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Pioneering the media convergence: lifestyle media production in the digital age in China

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ABSTRACT

An interpretivist methodology was adopted in the research using interview and observation techniques to build a broader qualitative picture of media convergence and innovation of lifestyle media organisations in PRC. By tracking the convergence of three media from 2014 to 2017 in China, this study has found that in the transitional period, the macro-political system unavoidably plays a restrictive role while the motivation of media organisation leadership to innovate is the key factor to success. Furthermore, original content production based on accurate positioning of the target as a niche player is positively linked to performance and profitability. The research team argues that it is not the mainstream news media, but instead the small and agile niche-player media that may pioneer the process of media convergence and innovation.



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Since the last decade of the 20th century, legacy media organisations across America and Europe have been utilising and embracing new media in order to reverse the declining readership and audience engagement. This trend reached Mainland China by the 2010s. In quest of greater market share and differentiation from their competitors, managers of legacy media organisations need to rethink their businesses, re-structure their organisations, and re-allocate their resources while recruiting a workforce savvy in technological and mobile platforms. But the recent history of journalism has shown that existing institutions have been slow and cautious to experiment radically and disruptively enough inside their own organisations (Domingo et al., 2012; Francis & Bessant, 2005). The failures of media transformation of most media organisations mostly lie in their refusal to innovate (Mersey, 2010). A large number of academic work have existed in investigating the ways in which media is responding and adapting to “new modes of convergence” (Freeman, 2017) and its “transmedia turn” (Fast & Örnebring, 2017). However, the concept of media convergence is so multi-faceted and complicated that there is currently no set definition for it (e.g., García et al., 2009). The focus of this study aims to explore the process of the “convergence in the media organisation” in the context of “convergence in media technology”. The former refers to the integration and merger of media organisations in cross-regional fields to form a larger scale of cross-media groups, including

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convergence of ownership, tactics, structure, information gathering and presentation/storytelling while the latter brings about new communication methods by integrating both legacy and new media technologies or even entirely new media modes (Gordon, 2007).

Legacy media organisations in People's Republic of China are never purely market-oriented and most innovations in media organisations are incremental rather than disruptive. There are few successful cases of legacy media organisations' transformation in the new media era and not enough empirical research has been conducted in PRC. This paper aims to investigate the changes and innovation of pioneering media in China, explore routine practices in the production, analyse innovative strategies and identify emergent new media business models, thus contributing this case study to related media research. From 2014 to 2017, the research team tracked the media convergence of three top market-oriented media in China: two lifestyle magazines and an APP of a metropolitan newspaper, and combined the research methods of documentary analysis, in-depth interview and participant observation, and explored the process of a new media business model with sustainable profitability.

Background: print media in mainland China

Media are the result of multiple combined forces and the three main forces are political, economic and technological (McQuail, 2000), complemented with cultural and social factors. The environment of the media industry and media organisations has its particularities in PRC. In the early stage of Mao's governance political powers controlled the mass media entirely. Since 1978, under reforms by Deng Xiaoping and with the marketisation of media, economic forces began to play an important role in media industry (e.g., Zhao, 1998 & 2000). With the declaration of authority in August 2006, with exception to a few key Party print media, other media organisations transformed to a market-oriented system (Scotton & Hachten, 2010) identified as the institutional unit with corporate management.

The Party-state powers control the ideological orientation of media in PRC. The government makes legacy media, especially the daily newspaper, as the voice of the Party-state. With the development of the Internet, Chinese authority considers that media convergence can be an ideal way to remove news from its traditional medium to the Internet, so that can spread to more audiences and guide the public opinion run in a correct orientation (Yin & Liu, 2014). Thus, at least to some degree, the media convergence are up-to-bottom political driven issues, mainstream legacy media receive subsidies from the government to make the digital innovation which makes them more dependent on the government than before. This is obviously not in the same page of abovementioned "media convergence" issues in the Western countries. But in Guangdong province market, which is seen as a pioneer of open-up and media reform in China, media organisations go ahead of media marketisation, which intensifies media competition and drives innovation in institutions and technology. In Deng's reform era, the pioneers of media reforms started from the supplement part of media organisations, just like magazines, weekly and market-oriented metropolitans in Guangdong (e.g., Li, 2007). So we assume that if the kind of bottom-up media convergence really happens in PRC this time, it would probably emerge in the supplement part of the media

organisation too. That's why and how we choose the research objects cases in the process. To some extent, it is not the research team to choose the cases; on the contrary, it is the lifestyle media which have chosen to pioneer the media convergence in PRC.

Lifestyle media production and adaptation in the digital age

In recent decades, journalism shows a “softening” trend (Fürsich, 2012). Comparing with “hard news”, soft news has a different process of production (Boczkowski, 2009). In contemporary journalism, soft news includes the categories of lifestyle journalism, cultural journalism, and consumer journalism, and without a clear boundary, they are differently understood and classified by different people or in different topics (Kristensen & From, 2012).

There are existing studies which define and interpret lifestyle journalism, which is closely related to soft news. Digitalisation brings challenges and opportunities for lifestyle journalism. Lifestyle journalism is “a distinct journalistic field that primarily addresses its audiences as consumers, providing them with factual information and advice, often in entertaining ways, about goods and services they can use in their daily lives” (Hanusch, 2012, p. 5). Consumerism is a remarkable character of lifestyle journalism (Fürsich, 2012). Lifestyle journalists regard their journalistic practices as a mouthpiece of the community audience. Lifestyle content is published across different media platforms (Kristensen & From, 2012).

In magazine production, boundaries between editorial, promotional, and marketing are also blurring (Dyson, 2007). In the mobile era, fragmentation and digitalisation are two striking trends which change magazine journalism. Dyson (2007) highlights the ideal readership of a magazine is when characteristics of the magazine readers are aligned with the expectation of brand managers. For the reader–magazine relationship, magazines can develop their targeted readers into a community by magazine content, interact with and encourage interaction inside the community, and then give timely responses to enhance readership (Holmes, 2007). From this point, the interaction between the magazine and the readers seems similar to the interactions in new media operations.

Magazines as a print media also need to adapt to the changing media environment to survive (Guenther, 2011; Johansson et al., 2012; Rodrigues, 2010). Despite having similarities to new media, there are particular challenges for magazines in the digital transformation era because of different production cycles and different relationships with readers. Strategies dealing with new media are mainly decided by the dynamic capability of magazine publishers (Johansson et al., 2012). Rodrigues (2010) indicates that print magazines attempt to coordinate between journalism and business, but struggle with the contradiction between attraction to and repulsion of the digital revolution. Thoburn (2012) describes a hybrid publishing model of a magazine into three tactics: a mix of multiple media platforms, a combination of editorial practice, and a character of the magazine as an integrated entity. Cross-platform production shapes a new organisational identity from a magazine to a megabrand.

Media business models and niche marketing in the attention economy

The concept of the “Attention Economy” was first developed by Michael Goldhaber (1997), and later advanced by Thomas Davenport and Beck (2002). In an information-

overloaded age, attention is considered to be the most valuable and scarcest resource on the Internet rather than information (Davenport & Beck, 2002; Goldhaber, 1997; Rheingold, 2000). In media economics, attention is more important than money because the latter can hardly reliably buy the former but flows along with it. Davenport and Beck (2002) proposed that attention is the new currency of business. Innovation and reinvention are required to sustain and attract attention (Davenport & Beck, 2002; Goldhaber, 1997). Macnamara (2010) identifies two features of an “Attention Economy” approach in the media field – “attention purchasing” and “relevancy targeting” – where a proportion of advertising fees could be paid to media users for attention in the form of either cash or credit points for product purchasing.

The business model of print and broadcast journalism has been based on traditional advertising, which centres on the media’s capability to attract audience to pay for the content and deliver advertising messages to them (McPhillips & Merlo, 2008). However, this model is faltering due to media digitisation, audience fragmentation (Arsenault & Castells, 2008, and moving to the new arena of Internet (Gluck & Roca, 2008). Advertising remains the major revenue source of media organisations and at the same time is evolving to include rich media and “recommendation engines”, which enables targeted advertising (McPhillips & Merlo, 2008). There has been a proliferating adoption of a metered paywall model by media organisations since 2012 to seek new sources of revenue (e.g., The New York Times, and The Financial Times) (Brandstetter & Schmalhofer, 2014; Cook & Attari, 2012). Some argue that the online news paywalls seem unlikely to create a viable business model for news organisations in the short term, but offers time to prepare for a future without print newspapers (Edmonds et al., 2013). Another solution to media viability is a subsidy-driven model based on public funding and public institutions, calling for government taxes, subsidisation by philanthropic organisations and foundations, and et al. (e.g., BBC in UK, ABC in Australia, and TVE in Spain). (Cook & Attari, 2012). Pavlik (2008) proposes four distinct categories of business models that would likely sustain future media – advertising, subscription, e-commerce, and partnerships such as sponsorships, product placement and bundled product arrangements. The exploration on the business model of lifestyle media in China, however, is scarce. This study aims to fill the gap of lifestyle media research in China and explore a new viable business model based on the “Attention Economy” in the mobile age through the lens of liquid modernity (Bauman, 2000) and diffusion of media convergence. Both of the two features of an “attention economy”, i.e., “attention purchasing” and “relevancy targeting” (Macnamara, 2010) and the audience fragmentation (Arsenault & Castells, 2008) of media in the digital age call for niche marketing strategies (O’Dwyer et al., 2009) of business model of lifestyle media in China.

The case study belongs to a larger project and the general research question is as the following:

In the era of new media, how can a legacy media organisation be profitable/viable in China?

In this case study, we focus on the life style media and their media convergence way. The specific research question is:

Research question 1: In the era of digital media in PRC, what are the main factors that influence audience attention of life style media? How can those media organisations face the challenges and competition for audience attention?

Research question 2: In the era of digital media in PRC, how are the advertising models of legacy life style media changing? Are there any existing sustainable business models for life style media already?

Methodology

Profile of the cases

Media is the result of a combination of political, economic, technological, cultural and social factors (McQuail, 2000). As a pioneer of China's reform and opening-up, Guangdong has been at the front end of media reform, which has exacerbated the competition among the media. According to the size of the news report and the printing and publishing industry, Guangdong occupies 13% of GDP in this area, ranked first in China, followed by Beijing and Zhejiang. All the cases in the study are based in Guangzhou, the capital of Guangdong province.

Case I: city pictorial

Founded in 1999, City Pictorial, affiliated to the Southern Press Media Group (hereinafter referred to as Southern Group), is an urban youth life magazine focused on the concept of original spirit leading to a new life. The Southern Group, known for its successful news reform and daring to speak, is prominent in economic and social benefits in China. The Southern Group was developed by Southern Daily, the mouthpiece of the Guangdong Provincial Party Committee. In the process of news reform, it produced a series of newspapers and magazines, such as Southern Weekend, Southern Metropolis Daily and so on, and these two newspapers are the benchmarking representative of the Chinese newspaper market and are also representative of journalistic professionalism in China. With the impact of new media, these larger media groups are facing difficulties as well and have begun to receive subsidies from Publicity Departments of the Communist Party at all levels. The dilemma of digitalisation impacts both the government and the news organisation, and is a driver of the government-led media convergence fostered in Guangdong today. Prior to this, some media pioneers have developed in the Internet world for several years, including City Pictorial. Reflecting modern young peoples' lifestyles, City Pictorial has a pivotal position in the field of lifestyle magazines. In 2014, its Cityzine-name new media division achieved net profit of RMB 2 Million yuan and the department also won the Group's Annual Innovation Award.

Case II: Bingodu app

Southern Metropolis Daily (referred to as SMD), founded in 1997 and as the Southern Group's market-oriented main force, has achieved remarkable market performance. Since 2005, SMD has began media convergence experiments, but did succeeded in profitability. In order to cover the losses from the media fusion experiment, SMD

launched an independent news app: *Bingdu* (Bingodu) in 2015. Unlike previous experiments in new media, Bingodu is operated as an independent company out of SMD in order to bypass the official news media boundaries and to focus on being profit-oriented. The company has two major shareholders, one is SMD and the other is Canton NHZW Technology Company, one of the major traditional advertising clients of Southern Group. The name of the app (*Bingodu*) is also interesting and trying to attract people's attention. Literally, the name translates as "reading together" in Chinese, but the pronunciation of *bingdu* and "virus" are the same in Chinese. The app name means "like the virus spreading rapidly among the users". The English name takes the Bingodu, "bingo" plus "du".

The early development stage of Bingodu app in 2015, this was when the competition among Chinese news APPs was more intense than ever before. The company comprises about 120 staff members, divided into four departments, Technology, Content, Marketing Planning and Logistics Administration. The average age of all employees is 28 years old, with a Bachelor's degree or above. All employees are in a flat-level open space office to implement "barrier-free communication". The company established a product-oriented system and nearly half of the staff are in the technology department, differing from the bureaucratic structure of legacy media organisations. Since Bingodu's launch on 15 April 2015, it has been downloaded by more than 62 million users by March 2016, with 40% stable active users, while Bingodu won the "2015 Best Investment Award" in the World Mobile Internet Conference (China) in November 2015.

Case III: 1626 magazine

As China's first original fashion magazine, literally, 1626 means youth from 16 to 26 years old, positioning in market niche of "trend, originality, attitude, and play". Former named "Product Design" as a professional industrial magazine, it was launched in 2003, published bi-weekly in the first 13 years, and changed to a monthly magazine in 2017. There are many advantages in choosing 1626 as the brand name, such as interesting origin, easy to recall, etc., all helping to spread and reinforce the magazine's impact in the market. Later, the brand name was used to replace the name of the magazine and its WeChat official account, finally integrating all of its names in the market. Currently, the 1626 WeChat official account is ranked among the Top 500 in China and consistently among the Top 40 list of the fashion industry. The 1626 magazine itself is ranked among the top 10 of the media impact list in 2017 (New list, <http://www.newrank.cn/>).

As "the national top 1 market share holder of trend magazines" (Interview, 2017), 1626 is a privately held media company which is not common in China. Since its inception, 1626's new media department is independently operated, and, its profitability today is "envied" (Interview, 2017) by competitors in the magazine market. As mentioned earlier, the inclusion of 1626 in the scope of the study was later than the first two cases, and was personally recommended by the leader of the City Pictorial because of its profitability and sound future. The investigation of 1626 is mainly rooted in interviews with its founder and online second-hand data, although with a lack of participant observation, it is eventually included in the scope of the case study. The main purpose is to visually reflect the similarities and differences of the fusion of magazines inside and outside the established legacy media organisations.

We hope to further systematically analyse their gains and losses in the mobile internet era by using long-term tracking research.

Research methods and data collection

In addition to the basic background documental studies, the research team conducted first-hand field studies of two cases in Southern Group. The researchers conducted a long-term follow-up investigation of the magazine “City Pictorial” (Cityzine, as the official WeChat account), including participant observation and in-depth interviews. From December 2013 to February 2014, members of the team conducted a six-week study, including approximately three production cycles in the magazine, and supplemented by interviews with the staff. Additionally, the authors conducted semi-structured interviews with the main principals in 2013, 2014, and 2015 to gain a deeper understanding of City Pictorial, including the Executive Editor, Assistant Editor-in-Chief, New Media Director, Planning Director and other editors and journalists (three text editors and two picture editors), interviewing a total of nine people. A follow-up interview was conducted in June 2017 with the current Editor-in-Chief and Deputy Editor-in-Chief, and another semi-structured in-depth interview was conducted in November 2017 with the Deputy Editor-in-Chief responsible for the new media business.

At the same time, researchers in this study also had the opportunity to participate in the “Bingodu News” workplace for participant observation. The researchers entered Bingodu in December 2015 for a seven-week participant observation, during which the archives were collected and in-depth interviews were conducted with management. In June 2016 and October 2017, the researchers conducted face-to-face interviews with the Head of Planning and the main Marketing Director (who resigned from Bingodu in early 2017).

In the interview process, the main principals of City Pictorial strongly recommended the researchers to explore the fashion magazine 1626: “The most successful case of the city in new media transformation” (interview, June 2017). The researcher then conducted a number of back-and-forth semi-structured interviews to the founder of 1626 through WeChat in July 2017, and in early November 2017, the researcher conducted face-to-face in-depth interviews with the Deputy Editor-in-Chief of City Pictorial and the Founder of 1626.

Results

The adaptive strategies in the routines of the media organisation in the digital age

In this section, we will analyse the coping mechanisms of the three media organisations in their respective market niches. In this study, the main interaction modes of the new and legacy media systems vary according to the nature of the media. Bingodu itself was a new app, there was no collision within its organisation’s platforms, but when it used some of the news elements derived from its parent media, the Southern Metropolis Daily, that led to a possible source of major conflict. City Pictorial was operating simultaneously operation with the new media section Cityzine, which also includes a website and WeChat official account, so there is more direct interaction and collision between the

legacy and new media. Both of the media are subsidiaries of the Party organ, under the supervision of the authority system either loosely or tightly. The fusion of these new and legacy media systems is not only influenced by the media organisation's leader's motives and ideas, but also by the system. Contrastingly, 1626 is a private media group, making its new media road deeply branded and shaped by the leader alone.

The changes in personnel and tactics brought about by the new media elements will affect the routine procedures and practices of the media industry during the editorial process (García et al., 2009). Routines are "repeated practices and forms that media workers use to do their jobs" (Shoemaker & Reese, 1996, p. 105). For City Pictorial and 1626, the process of magazine and new media content production both closely adhere to: "topic chosen – planning – production – proofreading and auditing – publishing" and differences are in the production frequency, efficiency and production accuracy. In addition, new media editors need to master more skills, including video content planning and live broadcast (1626 founder interview, July 2017). In 1626, the new media editors work seven days a week and edit 6–8 articles a day, which is "not acceptable" for legacy magazine editors, such as the Cityzine editors, who are in responsible for up to 1–2 articles daily (Cityzine Deputy Editor-in-Chief, interview, July 2017). In the process of adapting to the new media work flow, the editors of the magazine found that they need to be changing constantly to meet varying expectations. If the editors did not conform to the expectations of the video editors, they often need to shoot again, which obviously brings about the duplication and inefficiency of the work. The staff originally worked for the legacy media recognised the differences of the importance of content production and readers attracting between the digital media and legacy media production "... They (new media staff) have a lot of ideas about how to attract fans and ask them to forward and reply to improve the interaction between Cityzine and fans. This is very different from the production of (legacy) magazines. ... Our work is much deeper, I am not belittling other work, and I just want to say that our work philosophy is different (from the new media)". (Editor of City Pictorial, Interview, February 2014)

In contrast with traditional news guild, "subjective emotion" is an important part of news writing on the Internet. Considering the contemporary online readers' reading habits and preferences, Bingodu creates original stories to attract users and to spread its content, thus to create a youthful, lively and interesting brand image. Stories with topics including childhood memories, gratitude, parent–child affection and romantic stories will be displayed in the form of HTML5 with a variety of technologies that allows for more diverse and powerful functions including multimedia, connectivity, semantics, 3D graphics and effects and et al. Bingodu also captures the most up-to-date hot spots in society and uncovers the truths behind these places or identifies stories related to them to make in-depth feature stories, thus promoting its brand to a larger extent. They also pay great attention to strengthen the user experience and build a shared interactive platform, in attempt to narrow the gap between Bingodu and its users.

Legacy media (e.g., newspaper and magazine) and new media narrate stories in different ways, often even in opposition. In early contact, the research team found most of the interviewees from the legacy media organisation worried that new media businesses would weaken their journalistic professionalism. However, in 2017, interviews with the main principals of City Pictorial and 1626 clearly shifted and saw that there was no longer resistance or suspicion of new media, and these leaders actively met the

challenge: “In fact, for the legacy media practitioners, especially managers, changes in the work brought by new media is through the whole process, including collision, alienation, adaptation, reflection, refining, and then coexistence of the legacy and new media.” (1626 Founder Interview, July 2017) Just as Robinson (2011) put in his research on media convergence: “that news producers negotiate and nurture with their work and their workplace” (Robinson, 2011, p. 1122).

Niche marketing strategies to cater users’ attention

By the end of May 2018, there were 4.15 million apps in China. Some survey data show that Chinese smartphone users instal 41 apps on average on every mobile phone, while 50% of smartphone users use 3–8 apps per week (Cited from Yue, 2016). This also means that around 90% of the downloaded apps are in an inactive sleep state. So, the competition among apps to be the active one capturing the user’s attention is very intense and the marketing strategies should be quite attractive. According to internal archives of Bingodu, it is claimed to be China’s first news platform where users can make money while reading news. The majority of Bingodu’s advertising revenues would be proportionately distributed to the users’ accounts daily. The users’ activities including daily logins, reading, commenting and sharing news will be computed to accumulate points and converted into cash. Users can withdraw cash from their accounts but the quota for every day is limited with the “first come, first served” principle. Users can also use the money or points they earned on Bingodu on the Bingodu online shopping platform to exchange commodities or participate in Bingodu’s irregular online lottery activities for gifts such as telephone recharge cards.

This incentive mechanism is widely recognised as Bingodu’s the main reason for rapid growth, because it attracts a large number of young users with low or no income. Cash stimuli are indeed effective for Bingodu’s business model. On the one hand, monetary incentives encourage the user to facilitate the habit of logging in and reading every day; on the other hand, the cash-driven interactive areas also increased the user’s sense of belonging. For example, the app set up a “Bing Friends Zone” to launch many successful online and offline activities. For example, the “Movie Club of Bing Friends” has brought together a community of young people to watch a film for free, and their friends in real life can also be invited. The user’s online network and offline social network can intersect with the design of the app’s organised activities, thus the users’ data on their lifestyles are collected by the app which are no doubt a valuable asset for Bingodu. Before 2016, Bingodu’s brand had been featured twice on the landmark Guangzhou-Canton Tower building, displaying the name on the huge led light shining across the Guangzhou night sky. These high attention advertising opportunities for the brand Bingodu were free gifts from its parent media SMD, which exchanged advertising layouts for the top billboard from its traditional advertising client.

Alongside unique incentive policies, competitors in the new media market also need a refined and innovative marketing strategy. Public trust on news media and journalists has been slipping, but trust among friends, relatives and colleagues remains steady (Broersma & Peters, 2013). Bingodu has successfully organised a number of offline activities to increase the adherence of its users and build trust offline in its user community. For example, Bingodu cooperates with film distributors to hold events like private

screenings and special previews for its Movie Club members. Offline activities could also attract “passers-bys” to help spread awareness of the brand. Furthermore, Bingodu also participates in charitable activities organised by the Southern Group, such as sending books and donating money to the children living in the mountains and remote regions of China, and subsequently releases a news story of this charitable activity through HTML5 on the APP. The PR Director said: “This mechanism encourages our users to produce content in the process of information dissemination and actively engage in interaction. This kind of UGC feature and crowdsourcing of news source make Bingodu distinguished from other news APPs.” (Interview, January 2016)

The marketing strategies of Bingodu’s app were successful, but content is always the key to determine if users will stay active or switch to a different app. Magazines like City Pictorial and 1626 have a traditional target readership, “For the readers, its (print magazine) of depth, exquisite and creative visual presentation, unique reading experience, authority, and even the value of its print collection, are indispensable cultural experience and consumption.” (1626 Founder interview, July 2017). The interactions between the magazines and readership are through social platforms such as WeChat, microblogging, and so on. In the new media era, these readers’ stickiness is even higher than before (Deputy Editor-in-Chief of City Pictorial interview, July 2017). After the initial shock of the widespread mobile Internet, news and journalist professional values have slowly returned: “The magazine that insists on quality of content production is again recognised and valued” (1626 Founder interview, July 2017). The print volume of magazines has undoubtedly fallen sharply, but its presence as a platform is also beneficial to the integration of new media for the existing organisations. Today, Cityzine’s fans have already turnover several times (Interview, November 2017); and as the online fans reach a younger and younger audience, these newer fans likely have nothing to do with the magazine itself: “The online network has become a young people’s *diss* (a network buzzword in China, which means intending to disrespect people, event and situations, etc. Authors.) place. Sometimes we also release one or two issues to attract young people, but we cannot always do so. We have to pull back to the mainstream, since we are a media institution. There is a public opinion-oriented problem; someone from above is watching you.” (Interview, 2017)

The 1626 WeChat public account is consistently in the Top 40 of China’s Fashion Category List, and ranked among the Chinese Top 500 WeChat Public Accounts List (New List, <http://www.newrank.cn/>). “Content quality and positioning go first, then we talk about income.” (Interview, November 2017) In the interview, the founder of 1626 firmly expressed that “interesting and fun ingredients” should be embedded in the content, which are the “professional principals” of the new media. In 1626, the new media team consists of young editors born after 1990 who produce media content independently, including pushing to website and WeChat. 1626 is the first new media player which implements content with the editor’s photo on the website. Typically, editors in new media in China were only anonymous workers, with no name attached to their reports. At 1626, each editor needs to manage a group of around 500 fans and reply to 5 comments a day since the beginning stages of the public account launched in 2014, which “was a rarity at that time in the industry” (Interview, November 2017). In 2017, the minimum was increased to responding to 7 comments per day, work 7 days a week, and manage up to 6 groups per editor. These benchmark requirements seem to be

superfluous and meaningless for legacy magazine editors (“unprofessional”). However, the younger post90s editors have grown up interacting with and playing on Internet platform, thus treating these targets as “very normal”, as well as “interesting”. Furthermore, the fans became the editors’ pride and “Medal of Honour” (Interview, November 2017).

The change of the traditional advertisement and profit mode

Life magazines are categorised as soft media, and their traditional distribution mode in China is very liquid. “The components of magazine circulation in China were 7–8% by subscription, and more than 90% by random purchases while the cover story and headlines attracted consumer consumption. But in the United States, the 80–90% of circulation comes from subscription. So when the Internet became more widespread in China, the rapid rout of the magazine is predictable.”(1626 Founder’s interview, November 2017) Under the management of the crisis-conscious leader, 1626 not only survived, but also the current state of the new media has remained upbeat. According to the introduction, 1626 still primarily relies on advertising revenue, but the new media advertising revenue has exceeded that of the legacy magazine. The magazine can feed itself, and new media can be profitable (Interview, July 2017). The founder of the 1626 media said: “We can now use advertising to support ourselves, so we do not need to find new models either online or offline.” (Interview, November 2017) In 1626, there are nine editors in the new media and legacy magazine group and up to 1.5 million fans online. The growth of new media advertising has shifted the role of the social media mangers (*Xiaobian*, which literally means “small editor” in Chinese), from needing to find their own ad clients now to the advertisers initiating and approaching 1626 to release its advertising on the 1626 WeChat public account. For example, in late October 2017, the headlines on the 1626 WeChat public account were advertising for eight consecutive days which costs RMB 100,000 Yuan per day (Interview, November 2017). 1626’s online shopping malls have gathered global trend brands for direct sale, and buyers are greatly overlapping with 1626’s target readers, which is just one of the major reasons its new media department can remain profitable. Both the magazine and the new media channels are accurately positioned, so the advertisers will actively release advertisements on the media.

The income of City Pictorial currently comes from diversified sources, including “distribution of magazine, advertorial and hard advertisement of the magazine, and special topics/issues for the sponsors/brands, brand activities and event planning, other kind of promotion cooperation with clients, advertisement on new media, online shopping mall, and etc.” City Pictorial used to rely on the magazine advertorials and hard advertisements, which make the magazine quite profitable but now they have to engage in different kinds of activities planning for the sponsors/clients to earn hard money. (Interview, July 2017)

City Pictorial has diversified to become a trans-media content producer and a marketing analyst service provider. For example, City Pictorial cooperated with a data-research agency to complete a report on China’s post-(19)85-youth trend, which has been forwarded across many media channels, including the central government official newspaper, People’s Daily. However, City Pictorial only has a team of 4–5

new media editors and no specific advertising operations manager. They have identified a significant weakness in new media operation: “Our WeChat app’s subsequent capacity of suction money is not enough. If we don’t have a scale up to increase our fans base size, we will be easily lag behind and lose potential earnings.” (Interview, November 2017)

Bingodu has shared access to SMD resources and SMD’s original content. Bingodu is able to share the original content with greater flexibility and convenience, and SMD’s advertising clients can use the online platform of Bingodu to expand publicity. From this point of view, the integration of the two organisations, SMD and Bingodu, is a win-win situation. Bingodu found early popularity with its initial release, but can the platform effectively capture attention? How can users’ data collection be used effectively and converted into a profit model? These are the essential questions of this media transition era. Unfortunately, the Bingodu case does not fully answer these two questions. The other two lifestyle media in the case study play niches and survive as an SME (O’Dwyer et al., 2009) in the market.

Conclusion and discussion

From above, we can find that the lifestyle media convergence business models in China have echoed the findings by the researchers in Western society. Several factors played a critical role in the process in the China market. In China, the road of media convergence is carried out with political drive and backed by a public financial subsidy system; on the other hand, convergence pressure also comes from the forces of the technological revolution. Under this dual pressure and drive, almost all the legacy news media (in this case mainly refers to the legacy print media, newspapers and magazines) have quietly closed or are participating in media fusion movements at the call of central leadership. In this process, however, the market-oriented legacy news media do not have the expected advantages. On the other hand, Party organ’s newspaper, radio and television, can obtain more favourable financial subsidies while the composition of their audience is not the mainstream of the new Internet market. The Party organ’s media audience are mainly from all levels of government who typically have not followed new media. From this point, the Party organs are less impacted by the new media and they have more time and space to adjust and prepare for media convergence in their organisations. However, the market-oriented media, such as the metropolitan newspapers as the main representative, are directly facing the challenges of the new media era and navigating the digital audience user groups. Their audience groups are more inclined to favour new media, and the organisations have seen circulation and advertising endure a cliff-like drop. Born in the market, this media category has the strong intrinsic drive to carry on the reform of new media fusion. The same is true of magazines, which, due to the small size and homogeneity of the original audience, have not been confronted with a major crisis, and their plight has not attracted enough attention from researchers. The focus of this study is to explore the strategies of the market-oriented media organisations’ survival and even reverse development under the dual pressure in China. In China, many legacy media organisations have not gone beyond the traditional framework of management,

possibly constricting effective organisational innovation. There is a saying that the year of 2018 is “the death year of print media” in China. Tighter media control amid a broad crackdown on news, online content and film that goes against Party values under President Xi Jinping (e.g., Li & Shepherd, 2018).

Based on the investigation of the three cases, our conclusion is not so pessimistic or emotional. In a time when most people can access more information than they did in a traditional society, the crux of the problem is not how to get more information, but how to choose more reliable information. The media organisations are facing the challenge of doing “smart news”, or “wisdom journalism” (Stephens, 2010; Stephens, 2014) to provide accuracy positioning information to the specific group of users. Organisational personnel innovation, including how to effectively train current practitioners in all-around skills in new news production, how to select interesting information from the mass of information, how to motivate and create attractive original news, and how to develop practitioners’ unique analytical skills, is at the core of increasing and turning users’ attention into profitability.

In the research, we have found that this target is not easy to achieve. Decisive leaders, such as the founder of 1626, made the new media and legacy media into two independent departments operating in parallel. Thus, although 1626 created an app much later than the other two media case organisations in this study, the followers of 1626 are now in the millions and much higher than the other two cases. Cityzine, City Pictorial’s app, achieved success at the early stages because of the quality of its magazine and the timing of its network access. In 2014 when 1626 just came into the app market, Cityzine already had 200,000 fans. By 2017, the fans of Cityzine had only increased to 400,000 fans. Inside the establishment, reform and innovation were not motivated enough, and the organisation noted “do not worry about being starved to death” (Interview, November 2017). The legacy and new media are “not dying but just survival” (Interview, November 2017) within the system. At the beginning, Bingodu’s direct boss also had a strategic vision to operate it independently outside the system to achieve high-speed growth; however, once the control from macro-system became tighter, this advantage quickly vanished.

The number of users and the flow of information are two essential conditions of digital marketing, but users would be irrelevant for profit if they just registered for free (e.g., Brandstetter & Schmalhofer, 2014) and were not actively involved (i.e., inactive users). In a world of highly redundant information, attention is one of the most important and scarce resources in the communications business (Davenport & Beck, 2002; Goldhaber, 1997). With the decline of legacy mass media’s goalkeeper function, more and more users are involved in the UGC process including news, marketing, and other aspects. Users continue to share resources and information through multiple channels including recommendations from other users both on and offline, word-of-mouth, and social networks such as WeChat, Weibo (Blog), and so on. These interactive behaviours can help to attract a large number of users to interact with high-quality news and information.

Advertising is the most important source of revenue for traditional media, but in the new media era, there are major changes. The most obvious change is the platform, which has transferred from legacy media to the Internet with related changes in clients, creativity, etc. Although revenue from advertising has been declining, it remains as the main source of revenue. At the same time, the threshold

of the paywall model is very high and the return on investment is low, especially in China where paying to read news online is not widely accepted by readers. Two newer revenue sources are e-commerce and new partnerships with clients have great potential with legacy and new media organisations, but they are still at the early developing stage, and a greater challenge for legacy media to adapt to.

Because of the drastic changes brought by the technological revolution, the news media industry has faced unprecedented challenges. In the 20th century, media and journalism were a solid and stable industry, but in the 21st century, the impact of the Internet and social media makes the industry fluid and unstable. Practitioners in legacy media are caught off guard, in a more or less of a panic to find new revenue streams. For media organisations, developing and finding a sustainable and profitable model is still under way. In China, legacy media not only face the challenge of new technology, but also the need to handle the factors of the macro-system (e.g., Bingodu in this study), which makes their path to new media convergence have many more barriers. Fortunately, our study supports that although life style magazines (including their new media platforms) are at most small crafts compared with the carrier of a legacy or new media tycoon, thanks to the niche marketing strategies and related smart and swift decisions, their first-mover advantage professionally propels them to lead in the new media platforms. As a pioneer reforming and developing new profit models for media organisations, the small, niche magazine can provide a new growth point for its affiliated media organisations. Small refers to the tight-knit community sense with either a small or large user base; smart refers to omni-skilled journalists and media practitioners, sourcing interesting contents, leadership wisdom and insightful strategies, and etc. The small but smart media which play niches (Dimmick et al., 2010) can arrive in a “small and beautiful” future in the new media era.

This study is part of a larger research project on media convergence in China. In the past few years, the project researchers have encountered many media practitioners who are in a confused and helpless predicament as the new media landscape rapidly evolves. Classical theories seem irrelevant with the Internet era, and at the same time, the changes in media and journalism are gaining momentum and speed. The timing of the discussion on the transformation of mainstream news media in China seems to have not yet matured, but over the past few years of tracking the above “non-mainstream” and “supplementary” lifestyle media cases, finally we have a bit of understanding to report our findings and early trends. Under the framework of the attention economy, the exploration for the future of Chinese media organisations’ business models is currently in embryonic form, and still has a certain theoretical and practical significance. The fluidity of the media landscape and the early stages of media organisations’ adaptation and business model reform are both the limitation and characteristics of this study. In the summer of 2019, “Wall Street Journal launches its Chinese lifestyle magazine in Shanghai” (Xu, 2019 July, p. 24) is a footnote of this study. Due to various factors, this study cannot easily compare this new lifestyle magazine to the cases in other regions in China, but is one of the major topics to follow for future coverage and research in media convergence.

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