' and promote integrated development. One engine is *West China Metropolis Daily*, the local engine in Chengdu, continuing to leverage local resources, influence, and readership advantages. The other engine is *Cover News*, playing a role among national netizens and young user groups."

"Based on building dual engines, the West China Media Cluster proposed integrated operation and unified chessboard integration for promoting convergence development. Unified chessboard refers to resource allocation in resource integration and planning, while integrated operation refers to integrated content production, presentation, planning, and evaluation. The entire media convergence development approach is to promote 'dual-brand dual-engine' integrated development and unified chessboard integration."

It is understood that *Cover Media* set a target of 20 million installations in 2017 and also set ambitious revenue goals, aiming to quickly achieve self-sustaining blood production, follow a market-oriented path, and possess and enhance the ability to participate in market competition. *Cover Media* has established a strict evaluation system where indicators such as installations, daily active users, monthly active users, and final revenue are all presented through data, and position responsibility agreements have been signed with heads of four business lines. The purpose is to achieve deep integration, realize synchronized resonance and dual-wing flight of social and economic benefits, and ultimately achieve the long-term goal of building new mainstream media.

Conclusion: Staying True to the Original Mission

When reaching the end of water, sit and watch clouds rise. For traditional media to achieve the vision of media convergence, much must be established and even more must be broken: systems, capital, technology, concepts, and so on.

"As former traditional media professionals, we have always adhered to our original mission of changing the world through information dissemination. Whether in the past, present, or future, whether in print or on the internet, on the battlefield of promoting media convergence development, we must keep our mission in mind, clarify responsibility, face problems directly, solve problems, and break the ice to move forward."

Li Peng expressed this when discussing *Cover*'s development original mission.

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

Source: ChinaXiv — Machine translation. Verify with original.