

AFTER THE FAIRY TALE

Guangdong has China's most liberalised and internationalised TV market. The Southern Media Group is the largest media group in the region. Southern Television Guangdong (TVS), the youngest provincial TV station, was launched in 2001, and has developed fast during the past seven years. Today over 9m households can watch the five TVS channels via the provincial cable network.

In 2004 TVS Satellite Channel was launched, reaching audiences in other provinces, plus Hong Kong, Macau and Taiwan, and also the rest of the world through the Great Wall satellite TV platform. TVS' rapid growth of market share is, the company says, mainly due to the clear segmentation of its five channels. TVS-1 broadcasting in Mandarin is targeting the ordinary man on the street; TVS-4 which ranks top among the TVS channels in terms of ad revenue and audience ratings is a popular choice for movie and drama; TVS-5 is the first children's channel in mainland China.

Mr Ou Nianzhong, President of **TVS Southern Television** since 2004, has close ties to Germany's international broadcaster Deutsche Welle. It's a long story, dating back to 1992 when Ou attended a training course at DW in Cologne.

He met DW's then Director of International Relations, **Dr Burkhard Nowotny**, and a long-standing professional friendship began which was reflected in repeated Chinese-German cooperation in radio, TV and training.

When DW's director general Erik Bettermann visited China in 2004, the story of the Pied Piper of Hameln aroused Mr Ou's interest and the German Fairy Tale project was born. It was realised with



partners German National Tourist Board and German airline Lufthansa, and a year later, the programmes on the German 'Fairy Tale Route' were broadcast not only on TVS-1 and TVS-2 but also to Asia, Australia and the US via satellite. Many other projects followed, with TVS teams visiting different regions of Germany. In 2008 interest was focused on the river Rhine: "How did the Europeans get the river clean again?" In view of the environmental situation in China, this was an interesting case study. Book and DVD of the programme are now available nationwide in China.

Burkhard Nowotny now works as an independent media consultant and maintains close ties with TVS. In his role as Adviser to the President of TVS, he had the opportunity to talk to Mr Ou on a range of issues.

On training at DW

[Ou] The training at DW broadened my horizons and gave me insight into the broadcasting landscape, both PBS and commercial broadcasters. When I became Assistant President of Radio Guangdong in 1996, the knowledge

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and skills acquired in the Broadcasting Management course were very helpful to me - on team work, motivating employees, attracting advertisers and promoting the station. The course on Audience Analysis and Research contained particularly useful information on operating a media company in a market economy. The ongoing training cooperation with DW Academy has been very beneficial for staff from Radio Guangdong and TVS.

On the media landscape in Guangdong

[Ou] By 2000, nine channels from Hong Kong and overseas had been authorized to enter the Guangdong market, intensifying the competition. In 1999, according to AC Nielsen, the nine TV channels had 72.5% of the overall market share in Guangzhou. But since 2004, this market share has been falling - to around 30% in the capital Guangzhou in 2008, to around 10% in the whole of Guangdong province. China Central Television (CCTV) and satellite TV channels from other provinces are also competing for a slice of the Guangdong market share.



On the market economy

[Ou] The government encourages broadcasters to put more emphasis on the economic aspects of the TV industry. China's broadcasters are now covering their operating costs mainly by advertising revenue, supplemented by some other income. The reform is working well; TV and radio stations have been developing fast during the past 10 years. According to SARFT's statistics, the total revenue for Guangdong's broadcasters was 2.8 bn Yuan RMB in 1999, and increased to 9.47 bn Yuan RMB in 2006.

On the effect of ratings on programming

[Ou] High ratings attract advertisers, consequently the programming and positioning strategy to achieve high ratings is crucial. TVS' increase in market share is mainly due to the precise positioning and market segmentation of its five channels (Economy Channel, City Channel, Entertainment Channel, Movie and Drama Channel and Children's Channel), and efficient configuration of resources. 2006 saw substantial growth in their market share for all five channels: the movie channel TVS-4 had the greatest net growth of 4.6 points while the entertainment channel TVS-3 had the largest growth range, from 0.8% in 2001 to 3.5% in 2006, an increase of 337.5%. TVS is the channel with the fastest and biggest growth in both audience ratings and advertising revenue, well placed to compete with overseas TV stations.

Since its launch in 2001, TVS has restructured and re-defined its strategy across all areas of its business. With limited resources, TVS has created a host of localised popular programmes which cater for the 'man in the street', and has thus found its competitive edge. "Headlines Today" quickly rose to the most viewed programme in Mandarin in Guangzhou, thus ending the dominance of news reporting in Cantonese in Guangzhou and triggering a reform of news reporting in Guangdong.

On broadcasting reforms

[Ou] Over the past years, the broadcasting reform in Guangdong has accelerated by merging resources across the province, and strengthening cooperation with partners from both home and abroad. In compliance with SARFT's policy of merger between terrestrial and cable stations and with its approval, Guangdong Cable TV Station and Guangdong Commercial TV Station merged into the current Southern Television Guangdong (TVS) in 2001. The other provincial TV operator, Guangdong Television (GDTV), focuses on current affairs, finance and business information and targets the high-end market in Guangdong Province, the rest of China and overseas. With their complementary programming, TVS and GDTV have both become major players. In 2004, Southern Media Corporation (SMC) was established, 19 prefecture-level TV stations joined the group. Now five companies are directly affiliated to SMC: Radio Guangdong, Guangdong TV, TVS, Cable Network Ltd. and Broadcasting and Transmitting Centre.

On co-productions with Germany

[Ou] TVS hopes to play the role of a cultural ambassador, to facilitate cultural exchange between east and west. For our staff it is a chance to understand a different culture. As the Chinese saying goes, 'Seeing is believing'. Face-to-face contact is very different from just gleaned the information through the media. ■

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