

Print Media

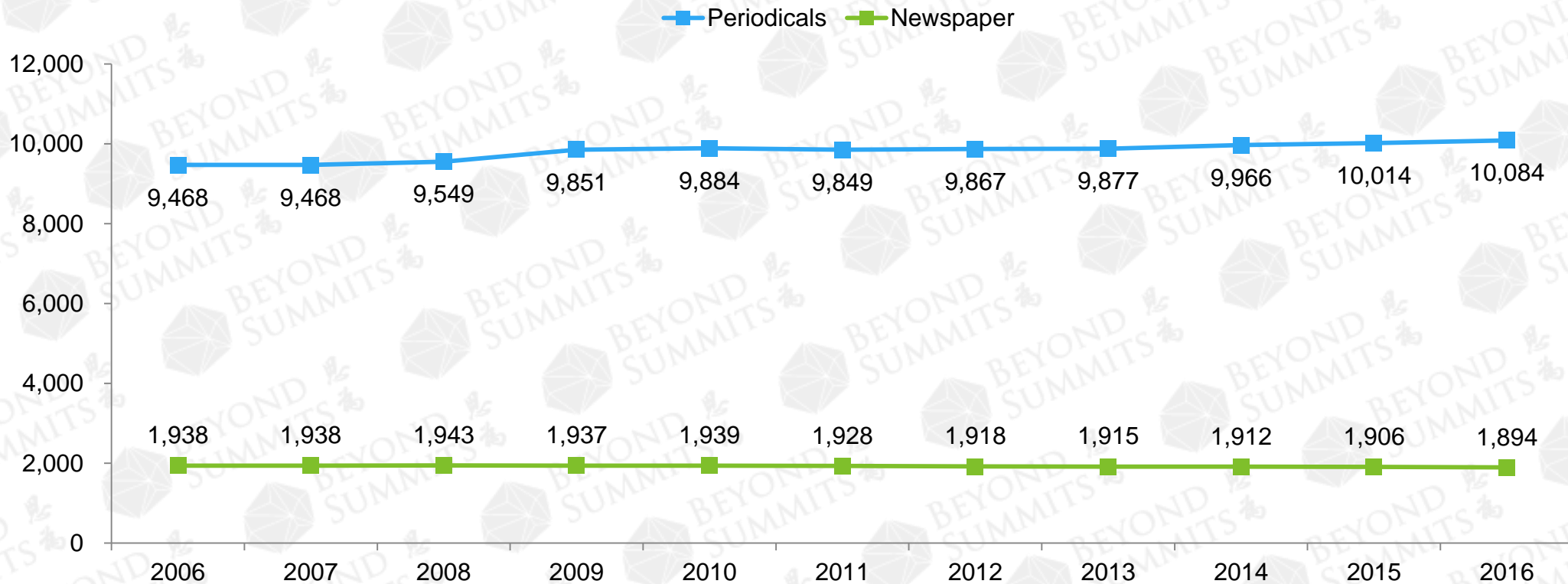


Summary :

- According to statistics, from 2011 to 2016, with the increasing penetration of digital media, the reading rate of Chinese newspapers continued to decline, falling to 39.7% in 2016, and the overall reading rate of periodicals also decreased.
- In recent years, the sharp decline in China's traditional newspaper industry has continued, and the total retail sales of various newspapers across the country have further declined. The double decline in the number of traditional newspapers and periodicals readers and advertising revenue has made it difficult for newspapers and magazines to operate in recent years. From 2006 to 2016, the number of Chinese newspapers has declined year by year, dropping to 1,894 in 2016.
- In 2016, magazine advertising revenue and advertising space continued to decline, and the decline was higher than that of 2015.

From 2006 to 2016, the number of Chinese newspapers has declined year by year, dropping to 1,894 in 2016. On the contrary, the number of periodicals has increased slowly, reaching 10,084 by 2016.

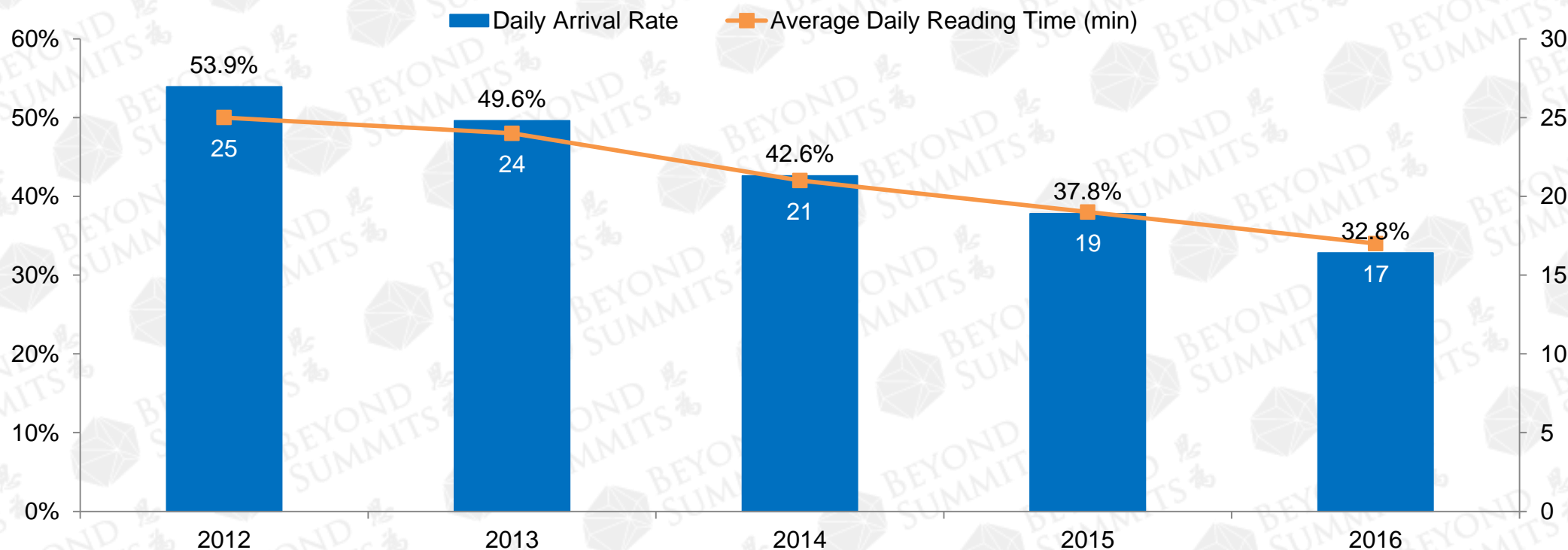
The Number of Periodicals & Newspaper Published



Source: China's National Bureau of Statistics

In 2016 , newspaper's daily reach rate and average daily reading time among urban residents both decreased compared to 2015, reaching 32.8% and 17 minutes respectively.

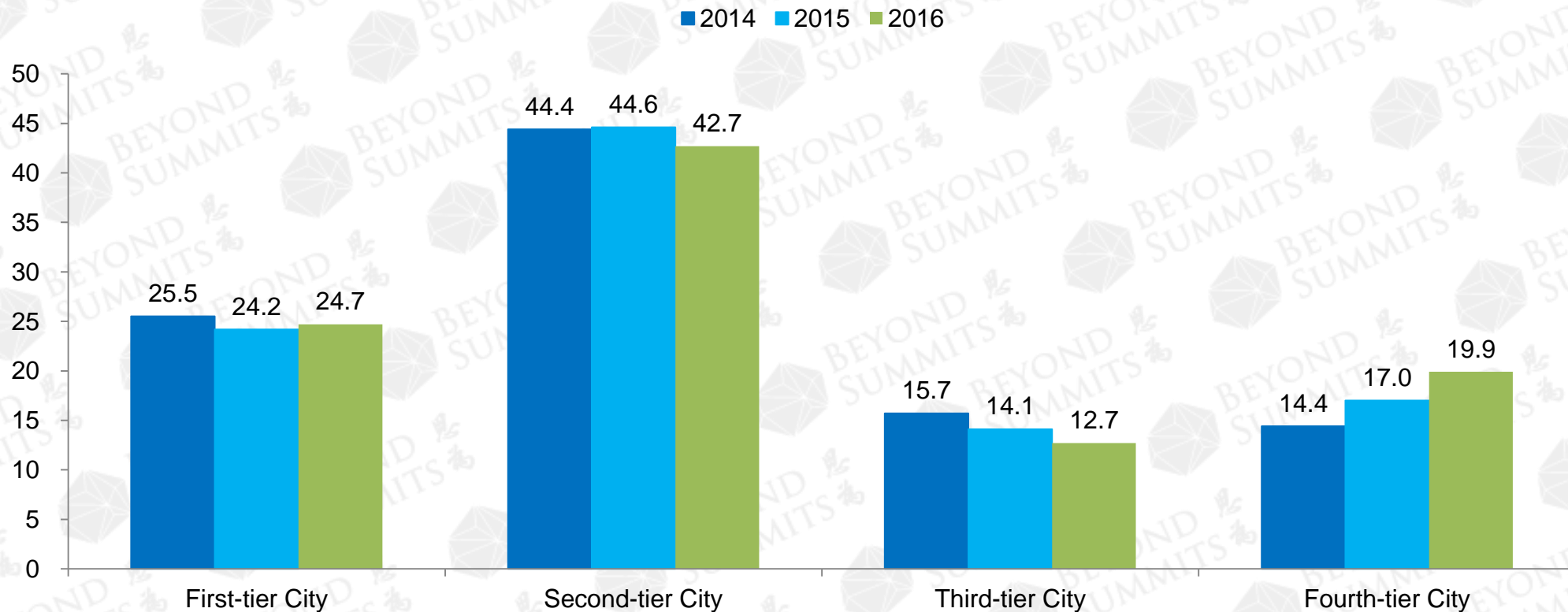
Newspaper's Daily Reach Rate and Average Daily Reading Time among Urban Residents



Source: CTR Market Research

Newspaper's daily reach rate among the urban residents in first-tier, second-tier, and third-tier cities declined from 2014 to 2016. However, it showed a growth trend in fourth-tier cities.

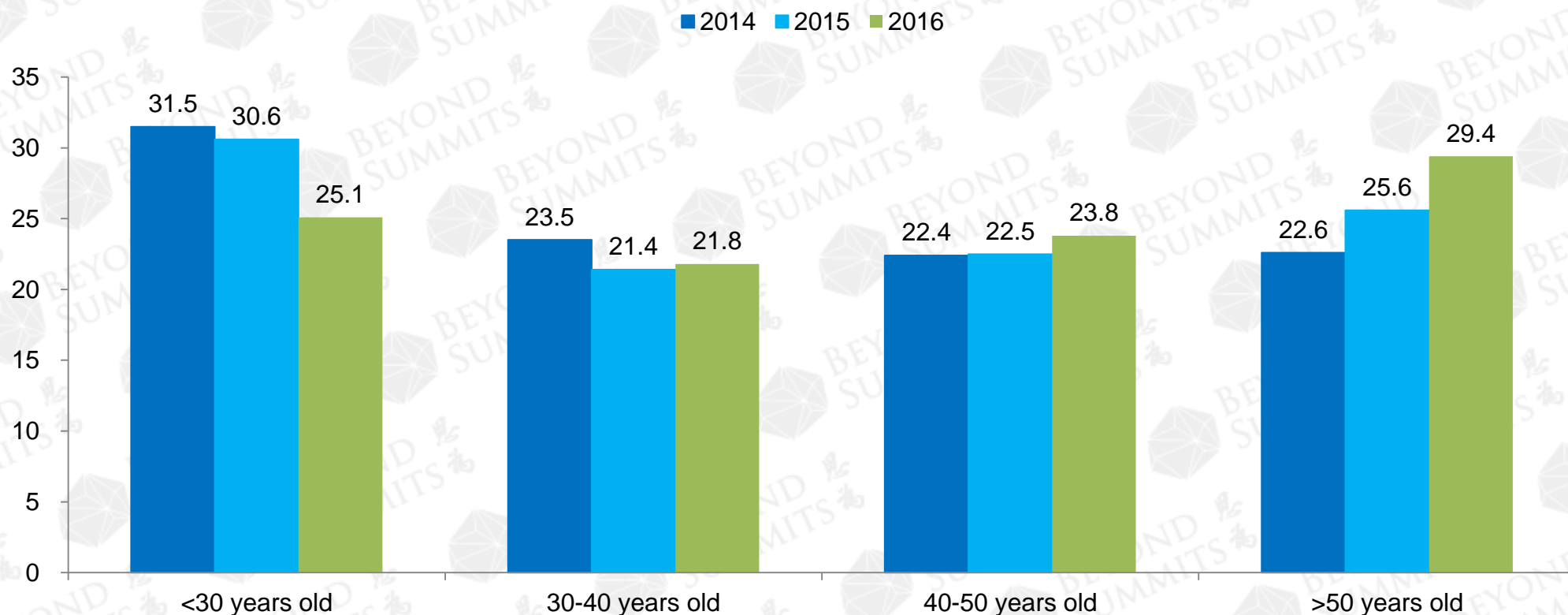
Newspaper's Daily Reach Rate among Urban Residents in Different Cities (%)



Source: CTR Market Research

From 2014 to 2016, the newspaper's daily reach rate among middle-aged and elderly urban residents continued to rise. In addition, the proportion of people reading newspapers daily is also positively correlated with age.

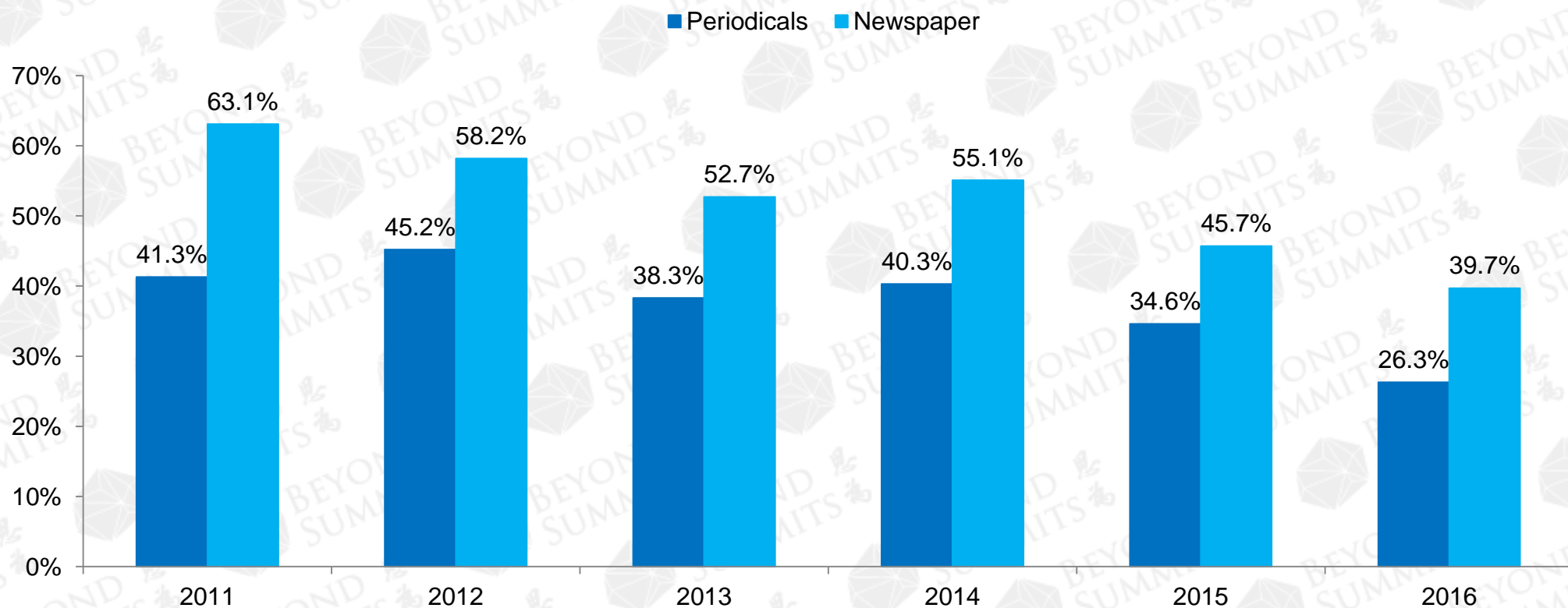
Newspaper's Daily Reach Rate among Urban Residents of Different Ages



Source: CTR Market Research

According to statistics, from 2011 to 2016, the reading rate of Chinese newspapers continued to decline, falling to 39.7% in 2016, and the overall reading rate of periodicals also decreased.

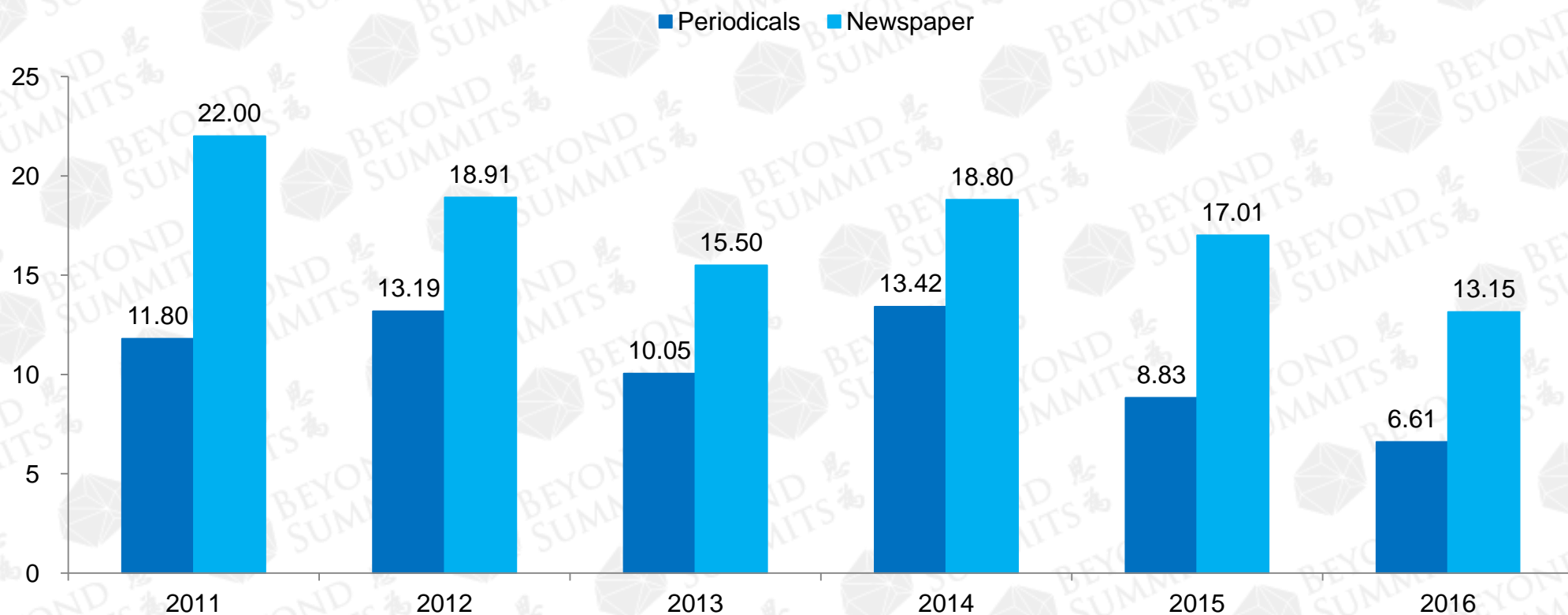
Reading Rate of Periodicals & Newspaper in China



Source: Chinese Academy of Press and Publication

In 2016, the average reading time of Chinese newspapers and periodicals decreased significantly to 13.15 minutes per day and 6.61 minutes per day, respectively.

Reading Time of Periodicals & Newspaper in China (minute per day)



Source: Chinese Academy of Press and Publication

In the first half of 2017, the expenditure on traditional media advertisements dropped significantly, and the paper media saw the strongest decline. Among all paper media, newspapers fell most, with a drop of 30.5%, and magazines also dropped by more than 20%.

The Growth of China's Traditional Media in 2017 H1

Traditional media	Year-on-year Growth of Ad Publishing Fees
TV	-3.6%
Radio	9.2%
Newspaper	-30.5%
Magazine	-23.4%
OOH	-2.7%

Source: CTR Market Research

With the following advantages, newspaper still takes a leading role in the media market:

- The authenticity of news and credibility of publisher make newspaper highly authoritative and trustworthy.
- Easy to carry, lower price and the reproprocess of news and information, all of the above make newspaper surpass other media.
- Some readers have formed a habit of acquiring news through reading newspaper, which is hard to change in a short time.
- Newspapers have a large circulation and a wide range of coverage, reaching the whole domestic market.

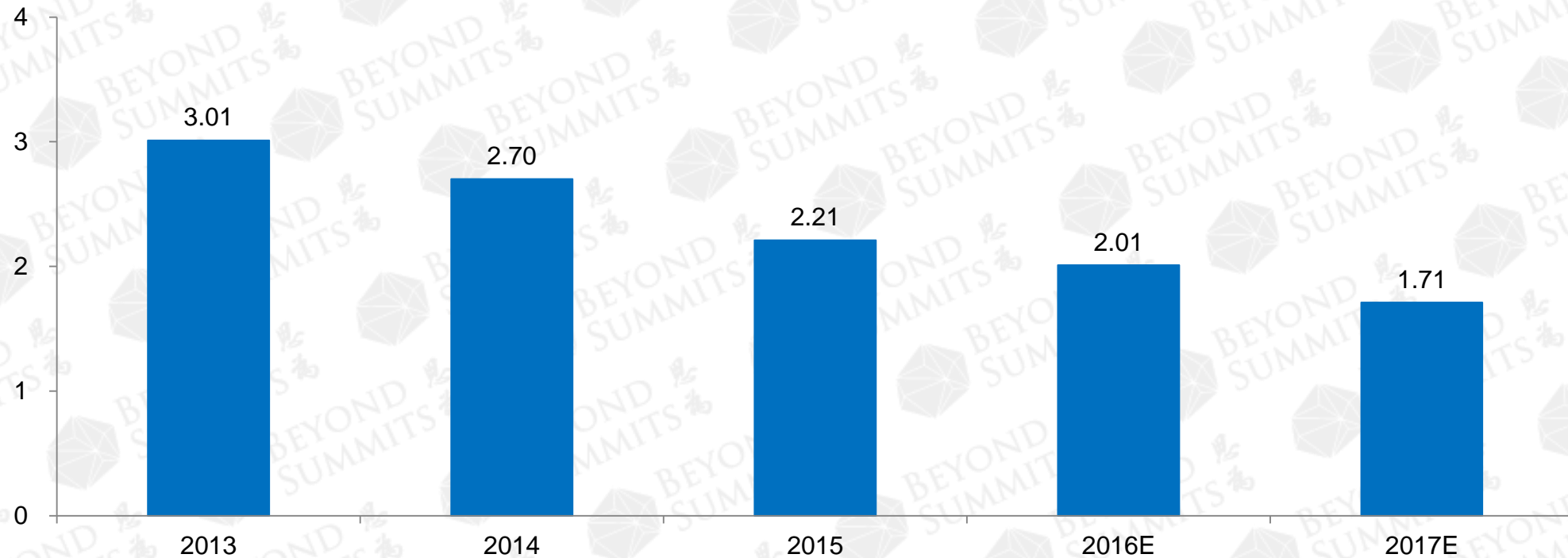
Newspaper also has its own disadvantages:

- Monotony in format, lack of flexibility and novelty.
- Barely any certification on the authentic circulation.
- The authenticity of news and credibility of publisher make newspaper highly authoritative and trustworthy.
- Easy to carry, lower price and the reproprocess of news and information, all of the above make newspaper surpass other media. Some readers have formed a habit of acquiring news through reading newspaper, which is hard to change in a short time.



From 2013 to 2017, the paper consumption of the national newspaper industry continued to decline, and it was expected to fall to 1.711 million tons by 2017. In general, the paper consumption reflects the sales of newspapers.

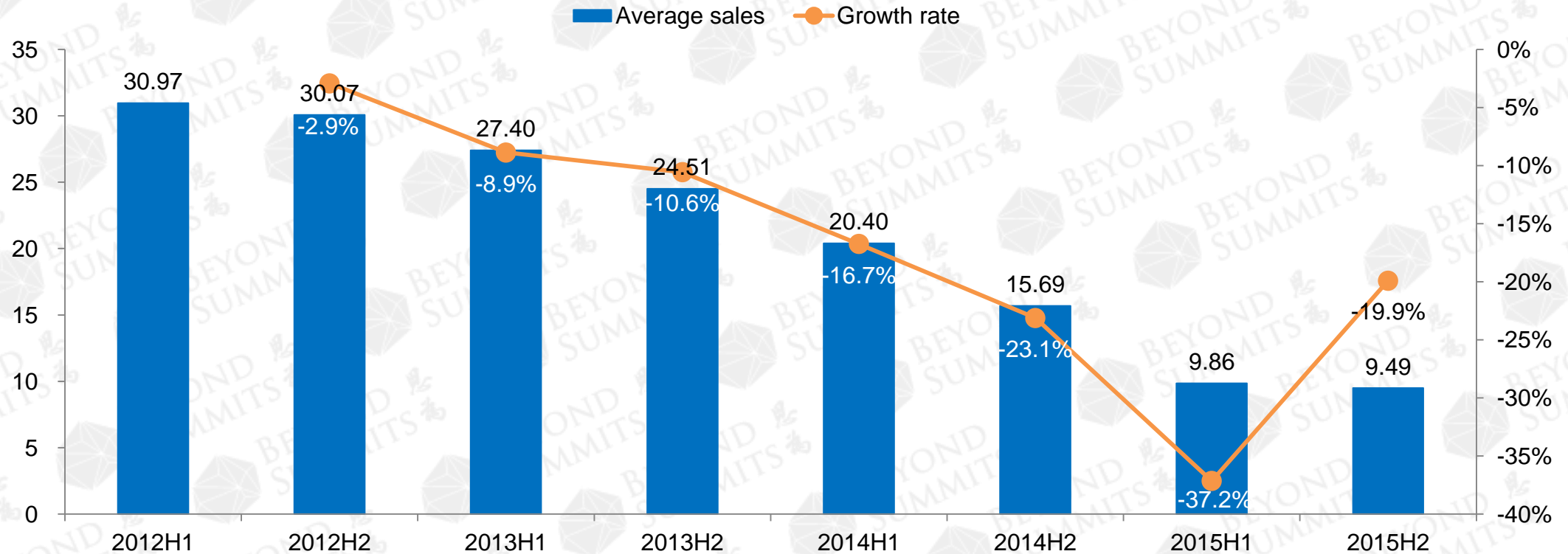
China's Paper Consumption in Newspaper (million ton)



Source: Chinese Academy of Press and Publication

Under the overall unfavorable background, the overall retail circulation of newspapers in China fell by 46.5% in 2015, marking a lowest record in recent years.

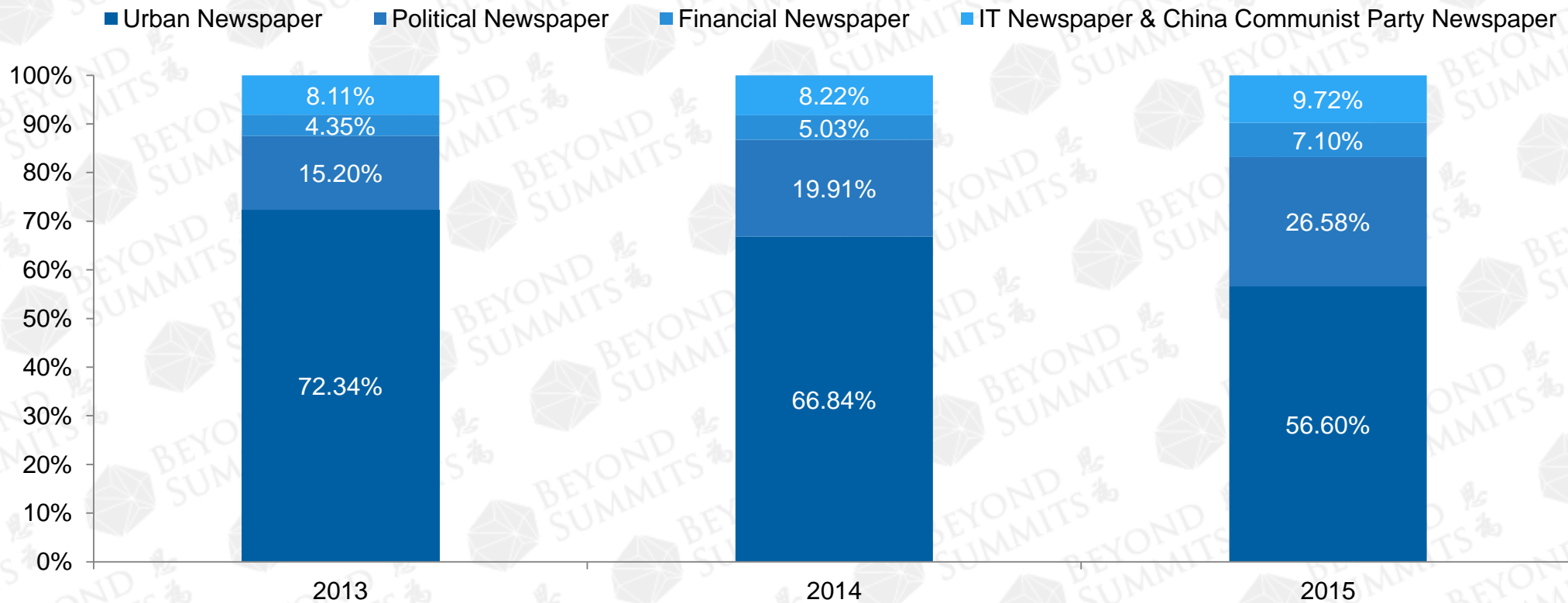
Overall Retail Circulation of Newspapers (million)



Source: Huawei Group, Social Blue Book 2016

From 2013 to 2015, the retail circulation of urban newspaper declined sharpest. Political newspaper, financial newspaper, IT newspaper and China Communist Party newspaper gradually dominate the newspaper market, taking the place of urban newspaper.

Retail Circulation of Different Categories



Source: Huawei Group

China's Newspaper Circulation in 2014

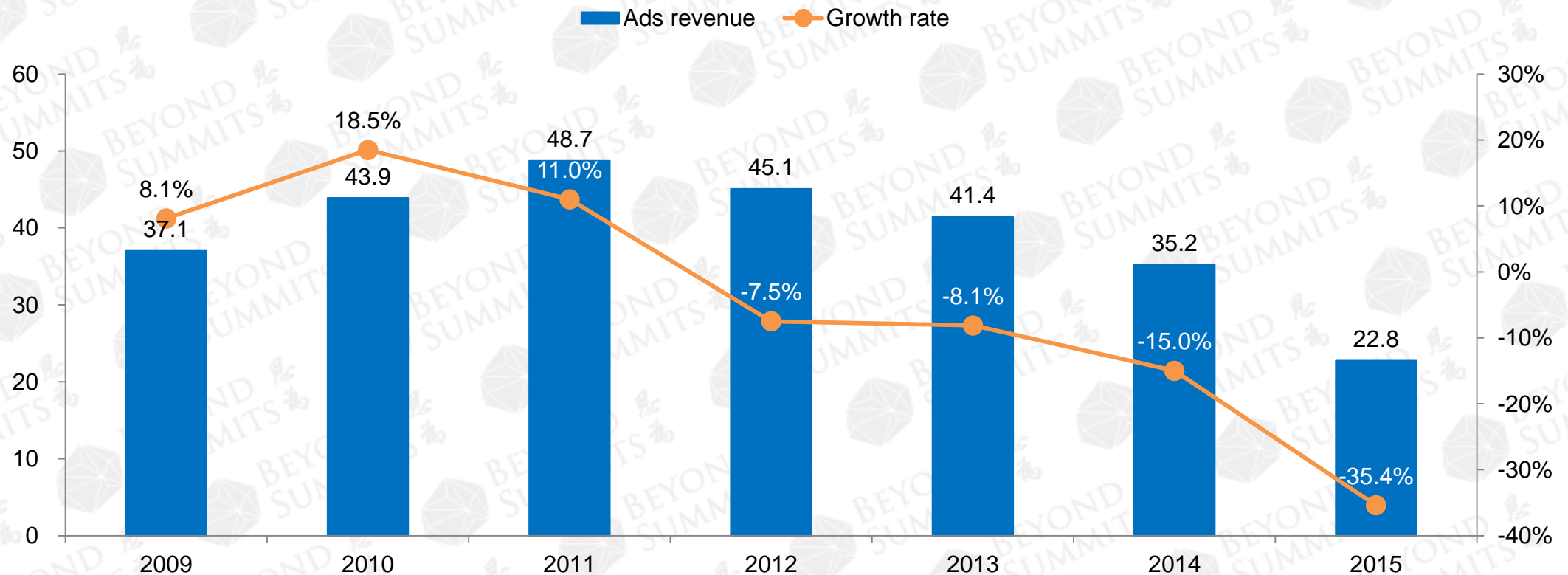
Ranking	Name	Circulation ('000)
1	Can Kao Xiao Xi	3,500
2	People's Daily	2,800
3	Global Times	2,400
4	Yangzi Wanbao	2,200
5	CNTV Dianshibao	2,000
6	Guangzhou Daily	1,850
7	Titan Sports	1,600
8	Nanfang Metropolis Daily	1,600
9	Qilu Evening News	1,500
10	XXSB	1,480
11	Southern Weekly	1,400
12	Chutian Metropolis Daily	1,300
13	Beijing Evening	1,200
14	XMWB	1,200
15	JLWB	1,200

Ranking	Name	Circulation ('000)
16	YCWB	1,170
17	WMG	1,150
18	XKB	1,130
19	Chengdu Economic Daily	1,120
20	Yanzhao Metropolis Daily	1,000
21	Dushi Kuaibao	950
22	QianJiang Evening News	950
23	Dahebao	950
24	Tonight News Paper	910
25	Bandao	900
26	Chinese National Geography	900
27	Nanfang Daily	850
28	LiaoShen Evening News	830
29	Beijing Times	830
30	Wuhan Evening News	800

Source: Askci.com

Since 2012, the rapid development of the domestic Internet has drastically slowed down the development of the traditional newspaper industry, and the sales volume of newspaper advertising has gradually dropped to 22.75 billion yuan in 2015, a 35.4% decrease from the previous year.

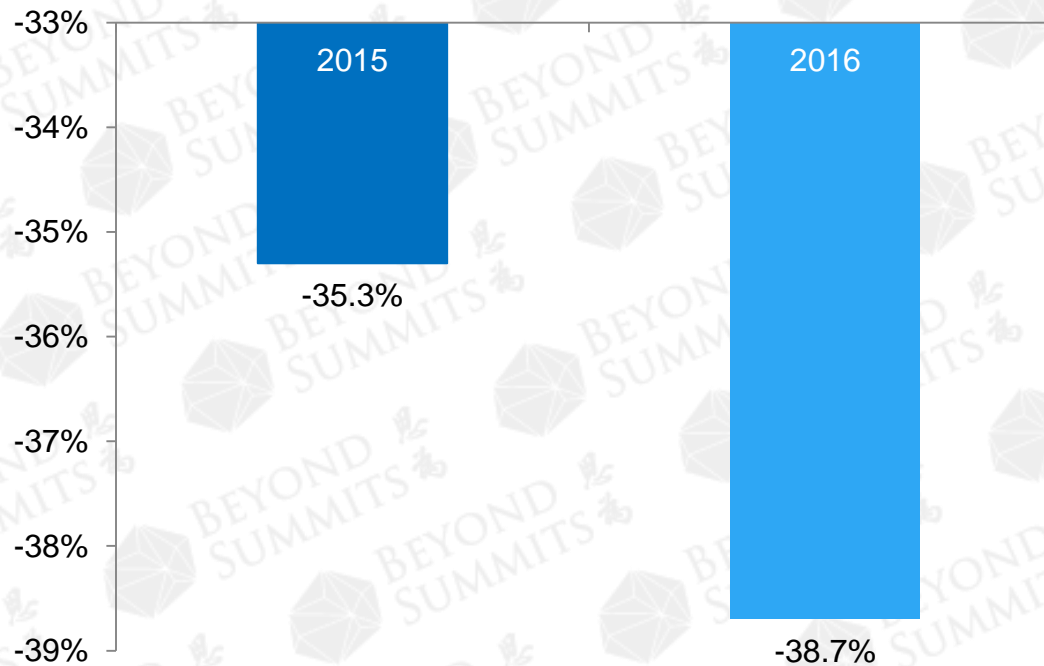
China's Newspaper Ad Revenue(billion yuan)



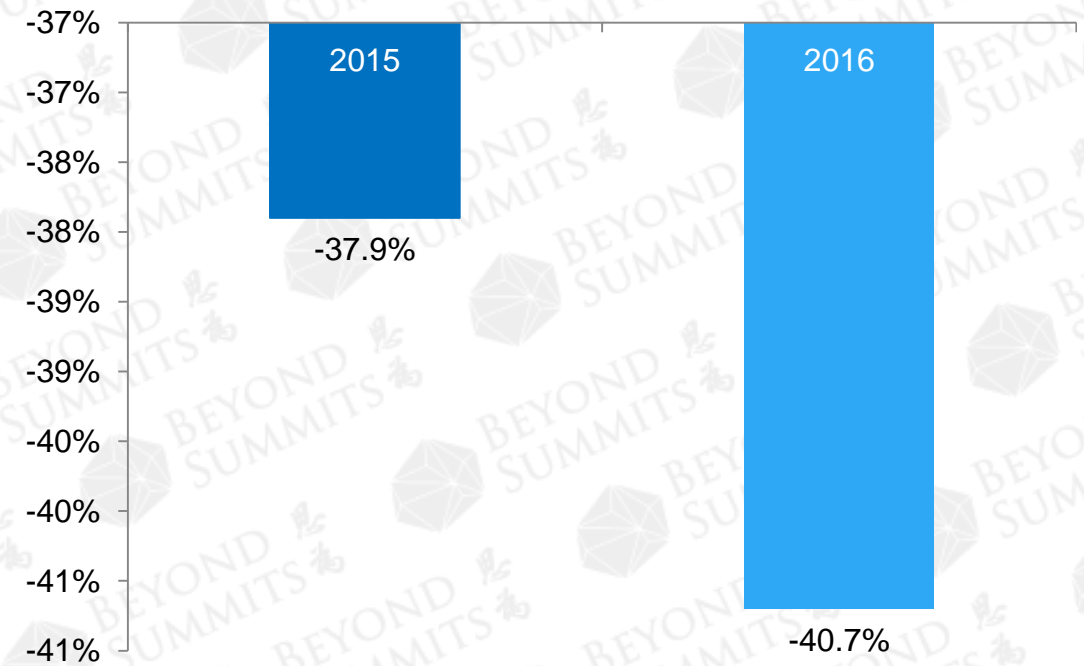
Source: CTR Market Research

In 2016, the revenue of newspaper's ads and advertising area continued to decline, and the decline was higher than that of 2015.

**Growth Rate of Newspaper's Ads Revenue
in 2015-2016**



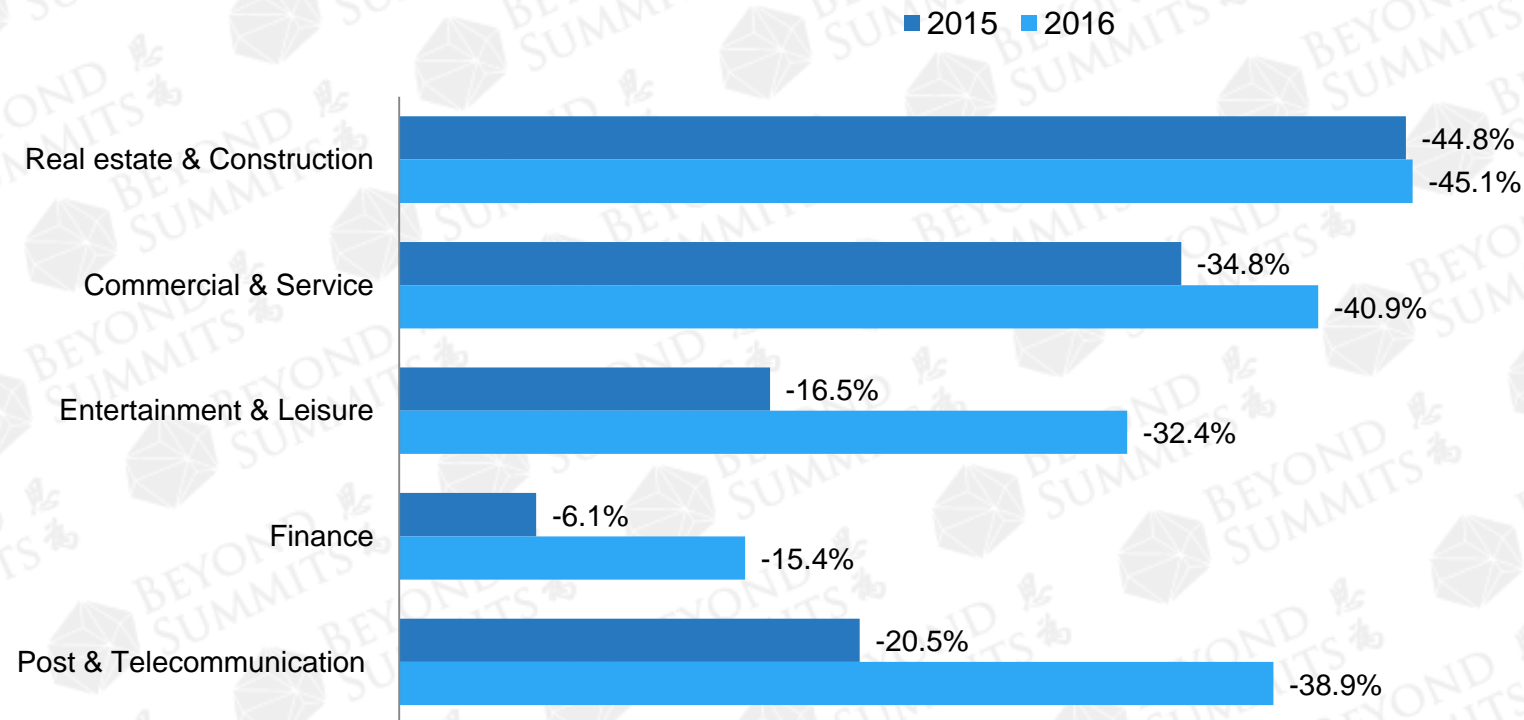
**Growth Rate of Newspaper's Advertising
Area**



Source: CTR Market Research

In 2016, the industry that spent the most on newspaper advertising was the real estate and construction engineering industry. However, in 2016, the advertising expenditure of the industry dropped by 45.1%.

Industries Spent Money on Newspaper Advertising and Its Growth Rate



Source: CTR Market Research

In 2015, the amount of advertisements and estimated revenue of advertising in newspapers for the country's major industries decreased year-on-year, with the largest decrease being in the tobacco industry, and the smallest decline in the electronic computer industry.

Year-on-year Growth of Newspaper Ads & Estimated Revenue in 2015

Industry	Estimated published price	Year-on-year growth of ad placement
Electronics & Computer	-2.3%	-6.4%
Agriculture	-15.3%	-35.9%
Financial investment	-17.7%	-23.6%
Culture & Recreation	-26.3%	-25.7%
Industrial Office Supplies & Business Service	-26.7%	-27.1%
Clothing	-32.8%	-40.2%
Medicine & Health Products	-38.7%	-37.8%
Food & Beverage	-39.6%	-43.2%
Personal items	-39.7%	-45.1%
Retail & Service	-42.8%	-41.3%
Appliance	-44.7%	-46.9%
Real Estate	-48.4%	-44.4%
Education & Telecommunication	-50.7%	-51.6%
Household Appliance	-51.4%	-51.8%
Automobile	-52.3%	-50.1%
Cosmetics & Bathroom Supplies	-54.9%	-54.2%
Tobacco	-71.3%	-67.4%

Source: Meihua.info

Growth Rate of TOP 5 Categories of Main Industries' Spending on Newspaper in 2016

Commercial and Service Industry

Category	Growth Rate in 2016
Retail Service	-47.7%
Medical / Healthcare Institutions	-34.1%
Education/Training	-27.7%
Commercial and Service Industry-others	2.8%
Beauty/Hairdressing/Body-care Service	-62.2%

Entertainment and Leisure

Category	Growth Rate in 2016
Tourism/Regional Image	-30.2%
Entertainment and Leisure Service	-47.8%
Sporting Goods and Service	-30.0%
Entertainment and Leisure—Corporate Image	-29.5%
Teaching Supplies and Service	-27.0%

Source: CTR Market Research

Growth Rate of TOP 5 Categories of Main Industries' Spending on Newspaper in 2016

Finance

Category	Growth Rate in 2016
Bank	-15.2%
Bank Business	-9.3%
Lottery	-6.9%
Insurance	-11.6%
Finance—Corporate Image	-21.7%

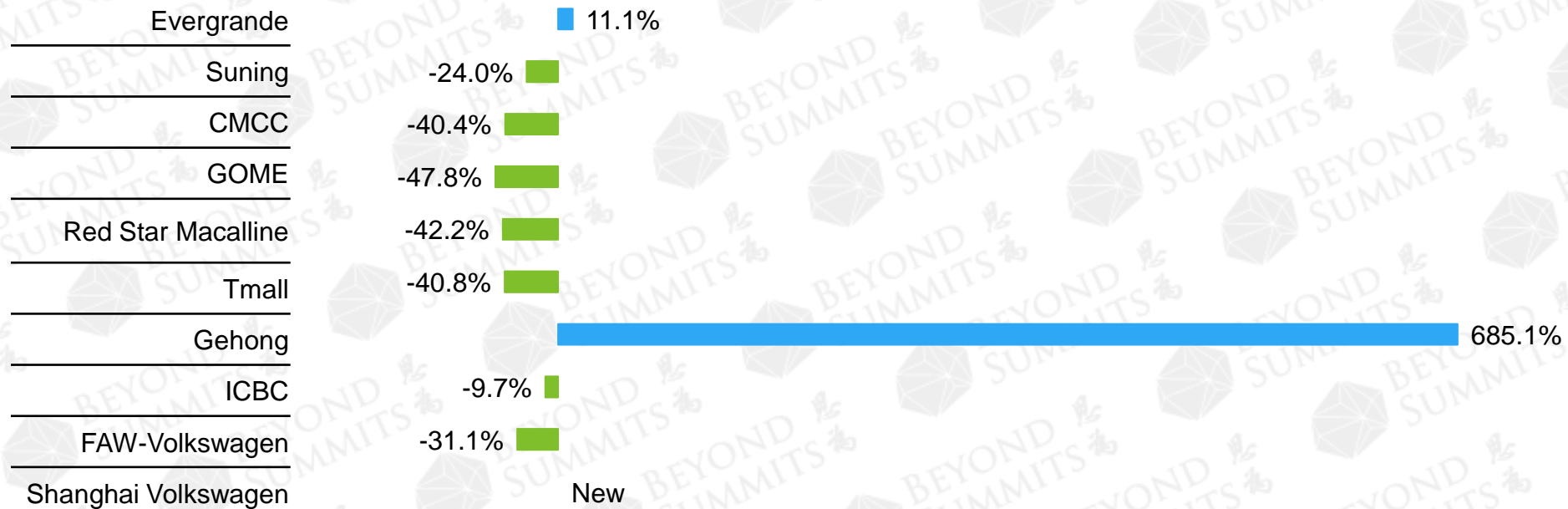
Posts and Telecommunication

Category	Growth Rate in 2016
Website	-40.8%
Mobile Internet Service	-50.4%
Mobile and Multimedia Service	-18.2%
Service of the Entire Network	-27.8%
Corporate Image of Telecom Operators	19.2%

Source: CTR Market Research

In 2016, the brand with the highest advertising spending on newspaper ads was Evergrande, while the brand with the highest increase in advertising spending was Ge Hong, which increased by 685.1%.

Top 10 Brands That Spent Most on Newspaper Ad and Its Growth Rate (2016 VS 2015)



Source: CTR Market Research

In 2015, the estimated revenue of Guangzhou Daily ads was the highest, falling by 28.1% compared to the previous year. Other newspapers with relative high estimated revenue were The Beijing News, XMWB, and Nanfang Metropolis Daily.

Top 10 Newspapers with the Highest Ads Revenue in 2015

Ranking	Media	Year-on-year Growth of Ads Revenue in 2015
1	Guangzhou Daily	-28.1%
2	The Beijing News	-37.4%
3	XMWB	-39.5%
4	Nanfang Metropolis Daily	-28.3%
5	Shanghai Morning Post	-27.4%
6	Yangzi Wanbao	-45.5%
7	Beijing Evening	-25.6%
8	Beijing Times	-41.1%
9	XDJB	-55.0%
10	CQCB	-42.4%

Source: Meihua.info

Future Pressure for Newspaper – From Audience

The digital era has arrived, which means that the readers are changing, and the industry itself is also changing that will bring challenges upon newspapers.

- No more depending on reading newspaper in the morning to acquire news and information.
- Not need newspapers to tell them about what's important like teachers or parents.
- Only want to be notified of news they are interested in, which should be updated constantly.
- Not only want to know what is happening, but also want to know why it's happening.
- Expect to learn about news that is relevant to their own life.
- Expect news to be related with trending topics, which can be used to chat and socialize with new friends in a much bigger community.



Future Pressure for Newspaper – From Market

Today, the society has entered into a digital era. When, where and how readers, especially new-generation ones, acquire news have changed greatly.

- The homogenization of contents and operation patterns will make newspapers be highly replaceable with low profit.
- New media will aggressively grab more audience and ad placement from traditional newspaper industry.



Magazines retain a certain growth and keep some market share based on the following advantages:

- Fine print with rich colors to stimulate audience's desire to read.
- The content is segmented, which allows readers to freely select and choose content based on their interests.
- Magazines can be read repeatedly and kept for a long time, which makes it worth collecting.
- Magazines have high circulation rate to be read by a lot of audience.

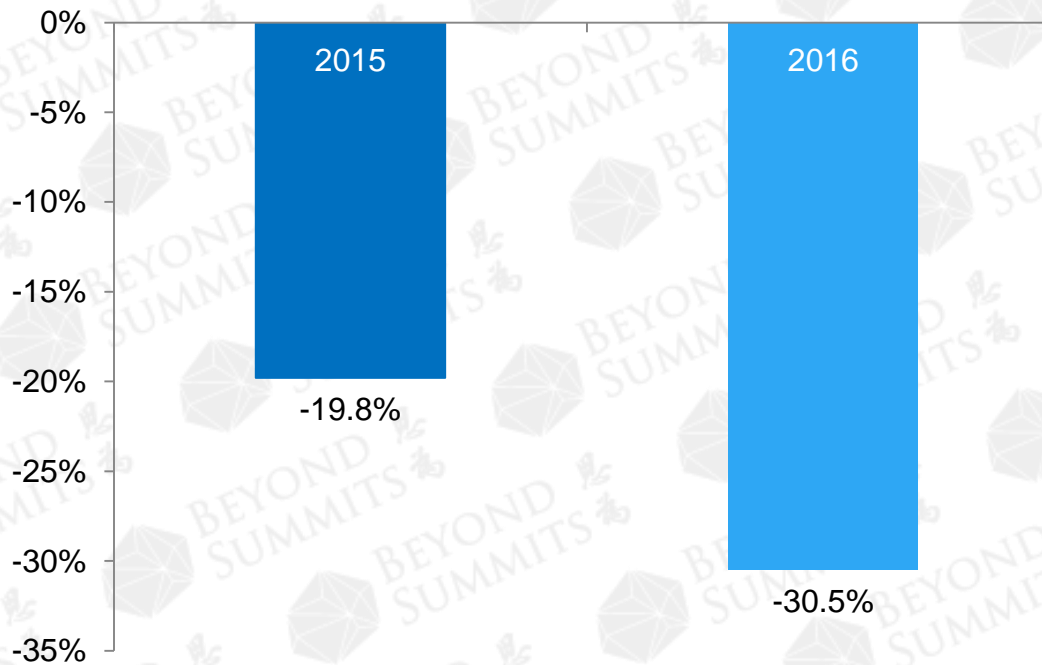
But magazine has its own inherent weaknesses:

- Expensive, most magazines are priced from 10 to 20 RMB, some are even higher.
- Most magazines' circulation is faked and cannot be certificated and audited by any authorities, except several famous ones.
- The preparation time before launching ads is so long, usually lasting for 1-2 months before printing.

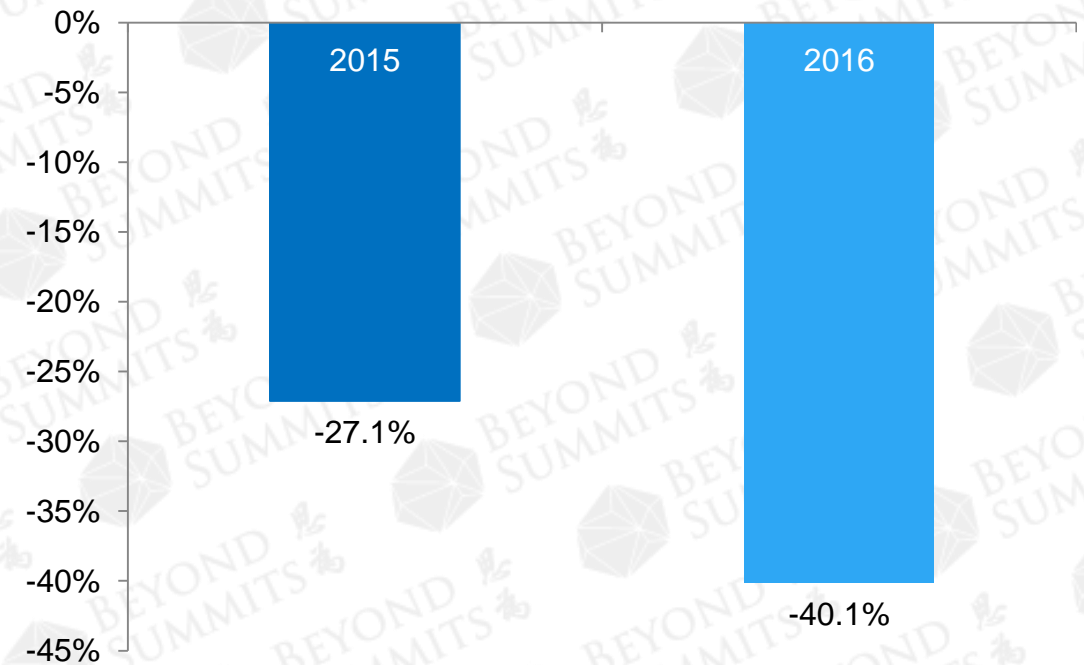


In 2016, magazine advertising revenue and advertising space continued to decline, and the decline was higher than in 2015.

Magazine Advertising Revenue in 2015-2016



Magazine Advertising Space in 2015-2016



Source: CTR Market Research

In the first half of 2016, sales of education, parenting and foreign language magazines accounted for the largest proportion among all categories of magazine, reaching 17.6%.

Ranking	Magazine Category	Proportion of Sales in 2016 H1
1	Education/Parenting/Foreign Language	17.60%
2	Fashion/Entertainment/Clothing	15.51%
3	Recreation and Sports/Art/Advertising	13.30%
4	Commercial/Finance/Marketing	11.04%
5	Politics/Military Information	10.81%
6	Automobile/Life/Baike	8.20%
7	Tourism/Photography/Digital	7.10%
8	Architecture/Geography/Gardens	6.66%
9	Film/Comic/Movie and Television	4.01%
10	Technology/Exhibition/Internet	2.98%
11	Medical Science/Food/Hotel	2.79%

Source: Zazhi.com

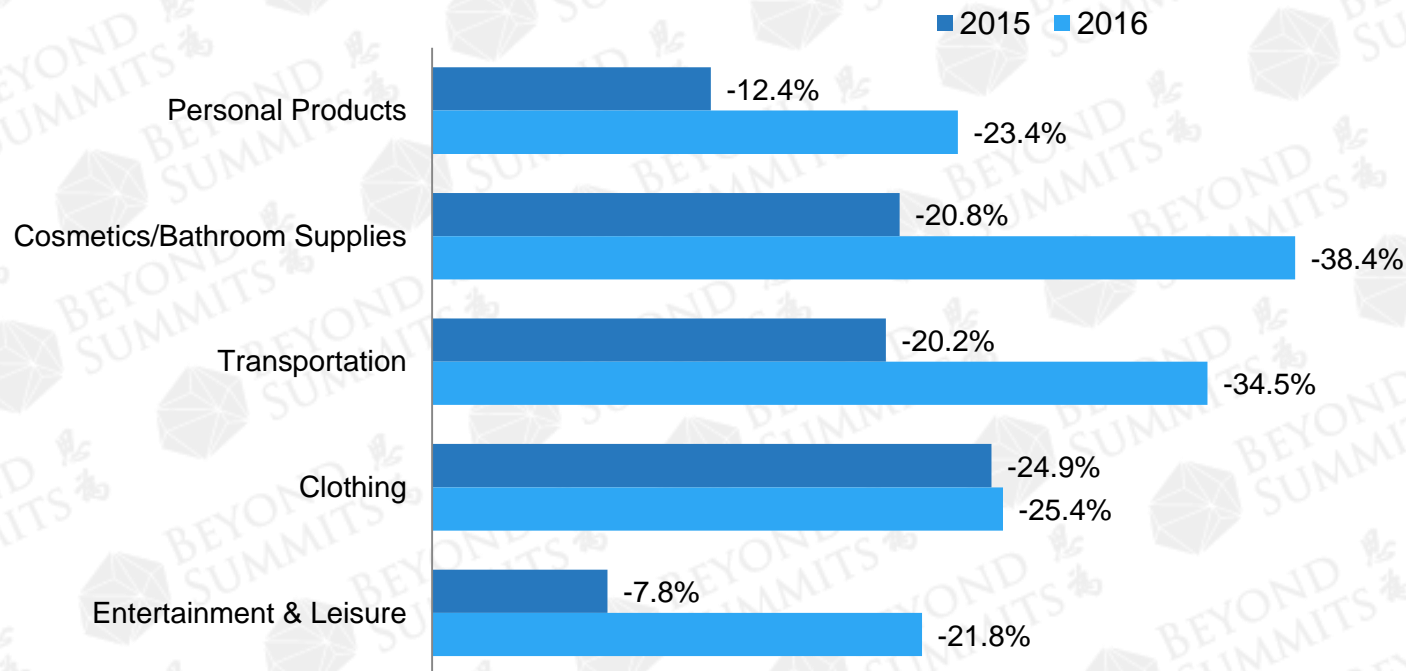
China's Magazine Sales Ranking & Market Share in 2015

Category	Name	Sales Ranking	Market Share (%)
Auto	Auto Fan	1	13.90
	Car Market Guide	2	9.67
	Orient Auto	3	9.28
Female Fashion	ViVi	1	21.77
	Rayli Clothing & Beauty	2	20.31
	Rayli Beauty & Fashion	3	14.12
Parenting	Mon Baby: 0-3 years old	1	11.80
	Parenting Science	2	10.61
	Mon Baby: Pregnant Women	3	9.94
Male Fashion	FOR HIM MAGAZINE	1	20.89
	LEON	2	15.61
	Esquire	3	14.86
Finance	CBN Weekly	1	18.80
	Business	2	11.13
	Economic Weekly	3	8.63
Household	RAYLI HOME	1	32.00
	TRENDSHOME	2	22.26
	AD	3	12.21

Source: Huawen Group

In 2016, the industry with the largest decline in magazine advertising expenditure was the cosmetics and bathroom products industry, which represented a drop of 38.4% from the previous year.

Top 5 Industries with the Largest Magazine Advertising Expenditure and Its Growth Rate



Source: CTR Market Research

In 2015, the number of advertisements and estimated expenditure of major industries in the country's magazines decreased year-on-year, but the overall decline was less than that of newspapers, with the largest decrease being in educational telecommunications and other public service industry.

Year-on-year Growth of Magazine Ad Placement & Ad Revenue in 2015

Industry	Year-on-year Growth of Ad Revenue	Year-on-year Growth of Ad Placement
Agriculture	-17.4%	-7.4%
Clothing	-19.2%	-8.6%
Personal items	-20.8%	-15.1%
Cosmetics & Bathroom supplies	-21.3%	-20.5%
Retail & Service	-22.5%	-29.9%
Appliance	-23.0%	-16.3%
Tobacco	-23.6%	-4.3%
Medicine & Health Products	-24.5%	-6.5%
Financial investment	-24.9%	-18.0%
Electronics & Computer	-27.1%	-25.7%
Culture & Recreation	-29.3%	-25.6%
Industrial office supplies & Business Service	-32.3%	-29.6%
Household appliance	-33.6%	-29.1%
Automobile	-36.0%	-28.2%
Food & Beverage	-39.0%	-40.6%
Real Estate	-44.5%	-36.0%
Education & Telecommunication	-46.0%	-42.5%

Source: Meihua.info

Growth Rate of TOP 5 Categories of Main Industries' Spending on Magazine in 2016

Personal Items

Category	Growth Rate in 2016
Personal Items	-20.0%
Clock and Watch	-31.6%
Jewelry	-9.7%
Luggage and Bag	-53.6%
Glass/Contact Lenses	5.8%

Cosmetics/Bathroom Supplies

Category	Growth Rate in 2016
Skin Care	-30.0%
Makeup	-36.8%
Perfume	-46.2%
Cosmetics/Bathroom Supplies	-52.2%
Shampoo/Hairdressing/Haircare	-75.5%

Source: CTR Market Research

Growth Rate of TOP 5 Categories of Main Industries' Spending on Magazine in 2016

Transportation

Category	Growth Rate in 2016
Transportation tool	-34.3%
Vehicle Related Service	-42.0%
Transportation Service	-43.7%
Transportation—Corporate Image	-26.8%
Transportation—others	49.7%

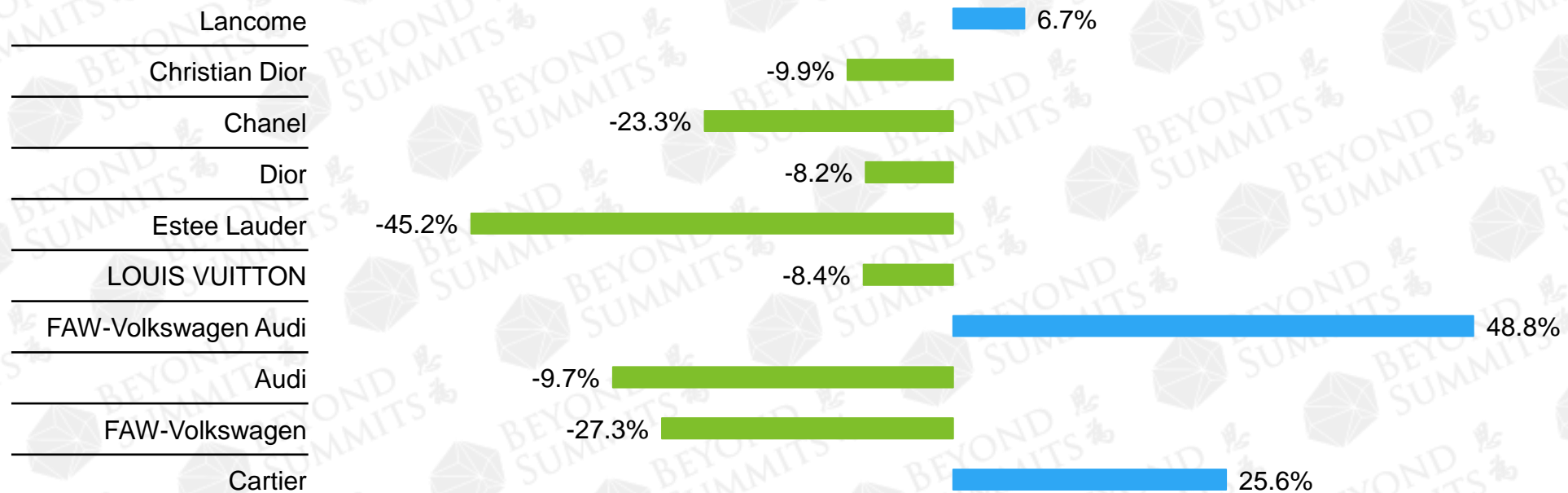
Clothing

Category	Growth Rate in 2016
Clothing Products	-11.6%
Clothing	-37.7%
Shoes	-28.6%
Underwear	-19.3%
Clothing—Corporate Image	308.7%

Source: CTR市场研究-媒介智讯

In 2016, among the Top 10 brands that had spent the most money on magazine ads, Lancome spent the largest amount of money. The brand with the largest increase in spending was FAW-VW Audi, which increased by 48.8%.

Top 10 Brands That Have Spent the Most Money on Magazine Ads and Its Growth Rate (2016 VS 2015)



Source: CTR Market Research

In 2015, advertisers who had a higher estimated magazine advertising investment were mainly the cosmetic, fashion, and automotive industries, such as LVMH. It was worth noting that in 2015 Adidas strongly increased its investment in magazines.

Top 10 Magazine Advertisers in 2015

Ranking	Advertiser	Year-on-year Growth of Ad Investment in 2015
1	LVMH	-1.9%
2	L'oreal	-39.0%
3	FAW-Volkswagen	19.7%
4	Richemont	-15.9%
5	SWATCH	-22.5%
6	CHANEL	-21.5%
7	Estée Lauder	-27.5%
8	Mercedes-Benz	14.6%
9	Shanghai Volkswagen	41.2%
10	Adidas	51.0%

Source: Meihua.info

In 2015, advertisers who had a higher estimated magazine advertising investment were mainly the cosmetic, fashion, and automotive industries, such as Elle, Cosmopolitan, and Modern Weekly. However, the advertising investment on most of these magazines have dropped except Elle.

Top 10 Magazines with the Highest Advertising Investment in 2015

Ranking	Media	Year-on-year Growth of Advertising Investment in 2015
1	Elle	15.2%
2	Cosmopolitan	-27.6%
3	Modern Weekly	-29.8%
4	Bazaar	-15.4%
5	Vogue	-11.9%
6	Grazia	-13.3%
7	Gateway	-21.6%
8	Rayli	-30.4%
9	Wings of China	-7.4%
10	Marie Claire	-17.4%

Source: Meihua.info

Future Pressure for Magazine

Serious homogeneity of magazines

For many magazines of the same category, the content is duplicated and cannot be further subdivided and distinguished.

Fierce Competition in the market

As new magazines emerge like mushrooms, original magazines are at risk of elimination if they cannot meet the market demand.

Impacts from new media

Online media and new media have changed consumers' reading habits, and E-magazines are getting more popular.



The Trend of Print Media under the Impact of New Media

- Create various digital forms, including website, mobile news, news client, and newspaper QR code.

Digital Forms



- Special issues, columns, and special edition will become the new features of print media.

Personalized Content



- Integrating traditional forms of print media with new media can boost sales and better market newspaper and magazines.

Interactive Management





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