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Digital transition in Chinese newspaper industry:  
the case studies of two metropolitan newspaper companies

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Doctor of Philosophy

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Abstract

This study focuses on digital transition in the Chinese newspaper industry and on associated changes in management and business practice at newspaper publishers. Drawing on a case study analysis of two leading metropolitan newspaper companies – the Qianjiang News Chain and the Nandu News Chain, it sets out to investigate how newspaper publishers are adjusting their management strategies and production practices to adapt to technological changes and ensure their survival. It also examines to what extent the changes are in line with the relevant government policies. Looking specifically at electronic retailing and online marketing operated by the two publishers respectively, this dissertation will address three questions. How the strategic management of newspaper companies in China is changing to facilitate the operation of new businesses in the Internet era. How content production related to the new businesses is changing in response to digital transition and the integration of editorial and commercial activities. To what extent the altered practices of newspaper companies are either consistent or conflicting with the requirement of related government policies.

Findings of the empirical analysis are in three aspects. Firstly, in order to facilitate the operation of new businesses, the strategic management of QNC and NNC are changing in three aspects: corporate expansion, organisational re-structuring and cultural adaption. Secondly, the production activities of QNC and NNC are simultaneously affected by the practices of digitisation and commercialisation, which is reflected by the special content products – promotional articles. Lastly, with the changes of organisational activities, the industry practices of QNC and NNC are consistent to the inclination of certain state policies on the one hand, and conflict with some established government regulations on the other. In summary, the practice of new business in QNC and NNC is the miniature of the transition in the Chinese newspaper industry, which inherits the features formed in the decade of evolvement. Meanwhile, as the two publishers are pioneers in the Chinese newspaper industry, their practices lead the trend of novel exploration in the future.
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Researching is unease, especially in a non-native language, as it relies on accurate interpretations. Difficulties would be larger in the case of explaining social phenomenon across different cultural backgrounds. Even so, more challenges bring more sense of accomplishment.

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Author’s Declaration

This thesis represents the original work of Miao Huang unless otherwise stated in the text. The research on which it was based was carried out at the University of Glasgow under the academic supervision of Professor Gillian Doyle and Doctor Melanie Selfe during the period October 2013 to May 2017.
Chapter 1 Introduction

This study focuses on digital transition in the Chinese newspaper industry and on associated changes in management and business practice at newspaper publishers. Drawing on a case study analysis of two leading metropolitan newspaper companies – the Qianjiang News Chain (QNC) and the Nandu News Chain (NNC), it sets out to investigate how newspaper publishers are adjusting their management strategies and production practices to adapt to technological changes and ensure their survival. It also examines to what extent the changes are in line with the relevant government policies. Looking specifically at electronic retailing (e-retailing) and online marketing operated by the two publishers respectively, this dissertation will address three questions:

1. How the strategic management of newspaper companies in China is changing to facilitate the operation of new businesses in the Internet era;
2. How content production related to the new businesses is changing in response to digital transition and the integration of editorial and commercial activities;
3. To what extent the altered practices of newspaper companies are either consistent or conflicting with the requirement of related government policies.

Based on a comparative case study approach, the research has been conducted through in-depth interviews, document analysis and the qualitative discourse analysis. A wide range of evidence has been collected: the subjective opinion of newspaper practitioners including editors, editors-in-chief, technicians, salespeople and managers; official statements from the newspaper companies contained in public reports; and samples of content outputs in multi-platform media outlets. The first-hand data gathered from QNC and NNC enable analysis of the cutting-edge trends of transition in the Chinese newspaper industry because the two publishers are pioneers of digital transition in the past decade as well as the exploration of new business in recent years.

The two newspaper publishers are comparable in some of the basic conditions of their digital transition, such as having capabilities of production and distribution and being an established media brand in a local market. Each is the principal subsidiary company of a prominent provincial press group: the Zhejiang
Daily Press Group based in the City Hangzhou and the Nanfang Media Group in the City Guangzhou. Their new practices can represent the latest development of state-owned newspaper companies. Focusing on them, this study can contribute to knowledge about dominant tendencies in the Chinese newspaper industry. In addition, discussions of the two metropolitan newspaper publishers can inspire other research into city-based media organisations in other regions.

However, the two publishers have significant differences. QNC and NNC have adopted different new businesses – e-retailing in QNC and online marketing in NNC. Also, they are differing in the way of operating new businesses, including management strategies and production practices. Moreover, their practices of digital transition, which are represented by the operation of the new businesses, are motivated by distinct dynamics. QNC has top-down supports provided by its parent group while NNC is driven by the bottom-up enthusiasm of internal entrepreneurship. Despite of these internal disparities, the two publishers are influenced by some of the state policies in same ways. Consequently, the comparative case studies of QNC and NNC can reveal alternative paths for adapting to the digital transition against the similar background of state policies in the Chinese newspaper industry. This dissertation will present not only homogeneous characteristics of digital transition in the Chinese newspaper industry but also heterogeneous approaches adopted by individual publishers to keep pace with the digital transition.

This introductory chapter begins with an explanation about why I selected two Chinese newspaper companies and their practices to investigate the nature of organisational response to the digital transition in the Chinese newspaper industry. I will indicate some national specificities in the Chinese circumstance. In the following three sections of this chapter, I will explain how the three main questions are designed to reveal the changes occurring in the process of digital transition. Meanwhile, I will discuss the interconnections of the three questions. After that, I will briefly describe the methodological approaches of this dissertation. Lastly, this chapter concludes with an explanation of how this dissertation is laid out.

1.1 Chinese metropolitan newspapers: the case studies

In general, the digital transition can be seen as conforming with Schumpeter’s idea of creative destruction
for global media organisations (Schlesinger & Doyle, 2014). It has revolutionised the approaches of media production, distribution and presentation on the one hand, and led to the elimination of some incumbents who were unable to adapt to the transition on the other. Media organisations who have been on the right track have chances to build new business model and to reduce the over-dependence on advertisement revenue (Picard, 2011). The success of digital transition is hard to define (Küng, 2015). However, some practical approaches are widely acknowledged, e.g. the strategy of multi-platform for adapting traditional media activities to the new environment dominated by digital and networking technologies (Doyle, 2015a). In addition, the digital transition in recent years increasingly prioritises media activities in mobile Internet. According to the comScore data, most of the leading news websites have more traffic coming from mobile devices than that from desktops (Pew Research Centre, 2015). Through investigating the digital transition and the related activities in the two Chinese newspaper publishers, the findings of this dissertation will examine the arguments generally proposed by western scholars of media management in the Chinese circumstance.

However, the case studies also expose some distinguishing national specificities that contrast the Chinese newspaper publishers against their western counterparts. In the first place, Chinese media industries are highly state-regulated, particularly for the newspaper industry. All the Chinese newspaper publishers are state-owned. However, findings in this dissertation will also present that although the state policies play an influential role in shaping strategies of newspaper publishers, the latter usually execute the policies in an adaptive and practical way. In other words, influences between the industry practices and the government policies are interactive rather than one-way. The complicated relationship includes both consistencies and conflicts, which will be analysed in Chapter 7.

Another national specificity is in that Chinese newspaper companies have the tradition of delivering their printed newspapers themselves; whether they are metropolitan newspaper publishers or press groups. In some cases, newspaper circulation teams were developed to be distribution and logistic companies that are subsidiary to newspaper publishers or press groups. Apart from delivering printed newspapers, these distribution companies also deliver parcels for external e-retailers. In the case of QNC, the pre-existence of a distribution and logistic company is a valuable resource for operating the e-retailing business. In addition, for the metropolitan newspaper publishers, their established brands in local markets and their long-term
relationship with local businesspeople are also inimitable resources. Details about how these supportive conditions motivate the operation of new businesses in QNC and NNC will be discussed in Chapter 5.

Chinese metropolitan newspapers were founded for generating profits when the governmental subsidy for local newspapers stopped in early 1990s (Huang, 2001). To some extent, the priority of them is creating commercial profits, rather than implementing political propaganda, even though they are state-owned and highly regulated. Theoretically, this priority could be facilitated by the digital transition in the last decade. However, the trend of digitisation started in early 2000s was limited in activities of production and distribution, which was not applied in building new revenue streams (Song & Huang, 2013). However, in some cases, digitisation and commercialisation were integrated in the operation of diversified businesses, e.g. the e-retailing of QNC and the online marketing of NNC. In other words, the current digital transition in QNC and NNC aims to adopt digital technologies to improve newspaper productivity and construct new business models. In what ways newspaper production activities are changed by the adoption of technologies and the pursuit of commercial profits will be interpreted in Chapter 6.

In summary, the case studies of Chinese newspaper publishers are broadly in line with the global tendency of digital transition. Development in media scholarship which tends to be dominated by analysis of the experience of western newspapers, can be further enriched and strengthened by taking account of the managerial and strategic solutions found in the distinct policy, socio-economic and market settings provided by non-western countries such as China.

1.2 Changes of management strategies

The first question this dissertation addresses (dealt with in Chapter 5) is how management of newspapers in China is changing to facilitate the adjustment to the Internet era. Three aspects of changes in management will be considered: corporate expansion; organisational re-structuring; and cultural adaption. The changes are analysed in light of three approaches of strategic management in media respectively – rationalist, adaptive and interpretive (Küng, 2008). Firstly, the rationalist approach is used to explain the motivation of corporate expansion through the discussion of why the newspaper business can be extended
1.3 Changes in production: digitisation and commercialisation

The analysis in Chapter 6 focuses on the second research question, which is about the digitisation of content production and the integration of editorial and commercial activities. The majority of earlier studies usually focused on either digitisation or commercialisation but the correlation between them was not analysed thoroughly. Few researchers have discussed the necessity to exploit the value of digital
productivity by appropriate approaches (Doyle, 2014, 2015b; Dwyer, 2015). This study will contribute to understandings about how the digitisation and commercialisation occur in content production simultaneously and how they are correlated. This finding can develop the conclusion that the digitisation of traditional media in the past decade was limited in the production and distribution of media content but was ineffective in building new revenue streams (Song & Huang, 2013).

The practice of digitisation will be illustrated through examination of which new technologies have been adopted in QNC and NNC respectively. Then the implications of technological adoptions on production routines will be analysed. The analysis will be carried out with a focus on exploring to what extent the new practice is different from the traditional activities in newsrooms. The influence of commercialisation on work routines and professional standards of content production will be discussed with evidence provided by interviewees in QNC and NNC as well as evidence found by qualitative discourse analysis of selected content samples. In terms of the issue of aligning editorial and commercial activities, what has done in QNC and NNC will be discussed in Chapter 6 in light of the primary data, while what should (not) be done will be criticised in Chapter 7 based on the comparison of practices and policies.

The two newspaper publishers are different in practices of digitisation and the integration of editorial and commercial activities. Distinctions in the production practices are associated with the disparities in management – transition dynamics and organisational structure. For example, how is the technological adoption affected by top-down or bottom-up dynamics? Meanwhile, in what ways the integration of editorial and commercial activities develops in relation to the new organisational structures. In Section 6.4, the approach of qualitative discourse analysis will be utilised to investigate content outputs generated for new businesses in QNC and NNC. Based on the previous studies of advertorials (Erjavec, 2004; Erjavec & Kovačič, 2010; Kong, 2006), textual features of content will be analysed to see how they are affected by digitisation and commercialisation.
1.4 Relationship between government policies and industry practices

The third and final research question (dealt with in Chapter 7) is about the extent to which changes in Chinese newspaper companies are shaped by government policies. It concentrates on the relationship, including consistencies and conflicts, between the changed industrial practices and the relevant government policies. On the one hand, the state policies support digital transition in the Chinese newspaper industry, particularly by the national strategy of media convergence issued in 2014 (People.com, 23/04/2014; Xinhua.com, 18/08/2014). On the other, some new practices exceeded the traditional scope of newspaper industry, whilst regulation updates are slower than the growth of industry practice. As a result, current policies are ineffective to regulate new practices. Meanwhile, practitioners likely take advantage of the blind spots in regulation to develop unconventional activities. The new businesses in QNC and NNC are growing in such a complicated context. Through comparing the industry practice and the relevant policies, Chapter 7 will investigate and reveal how governmental policy and industry practice mutually affect each other.

The changes of newspaper publishers in China are related to two external elements – demands of audience and requirements of the state government. Some researchers have outlined the new pattern of audience demand in media markets (Lee & Chyi, 2015; Lewis & Westlund, 2015; Thurman, 2014), which will be introduced as background information in Chapter 3. Besides, Chapter 7 will explore the relationship between industrial practices and government policies. Where the government policies are concerned, the uniqueness of media policies and policymaking process in China is of crucial importance. However, little literature in English is concerned with this issue, and there is even less attention to the very latest progress in this field. As a result, the relevant Chinese literature published in prestigious academic journals will be referenced and this dissertation promises to extend existing knowledge.

1.5 Research methodology

My research is mainly based on the case studies approach and was conducted through in-depth interviews,
document analysis and the qualitative discourse analysis. The research is qualitative and explanatory. Even though the experiences of QNC and NNC may not be universally applicable, the analytical generalisation (Yin, 2013, p. 40) of them can show the specificity of the two Chinese newspaper publishers. The qualitative research was primarily made by semi-structured interviews to collect first-hand data in QNC and NNC, which was a process of exploration rather than verification (Johnson & Rowlands, 2012). Questions of semi-structured interviews are designed based on the “question stem (Morse, 2012)” – the principal issues of this study, which indicate what information is valid for the analysis of this dissertation. The principal issues refer to the changes of management strategies, the alterations of content production, and the association between newspaper practices and the government policies.

The field research in QNC and NNC was undertaken from December 2014 to January 2015. In addition, follow-up interviews were made through e-mail, telephone and the online chatting in June 2015. In total, more than 20 interviews were carried out, including with editors, editors-in-chief, technicians, salespeople and managers. Among them, the records of 11 interviewees are excerpted. Except for practitioners, five Chinese scholarly experts were interviewed in February 2015. A list of interviewees (including names, titles, organisational affiliations and the date and place of interview) is attached as Appendix 9.1 at the end of this dissertation. The academic interviewees were consulted for the interpretation of in-house government policies, as well as some critical thinking about the professional misconduct in the new practice of newspaper publishers. The interviews with scholarly experts were carried out to remedy the problem that no policymakers or governmental officials could be accessed at that point.

1.6 Organisation of this dissertation

Eight Chapters constitute this dissertation: Introduction, Literature review, Background, Methodology, three findings chapters and Conclusions. In the literature Chapter, the earlier studies relevant to this research in both English and Chinese will be reviewed. In the background Chapter, the speciality of the Chinese newspaper industry will be introduced in four aspects: the development history of the Chinese newspaper industry since early 1990s; the latest tendencies of Chinese media consumption; the current situation of Chinese media policies; and the brief description of the two metropolitan newspaper
companies. The following two findings chapters – management and production will be separately structured based on three sub-questions; practices of QNC and NNC will be compared and contrasted in each sub-question. In the third findings chapter, because QNC and NNC have more similarities than differences in terms of the association with government policies, so their practices are combined to compare with the related policies. In the conclusions Chapter, main findings demonstrated in Chapter 5, 6, and 7 and their implications for theory are summarised and conclusions are offered; meanwhile, the limitations will be acknowledged and the possibilities for future research will be proposed.
Chapter 2 Literature review

2.1 Introduction

In this chapter I review the previous studies that are in academic areas of media management, newsroom studies and media policy studies respectively but relating to the same topic of digital transition. Based on the literature review, I put forward the theoretical frameworks of the three findings chapters, which are also the theoretical background for addressing the three research questions:

1. How the strategic management of newspaper companies in China is changing to facilitate the operation of new businesses in the Internet era;

2. How content production related to the new businesses is changing in response to digital convergence and the trend of integrating editorial production with commercial activities;

3. To what extent the altered practices of newspaper companies are either consistent or conflicting with the requirement of related government policies.

Although the review is involved with literature located in the different areas of media studies, they are selected to be investigated for either theoretical induction or empirical deduction, which are associated with the issue of digital transition. In other words, the literature review aims to generate a comprehensively theoretical context, which includes perspectives of strategic management, journalism production and policy process. Also, the integration is caused by the nature of the research target – the industry transformation of Chinese newspaper publishers, which is a phenomenon constituted by a variety of social actions. In addition, the inter-discipline feature of this dissertation is related to the fact that not only the study of media management is a hybrid discipline (Brown, 2016; Picard & Lowe, 2016) but also that journalism studies have “borrowed unevenly from both the humanities and the social sciences” (Steensen & Ahva, 2014). However, the separation of theories will be removed when different theoretical approaches are unified to investigate the crucial issue. Moreover, after using these approaches in the case study analysis, the integration of theories lead to the construction of an analytical framework for the studies of media organisations that are adapting to the digital transition.
The related literature in the areas of strategic management, journalistic production and media policy will be reviewed in the next three sections, which serves for the three research questions. The conceptualisation of questions and the introduction of primary concepts are dealt with by the related literature review. Also, the theoretical framework is briefly summarised at the end of each section. In terms of the applicability of theories in the Chinese context borrowed from the studies of western media, I adopt the idea of avoiding the use of opinions based on the western media’s experiences of being the “take-for-granted normative standards” for examining the Chinese cases (Zhao, 2015). Instead, the review is managed to form the theoretical foundation for interpreting the phenomena that are with some Chinese characteristics but may enlighten both research and practice in other regions.

The first two sections are both divided by sub-questions. In the strategic management section, three approaches – rationalist, adaptive and interpretative – are reviewed, which are in line with the three sub-questions of the first research question. This classification is based on Küng’s summary of strategic management in media.

In the journalistic production section, representative studies of two topics – digitisation and commercialisation – are reviewed. In particular, the series of works by some principal authors are studied, to create more systematic understandings of certain questions. These series of works are: three works of newsroom convergence models by García Avilés; four works of newsroom studies based on the actor-network theory by Domingo; six works of journalists’ role perception by Singer; four works of advertorial production by Erjavec and Kovačić; and four works of lifestyle journalism by Hanusch.

With regards to the last research question, the stakeholder analysis and the network approach are integrated to construct a framework for analysing the interplays of various interest groups in the arena of media policies concerning the issue of digital convergence. Few researchers have used the two theoretical approaches in media policy studies, especially in the Chinese circumstance. In this sense, the integration is an initial experiment but may fill the gap in a non-Western context.
2.2 Strategic management in media

The theories of strategic management have diversified typologies. Chaffee (1985) divided the concept of strategy into three approaches: linear; adaptive; and interpretative, which respectively focus on planning and forecasting, the appropriateness in management, and the qualitative feature as a metaphor. Mintzberg, Ahlstrand and Lampel (1998) identified ten schools of strategic management research, in which strategy is regarded as ten different processes: conceptive; formal; analytical; visionary; mental; emergent; negotiated; collective; reactive; and transformative. Compared to the initial categorisation, the latter focused on the process of strategic implementation. In a recent research, the concept of strategic management has been claimed as a continuum of two primary theoretical schools of management – structural theories and agency theories (Mierzjewska & Hollifield, 2006). The former emphasises “nonhuman organisational factors (ibid.)” such as structure, internal and external conditions, and technological facilitations; while the latter focuses on “human influences in organisations (ibid.)” such as leadership, organisational culture and individual cognition. In the view of the authors, the strategic management accentuates both human actions and environmental conditions in organisational management. In this sense, it is appropriate to examine issues of media management, in which human factors play crucial roles (Redmond, 2006; Spyridou, Matsiola, Veglis, Kalliris, & Dimoulas, 2013).

Researchers of media management have interpreted theories of strategic management in various ways. Chan-Olmsted (2008) proposed that a media strategy may refer to “the examination of one or more aspects of the financial, marketing, operations, and personnel functions that lead to the sustainable competitive advantage of a firm or a group of firms in media industries.” Besides, the author evaluated the applicability of two specific approaches to strategic management in media issues and found that the Resource-based View (RBV) approach is more applicable than the Structure-Conduct-Performance approach, “because of the unique economic characteristics of information products (ibid)”. This conclusion is of help in discovering the specificity of media management in terms of the exploitation of resources. It is reasonable as the production of media firms heavily relies on some resources that are scarce and imitable, for example, the broadcasting spectrum in the pre-digital age, and the original content creation. However, the author’s proposition lacks dynamic views. Identified by Mintzberg, Ahlstrand and Lampel (1998), a strategy can be understood as a process in as much as ten approaches, which reflect the dynamic nature of
this concept to some extent. Also, media researchers classified types of strategic management based on
the view of strategic planning (Hollifield, Wicks, Sylvie, & Lowrey, 2015, pp. 120–121), which are short-, mid- and long-term planning. This classification is based on the different time durations of strategic actions and the various difficulties in achieving strategic goals (ibid.). This view admitted strategic management as being a developing process but was limited in the visible aspect, namely time duration. The alterations of organisational behaviours and managerial decisions were not sufficiently presented.

In a relatively inductive way, Küng (2008, pp. 121–122) proposes three approaches of strategic management that are applicable to investigating issues of media management – rationalist, adaptive and interpretative. The rationalist approach focuses on the motivation of strategies, which is similar to the planning view; the adaptive approach emphasises the changing process of strategic actions, which holds a progressive viewpoint on organisational behaviours; and the interpretative approach highlights the covert elements of management such as culture, mind-set and identification (ibid.). The proposition comprehensively applies management theories, which is of help to address the problem that research in media management is usually short of a “conceptual toolkit (Mierzjewska & Hollifield, 2006)”. Moreover, these three approaches can present three important elements in management: strategic motivation, organisational structure, and personnel configuration. Besides, they complement each other to represent the different emphasis of strategies. The rationalist approach, which focuses on the content of strategy (Küng, 2008, p. 119), is too static to reveal the changing nature of managerial strategies (Järventie-Thesleff, Moisander, & Villi, 2014). This shortage can be supplemented by the adaptive approach, which can present the on-going course of strategies (Küng, 2008, pp. 119–121). The first two approaches are insufficient to expose covert but crucial elements of management – individual cognition and organisational culture, which can be achieved by the interpretative approach (Küng, 2008, p. 165). As a result, these three approaches will be adopted in this research to analyse the changing management of newspaper organisations in three aspects: corporate expansion; organisational re-structuring; and cultural adaption. Relative theories and studies of these issues will be reviewed.
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2.2.1 Rationalist approach: corporate expansion

In the view of the rationalist approach, strategic motivations are related to conditions within or outside of organisations. Küng (2008, p. 115) has discussed strategic motivations of media activities with the Value Chain Theory (VCT) and the RBV. For the issue of corporate expansion of newspaper organisations, these two theories provide external and internal viewpoints respectively. The VCT was initially proposed by Porter in 1985, which saw organisational production as a process that is constituted by subsystems in which a variety of capital and resources were input, then different types of value were output (ibid.). In the linear process, more values could be generated through either more inputs or more stages of the process (ibid.). The VCT can explain the kernel feature of the media economy – economies of scope and scale, which refers to the point that media organisations gain extra profits through repackaging or reformatting core products to become diversified products (Doyle, 2013). The practice of reproduction adds a new subsystem or stage to the given process of media production. It is the corporate expansion of media firms, which can be divided into three patterns – vertical, horizontal and diagonal (ibid.). The corporate expansion is an important strategy for media firms; because media production usually needs high initial costs whilst maintaining a low cost of duplication, so the firms incline to dilute the costs through distributing the original creation of content through as many types of presentation and outlets and in as many segmented markets as possible (ibid.).

Contrasted to the VCT, the RBV focuses on the intrinsic capabilities of organisations, namely the resource characterised by valuable, rare, inimitable and non-substitutable (Küng, 2008). Generally speaking, the professional creation of media content was seen to be the core competitiveness of media firms, but the criterion of news value in journalism has always been heavily debated (Caple & Bednarek, 2016), not least when new technologies are utilised, and audiences are empowered to participate in news production (Boczkowski & Mitchelstein, 2010; Deuze, Bruns, & Neuberger, 2007). Confronted with such changes, media managers have to re-evaluate other resources that may be ignored or under-estimated by them in the “golden age (Lowe & Brown, 2015)” of journalism. The media brand is precisely bound to this case when the strategy of corporate expansion is considered. Previous studies have indicated that the media brand is a unique resource (Chan-Olmsted, 2011; Chan-Olmsted, 2006; Doyle, 2013; Järventie-Thesleff et al., 2014). In particular, for established media in local markets, the loyalty of audiences to their trusted media brand is
of high value, which is rarely existing, and difficult to be imitated or substituted by new rivals (Chan-Olmsted, 2008).

Researchers of media management proposed five approaches of studying the media brand, they regarded the brand as being product, extension, identity, differentiation and equity (Malmelin & Moisander, 2014). In this dissertation, the approach of regarding brand as an extension is adopted. Corporate expansion of the studied newspaper organisations is designed for expanding newspaper businesses into new areas that are not within the traditional scope of the newspaper industry. Accordingly, brand extension is expected by strategy designers to transfer the power of influence and the credibility in certain markets from established products and services to the diversified ones. Researchers have also advised that some intangible resources, such as expertise of specific industry or market, cultural relevance with local communities, as well as long-term connection with local businesses, are of help to corporate expansion of media firms (Chan-Olmsted et al., 2011; Doyle, 2013). To some extent, the expertise, relevance and connection are essential components of the media brand. Therefore, when newspaper publishers manage to develop new businesses that are very different from traditional newspaper activities, established media brands can be taken as a bridge to transfer influential power and credibility.

In the expansion of media firms, some strategic actions are motivated by both extending value chains and re-exploiting existing resources, such as satisfying demands in niche markets and providing services for daily consumption and life. Generating products or services for segmented groups in niche markets possibly requires the adjustment of the given production process, while the adjustment is usually based on the expertise of the targeted markets, which is marked as the potential of some media practitioners (Dimmick, 2002). This logic is particularly practical for the local media which has the loyalty of local audiences towards the time-honoured brand (Chan-Olmsted, 2008). In addition, diversifying media activities in services of consumption and daily life, which is based on the cultural relevance and the connection with certain business areas, is also adding up new stages in the value chain and exploiting resources simultaneously (Bakshi & Mishra, 2016; Cook & Sirkkunen, 2013).

With the facilitation of digital and networking technologies, corporate expansion of media firms are more easily practised (Doyle, 2013, 2015c). In a developed industry, the “discontinuities” of technological
evolvement often lead to the change of the established business model (Holm, Günzel, & Ulhøi, 2013).

However, not all the incumbents in an industry can confront the change caused by new technologies and find out the new pattern for business survival, which has been interpreted as the mechanism of “creative destruction” by Schumpeter. This interpretation is applicable for illustrating the current situation experienced by traditional media who are struggling to cope with the challenge of technological innovation. Researchers with a positive attitude to the changes created by new technologies believed that it enabled multi-platform distribution and interactive communication, which brought new sources of advertising revenues (Berte & De Bens, 2008). This view is proven to be over-optimistic, as the advertising model is unsustainable when the disintermediaries, such as online news portals, search engines and social networking sites, have started to syphon off audience attention from traditional media (Doyle, 2013).

Accordingly, corporate expansion to other industry sectors can be understood as the strategy of building up new business models, in order to release the heavy reliance on advertising revenues (Gade & Lowrey, 2011).

This dissertation focuses on the changes of digitisation and commercialisation in the Chinese newspaper industry. In this topic, corporate expansion is the strategic plan concerning diversified businesses of Chinese metropolitan newspaper publishers. Its rationale can be understood by the VCT and the RBV. Also, it follows the thinking of gaining extra profits in niche markets through operating untraditional businesses, which integrates the logic of extending the value chain and exploiting the existing resource. Against the background of the proliferation of digital and networking technologies, the corporate expansion of the publishers present them as the seeker of business survival during the time of “creative destruction” in the newspaper industry. For the implementation of this strategic plan, the organisational arrangements of the publishers have been re-structured. The related theories will be reviewed in the next part.

2.2.2 Adaptive approach: organisational re-structuring

The adaptive approach emphasises the action process of strategic management (Küng, 2008). It is appropriate to analyse the process of organisational re-structuring in newspaper firms, which supports the
implementation of the strategic plan of corporate expansion. In the academia of media management, researchers agreed that the adjustment of structure should keep step with the changes of primary activities in media organisations (Achtenhagen & Raviola, 2009; Järventie-Thesleff et al., 2014; Mierzjewska & Hollifield, 2006; Picard, 2009). In a time of industry upheaval, different media organisations modify their structures in distinct ways, which are affected by their cultures and traditions (Picard, 2009). Also, the modification of organisational structure should match the environment in which the organisation is seeking to survive (Achtenhagen & Raviola, 2009). Because organisational behaviours are influenced by the structure that is an institution; and different behaviours lead to various results of organisational strategies (ibid.).

Integrating the views of researchers above, the organisational re-structuring is affected by organisational culture while it has effects on organisational behaviours that gradually shape the culture in turn. Furthermore, researchers have indicated that the correctness of decision-making of organisational re-structuring can be checked by economic rationality (Mierzjewska & Hollifield, 2006), which means the cyclical process would not be ineffective, at least in theory. To some extent, this implicit circle proves that organisational re-structuring not only is but also should be a continuous process, which is in accordance with the basic viewpoint of the adaptive approach of strategic management. Meanwhile, it echoes the view of strategy-as-process, accentuating that strategy is practised in daily activities by different types of strategic practitioners including all the participants internally and externally (Järventie-Thesleff et al., 2014).

In the context of digitisation, the process of organisational re-structuring is characterised by convergence and integration. The trend of convergence has emerged in journalism for a decade approximately (García Avilés, Kaltenbrunner, & Meier, 2014). It stimulates media managers to reconsider the relationship between print and the online newsroom (García Avilés & Carvajal, 2008; Killebrew, 2003; Robinson, 2011; van Weezel, 2009), as well as coping with the blurring boundary between professional media production and the participatory production of audiences (Jenkins, 2014; Maxwell & Miller, 2011). Converging production and distribution in different media approaches is driven by the emergence of multi-platform media technologies, and audiences’ demands of consuming media products across different devices (van Weezel, 2009). It causes changes in both the management and production of newspaper publishers. This
part reviews the studies examining organisational re-structuring in the perspective of strategic management. Studies concerning convergence and integration in production will be reviewed in section 2.3.

Integrating different departments in media organisations is beneficial for the evolvement of media activities (Gade & Raviola, 2009; Hollifield et al., 2015; Raviola & Hartmann, 2009). The implementation of multi-platform strategies relies on the cross-department cooperation with media organisations. Therefore, “intra-firm integration” can decrease the negative effect of organisational barriers and promote knowledge exchange across distinct sectors (Gade & Raviola, 2009; Raviola & Hartmann, 2009), which is hard to achieve in the bureaucratic system that is in the traditional structure of Chinese newspaper publishers (Chen, 2014). In particular, the integration is an essential structural mechanism for applying digital and networking expertise in journalistic production (Raviola & Hartmann, 2009). Moreover, internal entrepreneurship that integrates human and other resources within newspaper firms has developed rapidly, which creates opportunities for those practitioners who cannot use their expertise or potential in the traditional structure (Hollifield et al., 2015, p. 82). Compared to the traditional, the intra-entrepreneurship leads to a decentralised and less-layered organisational structure that is more proactive to the changes in markets, which is of help in reducing the risk of strategic exploration (Gade & Raviola, 2009).

Even so, technological applications may be resisted by practitioners who hold an immanent standard of professionalism or have the inertia of familiar daily routines (Boczkowski & Mitchelstein, 2010; Domingo, 2008). In addition, the integration removed the wall between journalism and commercial activities, such as advertising and marketing, when it oriented towards increasing the “marketing consciousness in the newsroom” (Gade & Raviola, 2009). Accordingly, conflicts emerged between journalistic integrity and commercial interests (Cowling & Hadland, 2008). Also, “structural tensions” appeared when managers found it's hard to decide the trade-off between the integration for change or the preservation of traditions (Achtenhagen & Raviola, 2009). Therefore, how to integrate organisational units for the positive effect of multi-platform synergy and the capitalisation of journalistic activities in a proper way, formed great challenges for media managers (Gade, 2008).

The focus of previous studies regarding the issue of organisational re-structuring has been the changing relationships of different departments in media organisations (Cowling & Hadland, 2008; Gade & Raviola,
They compare and contrast the old and new pattern of journalistic production. However, they are ineffective in reflecting the changes in organisational configuration that aim to facilitate not only digital journalism but also other businesses related to news production. However, the extended form of organisational structure proposed by Baumann (2013) takes newsroom, commercial and technological departments as different organisational units that are integrated and/or networked in four forms – hierarchical, modular, network and virtual. The categorisation is based on two dimensions – the complexity and dynamics of the market, and the complexity and innovation speed of the products (ibid.). Among these four forms, the hierarchical has the lowest market dynamics and the lowest complexity and innovation speed. The modular is better than the hierarchical in complexity and innovation speed, while the network is better than the hierarchical in the market dynamics, and the virtual inherits the advantages of the modular and network so has the best performance in both dimensions (ibid.). This view discards the discriminate viewpoint of non-journalistic departments, which implicitly confirms the significant role of technological and commercial departments in current media transitions. Moreover, the network and modular forms are appropriate respectively in analysing the organisational re-structuring of the two newspaper firms in this dissertation.

Furthermore, in order to analyse the non-static process of organisational re-structuring, the re-integration of organisational structure proposed by Küng (2008) is adopted in this dissertation. Although the network and modular forms (Baumann, 2013) present alternative approaches to organisational re-structuring, they are insufficient in revealing the changing process step by step. This gap can be filled by the three-stages cycle of organisational configuration, which refers to integration, autonomy and re-integration (Küng, 2008). According to the author, this framework is designed to show the continuous changes of the organisational structure caused by Internet-related activities, so it is consistent to the questions of this dissertation, i.e. in what ways and by what steps the newspaper publishers have transformed their businesses through digitisation and commercialisation. As with the discrepancies in the extended forms of organisational structure, the two publishers are at different steps of re-integration. In this sense, adopting this framework can offer one more comparison in exposing the diversified situation of transitions in the newspaper industry.
2.2.3 Interpretative approach: cultural adaption

The interpretative approach focuses on the covert aspects of organisational management, such as the cognitions and mind-sets of staff and the organisational culture, which are intangible so often ignored in discussions about strategic management (Küng, 2008). In this dissertation, this approach will be used to examine how the newspaper practitioners adapt to the changed organisational culture against the background of corporate expansion and organisational re-structuring. Media management researchers have indicated that changes in structures and processes in working environments can have a significant influence on the professional mind-sets of media practitioners (Hanitzsch et al., 2010; Picard, 2009; Wilkins, 2014). Practitioners have to get used to new work routines, learn knowledge and skills to qualify themselves for their new occupational requirements; in particular, to cooperate with colleagues with different professional background in the integrated media organisations (Picard, 2009). The new work routines, professional qualities and cooperation across different departments form a new type of organisational culture, which have effects on the practitioners’ orientation towards professional values in turn (Wilkins, 2014). Moreover, researchers have discovered that practitioners in different positions – senior and middle managers, and frontline workers – may present distinct attitudes towards the changed culture in their working environments (Bartosova, 2011; Järventie-Thesleff et al., 2014; Redmond, 2006).

In the previous studies, media practitioners’ attitudes for adapting to a new organisational culture mostly consist of negative feelings such as uncertainty, being conservative and resistant. This presentation of research interests may be related to the critical nature of academia, for which more conflicts are discussed than successes. However, it may also reflect an overall situation where media practices are struggling. Therefore, the three negative feelings in the early research will be reviewed and will be the reference to analyse their reflections in the case studies of this dissertation.

Facing up to the new work routines and requirements, and, the feeling of uncertainty is universally held by media practitioners (Gade & Lowrey, 2011; Gill, 2010; Hollifield et al., 2015). In fact, according to organisational contingency theory, because media products rely on original creativity and are less standardised than generic products, so media practitioners are vulnerable to be uncertain about their work performance (Hollifield et al., 2015, p. 53). This vulnerability tends to be intensified when practitioners
have to cope with the challenges of applying new technologies and keeping step with rapidly changing demands in markets (ibid.). Uncertainty also comes from the breaking of traditions of professional standards – values and practices inconsistent to the journalistic professionalism become the new evaluation standards of working performance (Gade & Lowrey, 2011). As mentioned above, the trend of commercialisation has blurred the boundary between the newsroom and commercial departments, which means that practitioners conducting the related jobs have to modify their belief of protecting journalistic integrity from commercial interests. To some extent, the duality of journalistic and commercial enterprises has historically been with media firms (ibid.). However, it becomes imbalanced when the economic pressure of media has increased (Papathanassopoulos, 2001).

The conservative attitude towards changes can be seen as a compromised reaction when media practitioners have to respond to rapid changes in market demands and increasing economic pressure. It is inherently related to the nature of professionalism that is usually an institutional approach to supervising knowledge, skills and responsibilities in a unifying way (Gade & Lowrey, 2011). In particular, professionalism is believed to be a strategy to deal with “complexities and uncertainties” in changing times (ibid.). A reflection of the conservatism rooted in journalistic professionalism is the sensitivity to applying market-and-audience oriented values in news production (Hollifield et al., 2015, p. 145), for example, bringing in the return path data to be a criterion of topic selection and updates of further reports. Tensions emerge in decision-making – producing news based on journalistic values or market-oriented purposes. In practice, media managers were discovered to be conservative to changes for the purpose of reducing unpredictable risks (Gade & Lowrey, 2011; Hollifield et al., 2015; Lowrey, 2006; Picard, 2009). Therefore, it is worth paying attention to the media managers’ mind-sets of cultural adaption, because they play crucial roles in the re-construction of organisational culture (Wilkins, 2014).

Because of path dependencies, inertia or vested interests, media practitioners resists the changes in work routines (Boczkowski & Mitchelstein, 2010; Domingo, 2008; Gade & Raviola, 2009; Singer, 2004; Spyridou et al., 2013). Accordingly, resistance becomes a type of organisational culture, which has the most negative influence on innovative practices compared to the feelings of uncertainty and conservatism. Based on empirical cases, researchers have found that journalists and editors tend to insist on familiar routines rather than innovative practices, even though they recognised the importance of innovation
(Boczkowski & Mitchelstein, 2010; Domingo, 2008). Also, media practitioners sometimes take new professional responsibilities as extra work; therefore, the resulting no extra payment may possibly decrease their productivity (Singer, 2004). Associated with these problems, their work satisfaction go down consequently, as work overload and the feeling of uncertainty increases (Spyridou et al., 2013).

Although negative attitudes towards organisational changes have existed, staffing patterns of traditional media have witnessed a significant increase in the number of technicians and commercial staff. More investment in non-journalistic job positions is believed to be an essential strategy for facilitating industry transitions (Doyle, 2015c; Schlesinger & Doyle, 2014). This is because media activities are labour-intensive (Spyridou et al., 2013) and human resources play a crucial role (Redmond, 2006). Empirical data show that staff effort for digital production in the Telegraph has improved from less than 10% in 2007 to 25% in 2012, while that of print production has fallen from more than 90% to 75% during the same period (Doyle, 2014). The similar change can also be found in the US; moreover, media staff in technological positions generally can have a better system of rewards than at the average level (Hollifield et al., 2015, p. 58). Another urgent issue concerning staffing pattern is related to the phenomenon of brain drain in journalism (Hollifield et al., 2015, p. 44). Media practitioners who have valuable expertise may quit from traditional media and begin new careers in Internet companies where media expertise can be used to enlarge the advantage of disintermediators. To some extent, losing this kind of staff intensifies the harm of brain drain on the traditional media organisations. More importantly, the leaving of experienced practitioners strengthens the discouraging atmosphere caused by the economic pressure. Regardless of the growing percentage of technological staff or the losing of experienced practitioners, empirical findings in the previous studies can prove to be obstacles to cultural adaption for current media practitioners, which will be proven again by the findings of this dissertation.

In summary, the three approaches of strategic management in media, rationalist, adaptive and interpretative, will be integrated to be the analytical framework of the first research question – how the strategic management of newspaper companies is changing to facilitate the operation of new businesses in the Internet era. The rationalist approach is used to discuss the strategic motivation of corporate expansion based on the VCT and the RBV. The adaptive approach is to analyse the strategic process of organisational re-structuring, which will reference two perspectives of organisational structure – the extended form
(Baumann, 2013) and the three-step re-integration (Küng, 2008). Lastly, the interpretative approach is to examine the cultural adaption of media practitioners who have to adjust both mind-sets and practices in order to participate in the organisational changes actively. Traditional media activities are gradually but fundamentally transformed into aspects of structure, institution and culture, which even affects their organisational identity (Doyle, 2015c). Even so, content production is still the basic activity of other diversified media businesses (ibid.) Therefore, the next part will review the previous studies related to the changes in production and products in traditional media.

2.3 Digitisation and commercialisation in media production

Content production is the core activity of newspaper publishers, which is vulnerable to the influences of the various industrial, societal and political trends (Domingo et al., 2014; Picard, 2005; Spyridou et al., 2013). Against the industrial upheaval caused by the financial crisis and technological innovation, scholarships are in agreement that there is a ‘mind-blowing uncertainty’ in journalism and journalism studies (Domingo et al., 2014; Franklin, 2014; Steensen & Ahva, 2014). In order to build up a theoretical framework for the second question of this dissertation – how content production related to the new businesses are changing in response to digital convergence and the trend of integrating editorial production with commercial activities”, two areas of literature will be reviewed in this section. The first will be the studies of digital transitions in the structure and institution of newsrooms, and the professional values and practices. The studies with key words of digitisation and convergence are included. These two terms have differences, but they have the similar connotation and are used interchangeably in many studies. Another area will be the studies concerning issues of commercialisation in news production. Its review encompasses three sub-sections: commercialisation in the production process; advertorial production; and lifestyle journalism.

2.3.1 Digitisation and convergence

It is inescapable for newspaper publishers to modify their approaches of production when new technologies are emerging in areas of media creation and communication. The appropriate application of
technologies not only plays a crucial role in the strategic management of media firms (Doyle, 2015c; Küng, 2015) but also profoundly affects different aspects of media production. The latter issue has been studied in various viewpoints by numerous researchers. Some scholars have paid attention to the perspective of re-constructing newsrooms’ structures and organisational institutions (Domingo et al., 2007; Doudaki & Spyridou, 2015; García Avilés et al., 2014; Silcock & Keith, 2006; Sylvie & Weiss, 2012).

Other groups have focused on the changes in work routines, professional values and individual behaviours (Domingo, 2015; Dupagne & Garrison, 2006; Hermans, Vergeer, & D’Haenens, 2009; Phillips, Singer, Vlad, & Becker, 2009; Robinson, 2011; Singer, 2015; Wallace, 2013). Also, researchers have examined how media outputs and consumption are influenced by new technologies – participatory culture, convergence (Deuze, 2007; Jenkins & Deuze, 2008; Jenkins, 2014) and mobility (Westlund, 2010, 2013, 2015). The previous studies in the three perspectives will be reviewed in this section. In particular, the first two viewpoints will be emphasised, as this dissertation mainly concentrates on the organisational activities of newspaper publishers.

The evolution of newspaper productivity related to new technologies has been conceptualised with various terms and phrases, such as digitisation, integration and convergence. The first two almost have the same connotation, referring to merging print and digital approaches in production and distribution (Gade & Raviola, 2009; García Avilés et al., 2009; Picard, 2011; Sarrica et al., 2010; Schlesinger & Doyle, 2014; Sylvie & Gade, 2009; Wilbur, 2015). While the second is especially associated with activities in the newsroom (Gade & Raviola, 2009; García Avilés et al., 2009; Sarrica et al., 2010). With regard to the convergence, researchers in different theoretical schools have interpreted it in distinct ways: newsroom studies (Doudaki & Spyridou, 2015; García Avilés et al., 2014; Singer, 2009); studies of media industries and organisations (Latzer, 2014; Wirth, 2006); cultural studies (Deuze, 2007; Jenkins & Deuze, 2008; Jenkins, 2014); and communication studies in the perspective of political economics (Dwyer, 2015). The diversity of viewpoints on the issue of convergence implies that the related research should be based on a precise identification of epistemological scope and the connotation of this term (Wirth, 2006). Given that this dissertation focuses on changes in organisational strategies and individuals’ practices, the early studies of convergence issues in terms of newsroom activities will be reviewed. Moreover, the reviewing will be intertwined with that of digitisation and integration in the production practices of newspaper publishers.
The first perspective is re-constructing newsroom structures and organisational institutions, which are mainly presented by studies dealing with the modelling of the practices of digital convergence and integration in newsrooms. The earlier research of digital convergence managed to build up the conceptual model for analysing the related features and for differentiating the empirical cases with nuances of converging practices. Based on the communication theories of gatekeeping and diffusion of innovation, a model of convergence-continuum containing “stages of cross-promotion, cloning, coopetition, content sharing, and convergence” was proposed to illustrate the process of interaction and collaboration among print, broadcasting and online media (Dailey, Demo, & Spillman, 2005). As a revision to this research, another type of convergence, which was “repurposing” resources from established media to a new platform, was refined based on an empirical study that supplemented the continuum model (Silcock & Keith, 2006). Rather than confining converging activities in fixed models, Domingo and his colleagues (2007) suggested investigating the new practices with four dimensions – “integrated production, multi-skilled professionals, multiplatform delivery and active audience”. The two works of convergence continuum offer a dynamic model for examining changing production practices with traditional views, and the four dimensions signpost the key aspects of production analysis.

A group of scholars have conducted long-term research and transnational comparison regarding the models of media convergence. Initially, drawing on case studies of a newspaper publisher and a broadcaster in Spain, they advised two models – integral and cross-media – that differentiate in “production system, newsroom organisation, the degree of journalists’ multi-skilling and business strategy” (García Avilés & Carvajal, 2008). Later on, with expanding the horizon from the single region to three countries – Austria, Spain and Germany, they developed the two models to three: “full integration, cross-media and co-ordination of isolated platforms”, as well as advancing the four-aspect differences as being a matrix depicting newsroom integration in “project scope, newsroom management, journalistic practices, work organization” (García Avilés et al., 2009). In a more recent work, this group presented findings of revisiting three case study organisations in order to confirm the conclusions of earlier works. They also amended components of the matrix: market situation; newsroom organization; workflows and content; change management, skills and training; and audience participation (García Avilés et al., 2014). The evolution of matrix implies that the connotation of integration and convergence has been historically
changing, which has witnessed the specifying process of adaptive practices and the increasingly important roles played by markets and audiences.

The theory of the Socio-Technical System (STS) provides an integrated perspective of interpreting the relationship between organisational changes and technological innovations, which is at the intersection of studies of management and mass communication (Sylvie & Weiss, 2012). In this sense, the STS is particularly appropriate for media management studies concerning organisational issues associated with technological changes. However, based on a meta-analysis of 83 journal articles in 10 mass communication-related journals, Sylvie and Weiss (2012) argued that the studies adopting the term of STS are mostly indirectly related to management issues in media organisations. Moreover, they attributed the predominance of quantitative methods in STS studies to the “holdover” of researchers with knowledge background in the communication area (ibid.). In a recent study, Lewis and Westlund (2015) used the STS approach to analyse human actors, nonhuman technological actants, audiences and their interactions in the context of cross-media news work. This study addressed the interplay of humans and technology but with no discussion on the implications of and the response from organisational management, which reflects the criticism of Sylvie and Weiss (2012). Even so, Leonardi (2012) clarified four relevant terms – materiality, social materiality, social agency and material agency, and defied the STS as the “recognition of a recursive (not simultaneous) shaping of abstract social constructs and a technical infrastructure that includes technology’s materiality and people’s localized responses to it”. The theoretical foundations of these studies will be referenced in this dissertation, and the STS approach will be adopted in the Conclusion Chapter to connect two main findings, namely the changes in newspaper management and production that are affected by technological innovations.

In terms of structure and institutions affected by digital convergence, some scholars have indicated unexpected consequences caused by different reasons. The case study of a Dutch newspaper showed, the absence of a new business model and journalists’ opposition to converging culture eventually turned to the de-convergence (Tameling & Broersma, 2013). A similar concern was also raised in the study based on media organisations in the UK, in which the authors questioned, under condition of the limited production budget, how the multi-platform strategy was helpful in the diversity of content (Doyle, 2015c). In addition, a quantitative content analysis of four newspapers in Greece (print and online editions) revealed that digital
convergence was not implemented as expected, which was not only due to constraints of economic resources but also related to the resistances of practitioners caused by work dissatisfaction and the weakness of cultural adaption at the organisational level (Doudaki & Spyridou, 2015). In practice, as the changes of structures and institutions in the content-making departments took place, practitioners in these departments had to alter their work routines and professional values, which is the second perspective of the review of digital convergence.

Many scholars have researched the issues concerning journalists’ practices influenced by the changes in workplaces with various theoretical and methodological approaches. Among them, a group of scholars led by Domingo has concentrated on interpreting the technological innovation in newsrooms with the Actor-Network Theory (ANT) for years. In the beginning, the innovation of four newsroom cases were examined via the ANT and the theory of community of practice, through which the influential actors and elements of innovation were discovered (Weiss & Domingo, 2010). After that, a five-year case study was made with a European public broadcaster, in order to look at its long-term process of innovation (Mico et al., 2013). With the ANT and the diffusion of innovations theory, this study revealed that the innovation process is “intricate and unpredictable (ibid.)” and journalists in different positions held distinct attitudes towards the innovation (ibid.). This conclusion was echoed by the findings generated by a survey of 300 journalists in Greece, which showed that the professional culture of journalism forms a network (Spyridou et al., 2013). In this network, digital technologies, especially the Internet, facilitate journalists’ traditional work routines; however, have little effects on upgrading journalistic production to a brand new stage (ibid.).

Based on the two empirical studies with comparative and longitudinal approaches respectively, the group managed to polish the ANT as a theoretical tool in another two works. Firstly, they suggested that the ANT is capable of presenting the complexity of changes and the diversity of actors in news networks reconstructed by digital convergence (Domingo et al., 2014). Its application, however, should be complemented by removing the limits of theoretical areas and disciplines of journalism studies and exploring the reconstruction of journalistic normality (ibid.). In addition, Domingo (2015) advised that the ANT can “reconnect” the agency of human actors to the materiality of technological innovation, which had been underestimated by some journalism studies. Moreover, he suggested that researchers may have the
responsibility to encourage media practitioners’ adaption to technological innovations (ibid.). These four works have provided sufficient knowledge of applying the ANT in newsroom studies in terms of technological innovations. Nevertheless, this theoretical framework relies on the methodology of ethnography, which is unsuitable for this dissertation. Even so, the thinking of networks, human and non-human actors and interactions of actors in different positions have been adopted in the analysis of this research.

Singer is another key author who has made long-lasting efforts in studying the changes of journalists’ roles, practices, values and norms. She began to discuss the changing role of journalists affected by electronic media based on the gatekeeping theory in approximately two decades ago and indicated that technologies influenced more on what content was valued than selected (Singer, 1997). Through the framework of diffusion of innovations theory, drawing on four US newsroom case studies, she found journalists took the newsroom convergence as a profitable opportunity as a “career booster”, but she also discovered cultural conflicts and a lack of occupational training (Singer, 2004). From an organisational management perspective, Singer and her colleagues investigated how journalists’ skills and capabilities need to be upgraded when production and dissemination of media content have been changed by technologies (Phillips et al., 2009). The issue of upgrading skills was investigated by another researcher, who questioned the performance of multiskilling in media production, especially considering pressure generated by work overload (Wallace, 2013). Singer (2011) summarised the changes of journalists associated with the adoption of digital technologies in three aspects: self-perception of gatekeeper; practices in and environments of newsrooms; and relationships with audiences. In particular, Singer (2011) used a survey of local newspaper editors in the UK to reveal that audience preferences recorded by website traffic are consistent to the content decided by professional editors in general.

Apart from discussions based on empirical data, Singer and her colleagues have also raised questions with the modification of journalistic norms in response to the changes in work routines. The question of “when everyone can be a publisher, what distinguishes the journalist?” was raised to address the proposition of three normative values – authenticity, accountability, and autonomy (Hayes et al., 2007). In a recent work, she argued that professional norms in journalism are not only identity markers but also boundary markers (Singer, 2015). Moreover, the argument was made through the analysis of emerging forms – social
journalism and entrepreneurial journalism (ibid.). The works of Jane B. Singer and her co-authors have enlightened the investigation of journalists’ practices in this dissertation. In particular, her normative ideas connect the illustration of changing behaviours to the suggestion for improvements in professional values and norms that are still a shortage in the Chinese context.

Associated with the unexpected consequences caused by the digital convergence on structure and institution in newsrooms, researchers have found difficulties in journalists’ adaption of their new roles, routines, values and norms. Based on the case studies of European media websites, Domingo (2008) found that there was strong inertia in the professional culture of print media when digital technologies generated interactive communications and altered the work routines of practitioners in newsrooms. Similar to the situation of inertia, Gade and Raviola (2009) indicated that journalistic resistance, which was caused by changed work routines, seriously obstructed the integration of print and digital media in newsrooms. In a contemporary work, Franklin (2008) explained diversified sources of resistance to changes: journalists’ attitudes; the capability of newspaper firms; the organisational strategies of adaption; and readers’ preferences for new products. These four aspects have effects on the daily practices in the workspace. In this sense, they can also be seen as part of the journalistic resistance. Robinson (2011) conducted an ethnographic study in a hybrid newsroom to investigate the tensions of journalistic culture related to the passive attitude of inertia and resistance; he concluded that the digital staff was privileged in the power hierarchies of traditional media organisations while staff with “print-cultural mind sets” were “isolated” gradually in their workspace (ibid.). It can be deduced that the passive opinions of adapting technological environments and the isolation from core positions of the workspace are interactive with each other, which implies the complexity of journalistic culture in a changing time.

It was assumed that technological innovations could change journalistic production. However, some scholars have questioned in what ways and to what extent new technologies have implications on journalistic outputs (Mellado, 2015; Steensen, 2009, 2011). Based on a six-week ethnographic case study, Steensen found that the changes caused by technologies in online newspapers were influenced by five elements: “newsroom autonomy, newsroom work culture, the role of management, the relevance of new technology and innovative individuals (2009)”. Later on, this author put forward that technologies were not efficiently utilised in online journalism because of three reasons: multimedia is not preferred as static texts
and pictures; traditionally journalistic ways, such as gatekeeping, are not easily replaced by new ways such as participatory journalism; audiences have fewer interests in technologically upgraded outputs as expected (2011). In terms of the presence of technological producing methods in journalistic outputs, Mellado (2015) investigated “how different dimensions of professional roles materialise in journalistic outputs”, which is based on a combined perspective of newsroom study and news content analysis. The integrated perspective will be adopted to analyse the second question of this dissertation. Moreover, this author not only considered influences of new technologies but also paid attention to commercial purposes of journalistic production. In this sense, this literature is of particular worth for the referencing of the current dissertation.

2.3.2 Commercialisation

The commercialisation in media production has always been contested, which is related to the dual nature of commercial media firms who have to fulfil two missions simultaneously – the social responsibility and the financial goal (Allern, 2002). As the economic pressure of traditional media organisations is increasing, the debate concerning commercialisation has focused on the blurring boundary between newsrooms and commercial sectors (Bærug & Harro-Loit, 2012; Coddington, 2015; Harro-Loit & Saks, 2006). Associated with the setting of this boundary, it is debatable whether the serving targets of market-oriented media are audiences or consumers. In an early work, Underwood (2001) questioned that the classification of audiences and consumers might be “artificial”, that media organisations should provide both editorial and informative content. Harro-Loit and Saks (2006) admitted the existence of boundary. However, they argued this border is not only the institutional separation of newsrooms and commercial sectors but also a cognition of media practitioners; moreover, it should not be only taken as one ethical code (ibid.). They also concluded, in practice, “special supplements and consumer-oriented programmes” are often a menace to keep the border; meanwhile, practitioners usually neglect ethical codes and professional standards (ibid.). This conclusion was echoed by a survey of 219 advertising directors at U.S. daily newspapers, which revealed that the two sides of business and journalism frequently conflict and this conflict more regularly happens in small and chain-owned newspapers (An & Bergen, 2007). The blurring phenomenon is interpreted as the “hybridisation of media discourse”, in which the identity of media outputs is confused
because they are neither journalistic and advertising nor the mix of them (Bærug & Harro-Loit, 2012).

After analysing the process of hybridisation, the authors advised drawing a clearer line between advertorial and news in media production (ibid.).

Standing in a realistic viewpoint, Coddington (2015) suggested accepting the reality of commercialisation in media production; given that a solid wall protecting journalism from commercial interests is impossible, transparency and integrity of norms that can guard media credibility and public interests are needed.

Similarly, Carlson (2014) put forward, in the context of media abundance replacing scarcity, editorial content in single media is not attractive enough to audiences, then the media cannot transfer audiences’ attention to the advertisement as the practice in the past; therefore, the advertisers begin to deliver commercial information to audiences by themselves. Facing the emergence of native advertising, “norm entrepreneurs” are necessary; instead of altering the risk of credibility caused by mixing editorial and advertising content, developing existing norms of journalism in response to the new context of media activities is of more help (ibid.). The above works have provided various perspectives to examine the implications of integrating editorial and commercial activities, which focus on the process of production, management and administration. As with investigating the presence of digitisation in content outputs, many scholars have examined the results of commercialisation, e.g. advertorials, which will be reviewed next.

Advertorials were initially used to define “magazine advertising supplements” by early researchers (Stout, Wilcox, & Greer, 1989). Based on a content analysis of eight different magazines, Stout et al. (1989) discovered most of the advertorials in magazines had themes of “travel, food/cooking, sports and health/fitness”, which have been proven by many successive studies. Cameron and Curtin (1995) used experiments to test audiences’ recognition of feature advertising and concluded that labelling was not sufficiently effective to differentiate advertisements from editorial content, so related policies were needed. As a supplement, Cameron et al. (1996) made a content analysis of more than 250 pieces of advertorials and indicated that advertorials “is probably eroded by current advertorial practices”. Eckman and Lindlof (2003) conducted an ethnographic case study to reveal the organisational conflicts generated by advertorials; they indicated that graphics and other presentational devices separating advertorials from news content are crucial in the decision-making of content production.
Erjavec and his colleagues have studied advertorials in various perspectives: the production process, the social context, as well as textual and discourse features (Erjavec, 2004; Erjavec & Kovačič, 2010; Kovačič & Erjavec, 2010, 2011). In the beginning, Erjavec (2004) utilised the approach of Critical Discourse Analysis to unveil that advertisers play key roles in the production of advertorials and that promotional journalism has discursive elements such as “parti
cality and positive-only evaluation”. Erjavec and Kovačič published two works in 2010 to discuss different aspects in the production of advertorials, which were based on the methods of participatory observation and in-depth interviews (Erjavec & Kovačič, 2010; Kovačič & Erjavec, 2010). In one work, they argued that journalistic practitioners, marketing agencies and advertisers are all participants of advertorial production; moreover, “unethical and illegal” practices are enabled by other social actors (Kovačič & Erjavec, 2010). In another work, the authors indicated that journalistic practitioners and marketing agencies are “more or less subordinate to” advertisers in advertorial production (Erjavec & Kovačič, 2010). This conclusion confirmed the result of discourse analysis by Erjavec in an earlier study (2004). In addition, Kovačič and Erjavec (2011) summarised their studies of advertorial production in a later work, in which they attributed the upsurge of advertorial in the Slovenian press media to a lack of democracy and effective administration as well as increasing economic pressure. In general, these above works enlightened the analytical logic of commercialisation in this dissertation, which encompasses outputs, processes, actors and contexts of advertorial production.

However, the classification of actors, namely journalistic practitioners, marketing agencies and advertisers are inapplicable to my cases, for which the advertorial production is integrated with diversified business operations. Accordingly, the role of journalistic practitioners has been fundamentally changed. In this sense, the findings of this dissertation have enriched the connotation of advertorial production.

Apart from advertorial, lifestyle journalism is another approach with which the editorial content is possibly integrated with the promotional information for commercial purposes. Hanusch has carried out a long-term investigation of the related issues (Hanusch, 2010, 2012; Hanusch & Hanitzsch, 2013; Hanusch, Hanitzsch, & Lauerer, 2015). In the first two works, Hanusch advocated the necessity of developing the research of lifestyle journalism. In the first, Hanusch (2010) took travel journalism as a specific area of lifestyle journalism to discuss its nature as an intersection of “information and entertainment, journalism and advertising” and to propose four potential directions for research: social function, market orientation, the
motivation of creation and ethical standards. In the second, the author (2012) continued to promote studies of lifestyle journalism, which was based on systematic analysis of its special features: addressing audiences as consumers; providing factual information and advice in entertaining ways; and concerning goods and services in daily life. This work questioned, “what is lifestyle journalism?” with the comparison with relevant terms such as cultural journalism, service journalism and sports journalism (ibid.). In particular, this work was the introduction of a special issue focusing on lifestyle journalism issued by the peer-reviewed journal *Journalism Practice*. The emergence of this special issue showed not only the rising of academic studies but also the outburst of industrial practices.

With the increasingly firm foundation of theoretical context, in the last two works, Hanusch and his colleagues carried out empirical studies to investigate in what ways the lifestyle journalism affects its producers and consumers, namely the lifestyle journalists and their audiences. Hanusch and Hanitzsch (2013) proposed that lifestyle journalists differentiate themselves from mainstream journalists through the building of “specific role perceptions”. Through playing the role, they are capable of providing audiences with values: entertainment and relaxation; inspiration; service, advice and news can be used; exemplars of lifestyle; and orientation (ibid.). In a recent work, Hanusch, Hanitzsch and Lauerer (2015) discussed the commercial influence of lifestyle journalism on media production and discovered the “constant struggle” suffered by lifestyle journalists in terms of controlling editorial content and compromising to commercial pressures. They also revealed that the growing of lifestyle journalism is associated with the popularity of consumption culture and individualism (ibid.), which supplements the view that an increasing number of market-oriented media outputs are the results of economic and technological pressures. As with the normative discussion of advertorials, the authors also emphasised the importance of modifying professional norms in order to “walk a fine line between editorial and advertising” (ibid.). The commercial influence of lifestyle journalism on professionally journalistic practices and norms is an issue largely neglected by researchers in this area. Therefore, the study led by Hanusch (2015) filled this gap. In line with the same thinking, this issue will be examined in this dissertation. In addition, as indicated by Hanusch et al. (2013; 2015), the production process of lifestyle journalism has received little attention from researchers, so it will also be investigated in this dissertation.

In summary, the review of studies concerning media production aims to construct the theoretical
background for the second question of this dissertation, which is about the changes in newspaper production affected by the application of digital technologies and the integration of editorial and commercial activities. Therefore, it is based on two central terms – digitisation and commercialisation. The two terms represent two different areas of newsroom studies. In the first area, the related studies have shown two different focuses: structure and institution in newsrooms; and professional values and practices of individuals. In the second, three groups of relevant research have been reviewed: research of the boundary of news production and commercial activities; research of advertorial production; and research of lifestyle journalism.

In terms of studies of structure and institution in newsrooms, José Alberto García-avilés is a principal author who has led continuous research of models of digital convergence newsrooms, but the research is restrained in the technological adaption and lacks consideration of the integration of digital productivity and commercial operation. Therefore, their referential value for this dissertation is limited. The STS theory, which is suitable for illustrating the interplay of technological and organisational changes, is appropriate for this dissertation. In particular, the application in this dissertation can supplement the shortage of work using the STS theory in media management studies (Sylvie & Weiss, 2012).

With regard to studies of individual practitioners’ response to the changes, David Domingo and Jane B. Singer are two principal authors but have different emphasises. Domingo and his colleagues continuously develop the ANT as a theoretical tool for interpreting human and non-human actors who are involved in the network formed by the digital convergence. The thinking of the ANT introduced by Domingo has offered this dissertation a viewpoint of connecting human agency and material agency. However, its full application depends on long-term ethnographic studies that cannot be realised in this dissertation. Singer’s studies have concentrated on the change of the journalists’ role in uncertain environments, in both empirical and normative perspectives. Moreover, she provides a comprehensive framework for analysing journalists’ role changing: self-perception of gatekeeper; practices in and environments of newsrooms; and relationships with audiences (Singer, 2011). The first two aspects are adopted in this dissertation, while the last one is given up as the data of audiences is inaccessible. In addition, Singer’s research connects the illustration of changing behaviours to the suggestion of improvements in professional values and norms (Singer, 2015), which is particularly essential for filling the gap in the current Chinese studies largely
underestimating the importance of professional norms.

The issue of the boundary between news production and commercial activities has been disputed for a long time, which is related to the dual nature of commercial media. In line with this tradition, researchers have different attitudes towards the process of commercialisation. The discussion of commercialisation in this dissertation will take neither sides of the contradiction. Instead, it aims to illustrate the boundary-breaking process and analyse the implications in a neutral way. When it comes to the result of commercialisation, advertorials and lifestyle journalism are two key words; Erjavec and Hanusch are principal authors of the related studies respectively. Erjavec provides the idea of using the approach of Critical Discourse Analysis to unveil the feature of advertorials. Hanusch contributes to defining lifestyle journalism with the consideration of its producers’ role perceptions of their work, which connects the outputs with the process in content production. However, both advertorials and lifestyle journalism are special media outputs alienated from mainstream media production. Accordingly, little research has been dedicated to them. The shortage is more apparent in the Chinese scholarship, which in turn enables a contribution of this dissertation.

2.4 Policy process in the media industry

Policy studies can be classified into two patterns: one focuses on the results of policymaking and execution; another regards policy as a continually developing process (Nowlin, 2011). Compared to the former, the latter pays more attention to actors, structures, institutions and their interactions in the process of formation and implementation (ibid.). Moreover, the latter includes a variety of issues in different stages of the policy process, such as conceptualising problems, proposing solutions and guiding implementations (Chin, 2011). In brief, the latter takes policy making and execution as a negotiation process (Van den Bulck & Donders, 2014a). This dissertation adopts the second pattern to investigate the policy process of the newspaper industry in China, especially issues concerning the industry trends of digitisation and commercialisation of metropolitan newspaper publishers. In order to interpret the issues, two theoretical approaches are utilised – stakeholder approach and network approach.
The process pattern of policy studies has been selected to examine the policy issues in the Chinese newspaper industry for twofold reasons. Firstly, the policymaking and execution in Chinese media industries have been traditionally characterised by an evolving process comprising gradual adaption and continual learning (Yu & Su, 2009; Jin Zhou, 2005). In the beginning, policymakers and administrators would propose to support the certain innovative practice, which is usually distributed to some top managers through in-house documents. Based on the exclusive directives, industry pioneers would embark on exploration. After a period of experimentation, administrators would review the performance and decide to continue, modify or terminate certain policies. If the experimentation of some pioneers is reviewed as being good practices, the rest of the industry practitioners would be required to follow their experiences. This evolution process is briefly summarised by Chin (2011) as an “experimental nature” of Chinese media policies.

Another reason is that current Chinese media policies need adjustment as new technologies and business models have fundamentally changed the environment of industry and market (Freedman, 2005), not least for the newspaper industry. These emerging factors have brought great challenges for Chinese media policymakers because they get used to emphasising political controlling and have less experience in administrating industry activities (Qiang & Liu, 2015). Even so, the adaption of policymaking and execution has drawn the attention of the policymakers who have always highlighted the effectiveness of governmental control (Lee, Cui, & Zhang, 2015). For example, an increasing number of state policies have included supportive measures for the development of the mobile Internet and its related applications (Liu & Han, 2015), which is the continuation of state supports for informationalisation and the Internet technologies (Zheng, 2007, p. 17). In addition, more policy inclination has been put forward to facilitate the business operation of media organisations in recent years (Lee, Cui, & Zhang, 2015). However, the policy process of these governmental actions in Chinese media industries has scarcely been analysed through systematically theoretical frameworks. In order to fill the gap, previous studies concerning the approaches of the stakeholder and network will be reviewed to construct a framework for examining the policy issues in the Chinese context.
2.4.1 Stakeholder approach: actors driven by vested interests

In the previous studies, many scholars have used the stakeholder approach to examine policy issues in the European media industries (Biggam, 2015; Lund, 2016; Van den Bulck, 2012; Van den Bulck & Donders, 2014a, 2014b, 2014c). In addition, Shao (2010) initially used the stakeholder theory in the Chinese media context, but the study was about the relationship between compensations of executives and media firm performance, which was in a microscopic organisational viewpoint. As a result, no application of the stakeholder approach in the context of Chinese media policy has been found in both English and Chinese written literature. However, based on the review of Chinese studies of media policy issues (Qian, 2010; Qiang & Liu, 2015; Yu & Su, 2009; Zhou, 2005), some problems faced by Chinese media policymakers are tightly related to either the alteration of incumbents’ power distribution or the emergence of new interest groups. Zhou (2005) suggested that Chinese media policies are historically dominated by the state governments and beneficial for the state-owned media. Yu and Su (2009) proposed that the administrative segregation of media industries has obstructed the converging development. Qian (2010) argued that commercial media organisations have played increasingly crucial roles in the Chinese media market. Qiang and Liu (2015) indicated the problem of administrative segregation and the vagueness of policy documents. These conclusions by Chinese media scholars have implied the necessity to re-identify the stakeholders and their power relationship in the new media context. In this regard, the stakeholder approach is a useful analytical tool.

According to the stakeholder approach, the interest groups of certain policy issues generate dynamics of policymaking, execution and modification because they can exert influence on policy actions for their benefits (Brugha, 2000). In turn, they have to take the result of negotiation of different stakeholders (ibid.). In terms of the scope, the stakeholder approach was initially proposed to investigate the interrelated positions of the state governments and social organisation (ibid.). In this sense, it is at the intersection of studies about public policy and organisational management. In other words, instead of regarding state policies as external factors of organisational operation, the approach is capable of analysing the conflict of interest and the discrepancies of power policymakers, implementers, and followers in a certain arena of policy issue (Lund, 2016). Based on these functions, the stakeholder approach is a suitable viewpoint of looking at the implication of state policies on media organisations based on their positions as different
interest groups, which are living in and affected by a changing environment.

The European media scholars have used the stakeholder approach to analyse policy issues domestically and internationally, which is useful to reveal the diversification of interest groups in the European context. Biggam (2015) advised to “give more leeway” for the Member States of the European Union, in order to address problems caused by cultural discrepancies in different regional markets. To some extent, the multi-layer structure of policy in Europe has a similarity with the hierarchical structure in the Chinese context; moreover, the issue of cultural and market discrepancies can also be echoed by the regional unbalance of economy, society and culture in China. Therefore, the stakeholder approach is suitable for Chinese issues in terms of structural context. In addition, Lund (2016) proposed that policy processes should be a negotiation process, in which stakeholders should proactively participate in the continual optimisation of policy actions. This useful idea can be echoed by the trend of replacing “regulation” with “governance” in Chinese media administration (Qiang & Liu, 2015). The change refers to the decrease in state government’ dominance in policymaking and execution and the increase in the influence of industry pioneers’ on the policy design (ibid.). This thinking is in line with the promotion of marketisation, commercialisation and industry transformation, which has been advocated by the state government for a decade (Song, 2015).

Van den Bulck has applied the stakeholder approach in case studies and developed it through the theoretical comparison with the Advocacy Coalition Framework (ACF) (Van den Bulck, 2012; Van den Bulck & Donders, 2014a, 2014b, 2014c). Van den Bulck’s study proves that the stakeholder approach is helpful in identifying all relevant stakeholders and lays down the foundation for a multi-stakeholder analysis (Van den Bulck, 2012). Based on the case study of a Flemish public service broadcaster, the author proposed that the stakeholder approach should be integrated with the ACF because it is inefficient to interpret the conflicting and negotiating relationship of different stakeholders over a long period (Van den Bulck & Donders, 2014a, 2014b, 2014c). This theoretical development is insightful; however, limited by the accessibility of data, the ACF cannot be applied in this dissertation. Even so, the thinking of identifying stakeholders and interest coalitions as specific as possible has been practised in this dissertation. In terms of the interactions of different stakeholders, the network approach is adopted to supplement the shortages of the stakeholder approach.
2.4.2 Network approach: conflict and cooperation in networks

In the available literature, no direct application of the network approach in the media policy studies can be found. However, the concept of policy network has emerged in some studies concentrating on the change of media policies (Fengler et al., 2015; Freedman, 2006; Humphreys, 2009; Lowrey, 2012). In its original area, the approach of policy network regards the policy process as an interactive network (Adam & Kriesi, 2006; Blanco, Lowndes, & Pratchett, 2011; Kriesi, Adam, & Jochum, 2006; Sandström & Carlsson, 2008).

In the view of the policy network, the policy context characterised by different territorial levels has been emphasised in the previous studies (Adam & Kriesi, 2006). Especially in the cases of Western Europe, the policy context comprises regional, national and supranational levels (Kriesi et al., 2006). This point of view is appropriate to interpret the multi-level supervision of the system of Chinese media constructed by levels of central/national, provincial/regional, and municipal/local. In fact, the policy context of local media in China is more complicated than that of Western Europe because of the system of administrative segregation in the bureaucratic system, industry sectors and geographical areas. In this regard, the stakeholder analysis is helpful in illustrating the co-existence of different interest groups. In terms of the interactions in the certain context, Adam and Kriesi (2006) have proposed three types – conflict, bargaining, and cooperation; moreover, interactions in these three types can be categorised by the distribution of power – concentration or fragmentation. Among them, the bargaining type in the centralised distribution of power, which is “an intermediate or ambivalent type characterised by both conflict and cooperation (Adam & Kriesi, 2006)”, can suggest the complicated situation of media policies in the Chinese context.

In summary, the evolving policy process in the Chinese media industries can be investigated by the viewpoint of the policy process. In particular, the stakeholder analysis and the policy network approach are suitable for examining the influence of different interest groups on policymaking and execution, as well as the interactions of stakeholders driven by their vested interests. In theory, the integration of these two approaches can be justified by two reasons. Firstly, their integration can compensate for the insufficiencies of each other. The stakeholder approach is criticised for being too static to present the complex and
changing facts of policy issues (Van den Bulck, 2012). While the policy network approach is recognised as an “analytical toolbox” rather than a theory (Adam & Kriesi, 2006; Dowding, 1995). The former provides theoretical views, and the latter contributes to the dynamic perspectives of interactions and changes. Secondly, they have similarities in research scope and objective, which can firm their integration. The network approach stands in a perspective that integrates macro policy contexts and micro organisational behaviours, which is a metaphor for the structure of policy formulation and implementation (Adam & Kriesi, 2006; Dowding, 1995). In this sense, it is similar to the stakeholder approach that mainly looks at different interest groups involved in the process of policymaking and execution (Brugha, 2000).

From this point of view, these two approaches are suitable to apply to this dissertation that aims to examine the reflection of state policies in industry practices. In addition, although each approach has no application in the case of Chinese media policies, they both have key points fitting to the Chinese context. In this sense, this dissertation will fill this gap with the empirical findings in a non-Western context.

2.5 Conclusion

This Chapter has reviewed the previous literature in three different areas that are associated with the topic of digital transition. Due to the nature of interdisciplinary research, the three research questions are conceptualised by distinct theoretical frameworks established in the areas mentioned above. The applicability of three frameworks will be examined by the analysis of empirical data in the finding Chapters that will address the three research questions with the method of case study analysis. However, rather than assess the applicability of a single theory, this interpretative study tends to use theoretical tools for the purpose of explaining industry practices that are worthy of discussion for their rationales, values and tendencies. Based on this thinking, more than one theoretical approach has been included in the three sections of the literature review. In this sense, the corroboration of theories and practices may have twofold contributions: building new analytical frameworks integrated by different theories and validating them in the empirical analysis; and expanding the appropriate scope of theories founded in the Western context to a non-western circumstance.

In the first section, the three approaches of strategic management in media – rationalist, adaptive and
interpretative – have been integrated to be the analytical framework of the first research question: how
the strategic management of newspaper is changing to facilitate the operation of new businesses in the
Internet era. They respectively concentrate on the strategic motivation of corporate expansion, the strategic
process of organisational re-structuring, and the cultural adaption of media practitioners to new
organisational environments. Although these three approaches were summarised by Küng (2008) as the
major schools of strategic management in media, the way to use them in data analysis was not identified.
Based on the observation and initial analysis of data in this dissertation, the three approaches precisely
cover three essential elements of management: strategic motivation; organisational structure; and personnel
configuration. Therefore, a comprehensive case study of media organisation should include them all.

In the second section, the review of studies in terms of journalistic production focuses on two concepts:
digitisation and commercialisation, which represent two significant implications of industry transformation
in newsroom practices. José Alberto García-avilés is a principal author who has had continuous research of
models of digital convergence newsrooms, but his research lacks when considering the integration of
digital productivity and commercial operation. However, the STS theory, which has been used by different
authors to illustrate the interplay of technological and organisational changes (Sylvie & Weiss, 2012), is
appropriate for this dissertation. David Domingo and Jane B. Singer are two principal authors in studies of
individual practitioners’ response to the changes. Domingo has developed the ANT as a theoretical tool for
interpreting human and non-human actors’ interaction in networks of digital convergence. However, the
ANT depends on long-term ethnographic studies that cannot be realised in this dissertation. Singer has
provided a comprehensive framework for analysing journalists’ role change: self-perception of gatekeeper;
practices in and environments of newsrooms; and relationships with audiences (2011). The first two
aspects are adopted in this dissertation. In addition, Singer’s normative research of professional values and
norms (2015) is worth referencing for the current Chinese studies largely underestimating the importance
of professional norms.

With regard to the concept of commercialisation, three topics have been reviewed: the boundary of news
production and commercial activities; advertorial production; and lifestyle journalism. Associated with the
dual nature of commercial media, different attitudes towards commercialisation have co-existed. This
dissertation takes neither sides of the contradiction and manages to illustrate the boundary-breaking
process and analyse the implications in a neutral way. When it comes to the result of commercialisation, advertorials and lifestyle journalism there are two key words; Erjavec and Hanusch are principal authors of the related studies respectively. Erjavec has initially used the Critical Discourse Analysis to unveil the feature of advertorials. Hanusch has contributed to defining lifestyle journalism with considering content producers’ professional role perceptions. Both advertorials and lifestyle journalism are special media outputs alienated from mainstream media production. Accordingly, little research has been dedicated to them, as indicated by the two principal authors. The shortage is more apparent in the Chinese scholarship than that of the western context, which may be slightly supplemented by this dissertation.

In the last section, the stakeholder analysis and the network approach in the school of policy process are integrated to interpret the evolving policy process in Chinese media industries. The integration is necessary because the former is too static to present the changing facts of policy issues (Van den Bulck, 2012) while the latter is recognised as an “analytical toolbox” that needs to converge with other theories (Adam & Kriesi, 2006). In the meanwhile, the integration is possible because the two approaches have similarities in their scope and objective – targeting the interaction of macro policy contexts and micro organisational behaviours. From this point of view, these two approaches are suitable to apply in this dissertation that aims to examine the reflection of state policies in industry practices. In addition, although each approach has no application in the case of Chinese media policies, they both have key points fitting to the Chinese context. In this sense, this dissertation will fill this gap with the empirical findings in a non-Western context.

It is suggested by authors that theories need to be used under different conditions in order to create the “theoretical feedback loop (Achtenhagen & Mierzejewska, 2015).” The literature review in this chapter comes up with the three groups of theories that are suitable to conceptualise the three research questions, which is helpful in verifying the rationale of the questions with the reference of previous studies. Based on the theoretical frameworks, the questions will be answered by data analysis in the three findings chapters. However, the application of theories generalised from the western media experiences in the Chinese context need to be cautious of possible conflicts of culture and ideology. Moreover, the environmental conditions of case study analysis based on the theoretical frameworks need to be identified. Consequently, the next Chapter will provide the background information of industry transformation in the Chinese
newspaper industry.
Chapter 3 Background of the Chinese newspaper industry

3.1 Introduction

This Chapter sets out to introduce background information relevant to the issue of digital transition in the Chinese newspaper industry. Chinese media is intensely affected by the state policies (Zhao, 1998, 2000, 2015). The transition of newspaper publishers is also influenced by dominant trends of the industry and mainstream audience demands that have both experienced significant changes because of the outburst of Internet technologies in the past decade. Moreover, the two newspaper publishers in the comparative case studies have had progressive transformations in management and production in order to deal with fierce competitions in local markets. The background information will be introduced in four aspects: the history of Chinese metropolitan newspaper publishers, the status quo of media consumption in China, the policy context of Chinese newspaper businesses, and the transformation of the two case study newspaper organisations in the past decade. The development history will present the process of commercialisation, digitisation, conglomerate and corporate expansion. The interpretation of media consumption in China will focus on the implications of the rising mobile Internet, which will present four features: multi-platform, socialisation, personalisation and practicality. In terms of the policy context, three policy measures will be analysed: the administrative segregation, the Reform of Cultural System and the state policies about digital convergence. The last part of this chapter will briefly introduce activities relevant to digital transition in the two case studies.

3.2 Development history

3.2.1 Commercialisation and the emergence of metropolitan newspapers

Chinese metropolitan newspapers emerged in the early 1990s, which was a result of the development of
market-oriented economy in China. Their appearance was to generate commercial profits for local newspaper publishers that had been organs of the Communist Party of China (CPC). The local party organs received subsidies from the state government; however, the subsidies stopped in the early 1990s, which was called a “weaning plan (Huang, 2001)”. Even so, in the context of market-oriented economy, Chinese newspaper publishers were permitted by their governmental administrators, both central and local, to operate advertising businesses in 1988. Also, they were permitted to build up wholly owned subsidiary companies, such as advertising agencies, publishing houses and printing houses. The permission was in line with the trend of marketisation promoted by the Policy of Reform and Opening Up (Gai Ge Kai Fang Zheng Ce) that was enacted as a national strategy in 1978 (Zhao, 1998). Thanks to the trend, the operation of Chinese metropolitan newspapers has the mission of providing media services to both audiences and advertisers in the local market (Lee, 2015; Song, Shao, & Wu, 2010). In this sense, Chinese metropolitan newspapers are naturally market-oriented, concentrating on reporting local news and living on the advertisement revenue from local businessmen.

The initial stage of Chinese metropolitan newspapers began due to the trend of marketisation in the Chinese newspaper industry, but the commercial operation of them did not strictly comply with the law of market competition. The newspaper advertisement revenue soared from 73 million yuan to 3,771 million yuan from 1983 to 1993, according to the China Journalism Yearbook (Wu, 2000). The upsurge can be attributed to the prosperity of market-oriented economy and the policy supports for commercialisation in the newspaper industry as mentioned above. However, the legitimacy of marketisation and commercialisation in the Chinese newspaper industry was questioned by scholars (Qian, 2010; Zhao, 2000). At that time, all newspaper publishers were identified as public institutions (Shi Ye Dan Wei). Therefore, they could not pursue commercial profits until they transformed to be state-owned enterprises, whilst the transformation started with the beginning of the Reform of Cultural System (Wen Hua Ti Zhi Gai Ge) in the early 2000s (Qian, 2010). More details about the reform will be introduced in Section 3.4. Findings of the scholars imply that Chinese newspaper publishers either overlooked or intentionally concealed the conflict between the identity of public institution and the pursuit of commercial profits.

As the conflict was concealed, Chinese newspaper publishers took advantage of their covert connection with the state government to acquire exclusive resources that could be beneficial for their commercial
activities (Zhao, 2000). The connection was interpreted as “clientelist relationship (ibid.)”, through which the operation of newspaper businesses was facilitated by supportive policies and administrative protection. The benefit generated by the relationship gradually became a barrier for the sound growth of Chinese newspaper publishers (Qian, 2010). Furthermore, it obstructed implementation of the Reform of Cultural System in the 2000s because the reform was designed to remove the connection between the state government and public institutions (ibid.). Thanks to the connection, newspaper publishers achieved commercial profits in the booming advertising industry in the late 1990s and the early 2000s. However, they did not fully develop their competence in the market because they could rely on the connection. Their lack of competence was gradually exposed by the rise of Internet media in the late 2000s. In this sense, the initiative of commercialisation and marketisation in the Chinese newspaper industry is diminished because of publishers’ dependence on the concealed connection with the state government.

However, commercial practices of metropolitan newspaper publishers in their initial stage generated two positive results. In the first place, the emergence of metropolitan newspapers brought a new category of media provision in the local market (Huang, 2001). Chinese metropolitan newspaper publishers devoted a large numbers of pages in print to publish local news and practical information for daily life. Meanwhile, they reduced the number of pages for political issues and current affairs in order to differentiate themselves from party organs of the CPC. The change was driven by the pursuit for advertisement revenue, as local news and practical information were more attractive than political issues to local audiences who are the target of local advertisers. In this regard, the commercial pursuit also created the diversity of content in the Chinese media market. Associated with the first result, the improvement of capital strength was achieved with the commercial practices (Chen, 2014). Sufficient capital strength was also an important foundation for the development of newspaper publishers in in the following stages.

Local newspaper publishers in China started to conglomerate in the mid 1990s. However, this practice was heavily affected by the administrative force of local governments rather than the normal rule of acquisition and merger (Yu, 2005). The first local press group, the Guangzhou Daily Press Group, was founded by the local party organ of Guangdong Province in 1996, which is the primary competitor of the parent group of NNC. Up to the end of 2004, 43 press groups were constructed (ibid.). The practice of conglomerate aimed to increase the political control of local newspapers, meanwhile, to promote the capitalisation of newspaper
activities (Zhao, 2000). Nevertheless, some problems appeared in the process of conglomerate, such as conflict of interest of different subsidiary organisations, and unnecessary competition among subsidiaries operating similar businesses (Yu, 2005).

The homogeneous competition of different metropolitan newspapers in one city was intensified when newspaper circulation and advertisement revenue began to decline in the late 2000s (Sparks, Wang, Lü, & Wang, 2016). This situation was obvious in capital cities where metropolitan newspapers owned by provincial and municipal press groups co-existed (Song, 2005). The two cases in this dissertation are metropolitan newspapers operated by provincial press groups in capital cities. To some extent, the fierce competition stimulates their dynamics of digital transition. Compared to the local newspaper market, the national one is dominated by national party organs such as the People’s Daily, the Guangming Daily and the Global Times; meanwhile, some professional newspapers titles are oriented to the national market, e.g. professional business news operated by NNC – the 21st Century Business Herald. Therefore, metropolitan newspapers are much more representative than national newspapers in revealing the development of Chinese newspaper industry in the last two decades, which is primarily characterised by commercialisation and digitisation. Therefore, the two metropolitan newspaper organisations are selected to be the research object of this dissertation.

3.2.2 Digitisation and the coopetition with the Internet media

The trend of digitisation in the Chinese newspaper industry started in the early 2000s (He & Zhu, 2002). This trend aimed to upgrade the productivity of newspaper activities, which was in line with the idea of prioritising information technology controlled by decision makers of the state government (Zheng, 2007). Also, this trend was stimulated by the rapid growth of Internet media, which not only introduced advanced communication technologies in a positive way but also caused the phenomenon of disintermediation through syphoning audience attention and advertisement revenue from press media (Doyle, 2013). The following section focuses on the adoption of digital technologies in the Chinese newspaper industry as well as the competition and cooperation between newspaper publishers and Internet media. The changes in media consumption affected by digital and networking technologies will also be discussed in the next
The activity of digitisation practised by Chinese local newspaper publishers was encouraged by the state government. Local press groups in China universally began to construct online websites in the early 2000s, and they intended to develop these websites into online news portals (Yu, 2005). In addition, some pioneers explored the convergence of multiple media approaches. For example, the Guangzhou Daily Press Group, namely the earliest local press group, managed to distribute news in audio format on its website (Min, 2006), which can be seen as an exploration of converging digital multimedia techniques. Besides, The Zhejiang Daily Media Group, namely the parent group of QNC, co-operated with local telecommunication servers to deliver news in mobile phone messages (ibid.), which can be seen as the original test of mobile media in China. In regard to governmental administration, the theme of digitisation was included in the 11th Five-Year Plan (2006-2010) of the Newspaper Publishing Industry in China issued by the state administrator of newspaper industry (Pang, 2006). As reviewed in Section 2.4 “Policy process in the media industry”, the media policymaking in China is characterised by the tradition that new practices needed to be experimented upon by some pioneers before it was confirmed by official policies (Yu & Su, 2009). Then, the confirmation resulted in the flourishing of certain practices in a short term (ibid.). In line with these steps, some pioneers in the Chinese newspaper industry launched similar strategies for promoting the digitisation in newspaper production and distribution. For example, NNC started the strategy of “Nandu Omni-media Cluster (Nan Du Quan Mei Ti Ji Qun)” in 2009 (Cao, Zhuang, & Chen, 2010; Gu, 2012).

However, the efforts made by Chinese newspaper publishers were insufficient to enable them to survive in the competition with Internet media rivals who originated in the digital and networking environment. The three leading online news websites (Sina.com, 163.com and Sohu.com), the prominent social networking site (QQ) and the major online search engine (Baidu.com) were all commercially developing. News websites and social networking sites were founded in around 1998; the search engine was founded in 2000. These Internet-originated media began at the same time as the digitisation of press media in China. Moreover, they also had the same revenue model with press media – the advertisement revenue. However, the advertisement revenue generated in Internet media exceeded that of press media in 2005 for the first time, which was the time when the “winter of Chinese newspapers” began (Wu, 2005). This argument can
be supported by the fact that the growth rate of newspaper advertisement revenue rapidly decreased from 2004 to 2005, according to the statistical reports of the CTR, which is a leading market research company in China (Figure 3-1). The trend rebounded in 2008 and 2010, but it collapsed again after 2010.

![Figure 3-1 Advertisement revenues and the growth rate of Chinese newspapers (2004-2015)](image)


Data of the amount of advertisement revenue from 2004 to 2008 are not available.

Drawn by Miao Huang on October 1st, 2016.

By contrast, the advertisement revenue of online news websites increased by 30% in 2005 (Wu, 2005). When it came to 2015, the overall amount of advertisement revenue of the newspaper industry was 22.8 billion while that of Internet media was more than 200 billion; moreover, half of the income of Internet media came from mobile Internet, according to the Annual Report on the Development of Chinese Media Industry 2016. As mentioned above, the advertisement revenue was the primary income of both press media and Internet media. Even if the advertising market was not fully saturated at that time, the rise of Internet media inevitably resulted in the loss of press media. What’s more, the shift of advertising input predicted the change of audience attention, which was proven by the rapid decrease of newspaper readership and the fast increase of Internet media users. More details about the change in media consumption will be discussed in the next section.

Although newspaper publishers lost a great deal of advertisement revenue due to the booming online advertisement, they still had some competitive advantages in local markets, e.g. the influential power of the state-owned media brand (Chen, 2014). These advantages were valued by the Internet media which
were oriented to the national market thanks to the borderless feature of online communication. In order to exploit the potential of audience attention in local areas, Internet media started to co-operate with local newspaper publishers. For example, the leading social networking site, QQ.com, embarked on building online news websites with local newspaper publishers in 2006; up to the end of 2010, ten local news portals were established in different regions (Zhong & Huang, 2011). In the co-operation, newspaper publishers produced local news, and Tencent supported the technical operation of websites (ibid.). The kernel resource of Tencent was the access to users on its social networking site and its online chatting tools. The access had the potential to transform the traffic of online users to be the readers of local news (ibid.). Then, Tencent strengthened its engagement with online users through providing local news highly relevant to their daily life. Local newspaper publishers co-operated with Internet media to continue their connections with local users whose attention transferred from press media to Internet media significantly. The two organisations in the case study in this dissertation both co-operated with Tencent in constructing local news portals. The chief manager of NNC admitted that they learned valuable experiences from the collaboration with Tencent about the operation of digital media (Cao, interview, 2014).

Apart from co-operating with Internet media, local newspaper publishers also built up local news websites independently, as mentioned above. Moreover, some publishers developed news website into online community forum that supported interactive communications. One of the successful examples is the www.19lou.com operated by the Hangzhou Daily Press Group; its operation model was followed by local newspaper publishers in different regions (Wang, Wu, & Ye, 2010). This online community forum not only upgraded the one-way distribution of press media into the media service of interactive communications, but also generated new revenue in marketing businesses that was different from newspaper advertisements (ibid.). However, this operation model did not perform well in other cases, which can be attributed to the fact that newspaper publishers had no sufficient online traffic to sustain the interactive communications. In other words, the majority of the online users’ traffic is in dominant Internet media platforms, which means that for newspaper publishers it seems too late to re-claim their readership by constructing independent news websites.

Rather than building news websites independently, newspaper publishers have another option to reach their readers in the context where the majority of online traffic is dominated by leading Internet media platforms.
They distribute news through the public outlet provided by certain Internet platform, e.g. public accounts on Weibo and WeChat. These two home-grown social media platforms provide professional media organisations with certified distribution outlets in order to distinguish professional content products from user-generated content products. Also, the platforms offer professional media privileged approaches of content distribution, which is based on some contracts between the platforms and professional media organisations. In such a context, newspaper publishers in China are actively operating their public accounts on Weibo and WeChat, for the purpose of extending their brands on Internet platforms and re-claiming their lost readership (Chen, 2016). The operation of public accounts is regarded as an important strategy of digitisation in the Chinese newspaper industry (ibid.), which is a new type of co-operation between press media and Internet media in its nature. Some scholars believe that newspaper publishers have no other options but to co-operate with the Internet giants because the latter controls user traffic and is superior in terms of Internet technologies (Cai & Weng, 2012; Chen, 2016; Zhang, 2013).

However, to what extent the co-operation between newspaper publishers and Internet platforms can facilitate the former’s digitisation is open to discussion. Some researchers suggest that the preference of Internet media audience is different from that of press media audience; moreover, the adaption of press media to Internet communication is likely to be restrained by the conservatism of professional culture and the inertia of established work routines (Boczkowski & Mitchelstein, 2010; Domingo, 2008). Correspondingly, how traditional media organisations could adapt to Internet environments has always been a much discussed topic in the Chinese media academia (Chen, 2016; Wu, 2014; Zhang & He, 2015; Zhang, 2013; Zhao, 2014). Furthermore, empirical studies reveal that how much effort and investment can be made to modify content production is determined by the financial situation of newspaper publishers (Doyle, 2013). As mentioned above, Chinese newspaper publishers expect to build new revenue streams to supplement the loss of advertisement revenue and sustain their newspaper businesses. Accordingly, digitisation should be integrated with commercialisation in proper ways, in order to fulfil the goal of building new revenue models. Operating diversified businesses through corporate expansion is in accordance with this thinking, which will be introduced in the next section.
3.2.3 Corporate expansion and diversified newspaper businesses

Chinese newspaper publishers began to conduct corporate expansion when they accomplished the practice of conglomerate that integrated resources relevant to newspaper businesses in certain regions (Liu, 2007). As a result, local newspaper publishers usually diversified their businesses through taking advantage of existing resources to extend their value chains. For example, QNC started the e-retailing business with the advantage of a pre-existing logistic company within its control; NNC developed an online marketing business based on the condition of its close relationships with local businessmen. In most cases of corporate expansion in the Chinese newspaper industry, established media brands in the local market were highly valued by newspaper publishers as a resource (Sparks et al., 2016). Accordingly, it was also utilised in businesses exceeding the traditional scope of newspaper industry, such as real estate development, hotels and supermarkets (ibid.). However, activities in other industries are distant from the core business of newspaper, in which publishers have little experiences and possibly endorse much more credibility than that for activities close to the core business.

Diversified businesses have generated new revenue for newspaper publishers, which can be represented by the change of revenue structure in a public listed company – the Zhejiang Daily Media Group Co., Ltd (Figure 3-2). This company is a subsidiary of the Zhejiang Daily Press Group and partially owns the assets of QNC. According to the state regulation, the editorial part in Chinese newspaper companies is forbidden to be involved with public listed companies (Song & Ju, 2012a). Therefore, the commercial part of QNC is owned and operated by the public company. At present, there are six public newspaper companies in China; four of them are owned by local press groups. The annual report of a public newspaper company is a reliable source for presenting financial performances, which is impossible to be revealed in non-public newspaper companies in the Chinese circumstance.
As shown in Table 3-1, categories of diversified businesses have continuously increased and the amount of non-traditional revenue has rapidly grown in the past five years. By contrast, revenue from traditional businesses (printing, advertising and circulation) has experienced some fluctuations and has decreased in general. Accordingly, the rise of gross operating income, which was more than doubled during the five years, can be attributed to the progress of diversified businesses. The change of revenue structure implies a trend that newspaper publishers are increasingly relying on the new revenue generated by diversified businesses to supplement the loss in traditional businesses. What’s more, the change also reveals that the publisher managed to develop new businesses in Internet environments, such as online value-added services, online games and the operation of platforms. Also, the increasing revenue from Internet businesses proves that the integration of digitisation and commercialisation in the case of QNC is capitalised successfully and new businesses of this publisher is profitable. More details about the development history of QNC will be introduced in Section 3.6.

Among the variety of diversified businesses practised by Chinese newspaper publishers, the e-retailing business is an activity seemingly far away from the core business of newspaper but is proven to be a practical way for re-exploiting resources and extending the value chain of local newspaper publishers. This business has been widely operated by metropolitan newspaper publishers in recent years. As shown in Figure 3-2, since 2014, this business has created a large amount of revenue for the public newspaper
company. In practice, this business started in the Chinese newspaper industry a decade ago. In the initial stage, newspaper publishers sold goods by advertising in printed newspapers, which was different from classified advertisements because more details of goods were presented; newspaper readers could place orders by calling publishers (Cao, 2010; Chen & Chen, 2011). One example is the shopping business of a metropolitan newspaper publisher at Nanjing (No. 7 in Table 3-2). This publisher began its business in the printed newspaper and telephone calls, and developed it to a dedicated website. At the same time, a metropolitan newspaper publisher in Beijing also launched its shopping website with a name closely related to the name of the metropolitan newspaper title in Chinese (No. 9 in Table 3-2).

Along with the development of retailing business, local newspaper publishers transformed their newspaper circulation teams to shopping parcels delivery. In the Chinese newspaper industry, printed newspapers have traditionally been delivered by publishers themselves instead of the post office (Song & Huang, 2013). In some cases, press groups run circulation teams to distribute printed newspapers for subsidiary newspapers; in other cases, newspaper publishers have separate circulation teams. NNC is in the former group while QNC in the latter, which leads to different strategies of corporate expansion. More details of the two cases in this regard will be analysed in Chapter 6.

When it came to the 2000s, more local publishers embarked on retailing business either in printed newspapers or on websites, or integrating both of them. Moreover, the metropolitan newspaper publisher operating online community forum, as mentioned above, sold retailing goods on the forum with the approach of interactive communications (Chen, 2014). In this case, the publisher made good use of its digital productivity. Up to the end of 2014, nine newspaper publishers had retailing businesses (Table 3-2). Most of them operated their business on separate websites. One of them took advantage of the Internet platform WeChat ((3) of No. 5 in Table 3-2), where e-retailing emerged in 2013 approximately. Separate websites or Internet platforms, names of e-retailing businesses are closely connected to the publishers’ metropolitan newspaper titles that are influential in the local market. Therefore, the operation of e-retailing business costs the value of established brand and credibility of newspaper publishers. Correspondingly, the e-retailing business possibly endangers the journalistic integrity of newspaper publishers, which would bring more risks if the commercial purpose of e-retailing business could not be recognised by newspaper readers as that of traditional advertisement. In this case, Chinese newspaper publishers encountered the
same challenge with its western counterparts which have been operating native advertisements in recent years (Sparks et al., 2016).

Table 3-2 Online retailing business of Chinese metropolitan newspaper publishers

<table>
<thead>
<tr>
<th>Newspaper Title</th>
<th>Online Shopping Websites</th>
<th>Press or Media Group</th>
<th>City and Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qianjiang Evening News</td>
<td>QianBao You Li [<a href="http://www.u-line.net">www.u-line.net</a>]</td>
<td>Zhejiang Daily Press Group</td>
<td>Hangzhou, Zhejiang</td>
</tr>
<tr>
<td>3 Western China Metropolis Daily</td>
<td>Ba Xiao Shi Gou Wu [<a href="http://www.8xs.com.cn">www.8xs.com.cn</a>]</td>
<td>Sichuan Daily Press Group</td>
<td>Chengdu, Sichuan</td>
</tr>
<tr>
<td>Chengdu Business Daily</td>
<td>Mai Gou Wang [mygo.chengdu.cn]</td>
<td>Chengdu Mass Media Group</td>
<td>Chengdu, Sichuan</td>
</tr>
<tr>
<td>4 Southern Metropolis Daily</td>
<td>(1) Nan Fang You Pin [nfyp.southcn.com]</td>
<td>Southern Media Group</td>
<td>Guangzhou, Guangdong</td>
</tr>
<tr>
<td></td>
<td>(2) Nan Du Mall [<a href="http://shop.oeeee.com">http://shop.oeeee.com</a>]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Nan Du Le Gou (on WeChat)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Beijing Times</td>
<td>Jing Hua Yi Ji [<a href="http://www.yijia360.com">www.yijia360.com</a>]</td>
<td>None</td>
<td>Beijing</td>
</tr>
</tbody>
</table>

Data source: information on the websites of the metropolitan newspaper publishers
Drawn by Miao Huang on October 1st, 2016.

Chinese local newspaper publishers also co-operated with the leading e-retailer Taobao.com, which is run by Alibaba, to do the e-retailing business. The co-operation was based on a project that started on April 1st 2014 and continued to the end of 2014 approximately (Li, 2014). Newspaper publishers displayed the information of goods sold by Taobao.com on the pages of printed newspapers; readers could scan the QR code near the information with their smart phones and place orders on shopping pages on Taobao.com accessible via smart phones (ibid.). Both QNC and NNC participated in this project. Different from the two types of co-operation with Internet media, namely constructing local news portals and distributing
professional content on Internet media platforms, the e-retailing project is not in the traditional scope of newspaper industry. However, as with the two types of co-operation, the kernel resource of business in Internet environments – online traffic – is not controlled by newspaper publishers. From this point of view, the benefit of newspaper publishers from the co-operations is limited (Song & Huang, 2013). With the development of digital and networking technologies, the data of online traffic can present not only audience attention, but also a variety of Internet user behaviours such as reading preferences, consumption records and personal interests. Therefore, the study of digital transition of newspaper publishers in this dissertation should take the understandings of media consumption into consideration, which will be in the next section.

3.3 Current situation of media consumption

3.3.1 Rise of mobile Internet

Mobile Internet is one of the most popular places for media consumption in China. Figure 3.4 shows the continuously increasing population of Internet and mobile Internet users, which is based on the statistical reports of China Internet Network Information Centre (CNNIC). The figure presents that the growth of mobile Internet users is more staggering than that of Internet users in recent years; based on this trend, the former is going to equal the latter. Apart from the figure, the CNNIC report also reveals that new Internet users mostly appeared on mobile devices (CNNIC, January 2016). Specifically, mobile phones, desktops, laptops, tablets and televisions occupied 90%, 68%, 39%, 32% and 18% of the ratio of Internet access respectively (ibid.).
The surprising development of mobile Internet has profound effects on media consumption in China. As mentioned above, the advertisement revenue of online media was about ten times of that of press media in 2015. Half of the online advertisement revenue came from mobile Internet, according to the Annual Report on the Development of Chinese Media Industry. The report also revealed that the registered users of mobile news applications reached 900 million in 2015. Furthermore, mobile news applications operated by mobile Internet-originated companies are more popular than the applications developed by Internet media companies and established media organisations. In brief, the population of mobile Internet users is almost equal to that of Internet, while the growth of mobile Internet has larger space than that of Internet. What’s more, media providers originated in mobile Internet play a vital role in current media provision in China.

### 3.3.2 Multi-platform, socialisation, personalisation and practicality

Media providers in mobile Internet create new ways of consuming news, essential information about daily life, entertainment and other media services. According to a national survey of media usage conducted in 2010, which is the latest national investigation of media audience, Chinese media consumers could be classified into six categories: television dominant, low media consumption, television and radio, television and Internet, television and magazine, and television and newspaper; the ratio of every category became larger successively (Shen, Lu, & Wang, 2014). This survey revealed that watching television was the most popular activity of media consumption; meanwhile, the mix of television and newspaper was the most
common activity of multi-platform consumption (ibid.). However, as Figure 3-2 shows, from 2010 to 2015, the population of Internet users increased by one third and that of mobile Internet was more than doubled. Consequently, the finding of this survey is obsolete. However, it implied the trend of multi-platform media consumption – four of the six categories were the mix of television and another media approach (ibid.). With the significant increase of Internet and mobile Internet users, activities of multi-platform media consumption are also proliferated. In addition, the national survey presented the regional disparity of media usage in China – audiences in the eastern region were more active in new media activities and had more options of media products than that in central and western regions (Zhang & Shen, 2014). The two cases of this dissertation – QNC and NNC – are both located in the eastern region.

Socialisation is the second feature of media consumption in China currently, which is associated with the popularity of mobile Internet. The original function of mobile devices, especially mobile phones, is inter-personal communication (Chen & Fei, 2016), which is a socialising activity in its nature. This function is extended to other activities based on mobile devices, e.g. mobile applications for social networking. In the Chinese media market, some dominant mobile applications, WeChat, QQ and Weibo, not only provide online chatting services and support socialising activities, but also facilitate the publication of user-generated content on public platforms. By the end of 2015, the number of WeChat users exceeded 697 million, which implies the population it covered is not merely youth users who are traditionally supposed to be the primary consumers of social media and social networking sites. In the 2015 report of mobile applications for socialising activities released by the CNNIC, users of mobile applications are divided into five age groups: under 19, 20-29, 30-39, 40-49 and above 50. The percentages they account for respectively in the total number of users are: 26.3%, 32.9%, 23.3%, 12.2% and 5.3% (CNNIC, April 2016). The report reveals that the young and the middle-aged media consumers in China have similar interests in using mobile socialising applications. Moreover, a report issued by a research group at the Sun Yat-sen University reveals that the middle-aged WeChat users are more easily convinced by the information distributed by their friends in Moments – a socialising place which can only be visited by authorised friends and is similar to the profile page on Facebook (December 2014). Furthermore, based on empirical research, Chinese media scholars have found that social networking sites are a primary source for Chinese audiences to access news they are personally interested in (Han, Wang, & Zhang, 2014; Li & Yi, 2014; Zhang & He, 2015). Kuang (2014) uses a quantitative research to investigate the credibility of
different media outlets and finds that information distributed on WeChat is more reliable than that on Weibo, television, Internet media, newspaper and radio. Also, Zhao (2014) explains the user effect of WeChat from the perspective of social capital and argues that the use of WeChat is helpful in preserving users' social capital such as individual identification and public participation.

Personalisation is the third feature of media consumption in China at present, which is related to the fact that activities occurring with mobile phones are more personal than that with other digital devices. Moreover, this feature is facilitated by social media platforms such as WeChat and Weibo. On these platforms, users can subscribe to content providers they are interested in; content providers are operated as public accounts, which can be either professional media organisations or amateur producers certified by the platform. Accordingly, compared to the one-way content distribution by established media organisations, the interactive communication in social media platforms enable users to have more control of what to read, watch and experience (Cai & Weng, 2012). Moreover, with the feedback from users, content providers can get more knowledge about what content is more attractive to their target audiences (ibid.). Although audience preferences can be investigated, the interactive communication generates the return path data of audience behaviours faster and more reliable, which facilitates the personalisation of content production in turn. The media consumption conducted on mobile phones is a highly personal behaviour because the portable device belonging to a specific individual is with its owner almost anytime and anywhere (Weng & Huang, 2014). What’s more, mobile devices are able to support all online activities, which makes it the substitute of personal computers in private issues (ibid.). However, the personal behaviour data generated on mobile devices is utilised by not merely content producers but also commercial marketers. The operator of WeChat distributes differing advertisements to different groups of users. They are divided by static data such as gender, age and other personal information, as well as based on the analysis of continuously updated data such as chatting contacts, content sharing, subscription to public accounts, and online shopping in commercially operated public accounts (Tencent, 2016). The use of personal information for commercial purposes may invade individual privacy; however, this aspect of background information is distant from the research question of this dissertation.

The prosperity of practical information communication is also an important feature of media consumption in China. In practice, it is facilitated by the ubiquity of multi-platform outlets, the incentive for socialising
and the convenience generated by personalised distribution. Based on the investigation of WeChat users’ content dependency, Han, Wang and Zhang (2014) discovered that users have more interests in receiving lifestyle information apart from public news. WeChat always claims to provide not only information services but also values for daily life and material consumption. The mixture of public news and practical information is in line with the general feature of mobile Internet usage. The top ten most popular mobile applications are online chatting, online news, search engine, online music, online video, online payment, online shopping, online gaming, online banking and online literature (CNNIC, January 2016). Therefore, the integration of editorial and commercial information seems a reasonable response to the trend of mixing emotional and material consumption. However, the integration of these two parts endangers the journalistic integrity, which leads to the adjustment of industrial regulation. The changes of state policies affected by new activities in newspaper production and management will be examined in Chapter 7. Also, the current context of governmental administration for the Chinese newspaper industry will be introduced in the next section.

3.4 Governmental administration of the newspaper industry

3.4.1 Administrative segregation

The system of administrative segregation is one of the most important institutions in the governmental administration of Chinese media industries. The system refers to that the administration of Chinese media is separated by industry categories and geographical regions (Guosong Shao, Lu, & Hao, 2016; Yu & Su, 2009). The segregation is in accordance with the administrative division based on geographical regions and hierarchical levels. It was initially established for supervising media as the propaganda department of the CPC at different levels of governments. In particular, newspapers in the modern China originated from party organs of the CPC at national and local governments. However, as mentioned above, newspaper organisations in China experienced commercialisation, marketisation, digitisation and the practice of conglomerate they are not purely propaganda departments of the CPC any longer.

After the transformation, the activities of newspaper publishers are not limited in the scope regulated by the system of administrative segregation. Despite the change in industry practices, the state policy in terms of administrative segregation was not changed.
In the system of administrative segregation, media organisations in different industrial categories (press, broadcasting, film and Internet) and different geographical regions (central/national, provincial/regional, city and county/local) are separately regulated (Guosong Shao et al., 2016; Yu & Su, 2009). In this system, one local newspaper publisher is under the administration of two governmental departments – the branch of newspaper industry administrator and the branch of the CPC at the local government. The former is in charge of examining the standard of professional performance and the latter is responsible for the rightness of political ideology. Moreover, the newspaper publisher, as the state-owned enterprise, needs to report its financial results to a third department at the local government. As a result, the administration of local newspaper publishers includes three aspects: the professional performance of journalism, the rightness of political ideology and the financial result of commercial operation, which are responsibilities of different governmental departments. Conflicts of interest would appear if the three aspects could not be balanced.

More precisely, the system of administrative segregation would cause three problems at least. Firstly, it restrains corporate expansion, which would impair the economics of scale and scope (Doyle, 2013, pp. 15–17, 40–48). Secondly, with the development of multi-platform media practices, the administration based on separated industry sectors would be insufficient to regulate cross-sector practices such as the integration of press and Internet conducted by newspaper publishers universally in China (Qiang & Liu, 2015; Wang, 2007). Lastly, when the three goals conflict, local administrators are likely to sacrifice the professional standard for political and economic goals (Li, 2012; Zhou, 2009). Among the three problems, the second is mostly criticised because it is increasingly urgent when the state leaders raised the issue of media convergence as a national strategy in 2014. More details about the national strategy will be introduced in Section 3.4.3; its implications for the practices of Chinese newspaper publishers will be analysed in Chapter 7. The contradiction of administrative segregation and media convergence can be summarised in two aspects. In the first place, state policies issued under the context of segregation are usually dedicated to one industry sector, which are inefficient to regulate the converging development of media activities (Li, 2015), e.g. newspaper publishers’ operation of news websites and public accounts on social media platforms. In addition, some obscure zones exist in the regulation of converging activities, which may possibly lead to the rent-seeking of administrative power (ibid.).
3.4.2 Reform of the cultural system

Media organisations in China are traditionally regarded as propaganda departments for the CPC at different levels of governments, as mentioned above. Associated with this orientation, all the Chinese newspaper publishers were public institutions that should not pursue commercial profits. However, as the market-oriented economy was booming in the 1990s, Chinese newspaper publishers started to operate commercial activities. What’s more, they took advantage of the concealed connection with governments to acquire exclusive resources and benefit from supportive policies. The connection impaired the fairness of market competition (B. Tong, 2006), obstructed the sound development of newspaper businesses (Qian, 2010) and had a negative effect on the improvement of competence in Internet environments. In order to sustain newspaper businesses, the state government started the Reform of Cultural System in the early 2000s, for the purpose of transforming non-current-politics newspapers from public institutions to be state-owned enterprises. Metropolitan newspapers were included in the group of non-current-politics newspaper. Eight newspaper publishers were chosen by the state government to be test points for integrating all the commercial departments to be commercial enterprises in 2003 (Qian, 2010). Then, experiences of test points were summarised to be the example for other newspaper publishers and the state policy for the transformation was formally issued in 2009 (Xia, 2015). The transformation facilitated the progress of commercialisation and marketisation in the Chinese newspaper industry.

Based on the practice of conglomerate and the Reform of Cultural System, six local newspaper publishers became public listed companies sequentially. One of them is owned by the parent group of QNC and controls all the commercial businesses of QNC. After becoming public companies, the newspaper companies needed to comply with the law of market competition more strictly than before, which effectively helped them get rid of the customs attached to being public institutions (Cheng, 2013). Moreover, with the capital support from the public market, the newspaper companies could expand their business scope to diversified areas, e.g. the mobile Internet. In this sense, the Reform of Cultural System implicitly provided an essential condition for implementing the national strategy of media convergence in the 2010s.

However, the Reform of Cultural System caused two problems. Firstly, as newspaper publishers became
commercial enterprises, profit-oriented inclination was reinforced in organisational culture, which endangered the preservation of professional ethics of journalism (Chen, 2010). Affected by the inclination of commercial culture, “red envelope journalism” appeared, which refers to the activity that individual journalists earn extra income through exploiting the credibility of media organisations (Sparks et al., 2016). To some extent, the misconduct is the unavoidable cost for the transformation of newspaper publishers. It is driven by the pursuit of commercial profits, which is in line with industrial trends but currently under-regulated. In Chapter 7, the conflicts of commercial activities and professional ethics will be discussed.

The Reform of Cultural System also has profound influences on the occupation of newspaper practitioners. Workers of public institutions are permanently employed and have exclusive benefits, e.g. free medical service, according to the private conversation with a media professor in Beijing (Song, interview, 2015). The benefits vanished when public institutions transformed to state-owned commercial enterprises (ibid.). In order to reduce newspaper practitioners’ resistance to the transformation, the exclusive benefits are kept for some practitioners based on the length of employment and the hierarchical level of occupation (ibid). The policy is helpful in implementing the practice of transformation. However, it brings a new challenge to the human resource management in transformed newspaper publishers. The absence of exclusive benefits decreases the attractiveness of occupations in newspaper publishing, which possibly leads to the brain drain of experienced newspaper practitioners.

3.4.3 State policies about digital convergence

The issue of media convergence was enacted by the state leaders as a national strategy in 2014. Even so, digital convergence has evolved in the Chinese newspaper industry since the early 2000s, as introduced in Section 3.2.2. As with other state policies in Chinese media industries, the formation of policies concerning the digital convergence contains several steps: testing the plan of a certain policy on some selected pioneers, summarising the experience of pioneers, issuing policy documents, reviewing the effect of policy implementation and modifying policy requirements (Zhou, 2005). In this process, a couple of interest groups are included – policymakers in the central government, domain-specific administrators,
policy implementers in local governments, the traditional state-owned media as well as organisations in related areas such as Internet and telecommunication. Based on the formation of state policies and the involvement of different interest groups, a policy network was formed under the theme of digital convergence, which was developed to be the national strategy of media convergence. More details about the convergence strategy will be discussed in Chapter 7. The current section focuses on state policies and administrative actions related to the digital convergence and implemented before the launch of media convergence as a national strategy.

The first state policy implicitly related to the digital convergence was issued by the State Council in 2006. Policymakers encouraged state-owned cultural firms to expand across different industrial sectors and geographic regions, which seemed to deregulate the established system of administrative segregation (Yu & Su, 2009). The deregulation would change the power distribution among stakeholders. In other words, the convergence initiative would change the given pattern of power distribution in the governmental administration of Chinese media industries. Therefore, it is unsurprising that the deregulation was not implemented effectively in subsequent stages.

The reform of the cultural system seemed not related to the digital convergence, but it legitimised commercial activities of metropolitan newspapers. As mentioned above, the reform aimed to release the constraint caused by the identity of public institution on dynamics of marketisation, commercialisation and digitisation. Successively, the three trends drove the development of media convergence. Findings of this dissertation will prove that the pursuit of commercial profits is a crucial motivation for media convergence. Metropolitan newspaper publishers proactively conduct digital media businesses and expand into the Internet market, mainly for the purpose of maximising profits. However, administrative segregation still hinders the converging development across industrial sectors and geographical regions up to now.

The first state policy directly advocating the digital convergence was the “News and Publishing Sector’s 12th Five-Year Plan” issued in 2012. In this policy, the central administrator of press media prioritised digitisation and regarded it as an essential foundation for media convergence. The policy advocacy

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1 “Opinions for Deepening the Reform of Cultural System (Guan Yu Shen Hua Wen Hua Ti Zhi Gai Ge De Ruo Gan Yi Jian)”
stimulated the practice of metropolitan newspaper publishers (Song & Huang, 2013). However, in some cases, the policy advocacy was difficult to follow because investments of technologies and expertise were unaffordable for some publishers (Chen, 2014). In other words, the effect of policy implementation is affected by the practical capability of organisations (Doyle, 2013). In 2013, the state government combined the administrators of press and broadcasting media to be one administrative department – the State Administration of Press, Publication, Radio, Film and Television. The new department was helpful in facilitating the convergence of traditional media sectors. However, it did not include the administrator of Internet media, which is the Cyberspace Administration of China established in 2011. In other words, the state administration of traditional media and Internet media co-exist separately. Up to this stage, the policy formulation of digital convergence had progress in many aspects: proposing a gesture in deregulating administrative segregation, confirming the identity of state-owned commercial newspaper publishers, prioritising digitisation in the development of newspaper industry and combining administrators of press and broadcasting media. In spite of some unsolved problems, the progress facilitated the emergence of media convergence as a national strategy in 2014.

In summary, three administrative actions have influences on the development of metropolitan newspaper publishers in China: the system of administrative segregation, the Reform of Cultural System and the state policies about digital convergence. The segregation system divides Chinese media administration by industrial sectors and geographical regions, which is associated with the origin of Chinese newspapers – the propaganda tool of the CPC. With the growth of newspaper industry, the system obstructed corporate expansion and impaired economies of scope and scale (Doyle, 2013). What’s more, it is against the national strategy of media convergence. The Reform of the Cultural System can be seen as the natural result of commercialisation and marketisation (Zhao, 2015) because it aims to legalise the commercial operation of metropolitan newspaper publishers. In the next section, the development history of the two selected cases, namely QNC and NNC, will be introduced to see how they have adjusted to changes in the Chinese newspaper industry in the past decade.
3.5 Comparative case study

3.5.1 The Qianjiang News Chain (QNC)

QNC is the publisher of the *Qianjiang Evening News*, which is a dominant metropolitan newspaper in the City Hangzhou, the capital of Zhejiang Province. The city is the sixth richest city in China, which is ranked by the total capital amount that “indicates the result of economic growth in certain regions and cities”, according to a list released by the *China Business News*\(^2\). Also, it is regarded as one of the most innovative cities in China, particularly in the Internet industry. It is because of the fact that about one-third of electronic commerce (e-commerce) websites are based in Hangzhou and the well-known e-commerce giant Alibaba originated from Hangzhou\(^3\). The prosperous market economy not only facilitates the growth of media businesses but also leads to competition among different media organisations (Song, 2005). As introduced in Section 3.2.1, provincial and municipal newspaper publishers of party organs of the CPC constructed Chinese metropolitan newspapers to generate commercial profits. Therefore, it is common to see more than one metropolitan newspaper in one capital city. QNC has an established competitor that is operated by the municipal press group. To some extent, the competition in the same business drives the two newspaper publishers to make continuous improvements.

QNC is a subsidiary company of the Zhejiang Daily Press Group that is led by the party organ of the CPC in the provincial government. The provincial press group was established in 2001 through combining a dozen of local newspapers and magazines within Zhejiang province. As discussed in Section 3.2.1, the conglomerate of provincial press groups in China heavily relied on the administrative force of local governments rather than the normal rules of merger in the market place (Yu, 2005). In order to address this concern, the Zhejiang Daily Press Group developed the press media organisations under its control into independent media companies, which was called the strategy of “one media one company (Yi Mei Ti Yi Gong Si)” (Song & Ju, 2012b). This strategy was adopted for the purpose of driving the individual newspaper to be responsible for its sustainability, instead of depending on the parent group (ibid.). The strategy of “one media one company” enables the subsidiary companies to meet the standard of modern commercial enterprises, which is beneficial for the following development of commercial businesses. In

\(^2\)http://www.chinadaily.com.cn/business/2016top10/2016-04/22/content_24742075.htm
\(^3\)http://www.chinadaily.com.cn/business/2016hangzhou20/2016-09/01/content_26663261.htm
addition, the press group acclaimed to separate editorial and commercial activities in every subsidiary newspaper. Based on the separation, the press group integrated all the operation assets of commercial activities in subsidiary companies into a public listed newspaper company – the Zhejiang Daily Media Group Co., Ltd. According to the requirement, of the state government, the editorial part of newspaper publishers is not permitted to be involved in any public companies (ibid.). Clearly, the press group is always on the right track of commercialisation and marketisation. It had accomplished the preparation for being a public company when most local publishers just began to adapt to the identity of commercial enterprises which started in 2011.

The press group is also a pioneer of digitisation in the Chinese newspaper industry. It was the first to embark on the co-operation with local servers of telecommunication to distribute daily news through mobile phone messages, which can be seen as the origin of mobile media in China (Min, 2006). Moreover, the press group is constantly prioritising the development of multi-platform media businesses. Now it operates 23 press media, and 22 of them have online digital versions. It also has 26 websites (including local news websites, professional information websites, local community forums, local governmental websites and online shopping websites), five mobile applications and about two hundred public accounts on social networking sites (Weibo and WeChat). Besides, facilitated by the capital strength benefit from the public market, the public company of the press group conducted merger and acquisition of two online gaming companies, which aimed to acquire their capabilities of user data analysis and profitability in the market of younger Internet users, according to the interview of the chief manager of QNC (He, interview, 2014). In addition, the press group also highlighted the external collaboration with Internet companies for a long time. The press group co-operated with the e-commerce giant Alibaba in 2009 to publish a shopping magazine – *Tao Bao Tian Xia*. This magazine was the first case of integrating press media and an e-retailing platform. In addition, as mentioned above, the press group built a local news website based on the collaboration with Tencent in 2012. Moreover, QNC participated in the project of printing QR codes on newspapers for readers to place shopping orders on mobile phones, which was based on the co-operation with Alibaba again. In general, the press group has taken efforts to promote digitisation with various approaches, which makes it the pioneer of digitisation in the Chinese newspaper industry. However, results of the efforts are open to discussion.

3.5.2 The Nandu News Chain (NNC)

NNC is the publisher of the *Southern Metropolis Daily*, which is a dominant metropolitan newspaper in the City Guangzhou, the capital of Guangdong Province. NNC is a subsidiary company of the South Media Group that is led by the party organ of the CPC in the provincial government. The press group was founded in 1998, and it changed its name from “South Daily Press Group” to “South Media Group” in 2005, in order to present its orientation of multi-platform media operation (Fan, 2015). The City Guangzhou is in the group of first-tier cities in China (including Beijing, Shanghai, Guangzhou and Shenzhen). Also, it is the fourth richest cities in China, according to a list released by the *China Business News*. Compared to QNC, NNC faces up to more fierce competition in the same business because three metropolitan newspapers co-exist in this capital city. The competition has been intensified because of the collapse of advertising revenue in the late 2000s. NNC has taken several measures to survive in the competition. The strategy of “Nandu Omni-media Cluster (*Nan Du Quan Mei Ti Ji Qun*)” is one of the most important measures, which was proposed in 2009 (Cao, Zhuang, & Chen, 2010; Gu, 2012).

As with the parent group of QNC, the South Media Group re-constructed its subsidiary newspaper organisations based on the standard of modern enterprises, which was before the transformation of non-current-politics newspapers from public institutions to commercial enterprises in 2011. Moreover, the media group always prioritises the operation of media brand (ibid.). It has three influential media brands in the South-China market—*Southern Metropolis Daily*, *Southern Weekly* and the 21st *Century Business Herald*. These three brands have different orientations: the first provides local news for the Pearl River Delta Economic Zone (*Zhu San Jiao Di Qu*); the second generates political and economic news and is distributed in the national market; and the last focuses on professionally business news (Fan, 2015). Moreover, NNC is the only case of conducting cross-region expansion (Zhang, 2011). It built up new newspapers through the co-operation with newspaper publishers in other regions. For example, it co-operated with the publisher of the *Guangming Daily* to build the *Beijing News*. Although cross-region expansion did not continue due to the established system of administrative segregation, it proved that the potential of expanding a media brand across different regions. Cross-region expansion is a part of the

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strategy of “Nandu Omni-media Cluster” that aims to promote the expansion across media sectors, industrial sectors as well as geographical markets (Cao, Zhuang, & Chen, 2010; Gu, 2012).

The digitisation of content production and distribution of NNC is also stimulated by the strategy of “Nandu Omni-media Cluster”. NNC conceptualised “omni-media (Quan Mei Ti)” as a corporate strategy in 2009, which was four years earlier than when QNC took 2013 as the first year of omni-media development. In Chinese, the concept of “omni-media” has similar connotations as converged or multi-platform media. In other words, NNC proposed the strategy to promote the convergence of multiple media approaches in production and distribution. Based on the strategy, NNC not only re-configured the approach of media production, but also adjusted the way of organisational management (Cao et al., 2010). The adjustment of management aims to support the strategic practice by dedicated organisational structures (ibid.). In addition, NNC is the first newspaper publisher in the Chinese newspaper industry to issue mobile news application – it issued the “Nandu Daily” in 2011. The mobile news application was developed as a new product independent of the metropolitan newspaper, the local news website and any other media products operated by NNC (Xu & Lin, 2012). The application was in the first place of the category of newspapers and magazines in Apple Store in 2011; at the same time, it generated about one million of advertisement revenue within half of a year (ibid.). Based on the success of this application, NNC developed a dozen of mobile applications and became the leader of Chinese newspaper publishers in this regard (Fan, 2015). Up to now, NNC is operating ten newspapers, four magazines, six online websites and twelve mobile applications.

Both QNC and NNC have had some achievements in the issue of digital transition. However, they also have several problems unsettled, which will be tentatively resolved through the comparative case studies in this dissertation. The comparison will be made based on the homogeneities of the two cases in regard to changes in strategic management, adjustment in content production, and interaction with the government policies. At the same time, its value will be presented by their heterogeneities in these distinct aspects of transformation. More precisely, the two cases are compared for the purpose of revealing the alternative paths of digital transition in the Chinese newspaper industry that are affected by both similar conditions internally and externally.
3.6 Conclusion

The background information introduced in this chapter provides a context for discussing the digital transition in the Chinese newspaper industry, which includes four aspects: the development history of Chinese newspaper publishers, the status quo of media consumption in China, the governmental administration of newspaper activities and the individual situation of the two case study newspaper publishers. The four aspects of background are profoundly influencing the activities in the two cases, which are external conditions of the comparative case study. The case study in this dissertation aims to not only miniature the trend of industry transition but also zoom in on the specifics of living against the broad background.

In the first section, the development history of Chinese newspaper publishers was summarised as three trends: commercialisation, digitisation and corporate expansion. The first trend appeared in the late 1980s and early 1990s, as a response to the national reform from the planned economy to the market-oriented economy. Chinese metropolitan newspaper publishers emerged in this period, which were oriented to the local market in different regions and driven by the pursuit of commercial profits. The second trend began in the early 2000s when digital and networking technologies were applied in media production and distribution. Chinese metropolitan newspaper publishers built online news websites independently or through co-operating with Internet media; they also co-operated with local telecommunication servers to deliver news via mobile phone massages. However, limited by the capability of capitalising digital productivity, metropolitan newspaper publishers started to struggle with the economic pressure caused by the increasing loss of advertisement revenue in the mid 2000s. The advertisement revenue of Internet media exceeded that of press media in 2005 for the first time (Wu, 2005). In order to sustain the newspaper business, metropolitan publishers embarked on diversified businesses through corporate expansion in the late 2000s, which was facilitated by the practice of conglomerate that integrated local press media within certain regions into press groups. In particular, some publishers operated diversified businesses for the purpose of seeking possible ways of monetising digital productivity and constructing new revenue models. The e-retailing of QNC and the online marketing of NNC, which will be analysed in details in Chapters 5 and 6, are precisely operated for the above purpose.
The status quo of media consumption in China is characterised by the rapid growth of mobile Internet and the universal proliferation of activities in mobile applications. The user population of mobile Internet closely approached that of Internet by the end of 2015 (CNNIC, January 2016). The development of mobile Internet changed ways of media production, distribution and presentation, which will be represented by the case studies in Chapter 6. It also heavily influences the pattern of media consumption, which is summarised as four features in this chapter – multi-platform, sociality, personalisation and the value of practical information. The first continues the trend of digital convergence on the Internet, which aims to optimising media products with multiple digital approaches. The second and third are associated with the original function of mobile devices – inter-personal communication. Communication and the consumption of media products are integrated in socialising activities supported by social media platforms based on mobile applications. Meanwhile, media providers utilise the personal information obtained via mobile devices to provide personalised products and services. As activities of media consumption extend from emotional to material, information circulated on mobile Internet is not limited to public news. Moreover, increasingly diversified services are supported by social media platforms on mobile Internet, such as socialising, entertainment and online shopping, which stimulate the proliferation of practical information.

With regard to the policy context, three administrative actions are highly relevant to the development of metropolitan newspapers in China – administrative segregation, the reform of the cultural system and the national strategy of media convergence. The first system is partially associated with the tradition that Chinese newspaper publishers were propaganda departments led by the CPC at different levels of governments. The administrative segregation is against the convergence strategy that has been highly valued by the state leaders in recent years. The reform of the cultural system released the constraint of metropolitan newspaper publishers in terms of pursuing commercial profits. However, the reform brought unexpected consequences such as endangering professional ethics and the brain drain of newspaper organisations due to the absence of exclusive benefits. Even so, the reform laid a firm foundation for the transition of newspaper publishers, particularly the converging development. In terms of the national strategy of media convergence, this Chapter focuses on introducing administrative actions relevant to the trend of digital convergence. Details about the implication of this strategy will be analysed in Chapter 7.
The last section of this chapter illustrated the individual situation of the two case study newspaper publishers. The two publishers are both located in advanced areas in China, but their performances in the industry transition are differing. QNC in the City Hangzhou is affected by the innovative culture of Internet businesses, particularly the electronic commerce industry led by Alibaba. By contrast, NNC in the City Guangzhou benefits from the traditional advantage of close relationship with local businessmen. In addition, QNC has more support provided by its parental group than that of NNC; the e-retailing business in QNC is a part of the transition strategy of its parental group while the online marketing business in NNC is operated independently for extra revenue to sustain itself. This disparity leads to differences in the organisational management and content production of QNC and NNC, which will be interpreted in Chapter 5 and 6.
Chapter 4 Research methodology

4.1 Research design

This study focuses on digital transition in the Chinese newspaper industry and on associated changes in management and business practice at newspaper publishers. Based on epistemology of interpretivism, this research sets out to illustrate the changes in newspaper organisations that are related to the progress of digital transition, to interpret how they are occurring in organisational management and content production, and to analyse their motivations and implications. The research proposition is suitable to a qualitative research approach, which has strength in investigating “naturally occurring data” and addressing questions from “what” and “how” to “why” (Silverman, 2015, p. 18). Meanwhile, qualitative research is most suitable for studies questioning work practices and managerial styles in media organisations, which is widely agreed in the area of media management studies (Doyle & Frith, 2006, p. 562; Hollifield & Coffey, 2006, p. 574). This characteristic is also in accord with the “relevant situation of using case study approach” – inquiring “how” and “why” questions on social phenomena that are out of researchers’ control and contemporarily happening (Yin, 2013, p. 14). In line with this thinking, my research topic about the digital transition in Chinese newspaper industry is developed into three main research questions:

1. How the strategic management of newspaper companies in China is changing to facilitate the operation of new businesses in the Internet era;
2. How content production related to the new businesses is changing in response to digital transition and the integration of editorial and commercial activities;
3. To what extent the altered practices of newspaper companies are either consistent or conflicting with the requirement of related government policies.

This research is also affected by the thinking of constructionism (as opposite to naturalism), which is in a step-back position to reveal how certain phenomenon is constructed rather than to portray what the phenomenon is in a naturalist way (Silverman, 2015, p. 24). Even so, naturalism provides a valuable opinion of getting into the studied cases and conducting open-ended interviews to obtain data as thorough
as possible (ibid.), which is adopted in my field research. In light of the constructionism, each research
question is concretised as two or three sub-questions, which can present the interactions among different
factors within and outside of the organisations. The sub-questions in different questions are mutually
constructed.

As shown in Table4.1, in my research design, there are three groups of mutual construction. Firstly, RQ1
(management) and RQ2 (production) are concerned with the changes in industry practices at newspaper
organisations. Their association with governmental regulations forms RQ3. In this sense, RQ1 and RQ2
are mutually constructed with RQ3. Besides, the first sub-questions in both RQ1 and RQ2 are related,
corporate expansion into new business areas are stimulated by the development of technological
application in newspaper production. In turn, new businesses are operated with the desire of building up
new revenue sources for sustaining digital transition, which is expected by newspaper managers. Lastly,
the second sub-questions of RQ1 and RQ2 are connected because integrating editorial and commercial
activities in production depends on organisational re-configuration.

![Figure 4-1 Research design](image)

Drawn by Miao Huang on June 1st 2016.

This research is mainly based on the approach of comparative case studies, meanwhile, it also
encompasses in-depth interviews, and discourse analysis and document analysis. Case study approach can
be seen as a model of making qualitative inquiries, which not merely provides methodological view but
also frames research questions. As displayed in Figure 4-1, a comparison of two cases, namely QNC and NNC, is carried out to answer sub-questions RQ1 and RQ2. In other words, the sub-questions are the lens for examining changing practices in the two cases. Associated with the case study approach, the method of in-depth interviews is the primary source of first-hand empirical data. I have interviewed about 20 newspaper practitioners at QNC and NNC, such as editors, chief editors, salespeople, managers and technicians, as well as scholarly media experts who have access to in-house government policies. Besides, in order to validate evidence about the integration of editorial and commercial activities, not only interviewees’ statements are excerpted but also their content products are analysed. The latter is conducted by the method of discourse analysis. Moreover, document analysis is utilised for collecting data from different sources, such as organisational documents, public reports by third-party organisations, official statements and policies, and findings of previous academic studies as well. More details about the methods will be explained in this chapter.

By taking the approach of interpretivism, this research is operated with the premise that research findings cannot be independent of the models, concepts and reasoning approaches used by the researcher (Silverman, 2015, p. 23). In other words, the interpretive research depends on the interaction between “those studied and those doing the studying (Deacon, 2007)”, which means it is about dialogue instead of detachment (ibid.). In the interpretive view “the world does not appear to us as it is, rather we appropriate the world for ourselves (Hammond & Wellington, 2012, p. 89)”. Accordingly, it is particularly necessary to validate the research design and its implementation. Even though it is debated that validity is a positivist concept and should not be used to legalise interpretivism research (ibid. p. 146), the adaption of the concept for interpretive research has been proposed (Silverman, 2015, pp. 85–105). Among the adaptive standards, triangulation and analytic induction are applicable for checking the validity of this research design.

Triangulation refers to gathering various data through different methods and comparing the analytical results of data from different sources (ibid. p. 91), which is helpful in increasing the width and depth of research. However, it is worth noting that data from different sources are “context-bound (ibid. p. 93)”, so they should not be used to “adjudicate (ibid. p. 92)” the truthiness of each other. However, they can be evidence of behavioural conflicts in particular contexts. In my research, implications of integrating
editorial and commercial activities are presented by not only interviewees’ accounts but also promotional content created for new business. The two sources of data form the “convergence of evidence (Yin, 2013, p. 121)” to reveal the possible risk brought by commercial interests on journalistic integrity. Similarly, triangulation is also used to validate the analysis of government policies, with original texts of policies and the interpretation by scholarly media experts.

Analytic induction refers to repeatedly comparing available data and theoretical frameworks, in order to check the appropriateness of data and theories for several times (ibid. p. 95). It can be seen as cycling induction and deduction, also can be understood as “a constant process of generating and testing hypotheses (Hammond & Wellington, 2012, p. 125)” In my research, the proposition of two different transition dynamics in QNC and NNC is typically generated by this approach. The dynamics of top-down and bottom-up are not referenced from literature but discovered in initial data analysis. In the beginning, I tentatively adopted it to explain three changes in management. Afterwards, it was also proven applicable for some aspects of production. Ultimately, it was refined as a key finding that can present alternative transition paths in the Chinese context. In the future, it can be empirical finding waiting for further examination.

4.2 Case studies

The approach of case study has an advantage in inquiring “how” and “why” research questions, as well as examining contemporary activities over which researchers are unable or less able to control (Yin, 2013, p. 14). As mentioned above, my research questions are about how the digital transition is occurring in management and production and how the practices are interacting with governmental policymaking. The transitional practices are on-going phenomena and undoubtedly independent of my research operation. Therefore, it is appropriate to apply the case study approach. Moreover, the case study approach is suitable for this research in other aspects: using theoretical propositions to guide data collection and analysis; encompassing more variables than data points; relying on multiple sources of evidence (ibid. p. 17), which will be stated in the following text.
Research conducted by case study approach is guided by theoretical propositions to collect empirical data in field research, which is different from ethnography and the grounded theory that is going to field without any propositions (ibid. p. 37). However, the theoretical propositions for case studies are not equal to hypotheses in positivism research; they are not set for testing, rather they are key issues proposed after reviewing the previous literature and practical matters, in order to provide frameworks for data collection and analysis (ibid. p. 38). In this research, the theoretical propositions include three key issues: strategic management, content production and governmental policymaking, which are inquired by three main questions and each is concretised by two or three sub-questions. Exploration of the key issues is a process of analytic generalisation, which distinguishes from the statistical generalisation that pursues to find out universal experience from one sample unit (ibid. p. 40). Instead, the analytic generalisation aims to “shed empirical light about some theoretical concepts or principles (ibid.)” through investigating particular cases that can represent emerging trends in the certain area. In other words, by analytic generalisation, the case study not merely contributes to theory building but also generates empirical data for “like-cases” in other circumstance (ibid. p. 41). In my research, the experience of QNC and NNC may not be universally applicable, but they present the latest digital progression in the Chinese newspaper industry, which can be examples for city-based media companies in other regions.

The case study approach is suitable for investigating issues involving with more variables than single data point because its research objectives are units of analysis that contains more than one aspects of activities; moreover, complex cases have embedded units within the units of analysis (ibid. p. 33). The two newspaper publishers are the main cases, namely the units of analysis; their practices of new businesses – e-retailing and online marketing – are embedded units. More precisely, the changing practices in management and production are embedded in the two Chinese metropolitan newspaper companies; the former are embedded units, and the latter are units of analysis. This follows the tradition of studies of media management that universally take media organisations or firms as the unit of analysis (Doyle & Frith, 2006, p. 564). Besides, the specific time boundary is defined by the starting time of new business that is around 2013 in both newspaper companies. In brief, with the approach of case study, the abstract research topic concerning digital transition is interpreted as the concrete manifestation in the units of analysis (QNC and NNC) and their embedded units (e-retailing and online marketing).
These two cases present alternative paths of digital transition based on generally similar contexts of market, industry and policy, which forms the motivation of comparative case study. The comparison follows the logic of literal replication, which provides nuanced evidence for the same findings from sufficiently similar background (ibid. p. 57). In other words, research questions based on a set of theoretical propositions can be answered by two comparable cases. Moreover, using constant comparison helps to improve the validity of case study research (Silverman, 2015, p. 97). Also, the comparison can broaden the view of analysis and feature important nuances that have been neglected in generally similar contexts (Hammond & Wellington, 2012, p. 28). As introduced in Chapter 1, the two newspaper publishers are both leading subsidiary companies of prominent press groups in advanced metropolises in China, and both pioneers of operating new businesses in recent years and digital transition over the past decade. Even so, they are heterogeneous in specific aspects of operating new businesses, which will be discussed in detail in Chapter 5&6. In brief, their homogeneities make a reasonable foundation for comparing while their heterogeneities justify the potential value of cross-case comparison.

Selecting cases is often based on convenience or interest in qualitative research (Silverman, 2015). But, even so, QNC and NNC in this research are intentionally selected for their representativeness. In the field research, I have visited four metropolitan newspaper companies located in different regions in China. QNC and NNC are selected from them for two reasons. Firstly, they are more advanced than the other two companies in digital transition and the practice of new businesses. Secondly, the cities they located in are typical metropolises in the east coast and the south coast. These conditions enable the two cases sufficiently represent the latest digital progress of city-based media company in China.

The validity of case studies includes three aspects: construct validity, internal validity and external validity (Yin, 2013, pp. 45–50); among them, internal validity is dedicated to causal studies (ibid. p. 46), so not applicable for my study. Construct validity means operating research concepts with concrete measures (ibid. p. 47). In my research, it is realised through specifying the concept of digital transition by two specific changes (management and production) and one association between practices and policies. Moreover, the changes in management are presented as strategy, structure and personnel, the changes in production as digitisation and commercialisation, and the association as consistencies and conflicts. External validity is concerned with analytic generalisation, which can be achieved with the tactic of
replication logic in multiple-case studies (ibid. p. 48). The replication logic is in accord with the design as comparative case study. With regard to the reliability of case studies, it can be ensured by making research procedures as specified as possible (Yin, 2013, p. 49).

The case study in this research is a basic methodological approach. It contains three specific methods to collect and analyse empirical data – in-depth interviews, discourse analysis and document analysis. These methods reveal different aspects of the cases: the subjective opinion of interviewees including editors, chief editors, technicians, salespeople and managers; the promotional content in multi-platform media outlets; and the documents of organisational strategies, the state policies and related interpretations. In the following text, the operation of these three methods will be sequentially explained.

4.3 Interviews

The method of in-depth interviews is the major approach of data collection in my research, which is used to investigate what newspaper practitioners think about their practices to adapt to the digital transition, how they view the related motivations and implications. My in-depth interviews were mainly taken by face-to-face conversations in field research at QNC and NNC from December 2014 to January 2015. Besides, follow-up interviews were made through e-mail, telephone and online chatting occasionally from March to June of 2015. They were for the purpose of supplementing new data unquestioned in the initial design but emerged to be necessary during the course of study, which can be attributed to that in a qualitative research it is difficult to know when would be theoretically saturated (Silverman, 2015, p. 66). In total, more than 20 interviews were carried out with editors, chief editors, technicians, salespeople and managers, the average time duration of each interview was about two hours. Apart from newspaper practitioners, five scholarly media experts in China were interviewed in February 2015. A list of interviewees (including names, titles, organisational affiliations and the data and place of interview) is attached as Appendix 9.1 at the end of this dissertation. The academic interviewees were consulted for the interpretation of government policies, as well as critical thinking about professional misconducts. One expert (Jianwu Song) has access to in-house policies, which can be verified by his frequent presence in media reports and constant publications in Chinese media academia. The interviews with scholarly experts
were carried out because interviews with policymakers were declined as some untold reasons. Even so, the scholars’ interpretation of government policies can fix the problem to some extent.

In-depth interviews are suitable for gathering data of historical activities (Berger, 2015, p. 194) as well as participants’ experiences and opinions (Silverman, 2010, p. 171). In this sense, this method has the same orientation of my research questions inspired by interpretivism and constructionism. The empirical data collected through in-depth interviews present interviewees’ interpretation of certain events rather than the objective representation of the realistic world that is chased by positivists (ibid.). Moreover, interview materials generated by interviewees can feature their individual experience, which is uneasy to access by other means (Doyle & Frith, 2006, p. 559). To some degree, interpretative data can bring more depth and complexity than positivist data in aspects of past activities and people’s understandings (ibid.). My research issues are concerned with organisational strategies, professional behaviours and policymaking processes, which are invisible phenomena and can only be delivered through the participants’ interpretation. More importantly, my interviewees are precisely the practitioners of these activities, which means they are part of the issues I proposed to study on. In this sense, their interpretation of the activities can reflect not only what they have done but also how they view their practices. Moreover, in one-to-one interviews, interviewer and interviewee can “construct meaning (ibid. p. 172)” and accomplish “conservation with a purpose” (Deacon, 2007, p. 67) together.

The style of semi-structured interviews is adopted for implementing exploratory conversation but not verifying hypodissertation (Johnson & Rowlands, 2012). It is also for the purpose of encouraging interactive dialogue and generating deep insights into subtle perceptions (Deacon, 2007, p. 65). Meanwhile, it can balance manageability and flexibility, which are respectively shortcomings of open-ended and structured interviews (Hammond & Wellington, 2012, p. 92). However, semi-structured interviews are concerned about interviewers’ less control over informants’ responses compared to structured interviews (Berger, 2015, p. 193). In this research, this concern was addressed through introducing “question stem (Morse, 2012)” in question design, which refers to indicating the edge of valid information by sticking on the primary issues. In addition, my experience suggests that it is necessary to have sufficient background information about research topics and general knowledge about interviewees’ professional responsibilities, which is essential to hold interviewee account within the expected domain during the conversation. This
preparation is also useful to enable me “see the world from interviewees’ viewpoint without ‘going native’ (Silverman, 2015, p. 166)”, which is beneficial for the rapport with interviewees.

Semi-structure interviews can stimulate active accounts, but the meaning-making of accounts is easily affected by the circumstance of conversation (Silverman, 2015, p. 185). In face-to-face or one-to-one interviews, interviewees may be reluctant to provide answers that conflicts with socially or professionally desirable ideas (Deacon, 2007, p. 75). For example, the content producer of healthy food department in QNC shown great confidence in co-operation with technicians, which is so different from the passivism of practitioners in NNC and also is contrary to the previous findings by western researchers about media workers’ resistance against adopting new technologies. The content producer’s uncommon attitude may also be explained by that the interview was assigned by her leader; to some extent, she might consciously idealise the view in the light of what is desirable to the leader. Confidentiality of interviewees’ response is considered in this research; more details will be explained in the following text.

Similar to the content producer’s case, some interviewees in both QNC and NNC tended to take my interviews as a chance for branding and provided me with PR materials, although I had stated the purely academic purpose of the interview in the consent form. In order to keep research integrity, data from interviews (including both oral and written) was triangulated with data from other sources such as samples of selected content and documents retrieved in the public domain. As mentioned above, triangulation is an effective way to improve the validity of qualitative research (Silverman, 2015, pp. 85–105). In other words, a comparison was made among what the interviewees said, what they produced in content production and what their organisation advocated in the public. With regard to the reliability of interviews, Silverman suggests assuring the authenticity of interviews’ records is crucial (2015, p. 87). In my data collection, records of interviews in field research as well as the follow-up interviews via telephone, e-mail and online chatting are all retrievable.

4.4 Discourse analysis

Discourse analysis of promotional content generated for new businesses was conducted to present the
 textual features of content influenced by digitisation and the integration of editorial and commercial activities. Its analytical results are placed in the third section of Chapter 6, before which two sections examine how digitisation and commercialisation are changing the processes of content production. Therefore, discourse analysis used in this research reveals changes in content products, which triangulates with the findings of in-depth interviews concerning changes in content producing processes. In addition, because the promotional content in QNC and NNC is distributed not only in the printed newspapers but also in the one popular digital platform, namely the WeChat, so in each case study organisation I selected two groups of promotional content. One is consist of articles published in the leading metropolitan titles – the Qianjiang Evening News and the Southern Metropolis Daily; another is multi-platform distributed in both the titles and the public accounts on WeChat.

Discourse analysis is a broad area that contains various approaches of studying oral or written texts in different perspectives, such as textual, narrative, rhetoric and semiotics (Berger, 2015, p. 173). In this research, a textual analysis approach was adopted to investigate the promotional content in three aspects: topic, headline and the choice of information sources, which are in light of the schematic structure of a news story developed by Van Dijk (1988) and Bell (1991) (Erjavec & Kovačič, 2010; Kovacic, Poler, & Erjavec, 2010). In the previous studies, the methods of textual analysis and in-depth interviews have been integrated to examine the production of advertorials in newspapers and magazines (ibid.). The integration provides complementary perspectives of content making activities of advertorials, which reflects the connotation of discourse analysis that concentrates on certain texts as the linguistic or semiotic construction of social practice (Fairclough, Mulderrig, & Wodak, 2011). This integration is in line with the analytical logic of this research in Chapter 6, which looks at the changes of production in both producing process (digitisation and commercialisation) and producing results (texts of promotional content). As a result, the three aspects are used to look at the textual features of promotional content.

The articles for promoting new businesses were selected based on the results of interviews with content producers. Corresponding copywriters identified their commercial purpose. In the case of QNC, I selected eight articles published in the column “Health Keeping” of the Qianjiang Evening News from October 2014 to January 2015, which served for the e-retailing project “Ginseng Festival”. In the case of NNC, I selected five articles that served for the marketing of an electronic bank in the Southern Metropolis Daily,
which was from August 2014 to December 2014. In both cases, the promotional articles were issued as group rather than independent piece, which is associated with the operation of new businesses as long-term projects. Acknowledged by the copywriters, topics and sequence of the articles in the group were intentionally designed in order to facilitate commercial promotion, in which readers’ feedback were also taken into account for follow-up writing (Liu, interview, 2015; Shou, interview, 2015).

Except for the promotional content in the two leading titles, another two groups of promotional content that contain items distributed in both the printed newspapers and the WeChat were studied with the approach of discourse analysis. They were analysed for the theoretical proposition that the operation of new business has facilitated the development of multi-platform distribution of media content. However, the analysis of multi-platform content distribution was primarily focused on headlines for two reasons. Firstly, according to the interviews with content producers in both QNC and NNC, two types of promotional content are delivered on digital platforms: articles, slightly adjusted, based on the core text published in printed newspapers and commercial information only pushed on WeChat. Adjustments of the former mainly refer to decorating texts with colourful photos, short videos and hyperlinks to shopping sites. The latter information usually introduces goods or services directly, rather than issuing implicitly promotional narratives. Another reason for focusing on headlines is, in the information list pushed by the public accounts on WeChat, the sequence and phrasing of headlines have a crucial influence on subscribers’ action of clicking into the body of texts (Wang, 2016; Wu, 2014; Zhang & He, 2015).

As with the promotional content in printed newspapers, the multi-platform promotion also served for long-term commercial projects. In the case of QNC, the project promoted for the Hello Kitty Park founded newly, which was constituted of seven items issued within about one month (28/11/2014-01/01/2015). Five items were delivered on WeChat, and other two were in the column “Leisure & Travel” of the Qianjiang Evening News. In the case of NNC, the project was for a marketing project of real estate transaction, which also consisted of seven items publicised within one month (01/09/2015-30/09/2015). Three items were on WeChat, and four were in the column “Real Estate Weekly” of the Southern Metropolis Daily.
4.5 Document analysis

Documents from various sources were introduced to this research as either primary uses or supplementary uses for data generated by other methods. They can be classified into four categories based on different creators. The first is organisational documents created by QNC or NNC, such as internal journals (the two publishers are both operating one professional journal that is established in Chinese newspaper industry), public statements or press releases on their official websites, as well as the reports of public listed company partially owning QNC. This category of documents provides background information of the two publishers, which can also be seen as the desk research before field research. The background information not only enables me to have relatively systematic views on the cases before interviewing newspaper practitioners (Silverman, 2015, p. 196), which is very crucial preparation before going into the cases (Doyle & Frith, 2006, p. 560). It is also helpful in examining if the answers of interviewees going out of my research scope. Besides, they were also included as the developing history of the two publishers in Chapter3. Sometimes, the documents created by the organisations tend to be PR materials for “selling themselves (ibid. p. 287)”, so they need be assessed reliability and cross-checked with data from other sources (Deacon, 2007, p. 15). Nevertheless, in this situation, the documents can be taken as “topics” rather than “resources”, which are used as materials for investigating the construction of documents from a constructionism view (Silverman, 2015, p. 277).

The second category is statistical reports of market or industry issued by third-party organisations. They were introduced to illustrate general contexts of newspaper organisations’ practices, such as the trend of newspaper advertising revenue issued by the China Press Association, the development of Internet and mobile media usage issued by the China Internet Network Information Center. The third category is official documents issued by the state government, such as full texts of the government policies issued in the corresponding departmental websites, and official statements delivered in the state media concerning key policies, e.g., the speeches by President Xi Jinping regarding the national strategy of media convergence. Different from other categories of documents, this category was in primary uses for the analysis in Chapter7, which is the third main question of research – the association between industry practices and government policies. To some extent, governmental documents are not easily to be understood because their literal meaning of words and phrases may not be directly related to their deep
connotation (Hammond & Wellington, 2012, p. 55). Therefore, the interpretation of government policies need rely on other data sources. The last category of documents involved can provide the interpretation of government policies, which are the previous media studies in Chinese that are concerned with policy issues. These documents are not only reviewed as academic literature but also consulted for scholarly media experts’ opinions on certain policies. The experts who acclaimed to have access to in-house policy documents can offer deeper interpretations of policies.

4.6 Ethical considerations

Two aspects of my research raised ethical issues. Firstly, the access to field research is achieved through some gatekeepers, but sometimes interviewees would conflate the researcher and the gatekeeper (Clark, 2008). To avoid the conflation, I introduced my identification and clarified the purpose of interviews to all interviewees; moreover, they all signed the consent form that was double-checked by my supervisors and the Research Ethics Committee of the University. Besides, to enable the data retrievable and the research sustainable, I have regarded interviewees as “professional friends (Silverman, 2010)” rather than data sources, which has laid a firm foundation for the chance of follow-up interviews.

Another ethical issue is involved with preserving the confidentiality of data in the non-public domain. Some data of this study concerns the corporate strategies that may be crucial to building competitive advantages against rivals in the same market. Moreover, the anonymity of interviews or organisations is not applicable to this research because of “deductive disclosure (Kaiser, 2012, p. 457)”. In other words, QNC and NNC are prestigious newspaper publishers in China, so the managers in these two organisations are living in an acquaintance community, which means their behaviours or even opinions can be recognised even though their names are anonymised. However, the two newspaper publishers investigated in this study are located in different metropolitan markets, so they actually would like to exchange ideas and experiences rather than keep isolated. Even so, I had let interviewees know the possible occasion for publishing the findings based on their interviews, such as academic conferences or journals. No rejection was received from them. In addition, some interviewees reminded me what need be off-record during the conversations, which was considered in transcriptions. Except for the data in the non-public domain,
opinions of interviewees in different positions within one organisation may also have conflicts of interest, which is also related to the issue of confidentiality. For example, frontline practitioners may be relatively negative to the adoption of new technologies based on their interest, which is controversial to the organisational benefits valued by managers. In this situation, the data of frontline practitioners’ answers should be cautiously treated to keep confidentiality.

4.7 Conclusion

This research is qualitative, interpretative and constructionist in its methodological orientation. The approach of comparative case studies is the primary method, which is in accord with the three aspects of methodological orientation – focusing on organisational practices and practitioners’ experience (Doyle & Frith, 2006, p. 562), and questioning “how” and “why” based on “what” (Silverman, 2015, p. 18; Yin, 2013, p. 14). Meanwhile, although validity and reliability are positivist concepts, they have been considered in this interpretive research in light of the adaptive standards proposed by scholars (Silverman, 2015, pp. 85–105). In particular, triangulation and analytic induction are applicable for examining the methods used in this research. Triangulation refers to gathering and analysing data from different perspectives, which can be reflected by the multiple methods ranging from case studies to in-depth interviews, discourse analysis and document analysis. Analytic induction means repeatedly checking theoretical propositions and the results of data analysis, which is very suitable for studies of media management as an interdisciplinary area where lacks of dedicated theories (Doyle & Frith, 2006, p. 554).

With the approach of case studies, two metropolitan newspaper publishers (QNC and NNC) are the units of analysis, in which two types of practices of new businesses (e-retailing and online marketing) are the embedded units. The two cases are compared for both homogeneities and heterogeneities. Their experience of digital transition is assessed through analytic generalisation, in order to present the latest progression in the Chinese context and inspire practices of city-based media organisations in other regions. Under the framework of a case study approach, three methods are adopted: in-depth interviews, discourse analysis and document analysis. The first was conducted in the field research at QNC and NNC, as well as follow-up contacts with interviewees through e-mail, telephone and online chatting. Data from interviews
reveal newspaper practitioners’ practices, attitudes and opinions concerning the issue of digital transition.

Specifically, interviewees’ interpretation of integrating editorial and commercial activities was cross-checked with the method of discourse analysis that presents the textual features of promotional content distributed in multi-platform media serving for new businesses. The last method – document analysis – was practised throughout my course of study. Before doing the field research, I had made desk research for organisational documents of the two publishers, statistic documents issued by third-party organisations and case studies of the publishers in previous Chinese literature, in order to assist the framing of theoretical propositions and acquire background information of the cases. During the field research, I had collected data from the internal journals recommended by interviewees in both QNC and NNC. Most importantly, document analysis was made on the government policies with the reference of interpretation provided by scholarly media experts in either private conversations or academic publications. In summary, multiple methods have been taken based on the approach of comparative case studies, through which comprehensive data is generated.
Chapter 5 Changes in newspaper management

5.1 Introduction

This dissertation is about how newspaper publishing in China is changing on account of digital convergence. Drawing on a case study analysis of two leading metropolitan newspaper companies in China, it sets out to investigate how newspaper publishers are adjusting their commercial strategies and their production activities in order to adapt to technological change and to ensure the survival of their business. It also examines the role that public policy in China has played in shaping adjustment in the newspaper industry. Looking specifically at e-retailing and online marketing activities in the two newspaper firms, the research questions that will be investigated are:

1. How the strategic management of newspaper companies in China is changing to facilitate the operation of new businesses in the Internet era;
2. How content production related to the new businesses is changing in response to digital transition and the integration of editorial and commercial activities;
3. To what extent the altered practices of newspaper companies are either consistent or conflicting with the requirement of related government policies.

This Chapter is concerned with how the strategic management in Chinese newspapers is changing to support the operation of new commercial activities. Drawing on evidence of case studies of QNC and NNC, the questions it sets out to address are: for what reasons did the newspaper publishers diversify their business to the areas exceeding the traditional scope of the newspaper industry? In what ways have organisational structures changed to facilitate the operation of new business? And how have newspaper practitioners adapted to the new organisational culture affected by new activities?

Analysis of the three sub-questions is based on an analytical framework constructed by the three approaches to strategic management in media: rationalist, adaptive and interpretative. The three approaches were summarised by Küng (2008) from general theories of strategic management. They are utilised in this
chapter to analyse issues of corporate expansion, organisational re-structuring and cultural adaption respectively. The three approaches are mutually complementary and jointly offer a systematic view to analyse changes of management in QNC and NNC. In turn, the discussion in this chapter will prove that the integration of the three approaches is a practical framework for studying media organisations in transition because it can expose the essential elements of management: strategic motivation; organisational structure; and personnel configuration.

This chapter includes three sections focusing on three issues separately: corporate expansion, organisational re-structuring and cultural adaption. In the beginning of each section, related theories will be referenced before the case study analysis. At the end of each section, differences and similarities between the two cases will be discussed. As introduced in Section 1.1, the two cases have both homogeneities and heterogeneities. Homogeneities validate the comparison and heterogeneities endow value to the comparison. In the conclusion section, this chapter will interpret inter-connections of the three issues and summarise the most important discrepancies of the two newspaper publishers in the regard of changing strategic management.

5.2 Corporate expansion

Corporate expansion is an important trend in the development history of the Chinese newspaper industry, as introduced in Section 3.2. Usually, Chinese newspaper publishers conduct it for the purpose of capitalising their digital productivity and constructing new revenue streams. Commercialisation is attributed to the nature of Chinese metropolitan newspapers – creating commercial profits (Huang, 2001; Wu, 2000). The commercial pursuit became more urgent when the advertisement revenue of Internet media exceeded that of press media in the mid 2000s. Digitisation of newspaper publishers began in the early 2000s when digital and networking technologies could be applied in media activities, which was no later than the emergence of Internet media. However, The digitisation of newspaper publishers was not as energetic as the growth of Internet media that originated in Internet environments. Moreover, because of the phenomenon of disintermediation, the advertisement revenue of press media is syphoned by Internet media (Doyle, 2013) such as search engines, news portals, social media and social networking sites. In
order to sustain their newspaper business, metropolitan newspaper publishers embarked on corporate expansion.

In the Chinese circumstance, the corporate expansion of newspaper publishers is affected by government policies in complicated ways, as analysed in Section 3.4. On the one hand, it is facilitated by the Reform of Cultural System in the 2010s, which legalised profit-driven activities of metropolitan newspaper publishers as state-owned commercial enterprises. It is also in line with the advocacy of media convergence issued by the state government as a national strategy in 2014 (Song, 2015). On the other hand, it is obstructed by the established system of administrative segregation that separates media activities based on geographical regions and industry sectors (Shao et al., 2016; Yu & Su, 2009). In brief, the corporate expansion of newspaper publishers has developed in a complicated context constructed by both benefits and obstacles.

Motivations of newspaper publishers’ corporate expansion can be analysed by the rationalist approach of strategic management in media. In particular, the Value Chain Theory (VCT) and the Resource-based View (RBV) are appropriate to interpret the motivations in external and internal perspectives respectively (Küng, 2008, p. 115). Although metropolitan newspaper publishers have experienced commercialisation and digitisation, most of them did not integrate the two aspects (Song & Huang, 2013). Newspaper publishers operate commercial activities such as investment, hotel and the real estate, which are far away from the core business of newspaper. Therefore, publishers cannot exploit existing resources to generate new values in these deviated commercial activities. In terms of the practice of digitisation, newspaper publishers conducted it mainly in production and distribution, which were not integrated with profit-making activities. According to the theories of VCT and RBV, in the past decade, the practice of commercialisation did not exploit available resources while the practice of digitisation did not extend the value chain of newspaper business.

As a result, some newspaper publishers embarked on new businesses that can integrate results of commercialisation and digitisation, in order to exploit resources and extend the value chain. In other words, newspaper publishers managed to expand to new areas exceeding the traditional scope of newspaper industry but relating to the core business of newspaper. For example, they extended along the value chain of advertising and marketing and began to play the role of marketers for their advertisers. Also, they
expanded newspaper business from distributing advertisements to serving online shopping. Apart from the VCT and the RBV, the corporate expansion of newspaper publishers can also be interpreted by other theoretical views. Diversified businesses are motivated by the desire to reduce the operational risk caused by the over-dependence on advertisement revenue (Picard & Rimmer, 1999). Besides, applying digital and networking technologies in newspaper production and distribution can generate the economy of scale and scope and achieve efficiency gains (Doyle, 2013, p. 34).

QNC and NNC have adopted the strategy of corporate expansion to diversify their newspaper business. However, their practices are different. QNC has conducted the diagonal expansion to the e-retailing business while NNC the vertical expansion downstream to the online marketing business. Even so, they are both oriented in local markets, namely the regional capital in which they are located. To some extent, the orientation can be seen as the practice to promote the local economy and to serve local citizens, which is an important mission of local media in China (Chen, 2014; Sun, 2003). In the operation of new businesses, the two publishers re-exploit special resources: the capability of content production and multi-platform media distribution; the cultural relevance with local communities; the relationship with local businesspeople; the influence of established media brand; and the credibility and public trust in local markets. Re-exploitation of existing resources is a crucial strategy of corporate growth (Chan-Olmsted et al., 2011; Doyle, 2013). The e-retailing business of QNC has no competence against national e-retailing giants but it can provide local consumers with fast delivery and customised service. Compared to average advertising agencies, the online marketing business of NNC is more professional in utilising multi-platform media outlets for commercial promotion. They are exploiting the potential of niche market, so their media activities can be seen as “service-orientated niche journalism (Cook & Sirkkunen, 2013)”.

This section sets out to discuss for what reasons and in what ways QNC and NNC decided to take the strategy of corporate expansion.

5.2.1 QNC: diagonal expansion to electronic retailing

Through the diagonal expansion, QNC extended its business to the area of e-retailing in 2013. The expansion is supported by the parent group of QNC that took 2013 as the first year of transition with
omni-media strategy. The operation of e-retailing business in QNC integrates results of commercialisation and digitisation that had been achieved in the previous decade. In addition, the e-retailing business of QNC benefits from two special conditions. One is the pre-existence of a distribution and logistics company subsidiary to the metropolitan newspaper company. Another is the credibility endorsed on food safety by the state-owned newspaper company. In brief, the new business is facilitated by four aspects of facts, which will be analysed in details in this section.

Firstly, positive synergies and efficiency gains can be generated in the diagonal expansion (Doyle, 2013, p. 45). The operation of e-retailing business integrates activities in the newsroom, advertising departments and the distribution company in a way that is different from the traditional pattern of newspaper business. Newspaper practitioners in the three sectors collaborate to carry out e-retailing projects in industry-oriented departments. This new type of organisational units was founded for providing better content service for businesspeople and consumers in niche markets. More details about the new organisational unit will be discussed in the next section. In terms of the effect of synergies, the chief manager of QNC acclaimed that the co-operation of the three sectors in the e-retailing business produces new values totally different from the value of media content in traditional media activities (He, interview, 2014).

With regards to efficiency gains, it is associated with the pre-existence of distribution companies. Chinese newspaper publishers have the tradition of delivering printed newspapers themselves; whether they are metropolitan newspaper publishers or press groups. In some cases, newspaper circulation teams were developed to be distribution and logistic companies that are subsidiary to newspaper publishers or press groups. Apart from delivering printed newspapers, these distribution companies also deliver parcels for external e-retailers. In the case of QNC, the pre-existence of a distribution and logistic company is a valuable resource for operating the e-retailing business. For the e-retailing business, a part of the operation cost was saved because the logistics service is settled as an internal cost (Yao, interview, 2014).

Secondly, the e-retailing business of QNC locates in “new growth areas”, which is a strategy often used by media companies in corporate expansion (Doyle, 2013, p. 45). As introduced in Section 3.3, activities of online shopping are extra-ordinarily prosperous in China recently. However, the national market is
monopolised by some e-retailing giants. The e-retailing business of QNC has no competence against national e-retailing giants but it can provide local consumers with fast delivery and customised service. Moreover, it has the advantage of being state-owned media that has an established brand and credibility in the local market. This advantage enables it trustable to local consumers. Consumers have less concerns about food safety when they buy food from state-owned media, compared to from general e-retailers. In this sense, the e-retailing business of QNC not only caught the potential of a promising area but also discovered an under-developed niche market.

Thirdly, the new business of QNC is substantially supported by its parent group. In the initial stage, the press group provided a large amount of investment and supportive policies, according to the chief manager of QNC (He, interview, 2014). The facilitation was echoed by a director who is in charge of technological issues of the e-retailing business, the press group provided the user database and multi-platform media outlets to underpin the personalised promotion of e-retailing goods (Zheng, interview, 2015). Supports from the press group can be explained by the fact that the operation of new business in QNC is a part of the transition strategy of the press group. However, the close relationship between the press group and the newspaper publisher possibly leads to a result that the practice of the latter would be under-supervised by the former. More precisely, QNC integrates editorial and commercial activities for the benefit of the e-retailing business, which endangers the journalistic integrity but is not regulated by its parent group. In fact, the press group and the newspaper company have unified interests in the operation of e-retailing business. In this situation, regulation from the state government is necessary, which will be discussed in Chapter 7.

Lastly, the e-retailing business is practised for an urgent need to convert readers’ attention on the printed newspaper to be consumers’ purchasing power in the diversified business. In the traditional model of newspaper business, publishers use readers’ attention to exchange advertisement revenue with advertisers. However, readers’ attention is fragmented and disintermediated by Internet media (Doyle, 2013, p. 88). What’s more, it seems impossible for press media to redeem readers’ attention because they are inferior to Internet media in the regard of digital and networking technologies. In such situation, monetising readers’ attention directly could be an option for newspaper publishers, which is the logic of the e-retailing business of QNC. Moreover, the e-retailing business not only builds up a new revenue stream for the newspaper
publisher but also creates values for advertisers. Compared to consumer surveys, shopping records are more accurate feedbacks about what is need in the market.

5.2.2 NNC: vertical expansion to online marketing

NNC conducted a vertical expansion downstream to the area of online marketing. In this new area, NNC integrates its multi-platform media outlets with resources that can facilitate the marketing business, e.g. the close relationship with local businesspeople who has been advertisers of NNC in the last two decades. The operation of online marketing business is also a response to the phenomenon of disintermediation. According to the chief manager of NNC, the value of advertisements generated by newspaper publishers is depreciated by advertising agencies because advertisers incline to invest more in Internet media (Cao, interview, 2015). However, Cao believed that metropolitan newspaper publishers still have competitive advantages to Internet media in utilising multi-platform media outlets for commercial promotion in the local market (ibid.). In order to ensure the value of advertisements generated by NNC, this publisher began to do online marketing business itself, instead of co-operating with advertising agencies. In general, three aspects of motivations can be found with the VCT and the RBV in the vertical expansion of NNC.

Firstly, the operation of online marketing is helpful in generating efficiency gains (Doyle, 2013, p. 48). The publisher is more professional than advertising agencies in organising multi-platform production and distribution. The parent group of NNC changed the name from “South Daily Press Group” to “South Media Group” in 2005, which implied its orientation of developing multi-platform media strategy (Fan, 2015). Most importantly, NNC proposed the strategy of “Nandu omni-media cluster” in 2009, as introduced in Section 3.2.2 and 3.5.2, which expended activities of the publisher to other media sectors and regional markets (Cao, Zhuang, & Chen, 2010; Gu, 2012). In addition, NNC is the first newspaper publisher in the Chinese newspaper industry to issue mobile news application – it issued the “Nandu Daily” in 2011. This application generated about one million of advertisement revenue within half of a year (Xu & Lin, 2012). Based on the success of this application, NNC developed a dozen of mobile applications and became the leader of Chinese newspaper publishers in this regard (Fan, 2015). Up to the end of 2015, NNC was operating ten newspaper titles, four magazines, six online websites and twelve mobile applications.
These multi-platform media outlets are integrated with the close relationship with local businesspeople to make online marketing business, in which efficiency gains are generated through re-exploiting existing resources.

Secondly, the practice of vertical expansion benefits for enhancing the market power of NNC (Doyle, 2013, p. 48). Traditionally, media organisations and advertising agencies were inter-dependent closely. However, audience attention was fragmented by a variety of Internet media and accesses to audiences were disintermediated by Internet platforms such as search engines, news portals and social networking sites. Accordingly, advertising agencies have new options for commercial promotion and the value of advertisements in press media is decreasing. The chief manager of NNC admitted that Internet media is more attractive than press media to audiences (Cao, interview, 2014). However, he also asserted, “our multi-platform media outlets, which comprise not merely press media, are devalued by advertising agencies; the agencies are not as professional as us in multi-platform marketing”. In order to reclaim its market power and ensure the commercial value of multi-platform media outlets, NNC adopted the strategy of vertical expansion to online marketing business.

Lastly, the online marketing business of NNC is focusing on the real estate industry, which is associated with the long-term co-operation of the publisher and the real estate developers in the City Guangzhou. This special condition is partially attributed to the fact that the City Guangzhou is one of the first-tier cities in China, where property transactions have boomed in the last decade. Thanks to the prosperity of property transactions, the real estate developers are major advertisers of metropolitan newspaper publishers in China (Song, 2005). Advertisements of property transactions have been a primary revenue source of metropolitan newspaper publishers, particularly for publishers in economically developed regions, e.g. the City Guangzhou. Therefore, the online marketing of NNC is the development of advertising service for the real estate industry.

In summary, QNC and NNC extended newspaper business to new areas exceeding the traditional scope of the newspaper industry. Their new businesses are motivated by two similar purposes – exploiting existing resources and creating new values. As state-owned metropolitan newspaper publishers, they have similar resources: the capability of content production and multi-platform media distribution; the cultural
relevance with local communities; the relationship with local businesspeople; the influence of established media brand; and the credibility and public trust in local markets. However, QNC and NNC re-exploit the resources to practise the corporate expansion in different ways. QNC diagonally extended to e-retailing business while NNC vertically extended to online marketing business. The discrepancy can be attributed to distinct conditions internally and externally. QNC has top-down dynamics so its practice of new business received substantial facilitations provided by its parent group. In contrast, the new business of NNC is mainly driven by bottom-up dynamics coming from its practitioners’ enthusiasm of participating new business. Besides, the two publishers have different external conditions. The e-retailing business of QNC is stimulated by the atmosphere of e-commerce in the City Hangzhou. The online marketing business of NNC is facilitated by the prosperity of the real estate industry in the City of Guangzhou. Apart from the disparities of the motivations for corporate expansion, the two publishers also have differences in organisational re-structuring and cultural adaption, which will be analysed in the next two sections.

5.3 Organisational re-structuring

Organisational re-structuring is evolving with the development of newspaper business (Achtenhagen & Raviola, 2009; Järventie-Thesleff et al., 2014; Mierzewska & Hollifield, 2006; Picard, 2009). Reflecting the conclusion of western scholars of media management, the organisational structure of metropolitan newspaper companies in China has always been under adjustment, which is attributed to the fact that Chinese newspaper activities in the local market have experienced significant changes in the last two decades. Therefore, the managerial issue of organisational re-structuring in QNC and NNC will be investigated with the adaptive approach of strategic management in media, which focuses on the process of strategic implementation (Küng, 2008).

Chinese metropolitan newspapers were founded for pursuing commercial profits, as introduced in Section 3.2.1. However, in the initial stage, they were subsidiary organisations of party organs of the CPC in local governments. Therefore, their organisational structure followed the hierarchical pattern of governmental departments. Meanwhile, they complied with the tradition of journalism – separating newsrooms from
advertising departments. Even so, journalists and editors of Chinese metropolitan newspapers were involved in commercial activities, which was affected by the organisational culture of profit-driven orientation (Huang, 2001; Zhao, 2015). Although the organisational structure was built to protect the journalism integrity, the individual behaviour was more influenced by the organisational culture than regulated by organisational structure. Scholars indicated that the economic rationality of organisation can check the effectiveness of structure and implicitly lead to re-structuring (Mierzewska & Hollifield, 2006). In other words, the organisational structure should match the environment in which the organisation is seeking to survive (Achtenhagen & Raviola, 2009). The continuous adjustment of organisational structure in QNC and NNC echoes the conclusion of western scholars of media management.

Many studies have investigated the organisational re-structuring in newspaper organisations; they mainly focus on the integration of print and online media (Dailey, Demo, & Spillman, 2005; Domingo et al., 2007; García Avilés, Kaltenbrunner, & Meier, 2014; Robinson, 2011; van Weezel, 2009). Some scholars found that integrating different departments is beneficial for the evolution of media activities through removing organisational barriers and promoting knowledge exchange (Gade & Raviola, 2009; Raviola & Hartmann, 2009). While some others discovered that it is uneasy to integrate different departments because there are obstacles and unexpected implications, e.g. the conflicts of culture and interests (Achtenhagen & Raviola, 2009; Cowling & Hadland, 2008). However, the previous studies limited in the discussion of integrating digital and non-digital newsrooms and were lack of the consideration of the influence of commercial activities on organisational structure. This gap can be filled by the extended form of organisational structure proposed by Baumann (2013) and the re-integration of organisational structure proposed by Küng (2008). Baumann (2013) takes newsroom, commercial and technological departments as different organisational units that are integrated and networked as four types of extended forms. Küng (2008) presents the continuously changing process of organisational structure. These two theoretical modes will be used to analyse the organisational re-structuring of QNC and NNC.

Baumann (2013) categorises the extended form of organisational structure by two dimensions – the dynamics of the market and the innovation speed of products. Based on the dimensions, four types of extended forms are generalised – hierarchical, modular, network and virtual. The hierarchical is the lowest in both of the dynamics of the market and the innovation speed of products. Compared to the hierarchical,
the modular is better in the innovation speed of products while the network is better in the dynamics of
the market. The virtual is the most ideal mode, which comprises advantages of the modular and the
network. This categorisation provides a holistic view of different organisational units in newspaper
companies, which can rectify the discrimination of non-journalistic departments and confirm the
significance of technological and commercial departments in current media organisations. In this
dissertation, the network form is appropriate to interpret the organisational re-structuring of QNC, which is
classified by self-sufficiency, economic independence and mutual connection; the modular form is to
that of NNC, which is featured by self-managing and highly autonomy.

Küng (2008) decomposes the integration process of different organisational units as three stages –
integration, autonomy and re-integration. The three-stages framework is generalised to show the
continuous changes in the organisational structure affected by the operation of Internet-related activities.
Therefore, it is proper to interpret the organisational re-structuring occurring in QNC and NNC. However,
the two newspaper companies are in the different stage of the framework. QNC accomplished the first two
and is undertaking the re-integration; while most of the new organisational units of NNC are in the first
stage – integration, only one unit in the second stage – autonomy.

Although QNC and NNC are different in the ways of organisational re-structuring, their new
organisational units are similar. The new units can be classified as industry-oriented and
technology-oriented. The industry-oriented is founded for providing better content service for
businesspeople in a specific industry and consumers in the niche market, such as the Omni-media Centre
of Tourism in QNC and the Group of Real Estate Transaction in NNC. The technology-oriented is for
facilitating the application of digital and networking technologies in not only media activities but also
diversified businesses, such as the Qianbaoyouli E-commerce Co. Ltd. in QNC and the Web Application
Studio in NNC. This section focuses on interpreting how have the two newspaper companies re-structured
their organisations with the construction of new organisational units.
5.3.1 QNC: re-integration in the network form

The organisational re-structuring of QNC is in the stage of re-integration at present. Different departments are cooperated in a network to develop the e-retailing business as well as other diversified activities. In practice, the organisational structure is continuously modified. The chief manager of QNC felt it very difficult to draw an accurate figure of the organisational structure (He, interview, 2014). However, based on the theoretical views of Baumann (2013) and Küng (2008), a sketch figure of the organisational structure of QNC can be drawn. It is helpful in displaying the networked relationship of different departments and the two accomplished stages of organisational integration (Figure 5-1).

As shown in Figure 5-1, the subsidiary departments and companies of QNC can be categorised into two types based on their activities. The newsroom, advertising department, new media department and the distribution company are basic elements of newspaper activities. The industry-oriented departments (the Omni-media Centre of Tourism and the Department of Health Industry) and the technology-oriented department (the e-commerce company) are the operators of diversified businesses. In terms of the distribution company, apart from delivering of the printed newspaper, it also serves the logistics of an e-retailing business. Therefore, it can create efficiency gains for the newspaper publisher, as analysed in the last section.
The network form refers to the rectangle constructed by the seven departments listed above. There are three types of lines in the network form – the short dotted, the long dotted and the full long. They represent the interaction of different departments and indicate the process of organisational integration. The short dotted lines, which are among the newsroom, the new media department, the advertising department and the distribution company, present the co-operation of traditional departments in newspaper production and distribution. Digital media is “new media” when it is compared to press media, but the new media department is “older” than the industry- and technology- oriented departments. Moreover, the new media department only supports the production of media content, it dose not generate new source of revenue. Therefore, it is classified as a traditional department. The long dotted lines, which link the newsroom, the new media department and the advertising department with the two industry-oriented departments, refer to the first stage of integration. The full long lines, which connect the new media department, the two industry-oriented departments and the distribution company with the e-commerce company, present the undergoing stage of re-integration. More details about the interaction of different departments and the process of organisational integration will be analysed in the following context.

The co-operation of traditional departments, which is represented by the short dotted lines, is the foundation of operating diversified businesses. The newsroom co-operated with the new media department to practise digitisation, which was institutionalised through taking 2013 as the first year of omni-media. Also, the co-operation was developed to be a new organisational unit – the Omni-media Centre of Tourism. In Chinese, the concept of “omni-media” has similar connotations with converged or multi-platform media, as mentioned in Chapter 3. At the same time, the newsroom co-operated with the advertising department to practise commercialisation, which generated plenty of revenues to sustain the newspaper business, but it contains several contested issues, especially the risk of degrading the journalistic integrity. However, it is widely practised in the Chinese newspaper industry (Huang, 2001; Zhao, 2015). More details about the contested issues will be discussed in Chapter 7.

The establishment of industry-oriented departments is the first stage of organisational integration, which is represented by the long dotted line in Figure 5-1. The new organisational units are founded for providing better content service for businesspeople in a specific industry and consumers in the niche market, as
introduced above. Newspaper practitioners, who have different skills and expertise, were shifted from the traditional departments to the new units, in which the boundary of editorial production and commercial promotion was blurred. Moreover, the practitioners in the new units are responsible for the goal of economic performance, according to the chief manager of QNC (He, interview, 2014). He believed that practitioners are better motivated in the new units, compared to that in the traditional departments, because their working efficacy is closely connected with the department’s economic performance (ibid.).

Furthermore, multi-platform media approaches are utilised in the content production and distribution in the industry-oriented departments. For example, in the commercial promotion of tourism industry, four types of media outlets are adopted: the tourism column in the flagship metropolitan newspaper, the exclusive section on the local news website, the public accounts on social media platforms, and an independent website for online travel consumption (Zhu, interview, 2014). The chief manager of QNC said, the digitisation was began in the new media department, but it is monetised in the activities of the industry-oriented department (He, interview, 2014). In this sense, the industry-oriented departments create the opportunity of capitalising multi-platform media productivity.

The second stage of organisational integration is autonomy (Küng, 2008), which is in accordance with the feature of organisational units in the network form – self-sufficiency and economic independence (Baumann, 2013). The industry- and technology-oriented departments in QNC have these features. As mentioned above, practitioners in the industry-oriented departments are evaluated by the economic performance of the departments, which is not only a measure to motivate the practitioners but also a necessary approach to ensure the capability of self-sufficiency and economic independence. Also, the e-commerce company is an independent subsidiary of QNC. Based on the initial investment provided by QNC, it is now self-sustained and has an annually fixed goal of profit generation.

The current stage is re-integration, in which the e-commerce company plays a pivotal role – the hub of the network. This new organisational unit is dedicated to support the operation of the e-retailing business, which is distant to the core activity of traditional newspaper publishers. However, as the hub of the network form, it connects the industry-oriented departments, the new media department and the distribution company. “Co-operating with different departments is the main wok of the e-commerce company,” according to the Deputy Manager of QNC, who was the leader of the distribution company.
previously (Yao, interview, 2014). The departments connected in the network form benefit from the mutual connection. The industry-oriented departments get the opportunity to capitalise on their expertise in specific industries. The Omni-media Centre of Tourism developed their commercial promotion for tourism to the online shopping of travel products. The Department of Health Industry began to sell health-keeping foods popular to local consumers. The new revenue stream created by the e-retailing business strengthens their capability of self-sufficiency and economic independence. The distribution company provides the logistics service to the e-retailing business, which is a way to compensate the loss caused by declining circulation.

5.3.2 NNC: on-going integration in the modular form

Most of the organisational units of NNC are in the stage of integration and one unit is in the stage of autonomy. In other words, the organisational re-structuring of NNC is mostly in the first stage of the three-stages organisational integration, which is less developed than that of QNC. Moreover, the re-structuring of NNC is in the modular form constituted by several internal entrepreneurial groups. As with the way of presenting organisational re-structuring in QNC, a sketch figure is drawn for NNC (Figure 5-2).

![Figure 5-2 The organisational structure of NNC in the modular form](image)

Data sources: Official statements of the Nanfang Media Group and interview records. Drawn by Miao Huang on November 1st, 2016.
As shown in Figure5-2, several new organisational units are constructed as the extension of traditional departments. The Group of Real Estate Transaction and the Group of Entertainment are extended from corresponding editorial teams in the newsroom; the Web APP Studio is developed by the department of new media; and the E-retailing team is operated by the marketing department. These new organisational units are modules in the System of Platform Responsibility (Ping Tai Ze Ren Zhi), as presented by the dotted lines. Among the new units, the Group of Real Estate Transaction is more advanced than others, which is in the second stage of organisational integration, namely the stage of autonomy. To some extent, it is similar to the industry-oriented departments in QNC. However, it is independently operated and not re-integrated with other units, e.g. the e-commerce company in QNC.

The System of Platform Responsibility was established in the early 2015, which encourages practitioners in the traditional departments to develop new businesses based on their capabilities and resources. The management team of NNC picked up 14 proposals of new business from 30 applicants and began to support their operation as internal entrepreneurial groups (Liu, interview, 2015). The groups are modules that can be either operated independently or assembled to carry out integral projects, in the view of the chief manage of NNC (Cao, interview, 2015). Cao also believed that the traditionally hierarchical structure of the newspaper publisher is insufficiently proactive to changes in the market, which can be changed by the construction of modular form.

“Modularised structure enables Internet companies instantly react to changing demands in the market efficiently. It can also spread operation risk by product portfolio. The digital version of printed newspapers and online news websites extend our business to the Internet. However, they are not Internet businesses and impossible to strengthen out competence in the Internet market. With the modularised system, individual platforms are independent players in the market. They can also be assemble to generate new values. This is the pattern of Internet companies, only by which can we have competence in the Internet market.” (Cao, interview, 2015)

The chief manager’s expectation is consistent to the feature of the modular form that has the advantage of keeping the innovation speed of products (Baumann, 2013). However, at present, just one module is in the stage of autonomy – the Group of Real Estate Transaction. The other internal entrepreneurial groups are managed based on the System of Platform Responsibility, which have no autonomy. Therefore, the
modular from in NNC is under construction, which needs time to achieve the situation of being self-managing and highly autonomous.

Even so, the practice of internal entrepreneurial groups integrates activities of different sectors, which is similar to the industry-oriented departments in QNC. In the Group of Real Estate Transaction, former journalists, reporters and commercial staff, who are expertise of the real estate industry, are co-operated in the group to conduct marketing projects for local real estate developers (Zheng, interview, 2015). The Group of Entertainment is developed from the corresponding editorial team in the newsroom, but practitioners in it not only have editorial experiences but also are expertise of marketing in the entertainment industry (Cui, interview, 2015). Moreover, the practitioners in the internal entrepreneurial groups have equally co-operative relationship, which is rare in the hierarchically organisational structure. The leader of the Group of Entertainment, who is also a deputy editor-in-chief of NNC, stated the equally co-operative relationship.

“When our team carry out a project, we construct a chatting group on WeChat. We share ideas and report progress in it. Open discussions can be made regardless of hierarchical levels. This approach improves the efficiency of decision-making and project execution. During the interval of operating project, we use the chatting group to exchange professional knowledge (Cui, interview, 2015).”

In practice, connecting the performance evaluation of individual practitioners to the economic result of the internal entrepreneurial groups is helpful in increasing working efficacy, which is a way more effective than the equally co-operative relationship of practitioners. In the System of Platform Responsibility, only the group fulfilling certain financial goals can sustain its operation in the next financial period (Cao, interview, 2015). In other words, “the group needs to reach a certain goal of revenue so continue its business; otherwise, it would be abandoned. If the extra profit can be generated, then the group can keep half of the extra part (Cui, interview, 2015).” Taking the goal of revenue as an evaluation standard gives a realistic pressure to the leaders. Then the leaders transfer the pressure to every staff member in the group because they have the right of employment decisions within the group. However, this evaluation standard may not be reasonable for new businesses because new activities may not be profitable enough (Song, interview, 2015). The growth rate in other aspects should also be considered in the beginning period of new businesses (ibid.).
In summary, QNC and NNC have different types of organisational extension and are in distinct stages of organisational re-configuration. QNC is in the network form and the stage of re-integration; while NNC is constructing the modular form and most of the new organisational units are in the stage of integration and one unit is in the stage of autonomy. The disparity can be attributed to their discrepancy in transition dynamics – QNC is top-down but NNC is bottom-up. In QNC, the e-retailing business is a part of the strategy of industry transition of the press group. Therefore, the group provides initial investments, the free use of multi-platform distribution outlets, the technological support of user database and some supportive policies. Based on that, the new business was planned and operated by the metropolitan newspaper publisher as a critical approach to accomplish industry transition because it integrates digitisation and commercialisation. Therefore, the organisational re-structuring is operated with the guidance and supervision of management in certain levels of the company and the group. Therefore, the industry-oriented departments can make use of the connection of the newsroom, the advertising and new media departments. Moreover, in the stage of re-integration, the e-commerce company is the hub of the network form. It connects industry-oriented departments, the new media department and the distribution company. Considering all the above facts, the operation of the e-retailing business is motivated by the top-down dynamics.

By contrast, the online marketing business of NNC is driven by the bottom-up internal entrepreneurship based on the System of Platform Responsibility. The management team selected some proposals of new business and supported their operation by the internal entrepreneurial groups. The new businesses are mainly related to online marketing business. The most developed group is the Group of Real Estate Transaction that is dedicated for the online marketing business of the local real estate developers who have been the major advertisers of the metropolitan newspaper publisher. The internal entrepreneurial groups are developed from certain traditional departments and integrate resources and capabilities of practitioners with different expertise. Moreover, the leaders of the groups are junior or senior managers of the traditional departments. The leader of the Real Estate Group is the Deputy Manager of NNC; the leader of the Entertainment Group is the deputy editor-in-chief of NNC; and the leader of the e-retailing team is the deputy director of the Marketing department. Therefore, these managers, who have formed the bottom-up dynamics for operating new businesses, are crucial promoters of the industrial transition in NNC.
The organisational re-structuring and the corporate expansion brought several changes and uncertainties for newspaper practitioners in different job positions at QNC and NNC. Affected by these two aspects of management alteration, newspaper practitioners have to modify their perceptions, attitudes and behaviours towards the new businesses and adapt themselves to the new working environment. Similar to the interaction between structure and culture within organisations, the shifts of the practitioners’ mind-set and practices can be attributed to the changes in organisational culture. Therefore, the next section discusses how the culture of the Chinese newspaper publishers is influenced by the industry transition.

5.4 Cultural adaption

As the corporate expansion and organisational re-structuring have taken place, newspaper practitioners in QNC and NNC have to adapt to new professional responsibilities, work routines (Hanitzsch et al., 2010; Wilkins, 2014). Also, they need to cooperate with colleagues from technological and commercial departments (Picard, 2009). In the view of the interpretative approach of strategic management, these changes are highly associated with the adaption of the new organisational culture. This theoretical approach focuses on the covert aspects of organisational management, such as the mind-set of staff and the organisational culture, which are implicitly presented in organisational activities (ibid.). In this dissertation, it is used to examine how the practitioners adapt to the changed organisational culture in the context of corporate expansion and organisational re-structuring.

Media practitioners’ reactions towards organisational changes in the previous studies can be classified as three types – uncertain, conservative, and resistant. Uncertainty is caused by the fact that the value of media products heavily relies on original creativity (Hollifield et al., 2015, p. 53) and professional standards are heavily affected by technologies and commercial activities (Gade & Lowrey, 2011). The attitude of conservatism is not only related to practitioners’ insistence of professionalism (Hollifield et al., 2015, p. 145) but also associated with managers’ concern about the risk of radical innovation (Gade & Lowrey, 2011; Lowrey, 2006). In addition, western media scholars have found, path dependencies, inertia or vested interests likely lead to the resistance to new activities (Boczkowski & Mitchelstein, 2010;
Domingo, 2008; Gade & Raviola, 2009; Singer, 2004; Spyridou et al., 2013). These studies enlighten the analysis of the cultural adaptation of newspaper practitioners in the Chinese circumstance. However, they mostly concentrate on the changes brought by digital and networking technologies. In QNC and NNC, practitioners need to adapt to the new working environment re-shaped by not merely digitisation but also commercialisation. Therefore, the finding of this dissertation can generate knowledge about the cultural adaption of media practitioners caused by complex elements.

Media activities are labour-intensified works (Spyridou et al., 2013). In other words, human resource plays a crucial role in the daily routine of media organisations (Redmond, 2006). Accordingly, the change of staffing pattern has a profound effect on the organisational culture of newspaper companies. Scholars have examined the relationship between the changed staffing pattern and the alteration of activities in media firms (Doyle, 2015c; Schlesinger & Doyle, 2014). Similar approach is adopted in this dissertation, in order to present the significant change in Chinese newspaper companies. The exact staff number in Chinese newspaper companies cannot be accessed because of certain reasons, e.g. commercial confidentiality. However, QNC is partially included in a public listed company owned by the press group, as introduced in Section 3.5. Therefore, the staffing pattern of the public company can be referenced. As shown in Table 5-1, the number of staff in sales section was almost doubled, and that in technology section was increased by four times during the past four years, but that in production section was reduced by about 30 per cent during the same period. The dramatic increase in sales and technology was associated with the corporate expansion to Internet businesses, e.g. online gaming. Although the expansion has no direct effect on the newspaper business, it reflects the orientation of QNC towards the Internet industry.

Table 5-1 Changes in Staffing at the ZDMG (2012-2015)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td>463</td>
<td>325</td>
<td>324</td>
<td>286</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>800</td>
<td>1136</td>
<td>1554</td>
<td>1433</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>212</td>
<td>982</td>
<td>1067</td>
<td>1012</td>
</tr>
</tbody>
</table>


By contrast, the chief manager of NNC confirmed, “there is no recruitment for the new business at present, practitioners are all transferred from traditional departments (Cao, interview, 2015).” However, the
traditional newspaper practitioners are leaving the publisher, according to a review article by a manager of NNC (Luan, 2015), which implies the problem of brain drain in NNC. This concern can be echoed by the quit of one interviewee of this dissertation – a leader of an internal entrepreneurial group left NNC to join an Internet company six months after the interview. In fact, the problem caused by the transition is not only about how to deal with the redundant members of staff that are not capable of new techniques, but also about how to fill up the vacancies with essential new talents (Schlesinger & Doyle, 2014). In the following context, more details about the personnel issue in the two cases are analysed.

5.4.1 QNC: embracing the new business

The practitioners in QNC are positive to the operation of e-retailing business, which can be attributed to the supportive environment constructed by the publisher and its parent group. In order to develop the e-retailing business, a group of people who are experienced in this area was recruited into QNC, according to the director of IT team of the e-commerce company (Zheng, interview, 2014). Before entering QNC, Zheng worked in Alibaba, the leading e-commerce company. The recruitment of this type of employees not only changed the ratio of staffing pattern, but also brought the culture of Internet companies to the newspaper publisher. Besides, a variety of job training is provided for incumbent practitioners, such as curriculums about new media skills, workshops for exchanging information and knowledge on professional trends, as well as consultancies of shifting job positions, according to the report of the public listed company (ZDMG, 2014/2015). Job training is crucial in facilitating individuals’ adoption of new technologies (Singer, 2004). Thanks to the supports, cultural conflicts among staff with different professional backgrounds were not found in the case of QNC. Instead, the frontline workers in different job positions co-operated harmoniously. As the copywriter in the Department of Health Industry stated,

“I will try my best to learn new techniques that are essential for bettering the promotion, but under the pre-condition of accomplishing the required work in my position. I believe in the proverb of ‘one might be a master in his field’. My advantage is creative writing, while technicians are skilled at using various technologies. Then we should collaborate with each other based on our advantages, instead of wasting time on the things we are not expertise.” (Shou, interview, 2014)

The copywriter successfully adapted herself to the co-operation with technicians whose professional
culture was believed different from that of journalism practitioners. A similar case can also be found in
the co-operation of editorial and commercial staff in the Omni-media Centre of Tourism. According to the
time editor-in-chief of the centre,

“Content team and sales team are bound together to serve for long-term projects. The success of
projects relies on the co-operation between content makers and salespeople. We should know that
the co-operation is built for resolving the crisis of shrinking advertising revenue and satisfying
demands of advertisers and commercial clients.” (Wu, interview, 2015)

These two content producers in the industry-oriented departments had the positive attitude to the
collaboration with technological and commercial colleagues. One of the most important reasons is that
their content products – articles concerning keeping healthy and travel advice – are not within the core area
of journalism (Kristensen & From, 2012). These content products can be classified as lifestyle journalism
based on their topics, while lifestyle journalism is usually not regarded as the best place to define
journalistic professionalism (ibid.). In addition, the positive attitude is related to their elevated status within
the firm, because they generate extra commercial profits. What’s more, the positive attitude may also be
affected by the research method of face-to-face interviews, not least for the fact that the two interviewees
were introduced by the chief manager of QNC. Accordingly, they might appear to be optimistic
intentionally.

Apart from the positive attitude held by the frontline workers, the satisfying result of cultural adaption can
also be presented by the senior managers’ perception of the exploitation of media credibility. As
introduced in Section 5.2, the established media brand and credibility in the local market are highly valued
by newspaper managers. They believe the influence of the newspaper can be transferred to the purchasing
power of the goods sold by the publisher. Moreover, the chief manager asserted, operating the e-retailing
business will not degrade the metropolitan newspaper’s credibility; instead, it is helpful in enhancing the
value of the media brand because they are providing new service value to both consumers and business
people (He, interview, 2014). Besides, the deputy manager gave an example of the social benefit created
by the e-retailing business (Yao, interview, 2014). The publisher imported a special food from a remote
mountainous area to the City Hangzhou and sold it at a higher price than that in the local market. “The
planters have trust in us because we are state-owned newspaper; with our promotion, they get benefits that
cannot acquire from any other approaches (ibid.). The perception of senior managers plays a crucial role in the cultural adaption not only because their inclination has a significant influence on organisational culture (Pérez-latre & Sánchez-Tabernero, 2003) but also because their decisions affect the strategy of guiding individuals’ adaption.

5.4.2 NNC: struggling in the transition

Compared to the positive attitudes held by QNC’s workers in different positions, the newspaper practitioners in NNC are struggling in the process of transition. One of the most obvious conflicts is between the interests of organisational transition and the benefits of individual practitioners. As the director the Marketing Department revealed,

“For advertising salespeople, a case of traditional advertisement on printed newspaper can generate 20,000 yuan bonus while a case of new media advertisement can only generate 5,000 yuan bonus. On the other side, the time for carrying out a traditional advertisement contract almost equals to that of a new media. No wonder that salespeople prefer to work on the traditional advertisement. They have conceived the decline of traditional advertisement, but they care more about their short-term interest, rather than the organisational interest in the long term.” (Luan, interview, 2014)

The conflict can be understood as the structural tension that arises due to the incompatibility of organisational strategy in the time of transition (Achtenhagen & Raviola, 2009). Because of this tension, the interests of individual practitioners and the organisation cannot be balanced. Therefore, it is necessary to build up a system in which the boundaries of interests, rights and responsibilities are relocated clearly (ibid.). In the case of NNC, the System of Platform Responsibility is an approach to re-unify the interests of individuals and the organisation. Newspaper practitioners volunteered in the internal entrepreneurial groups, then have the responsibility to fulfil a certain financial goal. However, the leader of the Group of Entertainment admitted,

“In the past, what I cared the most is the distribution effect of pages within my responsibility. Now what I care most is how I can make the best of resources within my reach to generate revenue. Only with that precondition, I can keep the colleagues with expertise of journalism continue their work here. They are the most precious assets of our organisation.” (Cui, interview, 2015)
As shown in the quotation, editorial and commercial activities are closely integrated into the internal entrepreneurial group for generating extra revenue. The integration changes the professional value of this leader. The leader tried to justify her inclination towards commercial interests for the sake of business survival. Even so, her inclination has heavy influence on the organisational climate. Controversial information provided by the chief manager and a deputy director proves that prioritising commercial interest is a part of the organisational culture of NNC, although the practitioners in NNC are not as optimistic as that of QNC. The suspected information is about whether the editorial workforce is included in the commercial operation. The chief manager denied while the deputy director implicitly admitted. More details about this issue will be discussed in Section 6.3.

In summary, although the practitioners in QNC and NNC have different attitudes towards the practices of new business, they are similar in prioritising commercial interests. To some extent, this finding is limited by the main question of this dissertation. However, it is a realistic illustration of the growth of profit-driven culture. In terms of the adaption to digitisation, the practitioners of QNC are more positive than that of NNC. It is attributed to the increasing ratio of technological staff and the job training provided in QNC. In addition, the differing situations of cultural adaption are also related to the transition dynamics. QNC can afford the recruitment of new staff and the expense of job training, which is not available for NNC without the support from parent group.

5.5 Conclusion

This chapter examined the first research question of this dissertation – how the organisational management in the two Chinese newspapers companies is changing to support their new businesses. It contains three sub-questions: why the two newspaper companies diversify their business to the areas exceeding the traditional scope of the newspaper industry, how their organisational structures are changed to facilitate the operation of new business, and how the newspaper practitioners have adapted to the new organisational culture affected by new activities. The three sub-questions were investigated in three sections: corporate expansion, organisational re-structuring and cultural adaption. The analysis of the three sub-questions was based on an analytical framework constructed by the three approaches to strategic management in media:
rationalist, adaptive and interpretative. The three approaches were summarised by Küng (2008) from general theories of strategic management. The three approaches were mutually complementary and jointly offer a systematic view to analyse changes of management in QNC and NNC. In turn, the discussion in this chapter proved that the integration of the three approaches is a practical framework for studying media organisations in transition because it can expose the essential elements of management: strategic motivation, organisational structure, and personnel configuration.

Findings in this chapter revealed that QNC and NNC have disparities in the three aspects of organisational management, namely corporate expansion, organisational re-structuring and cultural adaption. In the first aspect, the corporate expansion of QNC is diagonal to the e-retailing business while that of NNC is vertical downstream to the online marketing business. The practice of e-retailing business of QNC is in an area that is at a distance to core activities of newspaper business. The expansion of QNC is facilitated by the investment of press group and the resources re-exploitation of QNC. The press group is the pioneer of practising digital transition in the past decade and exploring new business in recent years. Therefore, it provides the strategic support for the practice of e-retailing business. Moreover, it offered substantial investment for the e-retailing business, such as technological inputs and recruiting expertise of Internet technologies and commercial activities. Also, the corporate expansion benefits from the re-exploitation and integration of existing resources within QNC. For example, the pre-existence of the logistic and distribution company, which was developed from the circulation team of the printed newspaper, is helpful in decreasing the operation cost of e-retailing business. Besides, the atmosphere of e-commerce in the City Hangzhou, in which the Internet giant Alibaba originated, encourages the e-retailing business of QNC.

The practice of online marketing business of NNC is an extension of the traditional advertising business, which is mainly conducted by the internal entrepreneurial groups in NNC. The new business is motivated by the expectation of re-claiming the value of multi-platform media distribution that is undervalued by advertising agencies. NNC started the strategy of Nandu Omni-media Cluster in 2009; and it is the pioneer of delivering news in mobile applications in the Chinese newspaper industry. NNC’s capability of multi-platform media distribution facilitates its advertising and marketing business. Also, the online marketing business is operated to re-exploit the value of the close relationship between NNC and local businesspeople. In particular, the online marketing business of NNC focuses on the real estate industry
because local real estate developers have been the primary advertisers of the metropolitan newspaper publisher.

Both QNC and NNC have conducted corporate expansion to diversify their newspaper businesses, in order to adapt to the industry transition caused by digital technologies. They have embarked on different new businesses based on differentiate conditions. Even so, their motivations of corporate expansion can be interpreted by the same theoretical view – the rationalist approach of strategic management in media. In particular, the Value Chain Theory (VCT) and the Resource-based View (RBV) are appropriate to interpret their motivations for re-exploiting existing resources and extending the value chain of newspaper business (Küng, 2008). However, the rationalist approach can just present the strategic motivation. The strategic process is analysed by the adaptive approach, which is the second sub-question of this chapter.

In the view of adaptive approach, strategic management is a continuous process (Küng, 2008), which can be reflected by the organisational re-structuring of QNC and NNC in this dissertation. Findings of the second sub-question evidence that organisational re-structuring is evolving with the development of newspaper business (Achtenhagen & Raviola, 2009; Järventie-Thesleff et al., 2014; Mierzewska & Hollifield, 2006; Picard, 2009). However, the previous studies limited in the discussion of integrating digital and non-digital newsrooms and were lack of the consideration of the influence of commercial activities on organisational structure. This gap can be filled by the extended form of organisational structure proposed by Baumann (2013) and the re-integration of organisational structure proposed by Küng (2008). Baumann (2013) takes newsroom, commercial and technological departments as different organisational units that are integrated and networked as four types of extended forms. Küng (2008) presents the continuously changing process of organisational structure. In brief, the adoption of these two frameworks can generate knowledge about how the organisational structure is changed by the joint force of digitisation and commercialisation.

Based on the analytical framework proposed by Baumann (2013), the network form is appropriate to interpret the organisational re-structuring of QNC, which is characterised by self-sufficiency, economic independence and mutual connection; the modular form is to that of NNC, which is featured by self-managing and highly autonomy. Meanwhile, in light of the framework by Küng (2008), the two
newspaper companies are in the different stage of the framework. QNC accomplished the first two and is undertaking the re-integration; while most of the new organisational units of NNC are in the first stage – integration, only one unit in the second stage – autonomy. Even though QNC and NNC are different in the ways of organisational re-structuring, their new organisational units are similar. The new units can be classified as industry-oriented and technology-oriented. The industry-oriented is founded for providing better content service for businesspeople in a specific industry and consumers in the niche market, such as the Omni-media Centre of Tourism in QNC and the Group of Real Estate Transaction in NNC. The technology-oriented is for facilitating the application of digital and networking technologies in not only media activities but also diversified businesses, such as the Qianbaoyouli E-commerce Co. Ltd. in QNC and the Web Application Studio in NNC.

In QNC, the network form is constituted by two types of organisational units: the traditional departments (the newsroom, the new media department, the advertising department and the distribution company) and the new departments (the industry- and technology-oriented departments). In the stage of integration, the industry-oriented departments were founded, which integrated editorial and commercial activities. The organisational re-structuring entered the stage of autonomy when the industry-oriented departments realised financial independence. The current stage is re-integration, in which the e-commerce company plays a pivotal role – the hub of the network. This new organisational is dedicated to support the operation of the e-retailing business, which is distant to the core activity of traditional newspaper publishers. However, as the hub of the network form, it connects the industry-oriented departments, the new media department and the distribution company.

In NNC, the modular form is underpinned by the System of Platform Responsibility, in which several internal entrepreneurial groups operate online marketing businesses for different specific industries. The groups are extension of traditional departments. The Group of Real Estate Transaction and the Group of Entertainment are extended from corresponding editorial teams in the newsroom; the Web APP Studio is developed from the Department of New Media; and the E-retailing team is operated by the Department of Marketing. Among them, the Group of Real Estate Transactions is the most developed one, which has in the stage of autonomy while the other groups are in the stage of integration. In the view of the chief manage of NNC, the groups are modules that can be either operated independently or assembled to carry
out integral projects (Cao, interview, 2015). The chief manager’s expectation is consistent to the feature of the modular form that has the advantage of keeping the innovation speed of products (Baumann, 2013). To some extent, the groups are similar to the industry-oriented departments in QNC, in which former journalists, reporters and commercial staff are co-operated in the group to conduct marketing projects for different industries.

QNC and NNC have different types of organisational extension and are in distinct stages of organisational re-configuration. QNC is in the network form and the stage of re-integration; while NNC is constructing the modular form and most of the new organisational units are in the stage of integration, just one unit is in the stage of autonomy. The disparity can be attributed to their discrepancy in transition dynamics – QNC is top-down but NNC is bottom-up. As the corporate expansion and organisational re-structuring have taken place, newspaper practitioners in QNC and NNC have to adapt to new professional responsibilities, work routines (Hanitzsch et al., 2010; Wilkins, 2014). Also, they need to cooperate with colleagues from technological and commercial departments. In the view of the interpretative approach of strategic management, these changes are highly associated with the adaption of the new organisational culture (Küng, 2008), which is the third issue examined in this chapter.

Associated with the disparities of corporate expansion and organisational re-structuring, the newspaper practitioners in QNC and NNC have different attitudes towards the activities of new business. The practitioners in QNC are positive to the operation of e-retailing business. In order to develop the e-retailing business, expertise of Internet technologies and commercial activities were recruited, which brought the culture of Internet companies to QNC. Meanwhile, job training is provided for incumbent practitioners. The result of cultural adaption can also be presented by the senior managers’ perception that the e-retailing business would benefit rather than endanger media credibility. By contrast, the newspaper practitioners in NNC are struggling in the process of transition. The most obvious problem is the conflict of interest between individual practitioners and the organisation. The conflict is the structural tension arising due to the incompatibility of organisational strategy in transition (Achtenhagen & Raviola, 2009). The System of Platform Responsibility is built in NNC to re-unify the interests of individuals and the organisation. In terms of the managers’ perception of the online marketing business, there is a controversy between the chief manager and a deputy editor-in-chief. The chief manager denied the risk of journalistic integrity
implicitly while the latter was concerned about the issue. More details about the controversy will be discussed in the next chapter (Section 6.3). Even though the practitioners in QNC and NNC have different attitudes towards the practices of new business, they are similar in prioritising commercial interests. This inclination can be presented more clearly in the analysis of content production, which will be in the next chapter.
Chapter 6 Changes in newspaper production

6.1 Introduction

This chapter is concerned with how production activities in Chinese newspapers are changing in response to digital convergence. Drawing the case studies of QNC and NNC, the questions it sets out to address are: in what ways have content production processes changed because of digitally converged technology? To what extent are editorial and commercial activities now more closely integrated? And how is content affected by the digital convergence and commercial integration? This discussion of production activities in this chapter is based on the analysis of the managerial conditions in the previous chapter. Then, the findings of these two chapters, which are organisational management and content production respectively, will be compared with the government policies in the next chapter.

Content production is affected by trends of industry transitions. In the Chinese circumstance, commercialisation and digitisation are two trends bringing profound influences on the content production of metropolitan newspaper publishers. In the case of QNC and NNC, the changes in management, which were discussed in the last chapter, generate different implications on the content production of the two newspaper publishers. With the corporate expansion, QNC and NNC extend their activities to new areas where the value of content production can be re-exploited. After the organisational re-structuring, the two publishers build up new organisational units in which editorial and commercial activities are integrated. As these two changes in management occurred, the newspaper practitioners, including content producers, need to adjust the cognition of their professional behaviours and adapt to the new working environment. In brief, the changes in content production in this chapter take place in the context formed by the changed managerial strategies that were studied in the previous chapter.

In order to examine the changes in newspaper production affected by the practice of new businesses, this chapter comprises three sections: the digital convergence in newspaper production, the integration of editorial and commercial activities, and the discourse analysis of promotional articles. The first two
sections are concerned with the changes in the production process; and the last section examines the results of the changed production, namely the content products. With the investigation of both processes and results, this chapter aims to reveal the changes in production comprehensively. Moreover, the method of discourse analysis will be adopted in the last section, which triangulates with the data collected through the method of in-depth interviews in the first two sections.

6.2 Digital convergence in newspaper production

The trend of digitisation started in the early 2000s in the Chinese newspaper industry. Then, it was promoted by the prosperity of Internet media in the mid 2000s. Even though the Chinese newspaper publishers began to practise the digital convergence before the prosperity of Internet media, their digital transition was ineffective in improving their competence against Internet media. As Chinese media scholars put it, the practice of digitisation of the Chinese newspaper publishers is “starting early but arriving late” (Song & Huang, 2013). Even so, the digital convergence practised by the Chinese newspaper publishers in the past decade constructs the capability of multi-platform production, presentation and distribution, which is a valuable resource for a diversified businesses. Both QNC and NNC are pioneers of the practice of digitisation in the past decade and the exploration of new businesses in recent years, as introduced in Section 3.5. In QNC, the Omni-media Centre of Tourism, which was founded in 2013, plays an important role in the operation of new business. NNC has successful experiences in developing mobile applications, which facilitates the operation of online marketing business. In addition, both QNC and NNC have co-operated with Internet companies to diversify their newspaper businesses in the Internet market, as introduced in Section 3.2.2. For example, both QNC and NNC built online news websites based on the co-operation with Tencent. Through practising the collaborative projects, the newspaper publishers learned knowledge about operating media business in the Internet market, which is beneficial for their diversified businesses.

The digital convergence in newspaper production has been investigated by the previous studies in different perspectives: the influence on newsroom structure and institution (Domingo et al., 2007; García Avilés et al., 2014; Sylvie & Weiss, 2012), the implication on practitioners’ work routines, professional values and
individual behaviours (Domingo, 2015; Robinson, 2011; Singer, 2015; Wallace, 2013), and the effect on the presentation and distribution of media outputs (Deuze, 2007; Jenkins, 2014; Westlund, 2015). Based on the literature review in Section 2.3.1, the theory of Social-Technical System (STS) is appropriate to interpret the changes of newsroom structure and the production process caused by the digital convergence (Leonardi, 2012; Lewis & Westlund, 2015; Sylvie & Weiss, 2012). Meanwhile, the Actor-Network Theory (ANT) can be referenced to present the complexity of changes and the diversity of actors in the production activities (Domingo, 2015; Domingo et al., 2014; Mico et al., 2013; Spyridou et al., 2013; Weiss & Domingo, 2010).

According to the theory of STS, technological innovation is tightly connected to organisational changes (Sylvie & Weiss, 2012). The socio-technical system was defined as the “recognition of a recursive shaping of abstract social constructs and a technical infrastructure that includes technology’s materiality and people’s localised responses to it” (Leonardi, 2012). This theory was used to present the interactions of media practitioners, technological tools and audience in the context of cross-media news work (Lewis & Westlund, 2015). However, the previous studies are lack of the discussion integrating the changes of technological adoption and organisational structure, which is the gap this section sets out to fill. As analysed in Section 5.3, the organisational re-structuring in QNC and NNC takes the network form and the modular form respectively; meanwhile, the new organisational units of QNC are in the stage of re-integration while that of NNC are mostly in the stage of integration. Therefore, the organisational re-structuring of QNC is more advanced than that of NNC. Associated with the difference of organisational structure, the two publishers are also distinct in the change of production activities. QNC has re-constructed the entire process of content production in the industry-oriented departments. Differently, NNC has focused on re-forming the presence of content products.

6.2.1 QNC: re-constructing editorial process

Driven by the top-down transition dynamics, QNC re-constructs the entire production system, which is strongly supported by its parent group. Specifically, three technological tools were adopted in the content production for the commercial promotion of the e-retailing business. The adoption is mainly carried out in
the industry-oriented departments. Firstly, the database technology, which is based on the data analysis of users’ preference and demand, is helpful in enhancing the relevance of production and the accuracy of distribution. Secondly, the Quick Response (QR) code surrounding the promotional content connects the readers of the printed newspaper to the shopping page on the mobile public platform, which provides the new value of service to the newspaper readers. Lastly, the HTML5 technology is useful in enabling the presentation of content products to be more interactive, entertaining and practical, which is more suitable for distribution in the mobile Internet. The three technological tools have fundamentally changed the ways of newspaper production in QNC. The changes cannot be accomplished without the support of organisational re-structuring. Therefore, the positive relation between technological innovation and organisational re-structuring can be proved.

The database technology is provided by the parent group of QNC, which was began to be built by the group in 2013. The user database comprises the profile of users and audiences in different media outlets operated by QNC and its parent group. It contains newspaper subscribers (online and offline), registered users of local news websites, subscribers of the public accounts on WeChat and Weibo (ZDMG, 2014: 12). The data about users’ preference, behaviour and personal information is regarded as a valuable resource for media businesses, which is agreed by both western and Chinese media scholars (Evens & Van Damme, 2016; Napoli, 2016; Nelson & Webster, 2016; Philip Schlesinger & Doyle, 2014; Song & Huang, 2013). In QNC, the application of database technology aims to facilitate accurate information pushing based on individual preference and to collect more data about individual demands and behaviours, according to the Director of the IT team of the e-commerce company (Zheng, interview, 2015). The application of the user database evidences that the operation of e-retailing business is crucial to the industry transition of QNC and the press group.

In the e-retailing business, the database technology is used to promote goods in public accounts on WeChat, which is carried by an IT team of the e-commerce company. The database technology has two functions. Firstly, it is used to enhance the accuracy of information pushing. According to the director of the IT team, the potential consumers of the e-retailing business are classified into different groups through tagging their features based on individual profiles and behaviour records; then the promotional content is pushed to the group assumed as potential consumers (Zheng, interview, 2015). Secondly, the return path data of
consumers is referenced to revise the plan of commercial promotion and to create promotional content with higher attractiveness (Shou, interview, 2015). For example, most consumers of health foods are middle-aged and older citizens; then, the promotional articles can be deliberately written for catering to their preferences (ibid.). Based on the present two functions, the database technology can be used in the consumer relationship management in the future (Zheng, interview, 2015). In brief, the database technology can satisfy personalised information demands so it is crucial to media businesses in mobile Internet, as introduced in Section 3.3.2.

In the previous studies by western media scholars, media practitioners were found having the attitudes of conservationism and resistance towards the use of data in content production (Boczkowski & Mitchelstein, 2010; Domingo, 2008). However, the situation in the case of QNC is different. It is because the promotional content for the e-retailing business is not typical editorial content. Therefore, journalistic professionalism is not valued as much as that in the production of political and economic news, as discussed in Section 5.4.1. However, the impact generated by the promotional articles on the journalistic integrity should not be neglected. For attracting consumers, the commercial purpose of the promotional articles is often concealed, which probably endanger the journalistic integrity. More details about the promotional articles will be presented in Section 6.4.

The second technological tool is the QR code. It is surrounding the promotional content of retailing goods in the printed metropolitan newspapers or the news websites operated by QNC. It can be scanned by smartphones with the mobile application of WeChat. After scanning, readers can browse the shopping page on WeChat and place orders online. Then, the goods can be delivered by the logistic company of QNC. With the QR code, the static content on the printed newspaper is connected to the shopping page on WeChat, which provides new value of service to newspaper readers. For QNC, newspaper readers’ attention is transferred to the purchasing power of retailing goods, which generates a new revenue stream different from the advertising business model. Moreover, before placing orders on WeChat, the consumer needs to subscribe to certain public accounts operated by QNC. Accordingly, newspaper readers’ attention is converted to the subscription of digital media outlet, namely the public accounts on WeChat. Furthermore, users’ subscription deposits as user database, which implies that the user database is an important resource for the media business on the Internet.
The last technological tool is the HTML5 technology, which is useful to enable the presentation of content products more interactively, entertaining and practically. The content in the form of HTML5 is more suitable for the distribution in mobile Internet. This technological tool is widely adopted by Chinese newspaper publishers to decorate their content outputs. In QNC, it is used to create video games containing the promotional information of retailing goods. The games can be re-distributed on WeChat, either through interpersonal sharing with other users or through public re-posting in the individual profile page. In the latter way, the re-posted game merges into the flow of information in the individual home page “Moments”, then “the word-of-mouth effect would possibly be achieved” (Zheng, interview, 2015). Commercial promotion in interactive games composed by the HTML5 technology improves the content products’ function of entertainment. The function of entertainment is a new value of media products (Caple & Bednarek, 2016). Therefore, content products with this function are more attractive to audiences than that with texts or static pictures.

As the content producers in QNC adopt these the new technologies, routines of content production is changed. The Omni-media Centre of Tourism simultaneously operates four types of outlets: the column in the metropolitan newspaper, the travel channel in the local news website, the independent travel website, and the public accounts in mobile public media platforms. The column in the printed newspaper that is weekly publicised, the other three digital outlets are daily at least. The content team in the Tourism Centre is responsible for generating both public news and promotional content for all of the four media outlets, so the working pace is kept in line with the fastest one, namely daily publication. Affected by the applications of these technological tools, the process of content production in QNC has three changes. Firstly, content producers regularly publish content on WeChat firstly in order to take the feedback of users, namely the return path data. Then, they use the data to direct whether and how to produce content products in following steps. Additionally, content producers need to quicken their working pace because they are in charge of generating original articles and updating content on WeChat hourly. Furthermore, content producers need to co-operate with technicians and salespeople to ensure content outputs are effectively supportive to commercial activities.

Theoretically, the changes of work routines caused by technological adoption usually make media
practitioner feel anxious (Gade & Lowrey, 2011). However, as analysed in Section 5.4.1, the practitioners in QNC actively embrace the technological innovations. In particular, the mobile Internet is prioritised in the production activities, which is in line with the features of Chinese media consumption. According to the editor-in-chief of the tourism centre, breaking news is firstly issued through the public accounts on WeChat. Then, based on the return path data, some topics are selected to make follow-up reports (Wu, interview, 2015). The value of mobile media outlets were interpreted by the deputy manager of the tourism centre,

“At present the newspaper is the most influential brand among all the media outlets owned by the press group, so we need transfer readers’ attention from the newspaper to mobile Internet as soon as possible, because the future of media is in mobile Internet. Moreover, we already take it as the priority of production and distribution.” (Zhu, interview, 2014)

The technological adoption of QNC has fundamentally re-constructed the process of production activities. Functions of the three technologies are complementary. The database technology improves the pertinence and accuracy but the return path data can only be acquired in Internet and mobile Internet. The QR code can transfer readers’ attention from newspapers and websites to the mobile Internet, which is helpful in exploiting the remaining attention on the printed newspaper. When readers and users are gathered in the mobile Internet, they are served by the HTML5-decorated content. The HTML5 technology is dedicated to optimising the format of content products. The adoption of these new technologies changes the work routines of newspaper practitioners. The practitioners’ working pace is speeded and the mobile Internet becomes a priority of content production and distribution.

6.2.2 NNC: re-formatting content product

In order to support the development of the online marketing business, NNC invests on re-formatting the presentation of content products. The investment of re-formation is less than that of entirely re-constructing the production system in QNC. The managers of NNC prioritise the financial cost and instant effect of technological application (Cao, interview, 2015; Cui, interview, 2015). Based on this thinking, the Web App Studio was founded to “support everything about the development of HTML5 in newspaper production” (Cao, interview, 2015). As analysed in the previous section, the HTML5
technology enables textual content interactive, entertaining and sharable, which is more suitable for the
distribution in the mobile Internet. Slightly different from that of QNC, the products created by this studio
are mainly distributed in mobile applications instead of public accounts on WeChat.

As introduced in Section 3.5.2, NNC is a pioneer of developing mobile applications in the Chinese
newspaper industry (Huang & Wang, 2015). This advantage is inherited by the practice of the online
marketing business. A new mobile application was issued in 2015 to support the information service of the
real estate transactions. This mobile application distributes both the general news about the real estate
transactions and the customised information based on the registered users’ personal demand. Meanwhile, it
facilitates the interaction between consumers and businesspeople (Zheng, interview, 2015). Besides, in a
news mobile application, registered users can earn credit through reading news and can use the credit to
buy re-tailing goods sold in the application.

The change of production activities in NNC mainly occurs in the last step, namely re-formatting content
products. Therefore, compared to the re-construction of entire production system in QNC, the change in
production of NNC is insufficiently revolutionary. In fact, the chief manager acknowledged that the
database technology should be included in the information service of real estate transactions to make
information pushing more accurate (Cao interview, 2015). In terms of transferring readers’ attention from
newspaper to mobile Internet, it might be not necessary for NNC, because a large number of users have
registered the mobile applications operated by NNC for years.

The chief manager of NNC stated that providing diverse information services in mobile applications is the
ultimate goal of the online marketing business (Cao, interview, 2015). Cao also acclaimed, a new
relationship of media, consumer and business could be constructed only when media could operate a
platform to generate values for all the above stakeholders; mobile applications are an option of this type of
platform (ibid.). For example, the mobile application of real estate transactions is designed to create value
for registered users, local real estate developers and NNC (Zheng, interview, 2015). The user who registers
with personal information and preference can have a discount in house transaction, and can receive
customised information services. The developers make accurate marketing based on the analysis of
registered users’ demands, which promotes their sales revenue. As the operator of the mobile application,
NNC creates a new connection between consumers and businesspeople, which is different from the connection between readers and advertisers. Consequently, a new revenue model is constructed in the new service.

In summary, although QNC and NNC confront with similar challenges, they are different in the adoption of new technological tools for upgrading their production activities. As with the managerial strategies, the disparity can be attributed to their distinct dynamics of transition. In QNC, the operation of e-retailing business is part of the transition strategy of its parent group. Accordingly, QNC has the affordability of re-constructing the entire production system, in which three new technological tools are adopted and the work routines of practitioners are changed. By contrast, the online marketing business is operated by NNC independently, which is facilitated by the bottom-up passion of internal entrepreneurship. Therefore, NNC has limited investments on the new technology and is eager to construct new revenue stream. Consequently, NNC focuses on re-formatting the presentation of content products through the HTML5 technology, which enables the content products suitable in the distribution on the mobile Internet. In spite of the disparity, the technological adoption in production activities of QNC and NNC is helpful in improving “audience or consumer engagement (Tolvanen, Olkkonen, & Luoma-aho, 2013)”, which aims to redeem the value of readers’ attention should have been capitalised on. In this sense, the technological adoption in production activities is accompanied by appropriate commercial operation. The details about how commercial plans are integrated with content making will be discussed in the next section.

6.3 Integration of editorial and commercial activities

The integration of editorial and commercial activities is in line with the long-lasting trend of commercialisation in the Chinese newspaper industry, as introduced in Section 3.2.1. In particular, Chinese metropolitan newspaper companies were founded for generating revenue to support the operation of local newspaper publishers whose governmental subsidies stopped in the early 1990s. Editorial staff participating in commercial businesses is an “unspoken rule” in the Chinese newspaper industry (Zhao, 2000). The deputy editor-in-chief of NNC also implicitly admitted that the collaboration of editorial and commercial sectors is a long-term practice and was institutionalised by the policy of joint editorial meeting
began in the early 2015 (Cui, interview, 2015). However, the commercial activities conducted by the local newspaper publishers are explained as the function of serving the local economy by some Chinese media scholars (Chen, 2014; Tong, 2005).

In the previous media studies, the commercialisation of media production has been studied in two aspects. Some scholars have managed to find the boundary of editorial and commercial activities (Bærug & Harro-Loit, 2012; Carlson, 2014; Coddington, 2015; Harro-Loit & Saks, 2006; Sjovaag, Carlson, & Lewis, 2015). Some others have paid attention to the implications of commercialisation on media production (Erjavec, 2004; Erjavec & Kovačič, 2010; Hanusch, 2012; Hanusch & Fürsich, 2014; Hanusch et al., 2015; Kovačič & Erjavec, 2010, 2011). Both two aspects will be included in this dissertation. The former will be discussed in this section and the latter will be analysed in the next section. Even though building a boundary is necessary, especially for commercial media who has the dual nature of being the distributor of public news and the operator of media businesses (Allern, 2002). However, the economic pressure of media organisations is increasingly great in recent years. In order to adapt to the new environment, adjusting the standard of making the boundary is more practical than building the boundary based on traditional standards (Carlson, 2014; Coddington, 2015; Hanusch et al., 2015; Sjovaag et al., 2015). With this thinking, this section will illustrate the boundary-breaking process in QNC and NNC, and present how the publishers re-define the boundary.

QNC and NNC have different boundary-breaking strategies, which is affected by their organisational structures. In QNC, the integration of editorial and commercial activities is conducted in the industry-oriented departments. The co-operation of content producers, salespeople and technicians is hybrid editorial production, which aims to capitalise on the potential of editorial productivity. In NNC, the integration is practised based on the joint editorial meeting and the System of Platform Responsibility. Several internal entrepreneurial groups are founded in the System of Platform Responsibility to operate new businesses and their leaders are allowed to join in the weekly editorial meeting. The integration in QNC is implemented in the fixed departments, by contrast, that in NNC is supported by newly issued company policies. Therefore, the integration is more institutionalised in QNC than that in NNC. Again, the difference can be attributed to the disparity of transition dynamics.
6.3.1 QNC: hybrid editorial team

In QNC, the commercialisation of production activities is mainly operated in the industry-oriented departments. These new organisational units are constituted of practitioners from the newsroom and the commercial departments. Content producers and salespeople co-operate in the industry-oriented departments to generate promotional articles for the e-retailing business. They have common interest because their work performances are connected to the revenue of commercial promotions. The editor-in-chief of the Omni-media Centre for Tourism admitted, the co-operation of editorial and commercial staff is “built to resolve the crisis of declining revenue and satisfying demands of advertisers and commercial clients.” (Wu, interview, 2015). In the hybrid editorial production, the work routines and professional standards are significantly different from that in the newsroom. The difference can be summarised as three points in the following context, which is based on the interviews of the editor-in-chief of the Omni-media Centre for Tourism and a content producer of the Department of Health Industry.

Firstly, although the content producers and salespeople are unified in one department and motivated by common goals, their activities are still different. Accordingly, the editor-in-chief of the Tourism Centre advised that these two groups of staff should learn more about each other’s work. The advice can be seen as a new professional standard proposed by an experienced editor. As Wu suggested,

“The content makers should know what is needed in the market and be familiar with which format or style is desirable for a topic, brand or product. Meanwhile, the salespeople should understand what they are selling is not advertisement positions but content creativity and media influence and be able to employ optimal media outlet in commercial promotions.” (Wu, Interview, 2015)

Secondly, as with the work procedure of mainstream journalists, creating content for commercial promotion of the e-retailing business also relies on the comprehensive information collection in the field. In a promotion project using a local travel product, the content producer in the Tourism Centre interviewed not only local government officials but also local consumers and architecture scientists, with the view of introducing the travel product in a persuasively attractive way (Wu, interview, 2015). Similarly, in order to sell a health food product, the content producer in the Health Department interviewed the planter, previous
consumers as well as a doctor (Shou, interview, 2014). The background information is collected via multiple sources, which is in accordance with the professional code of journalism. However, according to the discourse analysis on the selected promotional articles in the next section, only supportive information and positive views appeared in the publications generated by the content producers in the two industry-oriented departments. More details will be discussed in the next section. In fact, the content producer in the Health Department admitted, “creating promotional articles is using the approach of journalism to do copywriting” (Shou, interview, 2014).

Lastly, the hybrid content production is usually carried out as long-term projects rather than a single piece of articles, which is different from the traditional way of newspaper production. For example, the commercial promotion of a health food is supported by a group of articles composing eight articles in the printed newspaper and that of a travel product composing seven items distributed in multi-platform media outlets. These two groups of content products will be made the discourse analysis in the next section. This feature of promotional content production is associated with its market-oriented nature. The purpose of content production is not informing public news but cultivating daily life consumption. In addition, the mutual facilitation of digitisation and commercialisation can be found in this feature. As introduced in the last section, the content producer in the Health Industry uses the return path data of consumers’ feedback on the initial promotional article to guide the follow-up content production, in order to cater to the preference of the target consumer group.

In QNC, the integration of editorial and commercial activities with the three features is fundamentally different from the traditional ways of newspaper content production. However, the implication is open to discuss. When the tradition of journalism is challenged, both negative and positive effects appear. On the negative side, the journalistic integrity is endangered because content production is mixed with commercial promotion, and editors and marketers work together. On the positive side, the new business supported by the mixed levels of productivity creates new revenue for the newspaper publisher who is suffering a survival crisis. In the meantime, the technological applications help the newspaper publisher build the interactive relationship with its readers and consumers. This new relationship makes a significant difference to the publisher who aims to transform from being a single-way information distributor to being a versatile media service provider.
6.3.2 NNC: joint editorial meeting

The joint editorial meeting is a new company policy issued in early 2015. Based on this new policy, the leaders of internal entrepreneurial groups are allowed to join in the weekly editorial meeting. In the meeting, they can pursue the opportunity of cooperating with editorial staff to operate commercial projects. Even though the joint editorial meeting was started in 2015, the cooperation of editorial and commercial activities has been practised earlier than that. According to the deputy editor-in-chief, major editors in different industry sectors began to start having meetings with commercial managers in the middle of 2014; but the meetings were irregular in that period (Cui, interview, 2015). In this sense, the policy issued in 2015 was the institutionalisation of the existing practice. In addition, temporary work teams were usually constructed to implement the decisions made in the irregular meetings, which were joined by editorial and commercial staff. To some extent, these temporary work teams can be seen as the experimentation of the internal entrepreneurial groups. As a result, the two company policies, namely the System of Platform Responsibility and the joint editorial meeting, are interrelated to transform both the organisational structure and the production pattern. The deputy editor-in-chief of NNC, who is also the leader of the Group of Entertainment, illustrated the hybrid content production,

“Commercial staff is in charge of providing the information about commercial client’s demand. Editorial staff is responsible for contributing creative ideas and producing sensational words. These two parts of staff cooperate based on an action plan proposed at the beginning of a project, which includes the responsibilities of both sides and the working steps.” (Cui, interview, 2015).

The greatest concern of integrating editorial and commercial activities is the risk of endangering journalistic integrity. This risk arises in the above illustration clearly. However, the chief manager of NNC explained how the risk is avoided,

“Three areas of news (important news, economics and editorial) are excluded from the joint editorial meeting. Moreover, in the cooperated areas, such as the entertainment industry and the real estate industry, journalists just provide the background information needed for commercial promotion. They are exploiting their professional knowledge, work experience and expertise in the specific industry. However, they are strictly forbidden to take part in commercial activities or get reward from the commercial promotion.” (Cao, interview, 2014)
Apparently these two managers’ descriptions of the content production affected by the joint editorial meeting are controversial. In particular, Cui admitted that editorial staff cooperates with commercial staff to make work plans, while Cao said the journalists just provide background information. Even so, Cui was concerned that the journalistic integrity might be endangered because qualified journalism is becoming unaffordable for a declining industry; moreover, NNC is known for its persistence on professionalism, so the risk would be more harmful to the publisher than other Chinese newspapers (Cui, interview, 2015).

In summary, the integration of editorial and commercial activities in QNC and NNC has broken down the separation of journalism and the commercial business. Even though with different approaches – the hybrid editorial team and the joint editorial meeting, the integrated content production in the two cases is the institutionalisation of a long-lasting but implicit professional misconduct. Moreover, it represents the trend of commercialisation historically exists in the Chinese newspaper industry (Chen, 2014; Zhao, 2000). With this change, the “Great Wall of China” between the journalistic integrity and the commercial interest becomes the “Berlin Wall” when the newspaper business is threatened by economic pressure (Witschge & Nygren, 2009). In QNC, the editor-in-chief of the Tourism Centre suggested modifying the professional standards of both editorial and commercial staff. However, the modification aims to increase the efficiency of their co-operation, instead of building a new balance between keeping journalistic integrity and pursuing commercial interest. In fact, this situation is in line with the positive attitudes held by practitioners of QNC, as analysed in Section 5.4.1. In other words, they are too optimistic about the new business to realise its potential risk on media credibility and journalistic integrity. In NNC, the chief manager tried to deny the mixture of commercial and editorial works. Nevertheless, the illustration and the worry of the deputy editor-in-chief prove that the mixture exists in NNC and possibly degrades the credibility of this established media brand. In brief, the modification of the professional standard to “walk a fine line between editorial and advertising (Hanusch et al., 2015)” cannot be found in the two cases, which reveals the necessity of “norm entrepreneur (Carlson, 2014)” in the Chinese circumstance.
6.4 Discourse analysis of promotional articles

The changes of content outputs affected by digitisation and commercialisation are investigated via the discourse analysis of promotional articles generated by QNC and NNC. In the theoretical perspective, the analysis, which focuses on the result of content production, can verify the findings concerning the changes in the production process. At the same time, in the methodological perspective, the discourse analysis, which reveals the textual features of promotional content, can triangulate the findings of in-depth interviews.

In light of the review of these two special content in Section 2.3.2, the promotional articles in QNC and NNC have similar features with advertorials and lifestyle journalism. They are akin to advertorials in two aspects – generating for commercial interests and uneasy to be differentiated from public news (Erjavec, 2004; Erjavec & Kovačič, 2010; Kovačič & Erjavec, 2010, 2011). Meanwhile, they are similar to lifestyle journalism in three aspects: presenting as practical information (Fürsich, 2012), offering practical utility by news can be used in entertaining ways (Kristensen & From, 2012), and containing market-oriented purposes (Hanusch, 2012). Theoretically, the promotional articles have more similarities with lifestyle journalism than that with advertorials. However, the promotional articles of QNC and NNC are fundamentally different from lifestyle journalism in that they are entirely produced for the commercial business and their practical utility is a tactic to attract readers and convince them of the value of the commercial promotion. Moreover, the promotional articles are not equal to advertorials, because the content producers are stakeholders of the commercial business – QNC is a retailer and NNC is a marketer. In spite of the difference, the textual features of the promotional articles can be analysed based on the previous studies of advertorials. In particular, the schematic structure of news story developed by Van Dijk (1988) and Bell (1991), which was used to examine the textual features of advertorials (Erjavec, 2004; Erjavec & Kovačič, 2010; Kovacic et al., 2010), is appropriate for the discourse analysis of the promotional articles.

Based on the previous studies, three aspects of the promotional articles can be investigated by the analytical framework of advertorials proposed by Erjavec (2004; 2010; 2010) – topic, headline and the choice of information source. The investigation takes the method of discourse analysis that studies oral or
written texts in different perspectives, such as textual, narrative, rhetoric and semiotics (Berger, 2015, p. 173). Firstly, the topic of the promotional articles comprises travel stories, health-keeping guidance and daily consumption advice, which is also regular topics of lifestyle journalism (Hanusch, 2012). Coincidently, initial advertorials emerged in areas of travel, food and cooking, sports and health (Stout et al., 1989). Secondly, this dissertation adopts the connotation of genre used by Erjavec (2004), which refers to the headline, the lead and the satellites. Among the three elements of genre, headlines are the most important, so it will be examined. Lastly, the choice of information source can present how the quotations of interviewees are used to support certain facts or views. In the promotional articles of QNC and NNC, the choice is clearly decided by the commercial purpose.

The promotional articles in QNC and NNC are distributed not only in the printed newspapers but also on WeChat. Therefore, two groups of promotional articles are selected in each case. One consists of articles published in the leading metropolitan newspaper titles – the Qianjiang Evening News and the Southern Metropolis Daily. Another consists of articles distributed on multi-platform outlets, namely both the printed newspapers and WeChat. The promotional articles are selected based on the recommendation of content producers, which are their successful examples of commercial promotion. In the case of QNC, the printed newspaper group includes eight articles for promoting a health food from the column “Health Keeping” from October 2014 to January 2015; the multi-platform media group comprises seven items for promoting a travel product in December 2015 – five on WeChat and two in the column “Leisure & Travel” of the printed newspaper. In the case of NNC, the printed newspaper group consists of five articles for marketing an electronic gadget from August 2014 and December 2014; the multi-platform media group encompasses seven items for marketing a real estate project in one month – three on WeChat and four in the column “Real Estate Weekly” of the printed newspaper.

In practice, the content production for commercial promotion is operated as long-term projects rather than single piece of articles, which is in line with the commercial purpose of cultivating consumption rather than informing public information. What’s more, the text body of the articles distributed on WeChat is almost the same with that in the printed newspapers, sometimes they are decorated with colourful photos, short videos and hyperlinks to shopping sites, according to the interviewees in QNC and NNC. However, the headlines play a crucial role in attracting users on WeChat because only the headlines appear in the
information list pushed by public accounts. Chinese media scholars have found that the sequence and phrasing of headlines have a crucial influence on a subscribers’ action of clicking into body texts (Wang, 2016; Wu, 2014; Zhang & He, 2015).

6.4.1 QNC: approaching reader as “friend”

The production activities of QNC are profoundly changed as the adoption of new technologies and the integration of editorial and commercial activities, as analysed in the above sections. The changes can be presented in the promotional articles generated by the content producers in the industry-oriented departments for the commercial promotion of e-retailing business. In line with the analysis in the last two sections, which takes the Omni-media Centre of Tourism and the Department of Health Industry as the examples of QNC, the promotional articles generated by these two industry-oriented departments are used in this section.

The articles of health foods attract a large number of newspaper readers to scan the QR code around the promotional articles in the printed newspaper, according to the direct of the IT team of the e-commerce company. Therefore, they transfer the readers’ attention to be the traffic of media outlets in the mobile Internet and the subscription of public accounts on WeChat. This situation is understandable because most consumers of health foods are the middle-aged and senior citizens, which are the main readers of the metropolitan newspaper (Yao, interview, 2014). Therefore, A group of articles for promoting a health food is selected. This group of articles promoted for a Chinese herb used as a medicine – Ginseng, which were publicised on the printed newspaper from October 2014 to January 2015 (see Table 6-1). Their headlines are usually longer than the average length of news headline in Chinese newspapers; most of them comprise not only main headings but also eyebrow headlines and subheadings. Moreover, the headlines contain “eye catchers (Erjavec, 2004; Erjavec & Kovačič, 2010; Kong, 2006)”, which refers to the appealing words for commercial promotion, such as “Good ginseng at a low price”, “Experienced ginseng planter” and “preferential price”.
As far as the choice of information source is concerned, the planter and seller of ginseng is the most quoted interviewee. Apart from that, suggestions provided by doctors on how to cook ginseng can be seen as third-party information, but they were just neutral advice, rather than critical ideas. As mentioned above, although content makers in QNC collected plenty of background information for promotional articles, only the supportive ones were included. Moreover, a lot of direct quotation of the ginseng seller was utilised, which possibly lead to the problem of partiality. The choice of source is tightly related to the position held by media (Fairclough et al., 2011). In addition, according to a governmental document issued by a Chinese media administrator in 2001, a news report should avoid using facts provided by just one side of the news event. In this regard, the weak third-party information cannot offset partiality caused by the frequent
direction quotation of the ginseng seller. What’s more, the column of “Health Keeping” has a name similar to other pages of public news, the absence of advertisement sign means that media devote more credit endorsement to the promotion.

In addition, the promotional content of QNC makes a story for goods or brands (Yao, interview, 2014), in order to approach readers as friends. An interesting finding can prove this intention – the name of the ginseng producer continuously changed along the promotion progress. In the beginning, the name was a professional title – the manager of ginseng planting company. Then it became a specific individual – the ginseng planter Jiang Zhaoquan. Finally, it appeared as a salutation – “Lao Jiang”, this sort of salutation is only used for a close friend in oral Chinese. As the copywriter admitted, the gradual transition of the name is a strategy for cultivating the reader to be a consumer (Shou, interview, 2014). It can be deduced that the strategy of changing name aims to let readers gradually accept the ginseng seller as their friend, in order to build consumer confidence on the health food. In fact, interaction between the ginseng seller and consumers was highlighted in the latter articles within the selected group, where the evidence of “friendship” can be seen between the seller and consumers that is intentionally constructed by the content producer.

The travel products sold by the Omni-media Centre of Tourism were promoted in multi-platform media outlets, which benefit from the digital productivity of this department. The tourism business is highly valued in QNC. The column of “Leisure & Travel” in the printed newspaper occupies more pages than other columns; the channel in the local news website and the public accounts on WeChat are dedicatedly founded for distributing travel information and selling travel products. Accordingly, the promotional content of travel products can present the implications of operating new business on the production activities of QNC. A group of articles for promoting the Hello Kitty Park is selected. They were publicised through both the public accounts on WeChat and the column of “Leisure & Travel” in the printed newspaper in December 2015. As with the promotional articles of health food, the promotional articles of travel products also have long headlines with eye catchers, contain stories for commercial brands, and comprise frequent direct quotation of the sellers (see Table 6-2). Apart from these features, they provide practical information, e.g. itinerary suggestion; and attached by the specification of travel package. The deputy manager of the Tourism Centre believed that the itinerary suggestion and travel journals are
valuable to readers even if they do not buy travel products (Zhu, interview, 2014). This opinion is in line with the view that the Chinese metropolitan newspapers have the mission of providing practical information to local consumers (Chen, 2014; Tong, 2005).

Table 6-2 Articles for promoting a travel product on the Qianjiang Evening News and WeChat

<table>
<thead>
<tr>
<th>Date</th>
<th>Headlines</th>
<th>Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>20/11/2014</td>
<td><strong>Public account of “Leisure &amp; Travel”</strong></td>
<td>WeChat</td>
</tr>
<tr>
<td></td>
<td>Inauguration of Hello Kitty Park in Anji: fans of Kitty, hurry up to see the popular spots and get ready to set out!</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hello Kitty 家园落成仪式，凯蒂粉丝们，赶紧了解各种玩法，准备出发吧！</td>
<td></td>
</tr>
<tr>
<td>2/12/2014</td>
<td><strong>Main headline: Kitty Cat coming</strong></td>
<td>Newspaper</td>
</tr>
<tr>
<td></td>
<td><strong>Sub-heading: Exclusive ticket of Hello Kitty Park sold by “Leisure &amp; Travel” on December 5th</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>凯蒂来啦！惊喜抢购点12月5日安吉凯蒂家园门票首发</td>
<td></td>
</tr>
<tr>
<td>4/12/2014</td>
<td><strong>Public account of “Leisure &amp; Travel”</strong></td>
<td>WeChat</td>
</tr>
<tr>
<td></td>
<td>Tomorrow, Kitty and us will wait for you at West Yintai Centre, presale of Hello Kitty Park starts!</td>
<td></td>
</tr>
<tr>
<td></td>
<td>明天，我们和Kitty在西溪国际城等你，Hello Kitty公园预售开始啦！</td>
<td></td>
</tr>
<tr>
<td>5/12/2014</td>
<td><strong>Public account of “Leisure &amp; Travel”</strong></td>
<td>WeChat</td>
</tr>
<tr>
<td></td>
<td>Hello Kitty at West Yintai Centre: Exhibition of Hello Kitty Park in Hangzhou this weekend, click through if you want to buy first-coming ticket</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hello Kitty 在西溪国际城：Hello Kitty公园杭州巡展，点击了解第一时间购票</td>
<td></td>
</tr>
<tr>
<td>5/12/2014</td>
<td><strong>Public account of “Shopping Life”</strong></td>
<td>WeChat</td>
</tr>
<tr>
<td></td>
<td>Hello Kitty Park launched at Anji, opening on New Year’s Day waiting for you [Video Inside]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>全球最大的Hello Kitty 主题乐园入驻安吉，元旦开园等你来哦！ (内含视频)</td>
<td></td>
</tr>
<tr>
<td>9/12/2014</td>
<td><strong>Main headline: “Leisure &amp; Travel” are selling the exclusive ticket of Hello Kitty Park on opening day</strong></td>
<td>Newspaper</td>
</tr>
<tr>
<td></td>
<td>全球限量的Hello Kitty公园开园门票，Hello Kitty公园正在发售</td>
<td></td>
</tr>
<tr>
<td>1/1/2015</td>
<td><strong>Public account of “Qianbao TOWN”</strong></td>
<td>WeChat</td>
</tr>
<tr>
<td></td>
<td>Night sky above Anji lit by the fireworks of Hello Kitty Park as all tickets sold by Qianbao!</td>
<td></td>
</tr>
<tr>
<td></td>
<td>昨晚安吉的夜空被 Hello Kitty 乐园的烟花点亮！门票全被钱塘财包了！</td>
<td></td>
</tr>
</tbody>
</table>

Data Source: the column of “Leisure & Travel” in the Qianjiang Evening News and the public accounts on WeChat
Made by Miao Huang on November 1st, 2016.

As shown in Table 6-2, seven articles for the same promotion project are successively distributed either in the printed newspaper or on WeChat in one month. Five articles are on WeChat, which echoes the statement made by the deputy manager, “put the priority of operation on the mobile Internet (Zhu, interview, 2014)”. Moreover, the articles on WeChat were decorated with digital approaches. The first article contains a hyperlink to the shopping page where users can buy the ticket of Hello Kitty Park. The fifth article includes a video advertisement that is more attractive to users than the textual information. In addition, the articles on WeChat were not only delivered by the public account of the Tourism Centre, namely the “Leisure & Travel”, but also by other influential accounts operated by QNC, e.g. the “Qianbao TOWN” and the “Shopping Life”. In addition, the headline of promotional articles distributed on WeChat is
usually marked by special signs, in order to remind users of the commercial promotion inside. To some extent, the special signs are similar to the sign of advertisement in printed newspapers, which distinguishes promotional articles from public news. In this sense, they are helpful in separating editorial content from promotional content.

6.4.2 NNC: attracting reader with “fact”

In NNC, the promotional articles for facilitating the online marketing business are also distributed both in the printed newspaper and on WeChat. Although the online marketing business of NNC mainly focuses on the real estate transactions, it also serves for other local business. The first group selected for the discourse analysis are five articles for promoting an electronic gadget produced by a local business. And the second group are seven articles for promoting the real estate transactions project. The analysis is based on the same standards of QNC – topic, headline and the choice of information source. The topics of selected articles are daily life consumption and the real estate transaction. The former is similar to the promotional articles of QNC. The latter locates in the intersection of advertorials and business news. Different from the promotional articles of QNC that aims to approach readers as friends, that of NNC is produced to attract readers by seemingly neutral facts of commercial goods and brands.

Table 6-3 shows the first group of articles generated for promoting an electronic gadget. The articles were distributed in the metropolitan newspaper and the daily newspaper from August 2014 to December 2014. The team operating this project developed into the E-retailing Team when the System of Platform Responsibility was established in the early 2015. The development of the team proves that the System of Platform Responsibility is a confirmation of the existing integration of editorial and commercial activities as well as the use of multi-platform media, as discussed above. As shown in Table 6-3, the headlines regularly include the names of commercial brand (Dian Xiao Er) and entrepreneur (Sun Zhongwei), which exposes the commercial purpose clearly. Different from the case of QNC, the eye catchers in the headlines are not appealing words but persuasive words, e.g. the figures about the quality of the product. In addition, the article issued on December 31st, 2014 was an inspirational story about the entrepreneur.
Apart from the features in headlines, the promotional articles of NNC have other features, which cannot be composed in the table. Firstly, journalist by-lines were included in the articles. Moreover, all articles were published without the sign of advertisement or other indicators of commercial purpose. Secondly, the publishing sequence of the articles was intentionally designed, according to the leader of the team (Liu, interview, 2015). By sequence, the five articles were about a charity event, the market competition, the industry trend, a third-party report and the entrepreneur story of the businessman. The content producer believed that the deliberated sequence is effective in building a good image of the brand (ibid.). Based on these facts, it can be concluded that the marketing business can be described as “well-coordinated activities and structured interaction” between the content maker and the commercial client (Grünberg & Pallas, 2013).

Table 6-3 Articles for promoting an electronics producer on the *Southern Metropolis Daily*

<table>
<thead>
<tr>
<th>Date</th>
<th>Main headline</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/06/2014</td>
<td>Mobile power bank entre disaster area, Dian Xiao Er and Ping Sheng offer power charging</td>
</tr>
<tr>
<td>11/09/2014</td>
<td>Take iOS and give up Android, alternative in market of mobile power bank</td>
</tr>
<tr>
<td>24/11/2014</td>
<td>President of Dian Xiao Er, Sun Zhongwei</td>
</tr>
<tr>
<td>25/12/2014</td>
<td>Report on the security checking of mobile power bank collected from readers</td>
</tr>
<tr>
<td>31/12/2014</td>
<td>Twelve-years start-up with endeavor on mobile power bank</td>
</tr>
</tbody>
</table>

Data Source: the *Southern Metropolis Daily* and the *Nanfang Daily*

Made by Miao Huang on November 1st, 2016.

As with the travel product of QNC, multi-platform outlets are used in the online marketing of real estate
transactions – the column of “Real Estate Weekly” in the metropolitan newspaper, the public accounts on WeChat and mobile applications operated by NNC. The devotion is understandable because this industry has contributed a large number of advertisement revenue for NNC (Chen, 2014; Sun, 2003). Table 6-4 shows a group of articles that are concerned with the evaluation of the best house in the City Guangzhou. The sequence of distribution was designed as three steps. In the first step, the notification of the evaluation was delivered in the printed newspaper and on WeChat. In the second step, more details about the event were publicised in the printed newspaper. In the last step, the results of evaluation were announced in both media outlets. In addition, the articles in the newspaper provide more details about the real estate transactions, but that on WeChat just contain brief information. However, the articles on WeChat include the hyperlink to the mobile application that is developed for marketing real estate transactions dedicatedly. The connection aims to transfer the subscribers of public accounts on WeChat to be the registered users of the mobile application. In other words, NNC collects user data via the connection with WeChat. As a result, the three media outlets played different roles in the online marketing business. The column in the printed newspaper distributes the core content. The public accounts on WeChat deliver essential information and transfer the users of WeChat to be the registered users of the mobile application, in which the user data can be collected by NNC.
In summary, the promotional articles of both QNC and NNC are the re-exploitation of content productivity. The producers of promotional articles tried to conceal their commercial purposes through disguising the articles to be either lifestyle journalism or business news. Moreover, they are akin to advertorials in two aspects – generating for commercial interests and uneasy to be differing from public news (Erjavec, 2004; Erjavec & Kovačič, 2010; Kovačič & Erjavec, 2010, 2011). However, they are neither lifestyle journalism and business news, nor advertorials. They are entirely produced for the commercial business and their practical utility is a tactic to attract readers and convince them of the value of the commercial promotion. Moreover, the producers are stakeholders of the commercial business – QNC is a retailer and NNC is a marketer. Based on the discourse analysis, the textual features of the promotional articles can be summarised as three aspects. Firstly, their topics are concerned with lifestyle guidance, consumption suggestion and practical information. Secondly, their headlines contain the eye catchers such as appealing
or persuasive words. Lastly, their choice of information source is mainly the direct quotation of businesspeople. In addition, the promotional articles are distributed in multi-platform media outlets, namely the printed newspapers, the public accounts on WeChat, and the mobile application in the case of NNC. In brief, the presentation and distribution of the promotional articles reflect the adoption of digital technologies in production activities and the integration of editorial and commercial activities.

6.5 Conclusion

This chapter investigates the changes in production activities of QNC and NNC, which are influenced by two trends – digitisation and commercialisation. Drawing on the case study approach, this chapter explores three questions. In what ways have content production processes changed because of digitally converged technology? To what extent are editorial and commercial activities now more closely integrated? And how is content affected by the digital convergence and commercial integration? The three questions are discussed in three sections; the first two are concerned with the process of production activities and the last is about the result of the changed production. Therefore, the discussion in this chapter provides two different perspectives to look at the changes in the production activities. Moreover, data for the two perspectives were collected through distinct methods – the in-depth interviews and the discourse analysis. Accordingly, the findings of production processes triangulate that of production results.

This is the second findings chapter of this dissertation, which is complementary with the first findings chapter to present the changing practices affected by the operation of new businesses of the two Chinese metropolitan newspaper publishers. The production activities investigated in this chapter take place in the context formed by the managerial strategies examined in the previous chapter. The two changes in production – the adoption of technological tools and the integration of editorial and commercial activities – are motivated by the strategy of corporate expansion and facilitated by the organisational re-structuring. Meanwhile, the changing production activities and the cultural adaption of newspaper practitioners are mutually affected. For example, affected by the adoption of new technologies and the operation of commercial activities, the practitioners need to adjust their work routines and professional behaviours, and their adjustments promote the development of new activities in turn.
The first two findings chapters, namely the present and the previous, deal with the issue about how have the Chinese newspaper publishers changed their practices to implement the industry transition and support the operation of new businesses. Their findings will be compared with the state policies concerning the transition of the Chinese newspaper industry in the next findings chapter. In other words, the present and the previous chapters reveal what the newspaper practitioners have done in the time of upheavals of the Chinese newspaper industry; the next chapter will interpret how their practices are interacting with the related state policies. These three chapters provide the findings of the three questions of this dissertation.

The major conclusion of this chapter is that the production activities of the two Chinese metropolitan newspaper publishers are simultaneously affected by the two industry trends – digitisation and commercialisation. The digitisation of newspaper production is a growth as the progression of media technologies, which needs the support of organisational configuration such as capital strength, organisational structure and human resource. In other words, the result of digital transition is limited by the corporate financial performance (Doyle, 2013). Meanwhile, commercialisation is also a practice of commercial media organisations. The Chinese metropolitan newspaper publishers are no exception. In the operation of commercial activities, the digital productivity is a valuable resource to improve competence in the market, especially in the Internet environment. Some Chinese media scholars proposed, the unsatisfactory result of digitisation of Chinese newspaper publishers in the past decade should be attributed to the failure of capitalising the digital productivity to build up new revenue models (Song & Huang, 2013).

In practice, the new businesses of QNC and NNC, namely the e-re-tailing and the online marketing, are the diversified businesses with the aim of exploiting the digital productivity and developing in the Internet market. As a result, the production activities affected by the operation of the new businesses reflect the trends of digitisation and commercialisation at the same time.

Based on the theoretical and practical backgrounds, the changes in the production activities are analysed as two issues: how the production activities are influenced by the adoption of new technological tools, and how they are affected by the integration of editorial and commercial activities. Furthermore, the findings of these two issues are triangulated with the findings of the discourse analysis of the promotional articles generated for the commercial promotions, which is in the last section of this chapter.
In the first section, the adoption of new technological tools in QNC and NNC is presented. Although the two publishers are both oriented to be Internet companies through the industry transition, they are different in the adoption of technological tools, which is associated with the disparity of transition dynamics. The new business of QNC has the support provided by its parent group, so it has the affordability of re-constructing the entire production system. Accordingly, three advanced technologies are adopted in the content production for the commercial promotion of the e-retailing business: the database technology, the QR code and the HTML5 technology. The adoption is mainly carried out in the industry-oriented departments and fundamentally changes their production process. Functions of the three technologies are complementary. The database technology improves the pertinence and accuracy but the return path data can only be acquired in Internet and mobile Internet. The QR code can transfer readers’ attention from newspapers and websites to the mobile Internet, which is helpful in exploiting the remaining attention on the printed newspaper. When readers and users are gathered in the mobile Internet, they are served by the HTML5-decorated content. The HTML5 technology is dedicated to optimising the format of content products. The adoption of these new technologies changes the work routines of newspaper practitioners. The practitioners’ working pace is fastened and the mobile Internet becomes a priority of content production and distribution.

In particular, the utilisation of the database technology is a contested issue. In the previous studies by western media scholars, media practitioners were found having the attitudes of conservatism and resistance towards the use of data in content production (Boczkowski & Mitchelstein, 2010; Domingo, 2008). Besides, the changes of work routines caused by technological adoption usually make media practitioner feel anxious (Gade & Lowrey, 2011). However, the situation in the case of QNC is different. It is partially because the promotional content for the e-retailing business is not typical editorial content. Therefore, journalistic professionalism is not valued as much as that in the production of political and economic news. What’s more, the positive attitude towards the database technology, as well as other new technologies, is consistent to the embrace of new business of the newspaper practitioners in QNC, as discussed in Section 5.4.1. In practice, the adoption of technologies cannot be accomplished without the support of organisational re-structuring, which proves the positive relation between technological innovation and organisational re-structuring.
By contrast, the online marketing business is operated by NNC independently, which is facilitated by the bottom-up passion of internal entrepreneurship. Therefore, NNC has limited investments on the new technology and is eager to construct new revenue stream. Consequently, NNC focuses on re-formatting the presentation of content products through the HTML5 technology, which enables the content products suitable in the distribution on the mobile Internet. A new organisational unit, the Web App Studio, was founded to “support everything about the development of HTML5 in newspaper production” (Cao, interview, 2015). Slightly different from that of QNC, the products created by this studio are mainly distributed in mobile applications instead of public accounts on WeChat. Moreover, the change of production activities in NNC mainly occurs in the last step, namely re-formatting content products. Therefore, compared to the re-construction of entire production system in QNC, the change in production of NNC is insufficiently revolutionary.

In this chapter, the adoption of new technologies in QNC and NNC is analysed based on the theory of STS, which indicates that technological innovation is tightly connected to organisational changes (Sylvie & Weiss, 2012). As reviewed in Section 2.3.1, the previous studies are lack of the discussion of integrating the changes of technological adoption and organisational structure, which is the gap this dissertation can fill. In QNC, the re-construction of production system can be reached because the organisational re-structuring has accomplished integration and autonomy and is in the stage of re-integration. The new technologies are mainly adopted in the production activities of the industry-oriented departments that are financially independent. Moreover, the departments co-operate with the e-commerce company in the network form to generate revenue from the e-retailing business. In other words, the adoption of new technologies is implemented by fixed organisational units and sustained by profitable businesses. Differently, in NNC, the re-formation of content products is carried out through the temporary co-operations between the Web App Studio and other organisational units, which is related to the design of modular form in the organisational re-structuring. Consequently, the connection between adopting the technological tool and operating new businesses is not tight as that in the case of QNC. Therefore, the adoption of new technologies of NNC is less revolutionary than that of QNC, which is associated with the fact that the organisational re-structuring of QNC is more advanced than that of NNC.
In spite of the disparity, the technological adoption in production activities of QNC and NNC is helpful in improving “audience or consumer engagement (Tolvanen et al., 2013)”, which aims to redeem the value of readers’ attention should have been capitalised on. In this sense, the technological adoption in production activities is accompanied by appropriate commercial operation, which is studied in the second section of this chapter.

The integration of editorial and commercial activities is in line with the long-lasting trend of commercialisation in the Chinese newspaper industry, as introduced in Section 3.2.1. In the previous media studies, some scholars have managed to find the boundary of editorial and commercial activities (Bærug & Harro-Loit, 2012; Carlson, 2014; Coddington, 2015; Harro-Loit & Saks, 2006; Sjovaag et al., 2015). As the economic pressure of media organisations increasing, adjusting the standard of making the boundary is more practical than building the boundary based on traditional standards (Carlson, 2014; Coddington, 2015; Hanusch et al., 2015; Sjovaag et al., 2015). QNC and NNC have different boundary-breaking strategies, which is affected by their organisational structures.

In QNC, the commercialisation of production activities is mainly operated in the industry-oriented departments, which can be seen as the hybrid editorial production. These new organisational units are constituted of content producers and salespeople, who are shifted from the newsroom and the commercial departments. The content producers and salespeople should learn more about each other’s work, which can be seen as a new professional standard, in the opinions of the editor-in-chief of the Omni-media Centre for Tourism and a content producer of the Department of Health Industry. The integration of editorial and commercial activities has fundamentally changed the ways of newspaper content production and brought complex implications. On the negative side, the journalistic integrity is endangered because content production is mixed with commercial promotion. On the positive side, the hybrid content benefits the operation of the new business that is crucial for the publisher’s survival.

In NNC, the integration is facilitated by the two new company policies – the System of Platform Responsibility and the joint editorial meeting. The former encourages the newspaper practitioners of NNC to build internal entrepreneurial groups and develop new businesses. And the latter allows the groups’ leaders to join in the weekly editorial meeting. In the meeting, they can pursue the opportunity of
cooperating with editorial staff to operate commercial projects. According to the deputy editor-in-chief, major editors in different industry sectors began to start having meetings with commercial managers in the middle of 2014; but the meetings were irregular in that period (Cui, interview, 2015). In this sense, the policies are the institutionalisation of existing practices. The greatest concern of integrating editorial and commercial activities is the risk of endangering journalistic integrity. However, the two managers of NNC had different reactions to this problem. The chief manager tried to deny the mixture of commercial and editorial works; whilst, the deputy editor-in-chief was concerned about that the mixture would degrade the credibility of this established media brand.

In summary, the integration of editorial and commercial activities in QNC and NNC has broken down the separation of journalism and the commercial business, with different approaches – the hybrid editorial team and the joint editorial meeting. The practice represents the trend of commercialisation historically exists in the Chinese newspaper industry (Chen, 2014; Zhao, 2000). With this change, the “Great Wall of China” between the journalistic integrity and the commercial interest becomes the “Berlin Wall” when the newspaper business is threatened by economic pressure (Witschge & Nygren, 2009).

In QNC and NNC, the promotional articles generated for supporting the operation of new businesses can reflect the implications of digitisation and commercialisation on content products. In order to reveal the implications, three aspects of the articles are investigated by the analytical framework of advertorials proposed by Erjavec (2004; 2010; 2010) – topic, headline and the choice of information source. The promotional articles are distributed not only in the printed newspapers but also on WeChat. Therefore, two groups of promotional articles are selected in each case. One consists of articles published in the leading metropolitan newspaper titles – the Qianjiang Evening News and the Southern Metropolis Daily. Another consists of articles distributed on multi-platform outlets, namely both the printed newspapers and WeChat. In both publishers, the content production for commercial promotion is operated as long-term projects rather than single pieced articles, which is in line with the commercial purpose of cultivating consumption rather than informing public information.

The producers of promotional articles tried to conceal their commercial purposes through disguising the articles to be either lifestyle journalism or business news. However, the commercial nature of the articles is
closer to advertorials than to lifestyle journalism and business news, because the publishers are stakeholders of the commercial promotion – QNC is retailer and NNC is marketer. Based on the discourse analysis, the textual features of the promotional articles can be summarised as three aspects. Firstly, their topics are concerned with lifestyle guidance, consumption suggestion and practical information. Secondly, their headlines contain the eye catchers such as appealing or persuasive words. Lastly, their choice of information source is mainly the direct quotation of businesspeople.

Apart from the three common features, the promotional articles of QNC and NNC have individual characteristics. The articles of QNC are approaching readers as “friends”. The content producers make stories for the promoted commercial goods or brands (Yao, interview, 2014). An interesting finding can prove this intention – the name of a health food producer continuously changed along the promotion progress, from a professional title to a individual name and a salutation that is only used for a close friend in oral Chinese. Moreover, the interaction between the ginseng seller and consumers was highlighted in the articles, which aimed to evidence the “friendship” between them, according to the content producer of the Department of Health Industry (Shou, interview, 2014). In addition, the deputy manager of the Omni-media Centre for Tourism believed that the itinerary suggestion and travel journals are valuable to readers even if they do not buy travel products (Zhu, interview, 2014). Differently, articles of NNC are attracting readers with “facts”, e.g. the figures about the quality of the product. Meanwhile, the articles of NNC have other features: journalist by-lines were included in the articles, all articles were published without the sign of advertisement or other indicators of commercial purpose, the publishing sequence of the articles was intentionally designed. Moreover, the distribution of the articles generated for the online marketing of the real estate industry crossed different media outlets, which echoes the priority of this area in the operation of new business of NNC. The column of “Real Estate Weekly” in the printed newspaper distributes the core content. The public accounts on WeChat deliver essential information and transfer the users of WeChat to be the registered users of the mobile application dedicated to the real estate transactions, in which the user data can be collected by NNC.

In summary, the promotional articles of both QNC and NNC are the re-exploitation of content productivity. However, the integration of editorial and commercial activities brings about problems for the practitioners and administrators. It puts the journalistic integrity and media credibility in risk. Moreover, the potential
harm of the risk is possibly under-estimated or ignored by the newspaper managers when they have to deal with a financial crisis. In fact, the invasion of commercial interests on journalistic integrity has always existed in the Chinese newspaper industry because the professional ethics of journalism is lack of supervision based on the Chinese media policy system. The association between the industry practice and government policy will be studied in the next Chapter.
Chapter 7 State policies and industry practices

7.1 Introduction

The two previous findings chapters have looked at how the growth of digital convergence has transformed management strategies and production activities at the two Chinese metropolitan newspaper companies. This chapter examines how have the industry practices mutually interacted with the related state policies. Data for the discussion in this chapter was collected from various sources: governmental policy statements, policy documents, interviews with relevant experts, and the information from the case study organisation. In order to interpret the interaction between the state policies and the industry practices, this chapter will investigate three sub-questions: what state polices are related to the changing newspaper practices? How the industry practices are consistent to the relevant state policies? How the practices conflict with the policies? The discussion of this three sub-questions will be based on the findings of the two previous chapters.

In the first section, the current state policies related to the changing newspaper practices will be introduced. Different from the introduction of background information in Chapter 3, this section will focus on the status quo of governmental administration in the Chinese newspaper industry. Moreover, this section will adopt the theoretical framework integrated by the stakeholder analysis and the network approach to interpret different interest groups and their interactions. In particular, this section will reveal the key points of the national strategy of media convergence, and the implications of the strategy will be analysed in the second section. What’s more, this section will present the administrative policies of commercial activities of newspaper publishers, which is closely related to the operation of new business in Chinese metropolitan newspaper companies.

In the second section, the consistencies of state policies and industry practices will be analysed in light of the key points of the convergence strategy revealed in the last section. Three concepts proposed by state policymakers can be referenced to represent the key points – “Internet Thinking”, “Integrated
Development” and “Internet Plus”. In the case of QNC and NNC, practices consistent to the three key points are: the strategy of “To be an Internet company”, the integration in organisational structure and production activities, and the collaboration with Internet companies. In the discussion of consistencies, the practices of QNC and NNC will be combined to compare with the key points because they have more similarities than disparities.

In the third section, two conflicts between state policies and industry practices will be discussed – the conflict of administrative segregation and digital convergence and the conflict of keeping professional ethics and pursuing commercial interests. The two conflicts are the major problems facing policymakers, administrators and practitioners in the Chinese newspaper industry, and can be reflected by the operation of new businesses in QNC and NNC.

7.2 State policies related to changing newspaper practices

The newspaper industry is a sector where state policies have a heavy influence on professional activities because this industry not only generates economic benefits but also political and cultural effects (Doyle, 2013, p. 165). This is particularly the case when the Chinese newspaper industry is concerned. The press policies are regarded as the political ideology of the Party State (Zhao, 2000). In addition, the newspaper industry is experiencing upheavals. Therefore, its regulation are adjusted regularly, in order to ensure the effectiveness of governmental administration (Lee et al., 2015). However, the administration takes the political ideology as priority and pays few attention to regulate the economic activities of the industry (Qiang & Liu, 2015). What’s more, the adjustment of regulation cannot keep up with the rapid changes in industry practices. Accordingly, some unexpected consequences emerged.

7.2.1 Stakeholders and the policy network

Media policies in China are characterised by the “experimental nature (Chin, 2011)” . Their formulation and implementation are an evolving process comprising gradual adaption and continual learning (Yu & Su, 2009; Zhou, 2005). Therefore, the state policies related to changing newspaper practices can be
investigated through the perspective of policy process. In particular, the stakeholder analysis and the
network approach are suitable for examining the stakeholders’ interactions and influences on policymaking
and execution in the Chinese newspaper industry.

Based on the view of stakeholder analysis, four groups of stakeholders can be found in the policies related
to the changing newspaper practices: policymakers in the central government, policy implementers in local
governments, state-owned traditional media organisations, and commercial media organisations in the
Internet market. This classification is based on the System of Administrative Segregation that separates the
administration of Chinese media by industry categories and geographical regions (Guosong Shao et al.,
2016; Yu & Su, 2009), as introduced in Section 3.4.1.

The first group is the policymakers in the central government, which comprises the State Council and the
domain-specific administrators such as the State Administration of Press, Publication, Radio, Film and
Television and the Cyberspace Administration of China. The State Council and the domain-specific
administrators have the same interest in media policies, and the former supervises the latter. Therefore,
they can be categorised as one interest group. The second group is the policy implementers in local
governments, which consists of the local branch of the CPC and the local branch of the domain-specific
administrators. The former is responsible for the security of political ideology and the latter is in charge of
the quality of professional media activities in specific domains. They implement the policies issued by the
central government. Meanwhile, they are subsidiary departments of local governments. Consequently, if a
local government values the economic performance of local media, as its subsidiary departments, the local
implementers possibly take economic interests higher than the strictness of policies issued by the central
government.

The third group of stakeholders is the state-owned traditional media organisations, in which QNC and
NNC are included. This category encompasses the majority of broadcasting and press media in China. In
particular, some advanced traditional media organisations are appointed by the central government as test
points of the national strategy of media convergence, in order to be leaders of media convergence in the
following stages (Song, Interview, 2015). As leading subsidiary companies of provincial press groups,
both QNC and NNC are the text points (ibid.). Theoretically, they are in the coalition with the central
government and the local implementers. However, some conflicts emerged in their practices of the new businesses, which will be analysed in Section 7.4. Even so, their practices of industry transition are consistent to the key points of the national strategy of media convergence, which will be discussed in Section 7.3.

The forth group of stakeholders is the commercial media organisations in the Internet market. It comprises different Internet media organisations who are both rivals and collaborators of newspaper publishers. One of the key points of the convergence strategies is concerned with the collaboration of press media and Internet media. Both QNC and NNC have co-operated with different Internet companies in the operation of new businesses, which will be stated in section 7.3.3. The competition between newspaper publishers and Internet media in China began in the early 2000s, which has been with the progress of digitisation in the Chinese newspaper industry, as introduced in Section 3.2.2.

All the stakeholders have influences on the formation, execution and modification of Chinese media policies, and they have to accept the result of negotiations of different interest groups (Brugha, 2000). In the time of upheavals, they have conflicts of interest in some areas and communities of interest in others, which forms a complex network of media policies. In other words, the classification of four groups of stakeholders in the Chinese newspaper industry is too fixed to reveal the change of interest coalition. Therefore, the network approach is adopted to interpret both co-operation and conflict of different stakeholders, which takes policy process as an interactive network (Adam & Kriesi, 2006; Blanco et al., 2011; Kriesi et al., 2006; Sandström & Carlsson, 2008). As a result, it offers a dynamic view to complement the fixed angle of stakeholder analysis. In particular, the policy network studied in this dissertation can be explained as the bargaining type of interactive network in the centralised distribution of power, which is “an intermediate or ambivalent type characterised by both conflict and co-operation (Adam & Kriesi, 2006)”. The co-operation can be presented by the three aspects of consistencies in Section 7.3 and the conflict has two aspects of reflection in Section 7.4.
7.2.2 National strategy of media convergence

Media convergence was enacted as a national strategy in 2014. In fact, the digital convergence in the Chinese newspaper industry has developed for one decade, which was reviewed in Section 3.2.2. Accordingly, the state policies about the digital convergence have also evolved with the development of industry practices. The policies are essential preparation for the enactment of media convergence as a national strategy in 2014. As presented in Section 3.4.3, they proposed a gesture in deregulating administrative segregation, confirmed the identity of state-owned commercial newspaper publishers, and prioritised digitisation in the development of newspaper industry and combining administrators of press and broadcasting media.

With the preparation, top leaders of the central government issued two directives in 2014. The Propaganda Chief Liu Qibao delivered an article in the People’s Daily – “Accelerate the Promotion of Converged Development of Traditional Media and New Media” in April (People.com, 23/04/2014). The President Xi Jinping issued a document dedicated to the issue of media convergence – the “Guiding Opinions for the Converged Development of Traditional Media and New Media” in August (Xinhua.com, 18/08/2014). It was the first time that the top leaders of the central government paid attention to a specific issue in Chinese media industries. The central government released the kernel content of the convergence strategy. The excerpt of the kernel content is translated as below:

Xi Jinping emphasised that, in order to promote the convergence of traditional and new media, we must comply with the law of news communication and the law of new media operation. We should strengthen the “Internet Thinking (Hu Lian Wang Si Wei)”. The traditional and new media should complement advantages with each other, in order to achieve the “Integrated Development (Yi Ti Hua Fa Zhan)”. [...] Also, we must pay attention to the issue of convergence and the issue of administration at the same time, for guaranteeing the convergence develop in a correct direction.

The two directives are concerned with three key points, which can be refined as three concepts proposed by state policymakers – “Internet Thinking”, “Integrated Development” and “Internet Plus”, according to a scholarly media expert who has access to in-house governmental documents (Song, interview, 2015).

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6 The translation is based on the English version of the directive retrieved from chinacopyrightandmedia.wordpress.com on December 20th 2015. In light of the original Chinese text retrieved from Xinhua.com, it is amended by Miao Huang.
first key point, namely the “Internet Thinking”, reveals the core of media convergence – the transformation from traditional media to Internet media (Song, 2014). It is a strategy for transforming the operation of traditional media in the pattern of Internet media (ibid.). Therefore, the practice of the “Internet Thinking” is a transition process that is more comprehensive than the adoption of digital and networking technologies. As a result, the proposition of the “Internet Thinking” not only continues the policy inclination of digitisation, but also stimulates the re-exploitation of digital productivity. In addition, policymakers’ advocacy on the “Internet Thinking” is driven by the goal of re-claiming state-owned media’s dominance of public opinions in the Internet (Song, interview, 2015). Therefore, in the practice of the “Internet Thinking”, the state-owned traditional media organisations are in a policy coalition with the policymakers.

The second key point – the “Integrated Development” – refers to the integration of different aspects of media activities, including content production, outlets construction, platforms operation, commercial operation and content administration (Song, interview, 2015). In the Chinese newspaper industry, the integration of content production, outlets construction and platforms operation has similar connotation with the practice of digitisation, which aims to upgrade publishers’ content productivity with multi-platform media approaches and enhance their capability of distribution in multiple outlets and platforms. In this regard, the first three aspects of integration are associated with the “Internet Thinking”. In terms of the forth aspect of integration, namely commercial operation, it is in line with the practice of commercialisation that have existed in the Chinese newspaper industry more than two decades. Also, it is echoed by the operation of new businesses in the case of QNC and NNC. As far as the aspect of content administration is concerned, it refers to the control of media content for the security of political ideology (Song, interview, 2015), which is akin to the political goal of the “Internet Thinking”. Even so, in the concept of “Integrated Development”, considerations about economic activities are more than that about political missions. Therefore, this concept can be see as the result of a policy learning process (Chin, 2011), which shows the extension of Chinese media policymaking from political controls to the guide for the development of industry economy.

The last key point – the “Internet Plus” – is a buzzword of Chinese state policies in recent years. This concept was involved in the “2015 Report of Government Work” (Gov.cn, 08/08/2015), which indicates a
broader integration between the Internet industry and traditional industries such as manufacturing industry, financial industry and media industry (Song, 2014). Specific to the newspaper industry, the policymakers encourage the collaboration between press media and Internet media, meanwhile, they also expect some state-owned media can re-claim the dominance of public opinions in the Internet (Song, interview, 2015). This attitude can be explained by the situation of “asymmetric bargaining” of the policy network, in which different stakeholders not only conflict but also cooperate with each other (Adam & Kriesi, 2006). In fact, stakeholders in a policy coalition can have different interests (Van den Bulck & Donders, 2014b), so it is understandable that their relationship depends on the need of specific interest.

Thanks to the top directives enacted by the Propaganda Chief and the State President, different governmental departments began to actively advocate the strategy of media convergence. The central administrators of broadcasting and press media converged in 2013, as introduced in Section 3.4.3. However, they still separate from the administrator of Internet media – the Cyberspace Administration of China. After the enactment of the convergence strategy, the chief officer of the Cyberspace Administration of China delivered a speech to suggest that media production should be upgraded with advanced Internet technologies (People.com, 28/08/2014). Besides, the chief officer of the Ministry of Industry and Information Technology published an article to advise that more co-operation should be created among telecommunication, Internet, media and digital device manufacturers (People.com, 18/05/2015). Moreover, the State Council issued a document to encourage the application of database technology, which was closely related to the information distribution business in media (Gov.cn, 05/09/2015). The involvement of different administrators can be interpreted as the “low to moderate potential for incremental change” (Adam & Kriesi, 2006), which is one of the features of the bargaining type of interactive network. Although traditional media, Internet media and other Internet players already have long-term co-operation, the unity of their administrators was not achieved until the powerful stimulation emerged, namely the enactment of top directives. This fact proves that the state government heavily influences the media activities in China (Tong & Sparks, 2009; Zhao, 1998, 2015).
7.2.3 Governmental administration of commercial activities in media

The new businesses of QNC and NNC, namely the e-retailing and online marketing, exceed the traditional scope of the newspaper industry. However, as analysed in the previous two chapters, they are closely relevant to the traditional commercial activity of media – advertising. Therefore, the regulation of advertising in China can be referenced to examine them. At the same time, in order to support the operation of new businesses, the production of promotional articles blurred the boundary of editorial and commercial activities. The practice of promotional production is against the regulation of journalism and the ethics of the journalistic profession. Accordingly, the contested practices can be analysed based on the related regulations. In addition, the operation of new businesses heavily relies on the content distribution on the Internet and mobile Internet. Consequently, the practices can be examined by the regulation of the Internet media. In brief, the policies of the advertising, journalism and Internet media are related to the operation of new businesses in QNC and NNC.

Advertising business is the major commercial activity of media organisations. Chinese metropolitan newspaper publishers are no exception. In China, the primary regulator of advertising business is the State Administration of Industry and Commerce; the main regulatory basis is the Advertising Law that was initially enacted in 1995 and revised in 2015. In both versions of the law, media organisations are required to provide the sign of advertisement that is clear enough for consumers to distinguish the advertisement from editorial content. Moreover, the law strictly forbids publishing advertisements in the presence of public news or other types of editorial content. This prohibition is in accordance with some departmental regulations issued by the administrator of journalism, which will be introduced soon. In addition, in the revised version of the law, the punishment of using exaggerated adjectives in advertisements was increased, which aims to reduce the misleading effect for consumers (Li, 2015; Xu & Yan, 2015).

The major regulation for the Chinese newspaper industry is the “Provisions on the Administration of Newspaper Publication (Bao Zhi Chu Ban Guan Li Gui Ding)” that was issued in 1990 and revised in 2005. Apart from the Provisions, several governmental documents were issued for regulating different newspaper activities. In these documents, the regulative requirements related to the protection of journalistic integrity from the invasion of commercial interest can be classified as two categories. The first is concerned with
journalistic production and the presentation of media content. A document issued in 1993 required that editorial production needs be strictly separated from commercial businesses\(^7\). A document issued in 1997 provided more specific prohibitions – news needs to be distinguished from advertisement and sponsored content; special page, column, issue and program are equal to advertisement and need be marked with recognisable signs; and sponsored content are allowed to contain the name of commercial brand and goods but it is banned to be created for commercial purposes\(^8\). A document issued in 2011 required that news reports need to avoid using the information provided by a single source\(^9\). The second category is about the professional conduct of media practitioners. A basic rule, which was repeated by the Provisions and other two regulative documents, is that, journalist and editor are forbidden to participate in the advertising business and any other commercial businesses. The two documents\(^10\), which were issued in 2009 and 2011 respectively, are dedicated for supervising the professional conducts of journalism practitioners. In addition, the Provisions also prohibit the media staffs in commercial departments to interrupt editorial production.

With regards to the self-discipline of Chinese journalism, its development falls behind with the modification of regulatory documents of the governmental administration, and much slower than the growth of industry practices. The “China’s Journalism Practitioners’ Code of Professional Ethics (Zhong Guo Xin Wen Gong Zuo Zhi Ye Dao De Zhun Ze)” was initially issued in 1991, which was not revised until 2009. During the two decades, the Chinese newspaper industry experienced fundamental changes, which significantly influenced the perceptions and behaviours of journalism practitioners. Accordingly, the first version of the Code was useless for a long time before revision. In addition, the “Committee of Journalism Ethics (Xin Wen Dao De Wei Yuan Hui)” was founded in some selected regions in 2013 with the support of the state government (Yang, 2014). The Committee is oriented to promote self-discipline of Chinese journalism. Moreover, representatives from the public are included in the Committee for strengthening the supervision power of outsiders (ibid.). To some extent, the revision of the Code and the

\(^7\) The “Notice on Strengthening Professional Ethics of Journalism and Forbidding Paid News (Guan Yu Jia Qiang Xin Wen Dui Wu Zhi Ye Dao De Jian She, Jin Zhi “You Chang Xin Wen” De Tong Zhi)” issued in 1993
\(^8\) The “Several Provisions on Forbidding Paid News (Guan Yu Jin Zhi You Chang Xin Wen De Ruo Gan Gui Ding)” issued in 1997
\(^9\) The “Several Provisions on Taking Strict Precautions against False News Reports (Guan Yu Yan Fang Xu Jia Xin Wen Bao Dao De Ruo Gan Gui Ding)” issued in 2011
\(^10\) The “Measures for the Administration of Press Cards (Xin Wen Ji Zhe Zheng Guan Li Ban Fa)” in 2009 and the “Measures on the Registration of Professional Misconduct Record of Journalist and Editor (Xin Wen Cai Bian Ren Yuan Bu Liang Cong Ye Xing Wei Ji Lu Deng Ji Ban Fa)” in 2011.
establishment of the Committee can be seen as a progress of the professional ethics of Chinese journalism. Also, the progress reflects the urgency to re-negotiate the related issues in a changing context. As scholars advise, the unethical behaviours emerging in the new practices provide an opportunity for the “re-negotiation of journalism ethics (Lee et al., 2015)”.

The Internet media in China is regulated by two documents: the “Regulation on Internet Information Service (Hu Lian Wang Xin Xi Fu Wu Guan Li Ban Fa)” issued in 2000 and the “Provisions on the Administration of Internet News Information Services (Hu Lian Wang Xin Wen Xin Xi Fu Wu Guan Li Gui Ding)” issued in 2005. Their revising drafts for advices were released in 2012 and 2016 respectively. Therefore, by the middle of 2016, the valid versions of the two documents were issued one decade ago at least. Considering the time lag of the policy modification, it is no wonder that most requirements in these two documents are concerned with the security of political ideology. What’s more, as introduced in Section 2.3 and 3.3, the majority of Chinese media activities take place on the Internet and mobile Internet. However, the regulation of Internet news was just to be revised. As a result, policy loopholes emerged in the administration of new practices of newspaper publishers.

7.3 Consistencies of policies and practices

Contemporary media policies in China favour the transition of the newspaper industry, which can be shown by the key points of the national strategy of media convergence. The consistencies facilitate the operation of new businesses of QNC and NNC because the publishers can take advantage of policy preference to acquire exclusive resources, such as license permission, tax exemption or a policy barrier to competitors (Liu & Han, 2015). The consistencies of the key points and the practices of new businesses in QNC and NNC appear in three aspects. Firstly, both QNC and NNC orient their new businesses to the Internet market, which is in line with policymakers’ advocacy of the “Internet Thinking”. Secondly, the concept of “Integrated Development” can be reflected by the organisational re-structuring and the integration of editorial and commercial activities in QNC and NNC. Lastly, the two newspaper publishers have external collaboration with different Internet players, which is in accordance with the concept of “Internet Plus”.
7.3.1 “Internet Thinking” and “To be an Internet company”

The “Internet Thinking” is stressed by the state leaders in the two directives concerning the issue of media convergence. Associated with it, the administrators of the Internet industry participated in the advocacy of media convergence. Then, a supportive context for exploiting Internet technologies forms in the Chinese newspaper industry. The advocacy of media convergence is also the confirmation for the practices of digitisation and Internet-based businesses of Chinese newspaper publishers for one decade, which reflects the “experimental nature (Chin, 2011)” of Chinese media policy. As the pioneers of digitisation and the operation of new business in the Chinese newspaper industry, QNC and NNC have carried out many activities oriented to the Internet market. The e-retailing business of QNC and the online marketing business of NNC are in this case. Moreover, the operation of new businesses is motivated by a common strategic goal shared by the chief managers of the two publishers – “to be an Internet company” (Cao, interview, 2015; He, interview, 2014). This strategic goal is intrinsically consistent to the “Internet Thinking”.

In particular, the state government emphasised the development of mobile Internet (People.com, 23/04/2014), which is in line with the dramatically increasing usage of the mobile Internet in China, as introduced in Section 3.3.1. Several state policies were released to facilitate the infrastructure construction of the mobile Internet and its application in commercial businesses (Liu & Han, 2015). Consistent to this policy inclination, QNC and NNC adopt diverse technologies to support the activities the mobile Internet. QNC places the QR code around the promotional articles on the printed newspaper and puts hyperlinks at the end of the promotional articles on WeChat. The QR code can be scanned by smartphones; then, readers can enter shopping pages of the promoted goods. The utilisation of the QR code converts newspaper readers’ attention to be user behaviours on the mobile Internet, including the subscription of public accounts on WeChat, the traffic of shopping pages, and the purchasing power of retailing goods. The hyperlinks transfer the traffic of public accounts to that of the shopping pages and the purchasing power of retailing goods, which is way to re-exploit digital productivity and extend users’ engagement.
NNC prioritises the development of mobile applications. It developed a mobile application dedicated for the information service of real estate transactions. The mobile application distributes public news and personalised information, supports the interaction of consumers and businesspeople. With the development of mobile applications, NNC transfers its editorial productivity, the value of media brand and the capability of commercial operation from traditional media outlets (printed newspapers and news websites) to an advanced media outlet on the mobile Internet. It adopts the HTML5 technology to re-format the presence of media content, which enable media content more interactive, entertaining and sharable, which is particularly suitable for the distribution on the mobile Internet.

The database technology is highlighted in the state policies. As mentioned above, the State Council issued a document in 2015, which encouraged the application of database technology (Gov.cn, 05/09/2015). Policymakers took big data and cloud computing as basic tools of conducting activities on the Internet and mobile Internet (Gov.cn, 05/09/2015). This policy inclination is echoed by the adoption of user database technology in the e-retailing of QNC, as discussed in Section 6.2.1. However, the utilisation database technology needs a large amount of initial investment and continuous input for sustaining its operation, which is unaffordable for most Chinese newspaper publishers who are currently under economic pressure. The deputy editor-in-chief of NNC argued, “newspaper publishers should not invest too much on the fundamental technologies of Internet activities because we have no competence with the Internet-originated players; instead, we’d be better to make use of the public platform built by qualified Internet players” (Cui, interview, 2015). The divergence of adopting database technology reveals the gap between the expectation of policymakers and the strategic option of newspaper managers. It implies that the state policies containing supportive conditions for industry practices may lack the realistic consideration of publishers’ capability and affordability, which possibly impairs the policy implementation.

7.3.2 “Integrated Development” and integration in organisation and production

The concept of “Integrated Development” refers to the integration of different aspects of media activities,
including content production, outlets construction, platforms operation, commercial operation and content administration (Song, interview, 2015). The five aspects cover all the current media activities in China: the production of multi-media content; the construction of multiple distribution outlets; the operation of multiple platforms; the operation of commercial businesses; and the administration of political ideology (Song, interview, 2015). With this concept, the connotation of media convergence expands from the co-operation of multiple media approaches in production and distribution (Cai, 2005) to the integration of different sectors of media activities (Song, 2015). In fact, these expanded activities have existed in the Chinese newspaper industry for a long time, as introduced in Section 3.2. Therefore, as with the “Internet Thinking”, the “Integrated Development” is an official confirmation for prevailing industry practices.

QNC and NNC practise the “Integrated Development” in distinct ways, which is associated with their disparity of transition dynamics, as discussed in the previous two Chapters. Even so, they are similar in that the integration occurs in both the organisational re-structuring and the alteration of content production. In practice, these two activities are interactively affected and constructed. As analysed in Section 5.3 and 6.3, the new organisational units or systems were founded, within which the separation of editorial and commercial activities was removed. In other words, the case study analysis reveals that the activities of organisation and production are simultaneously integrated. The integration is consistent to the concept of “Integrated Development”.

In the article about the convergence strategy delivered by the Chief Propaganda, the issue of recruitment and working performance evaluation was also proposed as a problem should be resolved with the “Integrated Development” (People.com, 23/04/2014). The Chief Propaganda suggested that traditional media should recruit new staff with the expertise of Internet technologies and commercial operation. He also advised that the evaluation standard of working performance should be modified, in order to motivate media practitioners in the new work environment (ibid.). When the state-owned traditional media organisations were identified as public institutions, their employees had the privilege of established posts (or “iron rice bowl”), which means they had exclusive welfare benefits and would never be fired (Xia, 2013). In such situation, the employees had few motivations to improve their working performance. The privilege was abolished when the media organisations transformed from public institutions to commercial enterprises (Lu, 2009). Consequently, the evaluation standard of working performance needs modification.
Due to the loss of privilege, job positions in the transformed media organisations are not as attractive as that before. Moreover, the salary provided by the traditional media organisations is limited by their financial capability. By contrast, job seekers with expertise of Internet technologies and commercial operation can find satisfying job in Internet companies. Consequently, it is difficult for the traditional media organisations to recruit competent staff who can support their new businesses efficiently.

The shortage of the expertise of Internet technologies and commercial businesses is a common problem faced by QNC and NNC. However, the two publishers address this problem in different manners. As discussed in Section 5.4, in QNC, the number of staff in sales positions almost doubled and that in technology positions increased by nearly four times from 2012 to 2015 (ZDMG, 2012-2015). The practice of QNC is consistent to the expectation of policymakers. However, in NNC, “there is no recruitment for the new business at present, practitioners are all transferred from traditional departments”, confirmed by the chief manager (Cao, interview, 2015). What’s more, a blog article of a manager in NNC revealed that more and more experienced editorial and commercial staff resigned for jobs in Internet companies or individual start-ups (Luan, 2015). As a result, NNC has problems of recruitment and brain drain.

7.3.3 “Internet Plus” and collaboration with Internet competitors

The audience attention and advertisement revenue of press media was syphoned by Internet media, search engines and social networking sites due to the effect of disintermediation (Doyle, 2013). However, press media need to co-operate with the disintermediators because they need to reach audiences, as well as monetise their editorial productivity and media brand. The collaboration can complement the shortage of press media in digital production and distribution (Gade & Raviola, 2009). Therefore, it is encouraged by the top directives about the convergence strategy (People.com, 23/04/2014). In line with the state policies, the chief officer of the Ministry of Industry and Information Technology delivered a speech to support the co-operation of telecommunications operators, Internet companies, digital device manufacturers and media organisations (People.com, 18/05/2015).

In fact, policymakers’ encouragement is the official confirmation of widespread collaborative projects in
recent years. Chinese press groups in different provinces began to operate local news websites collaborating with Tencent since 2006; up to now 14 local news portals were established. The parent groups of QNC and NNC participated in this project. Additionally, 12 metropolitan newspaper companies co-operated with Alibaba to do an e-retailing business in April 2014; QNC and NNC were also included. However, the collaboration has no significant help for the operation of new business of traditional media. The newspaper publishers have no control of the access to users on the Internet and mobile Internet (Song, 2014), which means the new businesses cannot be sustained without the collaboration with Internet companies. In other words, with such collaborative activities, the newspaper publishers embarked on new businesses but their market power was not increased.

However, in the operation of the new businesses of QNC and NNC, the two publishers control the access to users. In this sense, their practices can satisfy the policy expectation better than the previous collaboration of press media and Internet media. In QNC, the Omni-media Centre of Tourism co-operates with the Ctrip (a leading online travel agency in China) to sell travel products online. The Centre is in charge of content production and distribution; in return, the Ctrip offers its user data in the national scope and the data analysis skill (Zhu, interview, 2014). The Tourism Centre is skilled in operating content marketing for the travel business, which is highly valued by its partner. Therefore, QNC plays a dominant role in the collaboration (ibid.). In NNC, the Group of Real Estate Transactions co-operates with a company experienced in developing mobile applications. In this case, NNC leads the project because it occupies the resource of business clients, potential consumers converted from newspaper readership as well as the skill of content marketing (Zheng, interview, 2015). The practices of QNC and NNC prove, in order to have the controlling power of collaboration with Internet companies, the capability of providing valuable resources makes a great difference.

7.4 Conflicts of policies and practices

As analysed in the above two sections, media policies in China are inclined to enable newspaper publishers more advantages in the competition against Internet players who are increasingly dominating the whole media market. However, some conflicts emerged when the state policies are inconsistent to the reality of
industry practices. The conflicts are particularly noticeable in the new activities that exceed the
traditional scope of the newspaper industry and are being experimented by the practitioners, e.g. the
e-retailing of QNC and the online marketing of NNC. The conflicts can be attributed to at least two reasons.
Firstly, the rules of administration fell behind the changes of practices, which leads to some loopholes of
regulation (Qian, 2010; Zhao, 2000). This is a long-lasting problem because the newspaper industry grows
rapidly in the past two decades. Secondly, the conflict is also caused by the professional misconducts of
practitioners driven by economic interest. The motivation is strong when practitioners expect to generate
extra revenues and release economic pressures.

7.4.1 Administrative segregation vs. Digital convergence

The first conflict of state policies and industry practices emerged in that the established system of
administrative segregation obstructs the development of media convergence for the digital transition. The
governmental administration of Chinese media is separated by geographical regions and industry
categories (Guosong Shao et al., 2016; Yu & Su, 2009). Accordingly, metropolitan newspaper publishers
are simultaneously supervised by two administrators—the local branch of the CPC and the local branch of
domain-specific administrators. The former is responsible for the security of political ideology and the
latter is in charge of the quality of professional media activities in specific domains. The two
administrators implement the policies issued by the central government. Meanwhile, they are subsidiary
departments of local governments. As analysed above, if a local government values the economic
performance of local media, as its subsidiary departments, the local implementers possibly take economic
interests higher than the strictness of policies issued by the central government.

This system of administrative segregation has three inherent deficiencies. Firstly, it restrains the natural
expansion of media corporates and impairs the economics of scale and scope, which are the fundamental
law of the media industry (Doyle, 2013). Secondly, because of path dependence and vested interests (Qian,
2010), administrators of different industry sectors have conflicts of interest, which decreases the stability,
authority and effectiveness of policy implementation (Qiang & Liu, 2015). Thirdly, as the operation profit
of local media is associated with the financial performance of local government, local administrators tend
to choose short-term economic returns rather than strictly implementing policies of the central administrator (Zhou, 2009). Due to these three problems, the separated administration is apparently against the trend of media convergence. Domain-specific regulations may not be effective in dealing with cross-sector issues (Qiang & Liu, 2015). Moreover, operating media businesses in China need to get the corresponding license, which is an important measure of governmental intervention on the market competition (Doyle, 2013). The domain-specific administrators usually use this approach to protect their departmental interests (Qian, 2010). In practice, the negative effect of the administrative segregation is increasingly prominent, because the development of media convergence is stimulated by the national strategy.

The implication of the conflict can be exemplified in the administration of TV shopping. The practice of TV shopping is simultaneously supervised by the broadcasting administrator and the commerce administrator because it is the combination of TV media and retailing service. Based on the nature of commercial promotion, the TV shopping is identified by the broadcasting administrator as a special type of advertisement. Therefore, it is within the regulation scope of the Advertising Law, which is executed by the Ministry of Commerce. However, the TV media controls the final decision of how to promote commodities. While the implementer of the Advertising Law is not the direct supervisor of the TV media, then the effectiveness of implementation is decreased (Deng & Lang, 2012). What’s more, based on the local protectionism, the local government possibly shields the profitable TV shopping practice from the punishment of the central administrator (Zhou, 2009). In brief, the media activity at an intersection of different industry sectors is insufficiently administrated due to the system of administrative segregation. Nevertheless, as the growth of media convergence, more activities in this type would emerge. As far as the new businesses of QNC and NNC are concerned, the problem is more complicated because more administrators are included – the administrators of Internet media and the general Internet business.

In addition, the policymakers and the state-owned media are seemingly in a coalition to re-build the latter's public influence, in order to ensure the control of political ideology. However, stakeholders in a coalition can have different interests (Van den Bulck & Donders, 2014b). As the chief manager of NNC stated, “the strategy is a state policy, which has influence on our practice, but not direct” (Cao, interview, 2014). In a professional conference held soon after the interview with Cao, he described the convergence as a channel
to connecting traditional media and other potential business partners (Cao, 2014). It can be concluded that the newspaper publisher takes the policy inclination as an opportunity to develop new businesses on the Internet, rather than prioritises the goal of ensuring the security of political ideology. Therefore, the policymakers and the practitioners have different motivations for developing media convergence.

7.4.2 Keeping professional ethics vs. Pursuing commercial interests

The second conflict of state policies and industry practices appeared due to the professional misconducts violating regulations and professional ethics, which is commonly facing to media organisations in other regions (Nyilasy & Reid, 2011; Rinallo, Basuroy, Wu, & Jeon, 2013; Witschge & Nygren, 2009). As discussed above, the trend of commercialisation has historically and widely existed in the Chinese newspaper industry (Huang, 2001; Zhao, 2000). By contrast, the regulation of protecting journalistic integrity fell behind the development of industry practices. Two regulative documents were issued in 1997 and 2011 to restrain the interference of commercial operation on the news content. It was until 2015 that the Committee of Journalistic Ethics was founded. In general, the Chinese state government is not a highly active protector of journalistic integrity. It can be attributed to the special context of Chinese media policies, where the regulation always focuses on controlling political ideology (Zhao, 1998, 2000) and less attention has been paid to the invasion of commercial interests to journalism (Qiang & Liu, 2015).

As the rapid development of media economy in China, especially some new activities exceeding the traditional scope of media industry, some loopholes of regulation caused by short-sighted policymaking or departmental interests appeared. Moreover, the loopholes became the habitat of experimental activities. Unfortunately, these new activities sometimes potentially endanger the established journalism ethics. The new businesses conducted by QNC and NNC are precisely in this case. With the integration occurring in the organisational re-structuring and the commercialisation of content production, the separation of editorial and commercial activities was removed. Accordingly, the “Great Wall of China” between journalistic integrity and commercial interest became the “Berlin Wall” (Witschge & Nygren, 2009).

What’s more, the re-configuration has influences on individual’s professional self-identification (Pihl-Thingvad, 2015). In the day-to-day activities of newspaper practitioners, the conflicts emerge in what
codes the regulations require them to comply with and what working standards they have adopted. The conflict is intensified because the organisational climate tends to shape the working standards with the contrary force of the regulations. The changed working standards re-construct the identification of professional roles (Lee et al., 2015; Pihl-Thingvad, 2015), which have a deep impact on professional acts in the long run. However, the rationality of these changes is still debatable, as the changes not only violate governmental regulations but also go against the established professional norms. In brief, the conflict concerning individuals’ shifting roles is particularly crucial in the transition context. As individuals are the primary actors of media activities while the uncertain changes “bear risk as well as opportunity (Gade & Lowrey, 2011)”.

According to the administrative documents of the journalistic profession, which are introduced in Section 7.2.3, editorial and commercial staffs are forbidden to participate in each other’s activities. However, professional acts opposite to this requirement can be found in both QNC and NNC. In QNC, the idea of facilitating commercial business is already taken as a new professional standard. The editor-in-chief of the Omni-media Centre of Tourism advised, “content producers need to learn about what is demanded in the market while salespeople need to understand that they are selling content creativity and media influence rather than advertisement positions” (Wu, interview, 2015). Similarly, the content producer in the Department of Health Industry used a practical excuse to justify the mix of editorial and commercial content – sensational phrases are consciously avoided based on the requirement of the Advertising Law (Shou, interview, 2015). As discussed in Chapter 6, some editorial staff shifted from the newsroom to the industry-oriented departments and became involved in new commercial projects. In the new job position, they work as content producers, but they not only produce public news related to certain industries but also promotional articles for commercial businesses. Accordingly, they have double roles – editorial content producer and copywriters. However, these two roles are individually played and switched based on the need of commercial promotion. Apparently, the double role goes against the regulation forbidding the inter-exchange of editorial and commercial staff.

In the case of NNC, the harm of commercial interests for media integrity can be deduced from the controversial details provided by two managers. The chief manager said,
“For the sake of keeping journalistic integrity, three areas of news (important news, economics and editorial) are excluded from the joint conference of the newsroom and commercial departments. Moreover, in the co-operated areas, journalists just provide background information based on professional knowledge and working experience, they are strictly forbidden to take part in commercial activities or to get a reward from commercial promotion.” (Cao, interview, 2014)

However, the description provided by the deputy editor-in-chief appears to more than just provide background information – “staff members from the newsroom are mainly in charge of contributing creative ideas and creating sensational words” (Cui, interview, 2015). In fact, this deputy editor worried that journalistic integrity might be endangered because qualified journalism is unaffordable for a declining business while NNC is known for its persistence on professionalism (ibid.).

It can be concluded, the newspaper managers have realised the potential harm for journalism ethics, but they either denied or ignored for the sake of commercial revenue and for the excuse of surviving a crisis. In fact, such behaviours have existed in China’s newspaper industry since the beginning of commercialisation in the 1990s and became increasingly pervasive as the financial pressure increased (Zhou, 2009). The environment of commercialisation drives journalists to be more realistic to the option of preserving professional ethics or keeping their jobs (Lee et al., 2015). However, the unethical behaviours will widen the gap between the legacy of journalistic profession and the daily practices of journalism, which will gradually degrade the value of “journalists’ organisational commitment” (Pihl-Thingvad, 2015). Moreover, the leaders of traditional media in China now advocate the concept of product manager. They believe it is useful to enable the role of content producers, more adaptive to the demands of customers and the market competition (Lin, 2015; Liu, 2014; Zhang, 2013b). In this sense, the independency of journalism production is discharged while the journalism ethics is sacrificed for commercial interests. According to the Advocacy Coalition Framework, media managers are important stakeholders in the process of policymaking and policy implementation (Van den Bulck & Donders, 2014a), so their misconducts can directly lead to the conflicts between what should be done and what has been done.

7.5 Conclusion

This chapter is concerned with how the state policies and the industry practices are associated in two
controversial aspects: consistencies and conflicts. It also reviewed the status quo of media policies that affect the untraditional practices in the Chinese newspaper industry. The discussion is based on the theoretical framework integrated by the stakeholder analysis and the network approach. In order to interpret the interaction between the state policies and the industry practices, this chapter investigates three sub-questions: what state polices are related to the changing newspaper practices? How the industry practices are consistent to the relevant state policies? How the practices conflict with the policies? The discussion of this three sub-questions is based on the findings of the two previous chapters.

The stakeholder analysis and the network approach are integrated because they are mutually complementary. Moreover, they construct an analytical framework appropriate for revealing the “experimental nature (Chin, 2011)” of media policies in China and investigating the stakeholders’ interactions and influences on policymaking and execution in the Chinese newspaper industry. The integration of these two approaches can be justified by two reasons. Firstly, their integration complements their insufficiencies respectively. The stakeholder analysis is criticised for being too static to present the changing facts of policy issues (Van den Bulck, 2012). While the network approach is recognised as an “analytical toolbox” rather than a theory (Adam & Kriesi, 2006; Dowding, 1995). In the integration, the former provides theoretical views, and the latter contributes to the dynamic perspectives of interactions and changes. Secondly, they have similarities in research scope and objective. The network approach stands in a perspective that integrates macro policy contexts and micro organisational behaviours, which is a metaphor for the structure of policy formulation and implementation (Adam & Kriesi, 2006; Dowding, 1995). In this sense, it is similar to the stakeholder analysis that mainly looks at different interest groups involved in the process of policymaking and execution (Brugha, 2000). From this point of view, the integration of the two theories can be seen as a theoretical contribution of this chapter.

Based on the analytical framework, four groups of stakeholders are found in the policies related to the changing newspaper practices: policymakers in the central government, policy implementers in local governments, state-owned traditional media organisations, and commercial media organisations in the Internet market. All the stakeholders have influences on the formation, execution and modification of Chinese media policies, and they have to accept the result of negotiations of different interest groups (Brugha, 2000). In the time of upheavals, they have conflicts of interest in some areas and communities of
interest in others, which forms a complex network of media policies. In other words, the classification of
four groups of stakeholders in the Chinese newspaper industry is too fixed to reveal the change of interest
coalition. Therefore, the network approach is adopted to interpret both co-operation and conflict of
different stakeholders, which takes policy process as an interactive network (Adam & Kriesi, 2006; Blanco
et al., 2011; Kriesi et al., 2006; Sandström & Carlsson, 2008). As a result, it offers a dynamic view to
complement the fixed angle of stakeholder analysis. In particular, the policy network studied in this
dissertation can be explained as the bargaining type of interactive network in the centralised distribution of
power, which is “an intermediate or ambivalent type characterised by both conflict and co-operation
(Adam & Kriesi, 2006)”.

The national strategy of media convergence is the most important policy background in the Chinese
newspaper industry in recent years. It is highly valued by the state government and is proposed to promote
the transformation of traditional media. The kernel content of the convergence strategy can be refined as
three key points, which present the state policymakers’ expectation of the transition of the newspaper
industry. Firstly, traditional media should have the “Internet Thinking”, in order to transform their
activities in the way of Internet media. Meanwhile, their transformation has a political goal – to re-claim
their dominance of public opinions on the Internet (Song, Interview, 2015). Secondly, traditional media
should conduct the “Integrated Development”, namely integrating different aspects of media business,
including content production, outlets construction, platform operation, commercial operation and content
administration. The first three aspects are in line with the practice of digitisation and the forth is with that
of commercialisation. Besides, the integration of content administration refers to the control of the security
of political ideology, which is consistent to the political goal of the “Internet Thinking”. Lastly, traditional
media should develop the collaboration with Internet players, for improving their competence in the
Internet market.

In the context of converging development, some established regulations are closely related to the operation
of new businesses of newspaper companies. They are policies in the realms of the advertising, journalism
and Internet media. These policies have similarity of forbidding the mixture of journalistic and commercial
activities. However, the current regulations of Internet media were issued in 2000 and 2005 respectively.
Considering the time lag of the policy modification, it is no wonder that most requirements in these two
documents are concerned with the security of political ideology. What’s more, as introduced in Section 2.3 and 3.3, the majority of Chinese media activities take place on the Internet and mobile Internet. However, the regulation of Internet news was just to be revised. As a result, policy loopholes emerged in the administration of new practices of newspaper publishers. In terms of the self-discipline of Chinese journalism, its development falls behind with the modification of regulatory documents of the governmental administration, and much slower than the growth of industry practices. Even so, the unethical behaviours emerging in the new practices provide an opportunity for the “re-negotiation of journalism ethics (Lee et al., 2015)”.

The current state policies provide supportive conditions for the operation of new businesses and the industry transition of Chinese newspaper publishers. The supports are reflected by the three aspects of consistencies between the key points of convergence strategy and the new activities of QNC and NNC. Firstly, the chief managers of the two publishers shared a common strategic goal – “to be an Internet company” (Cao, interview, 2015; He, interview, 2014). This strategic goal is intrinsically consistent to the “Internet Thinking”. However, the utilisation certain digital technologies, e.g. database technology, needs a large amount of initial investment and continuous input for sustaining its operation, which is unaffordable for most Chinese newspaper publishers who are currently under economic pressure. The divergence of adopting database technology reveals the gap between the expectation of policymakers and the strategic option of newspaper managers. It implies that the state policies containing supportive conditions for industry practices may lack the realistic consideration of publishers’ capability and affordability, which possibly impairs the policy implementation.

Secondly, QNC and NNC practise the “Integrated Development” through the integration occurs in both the organisational re-structuring and the alteration of content production. As analysed in Section 5.3 and 6.3, the new organisational units or systems were founded, within which the separation of editorial and commercial activities was removed. In other words, the case study analysis reveals that the activities of organisation and production are simultaneously integrated. Lastly, both QNC and NNC have the tradition of co-operating with Internet companies, which is consistent to the “Internet Plus”. They participated the co-operation projects dominated by some Internet companies in the past decade. Now, in the operation of new businesses, they have the capability of providing valuable resources, so they have the controlling
power of collaboration with Internet companies. In this sense, their practices can satisfy the policy expectation better than the previous collaboration of press media and Internet media.

In some consistent aspects, the state policymakers and the newspaper publishers are in a coalition of policy implementation but they are driven by different motivations. The best example is that policymakers’ advocacy on media convergence aims to redeem the public influence of the state-owned traditional media on the Internet, but newspaper practitioners’ operation of Internet-oriented businesses is mainly driven by the purpose of building new revenue models. The gap between the policy preference and the practicability in the industry reveals that the policymaking should be a process of negotiation in order to balance the interests of different stakeholders (Van den Bulck & Donders, 2014a). To some degree, this situation also justifies the evolving feature of Chinese media policy (Yu & Su, 2009; Zhou, 2005). In brief, the mutual adaptation of state policymakers and industry practitioners leads to the progress of policy. In addition, the consistencies are actually the natural result of a long-term co-operative relationship of policymakers and newspaper practitioners. However, there is no necessary causal relation between the policymaking and the consequence of its implementation, which leads to the conflicts between policies and practices.

The first conflict of state policies and industry practices emerged in that the established system of administrative segregation obstructs the development of media convergence for the digital transition. This system of administrative segregation has three inherent deficiencies. Firstly, it restrains the natural expansion of media corporates and impairs the economics of scale and scope, which are the fundamental law of the media industry (Doyle, 2013). Secondly, because of path dependence and vested interests (Qian, 2010), administrators of different industry sectors have conflicts of interest, which decreases the stability, authority and effectiveness of policy implementation (Qiang & Liu, 2015). Thirdly, as the operation profit of local media is associated with the financial performance of local government, local administrators tend to choose short-term economic returns rather than strictly implementing policies of the central administrator (Zhou, 2009). Due to these three problems, the separated administration is apparently against the trend of media convergence. Domain-specific regulations may not be effective in dealing with cross-sector issues (Qiang & Liu, 2015).

The second conflict of state policies and industry practices appeared due to the professional misconducts
violating regulations and professional ethics, which is commonly facing to media organisations in other regions (Nyilasy & Reid, 2011; Rinallo et al., 2013; Witschge & Nygren, 2009). As discussed above, the trend of commercialisation has historically and widely existed in the Chinese newspaper industry (Huang, 2001; Zhao, 2000). By contrast, the regulation of protecting journalistic integrity fell behind the development of industry practices. Two regulative documents were issued in 1997 and 2011 to restrain the interference of commercial operation on the news content. It was until 2015 that the Association of Journalistic Ethics was founded. In general, the Chinese state government is not a highly active protector of journalistic integrity. It can be attributed to the special context of Chinese media policies, where the regulation always focuses on controlling political ideology (Zhao, 1998, 2000) and less attention has been paid to the invasion of commercial interests to journalism (Qiang & Liu, 2015).

In general, new policies have been released to facilitate the sound development of the newspaper industry, but the adjustment of administration and regulation is still slower than the rapid change of industry practices, especially when the force of media convergence breaks different sectors’ boundaries (Doudaki & Spyridou, 2015). Moreover, some established institutions and systems cannot be changed in the short term. The changing time is a chance for ending out-dated traditions and re-framing standards (Lee et al., 2015). In particular, the under-estimation of journalism ethics can be manifested in both consistencies and conflicts – the relevant regulations are not emphasized as either the mission of political propaganda or the encouragement of the industrial economy. As a result, newspaper practitioners tend to take advantage of the inclination of policymaking, which is actually a loophole of administration. Namely, they compromise to the political mission but get benefits from the under-regulated areas where profitable businesses can be operated. Therefore, in such case, the firewall between journalism and commercial activities is not “the Great Wall of China” but the collapsed “Berlin Wall” (Witschge & Nygren, 2009).

With the descriptive analysis of the status quo of media policies, the consistencies and conflicts of policy and practice, this Chapter connects the internal activities of newspaper organisations to the external institutions. The practice of new businesses in the two cases is investigated from the perspective of its interaction with the macro factor – the policy environment. The two metropolitan newspaper firms are pioneers of media transition in China, which are at the forefront of exploratory newspaper businesses. Therefore, the analysis based on them will not only contribute to the understanding of the newest policy
problems concerning media transition but also inspire the future modification of policymaking, administration and regulation of the newspaper industry. Nonetheless, normative analysis will be made in the next Chapter based on the discussion of systematic connections among the management, production for and policymaking for newspaper activities in the transition time.
Chapter 8 Conclusions

8.1 Introduction

This dissertation is about the digital transition in the Chinese newspaper industry and associated changes in organisational management and content production at metropolitan newspaper publishers. Drawing on a case study analysis of the two leading metropolitan newspaper companies in China – QNC and NNC, it sets out to investigate how newspaper publishers are adjusting their management strategies and production practices to adapt to technological changes and to ensure their survival. It also examines to what extent the changes in newspaper practices are in line with the relevant government policies. Looking specifically at e-retailing and online marketing operated by the two publishers respectively, this dissertation has addressed three questions:

1. How the strategic management of newspaper companies in China is changing to facilitate the operation of new businesses in the Internet era;
2. How content production related to the new businesses is changing in response to digital transition and the integration of editorial and commercial activities;
3. To what extent the altered practices of newspaper companies are either consistent or conflicting with the requirement of related government policies.

The Chinese newspaper industry has experienced upheavals caused by the advancement of digital technologies and the rapid decline of the advertisement revenue. In order to survive in the Internet environment and to compete with Internet media rivals, Chinese newspaper publishers have adopted digital and networking technologies in their content production (Li, 2012; Min, 2006; Zhang, 2013a). After one-decade transition, the newspaper publishers have formed digital productivity. However, the productivity is insufficient to improve their competence against Internet media rivals. The unsatisfactory result of digitisation is attributed to the failure of capitalising the digital productivity to build up new revenue models (Song & Huang, 2013). The operation of new businesses in QNC and NNC aims to resolve this problem. This dissertation investigated how the two case study organisations exploit their
digital productivity to operate new businesses exceeding the traditional scope of newspaper industry and generate new revenues to support the digital convergence of their newspaper business.

In terms of the selection of the two case study organisations, they are comparable in some of the basic conditions because each is the principal subsidiary company of a prominent provincial press group. Focusing on them, this study can contribute to knowledge about dominant tendencies in the Chinese newspaper industry. In addition, discussions of the two metropolitan newspaper publishers can inspire other research into city-based media organisations in other regions. However, the two publishers have significant differences. QNC and NNC have adopted different new businesses – e-retailing in QNC and online marketing in NNC. Moreover, their practices of digital transition, which are represented by the operation of the new businesses, are motivated by distinct dynamics. QNC has top-down supports provided by its parent group while NNC is driven by the bottom-up enthusiasm of internal entrepreneurship. Also, they are differing in the way of operating new businesses, including management strategies and production practices. In spite of the disparities, the two publishers are influenced by some of the state policies in same ways. Consequently, the comparative case studies of QNC and NNC can reveal alternative paths for adapting to the digital transition against the similar background of state policies in the Chinese newspaper industry. This dissertation will present not only homogeneous characteristics of digital transition in the Chinese newspaper industry but also heterogeneous approaches adopted by individual publishers to keep pace with the digital transition.

In this dissertation, the three questions were investigated in the three findings chapters (Chapter 5, 6 & 7) respectively, which will be summarised in this chapter firstly. Then, I will analyse the implications of the findings for the previous theories. After that, I will acknowledge limitations of this dissertation, which are difficult to be fully complement, but they were remedied by certain approaches. In the end, I will put forward the possible directions for future research based on the findings of this dissertation.

8.2 Management: expansion, re-structuring and adaption

The first research question of this dissertation is concerned with the changes in organisational management.
I take the management issue as the first question because this dissertation is mainly in the academic realm of media management. Moreover, the industry transition brought fundamental changes in the organisational configuration, including strategy, structure and culture, and day-to-day activities. As the findings of Chapter 5 and 6 prove, organisational management is the foundation of production activities. Moreover, this dissertation takes Chinese metropolitan newspaper companies as the primary research object. The investigation of organisational management provides the essential context for the analysis of other organisational activities, e.g. production activities of newspaper publishers.

In Chapter 5, three aspects of managerial issues were studied: corporate expansion (in Section 5.2), organisational re-structuring (in Section 5.3) and cultural adaption (in Section 5.4). The issues were investigated with the three approaches to strategic management in media proposed by Küng (2008) based on the theories of strategic management: rationalist, adaptive and interpretative. The three approaches are mutually complementary and jointly offer a systematic view to analyse the changes of management in the two metropolitan newspaper companies. In turn, the discussion in this chapter implied that the integration of the three approaches is a practical framework for studying media organisations in transition because it can reveal the essential elements of organisational management: strategic motivation, organisational structure, and personnel configuration.

Firstly, the corporate expansion of QNC and NNC is highly motivated by the desire of exploiting existing resources and generating new values. This practice can be interpreted with the rationalist approach of strategic management in media. In particular, the Value Chain Theory (VCT) and the Resource-based View (RBV) are appropriate to analyse the publishers’ motivation of re-exploiting existing resources and extending the value chain of newspaper business (Küng, 2008). According to the VCT, the expansion creates new values for newspapers publishers, readers, advertisers and other business partners of publishers. Accordingly, it is helpful in building up new revenue streams to offset the decline of the advertising business and to release the risk of over-dependence on the advertisement revenue. In light of the RBV, the expansion stimulates the re-exploitation of special resources of newspaper companies – the capability of content production and multi-platform media distribution; the cultural relevance with local communities; the relationship with local businesspeople; the influence of established media brand; and the credibility and public trust in local markets. The resources were neglected in traditional newspaper activities sometimes.
However, they are scarce and inimitable, so they are helpful in generating competitive advantages.

QNC and NNC have similar resources and contextual conditions. However, their practices of corporate expansion are different. QNC conducts diagonal expansion to the e-retailing business while NNC practises vertical downstream to the online marketing business. The practice of e-retailing of QNC is at a distance to core activities of newspaper business. However, it is facilitated by the investment of press group who is the pioneer of practising digital transition in the past decade and exploring new business in recent years. The press group provides the strategic support for the practice of e-retailing business. The operation of the e-retailing business benefits from the re-exploitation and integration of existing resources within QNC, which generates the effect of synergies and the efficiency gains (Doyle, 2013). For example, the pre-existence of the logistic and distribution company, which was developed from the circulation team of the printed newspaper, is helpful in decreasing the operation cost of e-retailing business (Yao, interview, 2014).

The online marketing of NNC is an extension of the traditional advertising business, which is operated by the internal entrepreneurial groups and has almost no supports provided by the press group. However, it is facilitated by NNC’s capability of multi-platform media distribution and the close connection with local businesspeople. In particular, it focuses on the real estate industry because local developers are the primary advertisers of NNC. The operation of online marketing is driven by the purpose of reclaiming its market power and ensuring the commercial value of multi-platform media outlets. The chief manager of NNC stated, the value of newspaper advertisement is depreciated by advertising agencies because advertisers tend to put more investments on Internet media (Cao, interview, 2015). However, metropolitan newspaper publishers still have competitive advantages in the integrated organisation of multi-platform distribution, not least for the commercial promotion of local advertisers (ibid.). Therefore, NNC decided to do the online marketing business by themselves rather than providing services through advertising agencies.

Both QNC and NNC orient their new businesses in the Internet market. However, they have different dynamics of media transition – QNC is top-down while NNC is bottom-up. In QNC, several sources of facilitation are provided by its parent group, such as the initial investment, the free use of multi-platform media outlets and the support of database technology (Zheng, interview, 2015). By contrast, the
interviewees in NNC rarely talked about the support made available by its parent group. Instead, one manager criticised the press group for non-action in the essential supports for new businesses (Liu, interview, 2015). Even so, the frontline practitioners actively participate in the internal entrepreneurial groups (Cao, interview, 2015), which forms the bottom-up dynamic of industry transition. The disparity of transition dynamics not only affects the strategic option of diversified businesses, but also influences the processes of organisational re-structuring and cultural adaption, which are another two aspects of changes in the management of QNC and NNC.

The second change in management is associated with organisational re-structuring. This issue is analysed with an adaptive approach, which is suitable for studying evolving strategic practices (Küng, 2008, pp. 119–121). In particular, two analytical frameworks are appropriate to be integrated to reveal the organisational re-structuring in QNC and NNC – the extended form of organisational structure proposed by Baumann (2013) and the re-integration of organisational structure proposed by Küng (2008). Baumann (2013) takes newsroom, commercial and technological departments as different organisational units that are integrated and networked as four types of extended forms; among them, the network form is proper for explaining the case of QNC and the modular form is for NNC. Küng (2008) presents the continuously integrating process of organisational structure as three stages – integration, autonomy and re-integration (Küng, 2008, p. 188); among them, QNC is in the third one while NNC is mainly in the first one. In brief, the adoption of these two frameworks can reveal the different features of the re-structuring of the two publishers.

QNC re-structures its organisation in the network form and now in the stage of re-integration, which is a fundamental re-organisation of the departmental settings. The network form of QNC is characterised by self-sufficiency, economic independence and mutual connection (Baumann, 2013). The form is constituted by two types of organisational units: the traditional departments (the newsroom, the new media department, the advertising department and the distribution company) and the new departments (the industry- and technology- oriented departments). The technology-oriented department refers to the e-commerce company dedicated for the operation of the e-retailing business, which is a subsidiary of QNC. The industry-oriented departments were founded in the stage of integration for providing better content service for businesspeople and consumers in niche markets, e.g. tourism and health industry. When the
re-structuring entered the stage of autonomy, the industry-oriented departments realised financial independence. The current stage of re-structuring is re-integration, in which the e-commerce company plays as the hub of the network – integrating the industry-oriented departments, the distribution and logistic company and itself to operate the e-retailing business.

NNC re-structures its organisation in the modular form and now in the stage of integration, which is in the experimental process of organisational re-configuration. The modular form of NNC is featured by self-managing and highly autonomy (Baumann, 2013). The form is underpinned by the System of Platform Responsibility, in which several internal entrepreneurial groups operate online marketing businesses for different specific industries, e.g. the real estate industry. Among the groups, the Group of Real Estate Transactions is the most developed one, which is in the stage of autonomy while the other groups are in the stage of integration. It can be understood by the fact that the real estate industry has been the primary advertiser of NNC. The design of modular form is motivated by the expectation that the groups are modules that can be either operated independently or assembled to carry out integral projects, according to the chief manager of NNC (Cao, interview, 2015). The expectation is consistent to the feature of the modular form that has the advantage of keeping the innovation speed of products (Baumann, 2013). At present, most entrepreneurial groups are in the stage of integration, only the Group of Real Estate Transactions has autonomy. Therefore, the modular form of NNC is under constructing.

Although QNC and NNC are distinct in the re-structuring process, they have similarities in integrating editorial and commercial activities in the new organisational units and imitating the organisational pattern of Internet companies. In the two publishers, journalists, editors and salespeople are drawn from their traditional positions to new organisational units, namely the industry-oriented departments in QNC and the internal entrepreneurial groups in NNC. Moreover, editorial and commercial practitioners co-operate in the operation of commercial projects, for which the promotional articles are generated. Here is a connection between the organisational structure and production activities, as indicated in the beginning. More details of the production activities are analysed in Chapter 6 and will be summarised in Section 8.3.

The operation of new businesses can be seen as a catalyst for organisational re-structuring. The new organisational units, namely the industry-oriented departments in QNC and the internal entrepreneurial
groups in NNC, play crucial roles in the change of organisational structure. In the units, the boundary of different departments is removed (Gade & Raviola, 2009), which facilitates the share of expertise knowledge (Raviola & Hartmann, 2009) and improves the efficiency of internal communication. At the same time, the integration of organisational structure influences individual practitioners’ cognition of organisational contexts, professional values and working routines, which leads to the alteration of organisational culture. However, the changes in organisational culture are invisible compared to that in corporate strategy and organisational structure (Küng, 2008, p. 165). Therefore, they are usually overlooked in the implementation of strategies (ibid.), especially in the Chinese media academia. The discussion in Section 5.4 aims to fill this gap.

In Section 5.4, the interpretative approach was adopted to interpret the cultural adaption of the newspaper practitioners in QNC and NNC, who need to adapt to the new working environment affected by corporate expansion and organisational re-structuring. The practitioners in QNC are embracing the changes of organisational management. By contrast, the practitioners in NNC are struggling in the transition process, although some leaders are passionate about the internal entrepreneurship. In this sense, some similarities can be found in the managers of QNC and NNC – they are trying to rationalise their market-oriented activities. The deputy editor-in-chief of NNC, who is also the leader of an internal entrepreneurial group, admitted the shift of her working priority,

“...In the past, what I cared the most is the distribution effect of pages within my responsibility. Now what I care most is how I can make the best of resources within my reach to generate revenue. Only with that precondition, I can keep the colleagues with the expertise of journalism continue their work here. They are the most precious assets of our organisation.” (Cui, interview, 2015)

With a similar thinking, the editor-in-chief of an industry-oriented department in QNC proposed a new standard of professional practices in the hybrid content production,

“Content team and sales team are bound together to serve for long-term projects. The success of projects relies on the cooperation between content makers and salespeople. We should know that the cooperation is built for resolving the crisis of shrinking advertising revenue and satisfying demands of advertisers and commercial clients.” (Wu, interview, 2015)
The managers in QNC and NNC have a similar challenge of balancing professional ethics and commercial interests. In order to generate new revenues, they rank commercial profits higher than the value of journalistic professionalism. However, the frontline practitioners in QNC and NNC have different attitudes towards the implications of new technologies on their work routines. The content producer in an industry-oriented department of QNC, who was an editor in the newsroom, was optimistic about her new job as a copywriter,

“I will try my best to learn new techniques that are essential for bettering the promotion, but under the pre-condition of accomplishing the required work in my position. I believe in the proverb of ‘one might be a master in his field’. My advantage is creative writing, while technicians are skilled at using various technologies. Then we should collaborate with each other based on our advantages, instead of wasting time on the things we are not expertise.” (Shou, interview, 2014)

Differently, the advertisement salespeople in NNC are struggling in the transition. Conflict exists in organisational interests and individuals’ benefits. As the director the Department of Marketing revealed,

“For advertising salespeople, a case of traditional advertisement on printed newspaper can generate 20,000 yuan bonus while a case of new media advertisement can only generate 5,000 yuan bonus. On the other side, the time for carrying out a traditional advertisement contract almost equals to that of a new media. No wonder that salespeople prefer to work on the traditional advertisement. They have conceived the decline of traditional advertisement, but they care more about their short-term interest, rather than the organisational interest in the long term.” (Luan, interview, 2014)

To some extent, the self-interested behaviour is understandable because practitioners in a changing context usually feel uncertain and insecure (Gade, 2011; Gill, 2010). In a changing context, the frontline workers have to update their understanding of work responsibility, upgrade their professional skills and adapt to co-operate with technician and salespeople (Gill, 2010). These alterations may cause feelings of anxiety and uncertainty (Gade & Lowrey, 2011) and the resistance to adoption of new technologies (Boczkowski & Mitchelstein, 2010; Weiss & Domingo, 2010). However, for the interests of the organisation, the digital advertisements are necessary for the industry transition (Luan, interview, 2014). The conflict of interest between organisation and individual is a crucial issue of the cultural adaption in NNC. In order to address this problem, the company policy of internal entrepreneurship is issued for stimulating individuals to participate new businesses supported by the organisation. However, because the policy is newly launched,
the struggling for transition is still a dominant theme of the organisational culture in NNC.

In summary, the two newspaper publishers have both homogeneities and heterogeneities in the changes of organisational management. Firstly, they are established newspaper publishers in the local market and owned by leading provincial press groups in the Chinese newspaper industry. Therefore, they have similar resources: the capability of content production and multi-platform media distribution; the cultural relevance with local communities; the relationship with local businesspeople; the influence of established media brand; and the credibility and public trust in local markets. However, they embarked on different new businesses, carried out the organisational re-structuring in distinct ways, and faced up to diverse problems in the cultural adaption of individual practitioners. Even so, they are active to the digitisation and commercialisation in production activities, which is the second question of this dissertation and examined in Chapter 6, and will summarised in the next section.

8.3 Production: digitisation and commercialisation

The second research question of this dissertation is concerned with the changes in content production, which was studied in Chapter 6. The content production is the core area of newspaper activities. In the changing industry context, various factors ascribed for its transformation. The previous research has analysed the implication of either digital technologies or commercialism on newspaper production. However, this study finds that contemporary changes in the content production of Chinese newspaper publishers are simultaneously associated with both digitisation and commercialisation. The performance of production activities is constrained by its operation cost that is determined by the corporate financial situation (Doyle, 2013). In other words, to what extent the practice of digitisation could improve the newspaper productivity depends on how successfully commercialisation is practised. Meanwhile, the digital productivity is a valuable resource to improve competence in the market, especially in the Internet environment. As a result, the production activities affected by the operation of the new businesses reflect the trends of digitisation and commercialisation at the same time. In order to reveal the changes in production activities clearly, the practices of digitisation and commercialisation were separately discussed in Chapter 6 – Section 6.2 and 6.3. However, their connections were highlighted in the related issues.
What’s more, the implications of these two practices on content products were examined through the method of discourse analysis in Section 6.4.

The changes in production activities take place in the organisational context formed by the changing managerial strategies, as indicated above. In other words, the findings of Chapter 5 are the preparation of the discussion in Chapter 6. In QNC, the industry-oriented departments consist of practitioners from the newsroom and the commercial departments. The practitioners with different expertise co-operate to produce promotional articles for the operation of commercial businesses. What’s more, the industry-oriented departments re-integrate with the e-commerce company to conduct the e-retailing business. In NNC, editorial and commercial practitioners are integrated in the internal entrepreneurial groups that are founded in the System of Platform Responsibility. The System enables the groups have relative independence of operation and compels them to reach certain goal of profit within a period. Meanwhile, the policy of joint editorial meeting is established to allow the leaders of the groups to participate in the weekly editorial meeting, in order to pursue the opportunity of monetising the editorial productivity. Apparently, the integration in organisation and production conducted by the two publishers is mainly driven by economic motivation.

Although the two publishers are both oriented to be Internet companies through the industry transition, they are different in the adoption of technological tools, which is associated with the disparity of transition dynamics. QNC’s transition is top-down driven and a part of the transition strategy of the press group. Therefore, the press group supports the new business with the investment of technologies and human resource, which brings substantial benefits for the re-construction of production system. By contrast, NNC’s transition is bottom-up motived, which means few support from the parent group is available. Accordingly, the managers of NNC keenly anticipate the result of capitalising on digital productivity. Accordingly, its change in production focuses on re-formatting the presence of content outputs, which needs less capital investment but can improve the quality of content rapidly (Cao, interview, 2015).

In QNC, three technological tools are adopted in the content production related to the e-retailing business. Firstly, the database technology increases the pertinence of content production and the accuracy of information distribution; it also collects return path data to guide the follow-up content making in the
long-term project of commercial promotion. Secondly, QNC places the QR code around the promotional articles on the printed newspaper and puts hyperlinks at the end of the promotional articles in the public accounts on WeChat. The utilisation of the QR code converts newspaper readers’ attention to be user behaviours on the mobile Internet, including the subscription of public accounts on WeChat, the traffic of shopping pages, and the purchasing power of retailing goods. The hyperlinks transfer the traffic of public accounts to that of the shopping pages and the purchasing power of retailing goods, which is way to re-exploit digital productivity and extend users’ engagement. Lastly, the HTML5 technology enables the content outputs more interactive, entertaining and sharable, which are particularly suitable for the distribution in the mobile Internet. On account of the technological applications, the production process is changed in three aspects. Firstly, the content producers sometimes publish content on WeChat firstly, in order to get users’ feedback through the return path data and revise the following content creation. Secondly, the work pace of content producers is speeded up because the hourly content updates on WeChat are within their responsibility. Lastly, content producers must cooperate with technicians and salespeople to ensure content outputs are effectively supportive to commercial activities. In summary, with these technologies and the changed working process, the production and distribution are digitised, the printed and mobile media are connected, and the newspaper and e-retailing businesses are integrated.

In NNC, the changes of production activities caused by the adoption of new technology are not as profound as that of QNC because just the last step of content production is affected, namely the re-formation of core content. This is determined by the consideration of financial cost and immediate effect held by managers in NNC. The Web App Studio is founded to “support everything about the development of HTML5 in content production” (Cao, interview, 2015). Slightly different from that of QNC, the products created by this studio are mainly distributed in mobile applications instead of public accounts on WeChat. As introduced in Section 3.5.2, NNC is a pioneer of developing mobile applications in the Chinese newspaper industry (Huang & Wang, 2015). This advantage is inherited by the practice of the online marketing business. A new mobile application was issued in 2015 to support the information service of the real estate transactions. This mobile application distributes both the general news about the real estate transactions and the customised information based on the registered users’ personal demand. Meanwhile, it facilitates the interaction between consumers and businesspeople (Zheng, interview, 2015).
Even though QNC and NNC are different in the adoption of new technologies in the production activities related to the operation of new businesses. They share a common inclination to the mobile Internet market. This inclination is a positive response to the upsurge of the mobile Internet in China, as introduced in section 3.3.1; it is also in line with the global prosperity of mobile media (Dwyer, 2015; Westlund, 2014; Wilken, 2015). In addition, in the Chinese newspaper industry, the all-around technological application in QNC is a pioneering practice, but the eager expectation on the efficiency improved by technological tools, like that of NNC, is common to see. It is attributed to the long-term devotion for but few rewards from the trend of digitalisation in the last decade (Song & Huang, 2013). Based on this thinking, the commercialisation of digital productivity is implemented in QNC and NNC, which is the second sub-question concerning the changes in content production.

QNC and NNC have commercialised their digital productivity in different ways – the hybrid editorial team in QNC and the joint editorial meeting in NNC. However, they are similar in that the integration of editorial and commercial activities has broken down the separation of journalism and the commercial business. Moreover, the integrated content production in the two cases is the institutionalisation of a long-lasting but implicit professional misconduct.

In QNC, the editorial and commercial activities are integrated within the industry-oriented departments, in which the hybrid production team consist of practitioners shifting from the positions of editor, journalist and advertisement salespeople. The practitioners in the hybrid team co-operate in commercial projects. The editor-in-chief of the Tourism Centre suggested modifying the professional standards of both editorial and commercial practitioners (Wu, interview, 2015). However, the modification aims to increase the efficiency of their co-operation, instead of building a new balance between keeping journalistic integrity and pursuing commercial interest. In fact, this situation is in line with the positive attitudes held by practitioners of QNC, as analysed in Section 5.4.1. In other words, they are too optimistic about the new business to realise its potential risk on media credibility and journalistic integrity.

In NNC, the practice of commercialisation is facilitated by two newly launched company policies – the System of Platform Responsibility and joint editorial meeting. As stated above, the System enables the groups have relative independence of operation and compels them to reach certain goal of profit within a
Meanwhile, the policy of joint editorial meeting is established to allow the leaders of the groups to participate in the weekly editorial meeting, in order to pursue the opportunity of monetising the editorial productivity. The chief manager tried to deny the mixture of commercial and editorial works (Cao, interview, 2015). Nevertheless, the deputy editor-in-chief was concerned about that the journalistic integrity might be endangered because qualified journalism is becoming unaffordable for a declining industry (Cui, interview, 2015).

In both QNC and NNC, the integration of editorial and commercial activities assists the operation of new businesses and generating extra revenue for the publishers. However, it also puts media credibility in the risk as the journalistic integrity is possibly harmed by the pursuit of commercial interests. In fact, it represents the trend of commercialisation historically exists in the Chinese newspaper industry (Chen, 2014; Zhao, 2000). With the integration, the “Great Wall of China” between the journalistic integrity and the commercial interest becomes the “Berlin Wall” when the newspaper business is threatened by economic pressure (Witschge & Nygren, 2009). In brief, the modification of the professional standard to “walk a fine line between editorial and advertising (Hanusch et al., 2015)” cannot be found in the two cases, which reveals the necessity of “norm entrepreneur (Carlson, 2014)” in the Chinese circumstance.

The considerable impact of commercial interests on content is clearly illustrated by the discourse analysis of sample articles in Section 6.4. The analysis of content products can verify the findings concerning the changes in the production process related to the operation of the new businesses. At the same time, in the methodological perspective, the discourse analysis, which reveals the textual features of promotional content, can triangulate the findings of in-depth interviews.

The promotional articles of both QNC and NNC are the re-exploitation of content productivity. The producers of promotional articles tried to conceal their commercial purposes through disguising the articles to be either lifestyle journalism or business news. Theoretically, the promotional articles have more similarities with lifestyle journalism than that with advertorials. However, the promotional articles of QNC and NNC are fundamentally different from lifestyle journalism in that they are entirely produced for the commercial business and their practical utility is a tactic to attract readers and convince them of the value of the commercial promotion. Moreover, the promotional articles are not equal to advertorials, because the
content producers are stakeholders of the commercial business – QNC is a retailer and NNC is a marketer. This is what content analysis adds to knowledge about the promotional content generated by professional media organisations for commercial activities.

Although the promotional content generated by QNC and NNC is not advertorials, its textual features can be analysed based on the previous studies of advertorials. The schematic structure of a news story developed by Van Dijk (1988) and Bell (1991) was used to examine the textual features of advertorials (Erjavec, 2004; Erjavec & Kovačič, 2010; Kovacic et al., 2010). The promotional articles are distributed not only in the printed newspapers but also on WeChat. Therefore, two groups of promotional articles are selected in each case. One consists of articles published in the leading metropolitan newspaper titles – the Qianjiang Evening News and the Southern Metropolis Daily. Another consists of articles distributed on multi-platform outlets, namely both the printed newspapers and WeChat. In both publishers, the content production for commercial promotion is operated as long-term projects rather than single pieced articles, which is in line with the commercial purpose of cultivating consumption rather than informing public information.

Based on the studies led by Erjavec (2004; 2010; 2010), three aspects of his analytical framework can be referenced to examine the features of the promotional content generated by QNC and NNC: topic; headline; and the choice of information source. Firstly, their topics are concerned with lifestyle guidance, consumption suggestion and practical information. Secondly, their headlines contain the eye catchers such as appealing or persuasive words. Lastly, their choice of information source is mainly the direct quotation of businesspeople. In addition, the promotional articles are distributed in multi-platform media outlets, namely the printed newspapers, the public accounts on WeChat, and the mobile application in the case of NNC. In brief, the presentation and distribution of the promotional articles reflect the adoption of digital technologies in production activities and the integration of editorial and commercial activities. However, the integration of editorial and commercial activities brings about problems for the practitioners and administrators. It puts the journalistic integrity and media credibility in risk. Moreover, the potential harm of the risk is possibly under-estimated or ignored by the newspaper managers when they have to deal with a financial crisis. Details about the problem caused by the integration were discussed in Section 7.4.2.
In summary, Chapter 6 finds that the digitisation of newspaper activities is inevitably intertwined with the commercialisation of editorial production because the production cost is controlled by the corporate financial performance (Doyle, 2013). As advertising revenue declines, the development of digital technologies in media production needs sustainable economic supports from new business models (Song & Huang, 2013). In terms of digitisation and commercialisation, QNC and NNC have adopted different approaches. The discrepancy is mainly related to the distinct transition dynamics – QNC has the top-down supports from its parent group while NNC relies on the bottom-up passion of internal entrepreneurship. Even so, their practices are influenced by the state policies in a similar way. Therefore, activities of the two case study organisations were combined to reflect the consistencies and conflicts between state policies and industry practices in Chapter 7, which will be summarised in the next section.

8.4 Policy and practice: consistencies and conflicts

The circumstance of the Chinese newspaper industry is exceptional in that state policy plays a very influential role in shaping company strategies. However, as the findings of this dissertation show, influence operated in both directions and is not just one-way. The changes in the Chinese newspaper industry brought challenges for the government policies while the industry practice in transition also has complex reactions to those newly issued government policies. The complicated association comprises both consistencies and conflicts. The state government supports the transition of Chinese newspaper industry to the digital era. In particular, the industry transition is in line with the expectation of the national strategy of media convergence issued in 2014. Therefore, the practice of developing new businesses in QNC and NNC is broadly favoured by current Chinese media policies. However, some practices have exceeded the traditional scope of newspaper industry while the update of regulation is slower than the progress of industry. Moreover, the effectiveness of policy implementation is influenced by the power distribution of multiple stakeholders. As a result, consistencies and conflicts co-exist in the association between state policies and industry practices.

In Chapter 7, the consistencies and conflicts studied based on the theoretical framework constructed by the stakeholder analysis and the network approach. Four groups of stakeholders can be found in the policies
related to the changing newspaper practices: policymakers in the central government, policy
implementers in local governments, state-owned traditional media organisations, and commercial media
organisations in the Internet market. All the stakeholders have influences on the formation, execution and
modification of Chinese media policies, and they have to accept the result of negotiations of different
interest groups (Brugha, 2000). In the time of upheavals, they have conflicts of interest in some areas and
communities of interest in others, which forms a complex network of media policies. Therefore, the
network approach is adopted to interpret both co-operation and conflict of different stakeholders, which
takes policy process as an interactive network (Adam & Kriesi, 2006; Blanco et al., 2011; Kriesi et al.,
2006; Sandström & Carlsson, 2008). As a result, it offers a dynamic view to complement the fixed angle of
stakeholder analysis. In particular, the policy network studied in this dissertation can be explained as the
bargaining type of interactive network in the centralised distribution of power, which is “an intermediate or
ambivalent type characterised by both conflict and co-operation (Adam & Kriesi, 2006)”.

The national strategy of media convergence constructed a supportive environment for the growth of the
Chinese newspaper industry, in particular for the development orienting to the Internet industry. Moreover,
QNC and NNC are state-owned traditional media that is particularly favoured by the state government
(Song, interview, 2014). These supportive conditions are acknowledged in the report of public list
company owned by the parent group of QNC (ZDMG, 2014/2015). Based on document analysis of the key
directives concerning the issue of media convergence and other relevant policies, the consistencies
between the governmental policy and the practice of QNC and NNC can be found in three aspects: the
orientation to the Internet industry, the integration of various media activities, and the collaboration of
traditional media and Internet players.

Firstly, the concept of “Internet Thinking” was highlighted by state leaders in the directives of convergence
strategy issued in 2014. In QNC and NNC, the chief managers shared a common expectation of
transforming the newspaper publishers “to be an Internet company” (Cao, interview, 2015; He, interview,
2014). This expectation implies a changed organisational identity (Doyle, 2015c). The preference of chief
managers has a profound influence on the organisational culture (Wilkins, 2014). In practices, the
orientation is reflected by multiple technological applications in production and distribution for improving
digital productivity, such as the database technology, the QR code, the HTML5 and the mobile
applications. As reviewed above, QNC has all-around technological application compared to that of NNC, which shows the distinct capability of practising policy preference. To some degree, it also justifies the evolving feature of Chinese media policymaking (Yu & Su, 2009; Zhou, 2005). The mutual adaption of policymakers and industry practitioners lead to the circling progress of Chinese media policy.

Secondly, the concept of “Integrated development” is proposed in the key directives of convergence strategy, which means the integration of different aspects of media business, including content production, outlets construction, platform operation, commercial operation and content administration. With the proposition of this concept, the connotation of media convergence was expanded from the cooperation of multiple media approaches in production and distribution (Cai, 2005) to the integration of different sectors of media activities (Song, 2015). QNC and NNC practise the “Integrated Development” in distinct ways, which is associated with their discrepancy of transition dynamics. Even so, they are similar in that the integration occurs in both the organisational re-structuring and the alteration of content production. QNC builds up the industry-oriented departments that consist of staff from the newsroom and the advertising department. NNC constructs several temporary working groups that are extended from the traditional departments such as the newsroom, the advertising and marketing department and the new media department. The integration in organisation and production conducted by the two publishers is mainly driven by economic motivation, which is different from the policymakers’ expectation of securing political ideology. Even so, conducting the integration to expand the scope of the newspaper business is a common goal expected by both the state policymakers and the newspaper managers.

Lastly, the collaboration between traditional media and Internet companies is supported by current policies, which is consistent to the concept of “Internet Plus”. In reality, the encouragement is the official confirmation of universal collaborative projects between large media groups and Internet giants in recent years (Song, 2015). The supportive stance is understandable because collaboration among organisations is usually for the purpose of supplementing resources to reimburse existing vulnerability (Gade & Raviola, 2009). In this sense, Internet technologies and the related operation experiences are precisely what newspaper organisations lack and should learn from Internet companies. The tourism department of QNC cooperates with a leading online travel agency while the real estate group of NNC collaborates with a company experienced in developing mobile applications. Moreover, both QNC and NNC dominate the
collaboration with Internet companies through controlling certain crucial resources, which is crucial for the publishers’ future development of Internet businesses (Song, 2015).

The three consistencies above are the natural result of the long-term cooperative relationship between media administrators and industry practitioners (Pan, 1997; Xiao, 2014). However, there is no necessary casual relation between policymaking and its consequence in the process of implementation. Some conflicts appeared due to either the slow reaction of policymakers to changed realities (Qian, 2010; Zhao, 2000), or the professional misconducts of practitioners for generating extra profits.

The first conflict appears in that the system of administrative segregation obstructs the digital convergence across different media sectors. The administrative segregation restrains the natural expansion of media corporate on the one hand (Doyle, 2013, pp. 15–17) and impairs the efficiency of policy implementation on the other (Qiang & Liu, 2015; Wang, 2007). The practices of new businesses in QNC and NNC are under the administration of the governmental departments of newspaper, advertising, the Internet media and the general Internet businesses. Also, they need to report financial performance to the local governments. The separated administration of traditional and Internet media is against the nature of media convergence. In particular, the conflict of departmental interests and the ineffectiveness of policy implementation in some loophole areas already occurred in the diversified business of television industry, namely the TV shopping, as analysed in Section 7.4.1.

Another conflict is the imbalance of keeping professional ethics and pursuing commercial interests, which is the most controversial issues regarding the practice of new businesses in QNC and NNC. As discussed in the issues of management and production, the operation of new businesses violates journalism ethics in many aspects: moving the protection of editorial production from commercial activities and influencing the recognition of professional standards of individual workers (Pihl-Thingvad, 2015). The violation is forbidden by the governmental regulations and the professional ethics (Chen, 2010; Zhou, 2009). However, mixing editorial and commercial operation is practised as new working standards in QNC and NNC, although the managers of NNC implied concerns (Cui, interview, 2015) or tried to obscure the harm for journalistic integrity (Cao, interview, 2015). Most of the time, financial pressure is the excuse for the professional misconduct; while the necessity of improving editorial workers’ responsiveness to market...
demands is also advocated (Lin, 2015; Liu, 2014; Zhang, 2013b). Walking a fine line between editorial and commercial activities is a problem for both newspaper managers and policymakers. In fact, the more urgent problem is that the support for commercialism exceeds that of professionalism in contemporary Chinese newspaper industry. Unlike in the Western countries, in China the state is not a highly active protector of journalistic integrity. At the core of rhetoric, the need to keep commercial and editorial activities separate is evident, for example, the foundation of the Association of Journalistic Ethics in 2015. But in reality, enforcement is relatively weak. Therefore, the process of commercialisation of news production has been able to progress relatively unhampered by regulators in China.

8.5 Implications for theory

The research questions of this dissertation concerning how digital convergence has affected newspaper publishing are located in three distinct but related and overlapping academic areas: media management; journalism or news production; and media politics policy. Accordingly, analysis of these questions has drawn upon theories emerging from each of these differing disciplinary perspectives. Although earlier research in these fields has been heavily influenced by its focus on the experience of Western publishers, this dissertation demonstrates how analysis of the circumstances of newspaper publishers in non-Western countries such as China can also provide valuable theoretical insights.

The previous studies in the three areas are reviewed in Chapter 2, and three analytical frameworks are built up to investigate the research questions in the three findings chapters. Due to the nature of interdisciplinary research, the three research questions are conceptualised by distinct frameworks. The applicability of three frameworks is examined by the analysis of empirical data in the findings chapters. However, rather than assess the applicability of a single theory, this interpretative study uses theoretical tools for the purpose of explaining industry practices that are worthy of discussion for their rationales, values and tendencies. Based on this thinking, more than one theoretical approach are included in each of the three questions. In this sense, the corroboration of theories and practices has twofold contributions: building up new analytical frameworks integrated by different theories and validating them in the empirical analysis; and expanding the appropriate scope of theories founded in the Western context to a non-western circumstance.
For the first research question, which is concerned with the changes in organisational management, an analytical framework constructed by the three approaches of strategic management in media is utilised in Chapter 5. The approaches are rationalist, adaptive and interpretative, which were summarised by Küng (2008) in light of the established theories in the field of strategic management. The approaches are adopted to analyse the three changing practices: corporate expansion, organisational re-structuring and cultural adaption. They are “situated on a continuum” and respectively concerning plan, process and implication of managerial strategies (Küng, 2008, p. 109). In the case study analysis, they present the essential elements of organisational management: strategic motivation, organisational structure, and personnel configuration. Therefore, the analysis proves that integrating the three approaches, as a theoretical framework, can be an effective analytical tool for analysing managerial changes in newspaper organisations.

The first change in management is corporate expansion, which is analysed with the rationalist approach. In particular, the Resource-based View (RBV) and the Value Chain Theory (VCT) are appropriate to explain the strategic motivation of the new businesses in QNC and NNC. The RBV focuses on the resources and capabilities owned by an organisation (Küng, 2008, p. 115), which is helpful in identifying resources of media organisations. In QNC and NNC, the resources comprise the capability of content production and multi-platform media distribution, the cultural relevance with local communities, the relationship with local businesspeople, the influence of established media brand, and the credibility and public trust in local markets. However, the RBV only provides the viewpoint for explaining internal resources but is lack of the consideration about external environments. The shortage can be complemented by the VCT. In the case of QNC and NNC, the expansion is also driven by the aim of generating new values for newspapers publishers, readers, advertisers and other business partners of publishers, in order to reduce the operation risk caused by the over-dependence on advertisement revenues (Picard & Rimmer, 1999). Besides, it also creates the possibility to achieve efficiency gains through taking advantage of digital technologies (Doyle, 2013, p. 34). Therefore, the combination of the RBV and the VCT can offer a comprehensive viewpoint for discussing the strategic motivation of new businesses in QNC and NNC.

The expansion of QNC and NNC is also attributed to some specificities in the Chinese circumstance. The e-retailing business of QNC benefits from the pre-existence of a distribution company operated by the
newspaper publisher, which was developed from the newspaper circulation team. Besides, it is also influenced by the business culture of e-commerce at the City Hangzhou where Alibaba originated. The online marketing of NNC is developed based on the close connect between NNC and local businesspeople. Especially, the online marketing of real estate transactions is prioritised because local real estate developers have been the primary advertisers for a long time. In brief, QNC and NNC have different supportive conditions for their corporate expansion, which are specialities in the Chinese circumstance. Therefore, the findings contribute knowledge about how the distinct circumstance of Chinese market results in the unique strategic response.

The second change in management is organisational re-structuring, which is analysed with the adaptive approach. This approach focuses on presenting strategic processes (Küng, 2008, pp. 119–121), which is precisely the shortage of the rationalist approach that mainly concentrates on strategic plans. The organisational re-structuring in QNC and NNC is similar in orienting to the pattern of Internet companies. However, their practices of re-structuring are differing, which is revealed by the two analytical frameworks – the extended organisational form proposed by Baumann (2013) and the organisational re-configuration in three stages proposed by Küng (2008, p. 188). In the view of the extended organisational form, the newly founded organisational units in QNC are mutually connected in the network form; while that of NNC are independent in the modular form. However, not all the organisational units in NNC have the right of autonomy, so the modular form in NNC is under constructing. With regards to the organisational re-configuration in three stages, all the units in QNC are in the third stage, namely re-integration; while only one in NNC is in the second stage – autonomy, the rest is still in the first stage – integration. In brief, the findings reveal the complexity of the organisational re-structuring in the Chinese newspaper companies.

The third change in management is cultural adaption, which is studied with the interpretative approach that focuses on individual practitioners’ cognition of their works and the organisational culture (Küng, 2008, p. 121). Scholars have found that media workers feel uncertain about (Gade & Lowrey, 2011; Gill, 2010; Hollifield et al., 2015) or even resist to the alteration in their day-to-day practices (Boczkowski & Mitchelstein, 2010; Domingo, 2008; Gade & Raviola, 2009; Singer, 2004; Spyridou et al., 2013). Based on the comparison of practitioners’ cognition to the new businesses, the findings show that the practice of
QNC is less corroborated than that of NNC. In other words, the practitioners in QNC hold positive attitudes towards the changes brought by operating the new business, no matter the adoption of new technologies or the cooperation with colleagues from different sectors. Compared to that, the frontline workers in NNC are reluctant to accept the changes and the newspaper managers choose to compromise for economic reasons. The positive attitudes held by practitioners in QNC may be related to the research method of face-to-face interviews, not least for the reason that most interviewees were contacted through the chief manager of QNC. Even so, the findings contribute in revealing the practitioners’ cognitions of changes that are usually omitted by studies with the rationalist and adaptive approaches (Küng, 2008, p. 165). Moreover, few attentions has been paid by Chinese media scholars to the changes of individual cognition and organisational culture in media practices (Xia, 2013). Therefore, the findings are helpful in filling the gap of Chinese studies in this regard.

For the second research question, which is concerned with the changes in production activities, the previous studies about newsroom structure and journalism production are referenced in Chapter 6. In particular, the theory of Socio-Technical System (STS) views that technological innovation tightly connects to changes of organisational structure (Leonardi, 2012; Lewis & Westlund, 2015; Sylvie & Weiss, 2012), which is appropriate to interpret the connection of newsroom structure and production process in the cases of QNC and NNC. In QNC, the organisational structure in the network form, which is characterised by the interaction across departments, facilitates the re-construction of content production based on all-round technological applications. Differently, NNC’s structure is in the modular form, which tends to be beneficial for the independent development of individual departments. Accordingly, the technological application in NNC focuses on re-formatting the presence of media content. In fact, the differences of organisational re-structuring and technological application in the two cases are associated with their discrepancy of transition dynamics, as reiterated above. In brief, the findings collaborate the view of STS – technological innovations in certain organisations are profoundly affected by the corresponding structure and institution.

The findings in Chapter 6 also reveal that the digitisation and commercialisation in the Chinese newspaper companies are closely related and simultaneously influencing the transition of newspaper publishers. The operation of new businesses is practising the trend of commercialisation; one of its aims is monetising the
digital productivity accumulated in the past decade. Meanwhile, the digital productivity is the valuable resource for operating the new businesses and would be reimbursed by the latter with new revenue streams. In the previous western media studies, few scholars have discussed the necessity of exploiting the value of digital productivity by appropriate approaches (Doyle, 2014, 2015b, 2015c; Dwyer, 2015). Therefore, this study echoes this western studies with the empirical data in the Chinese circumstance.

Besides, the textual features of promotional content, which is produced for the operation of new businesses, are analysed based on the previous studies of advertorials (Erjavec, 2004; Erjavec & Kovačič, 2010; Kovacic et al., 2010) and lifestyle journalism (Fürsich, 2012; Hanusch, 2012; Kristensen & From, 2012). The findings reveal that the promotional content in the case of QNC and NNC is neither advertorial nor lifestyle journalism. Based on the analytical framework of advertorials proposed by Erjavec (2004; 2010; 2010), three aspects of the promotional articles are revealed – topic, headline and the choice of information source. Its topics are similar to these two non-mainstream media content products, which comprise travel stories, health-keeping guidance and daily consumption advice. Its headlines contain eye catchers such as appealing or persuasive words. Its choice of information source relies on the frequent direct quotation from businesspeople. Moreover, The promotional articles in QNC and NNC are distributed not only in the printed newspapers but also on WeChat. Therefore, the analysis of the textual feature of the promotional content echoes the findings about the digitisation and commercialisation in production activities. The controversial implications of commercialised content production have been widely discussed by the Western media scholarship (Achtenhagen & Raviola, 2009; Erjavec, 2004; Erjavec & Kovačič, 2010). However, much less Chinese scholars have paid attention to it (Chen, 2010; Zhou, 2009). In this regard, the findings supplement the shortage in Chinese media studies.

For the third research question, which is concerned with the consistencies and conflicts between state policies and industry practices, an analytical framework constructed by the stakeholder analysis and the network approach is utilised in Chapter 7. These two theoretical tools are in the school of taking policy as a process (Nowlin, 2011). The theoretical context is in accordance with the view held by Chinese media scholars that Chinese media policies are characterised by its “experimental nature (Chin, 2011)”. Associated with that, the formulation and implementation of policies are an evolving process comprising gradual adaption and continual learning (Yu & Su, 2009; Zhou, 2005). Moreover, the Chinese media
policymaking is the result of the close collaborative relationship of policymakers and practitioner (Pan, 1997; Xiao, 2014).

The integration of the stakeholder analysis and the network approach is based on the pre-condition that they are complementary for each other’s shortcomings. With the view of stakeholder analysis, four groups of stakeholders can be found in the policies related to the changing newspaper practices: policymakers in the central government, policy implementers in local governments, state-owned traditional media organisations, and commercial media organisations in the Internet market. In the time of upheavals, they have conflicts of interest in some areas and communities of interest in others, which forms a complex network of media policies. Therefore, the classification of four groups of stakeholders is too fixed to reveal the change of interest coalition. Then, the network approach is adopted to interpret both co-operation and conflict of different stakeholders, which takes policy process as an interactive network (Adam & Kriesi, 2006; Blanco et al., 2011; Kriesi et al., 2006; Sandström & Carlsson, 2008). As a result, it offers a dynamic view to complement the fixed angle of stakeholder analysis. In particular, the policy network studied in this dissertation can be explained as the bargaining type of interactive network in the centralised distribution of power, which is “an intermediate or ambivalent type characterised by both conflict and co-operation (Adam & Kriesi, 2006)”.

The findings of Chapter 7 echo the previous studies by that there is an implicit but close collaboration between media practitioners and administrators in China (Pan, 1997; Xiao, 2014). However, the collaboration has unexpected implications sometimes. For example, the policy preference of database technology is not universally applicable due to the high initial cost. Another example is the conflict of the system of administrative segregation established in the Chinese media industry and the national strategy of media convergence newly advocated by the state government. Inspired by the theoretical approaches of stakeholder analysis and network approach, the view of collaboration can be enriched: unexpected implications usually appear in the collaborative relationship because the interaction of stakeholders is under bargaining that contains both cooperation and conflict. In addition, the existence of conflicts indicates the necessity to modify both practices and policies, which evidences the negotiation process of policy development. In this regard, this study supports the view that the Chinese media policymaking is an evolving process (Yu & Su, 2009; Zhou, 2005) with the “experimental nature” (Chin, 2011).
In summary, the three research questions of this dissertation are addressed in light of either theories or the empirical conclusion of previous studies. Their analyses cannot be led by one single theory because they locate in different areas: media management, journalism production and media policy. Therefore, relevant theories or concepts are borrowed from the above areas to be theoretical propositions and guide the analytical generalisation of empirical case studies (Yin, 2013, p. 41). They together construct a systematic framework for the exploratory study in various perspectives. Moreover, the analysis in each issue either corroborates or advances the referenced theories or views. In addition, development in scholarship which tends to be dominated by analysis of the experience of the western newspapers, can be further enriched and strengthened by taking account of the managerial and strategic solutions found in the distinct policy, socio-economic and market settings provided by non-Western countries such as China.

8.6 Limitations of this study

The main limitation of this study exists in that the data about readers’ perception of the new businesses of QNC and NNC is not involved, which is limited by the time available for this research project. What’s more, because the new businesses of the two publishers are in the initial stage, it is difficult to collect reasonable data about readers’ perception of the practices. Differently, strategic plans, organisational activities and the interpretation of media policies, which were gathered from the newspaper practitioners in QNC and NNC and scholarly media experts, can be convincing evidence for the discussion of changes in the two organisations and the related implications of state policies. Admittedly, collecting data through the interviews with newspaper managers has the risk of being treated as the objective of public relationship. The researcher avoided partiality through corroborating the field data by cross-referencing the materials contained in the words of interviewees. Besides, the evidence for argument is also gathered from the scholarly media experts in established academic institutes, the public report of the listed company and information from reliable sources.

Another limitation is the data concerning media policies cannot be sufficiently collected. It is because the interviews for Chinese media administrators and regulators were declined for some untold reasons.
Moreover, the full texts of a part of government documents relevant to this study cannot be accessed, which is a common phenomenon in China, according to a media scholar (Yao, interview, 2015). To compensate this deficiency, the researcher interviewed scholarly media experts for their interpretation of media policies related to this study; these professors have the connection with administrators and have the reputation of reviewing public policies. Meanwhile, the comments on the government policies from reliable sources are also consulted, which are in either Chinese or English.

The last limitation is related to the representativeness of the two newspaper companies that were selected as the objectives of the case study. QNC and NNC are the pioneers in the Chinese newspaper industry, not only being the forerunners of diversifying businesses as discussed in this study but also being the leaders of digital transition in the last decades. They are more developed than most of the other Chinese newspaper publisher in technologies and management. Accordingly, they have larger capital strength and higher brand value than average Chinese newspaper companies. In fact, the supportive conditions enable them to be the innovators, and then being selected for this study. Therefore, their features of advancement rationalise their representativeness of innovative practices. The analytical generalisation of the experiences of QNC and NNC may not be instantly applicable for other Chinese newspapers. However, it inspires the innovative potential of other newspaper publishers. Furthermore, it has the value for “shedding empirical light about theoretical concepts (Yin, 2013, p. 40)” regarding digital transition which is widely deliberated by media researchers in different regions.

8.7 Possibilities for future research

This dissertation is concerned with the changes in the Chinese newspaper industry where the industry practices are quite state-regulated. The reaction to the trend of digital convergence is possibly different in other industries such as magazines where the governmental regulation is weaker, or other regions where the policy, socio-economic and market settings are distinct to that of the Chinese newspaper industry. Even though, the findings in this dissertation can present the latest progress of the digital convergence and the related business growth of the Chinese metropolitan newspaper publishers, which would be the reference for city-based media organisations in other regions.
In the first findings chapter (Chapter 5), the changed individuals’ cognition are discussed mainly based on their professional roles, namely as managers or frontline workers. However, the alteration of working responsibilities and routines would also generate the feeling of uncertainty (Gill, 2010). This sort of feeling could be noticed in both the formal interview and informal conversation with the newspaper practitioners in QNC and NNC. For example, a junior manager in NNC was not confident of the new business on the Internet and uncertain about his job position that was dedicated to the new business; about one year after, this manager resigned and transferred to an Internet company. This study primarily focuses on the activities of newspaper organisations. Accordingly, the practitioners are regarded as organisational members. Nevertheless, individuals’ mentality and behaviours are also crucial elements, as scholars indicated, they are primary actors in the organisational network (Mico et al., 2013). Moreover, as mentioned above, the perspective of the interpretative approach is understudied by contemporary Chinese media scholarship. However, the fast-changing realities in the Chinese newspaper industry bring more uncertainty for individual practitioners than ever before. Therefore, the related research should be continued in the future, especially in the Chinese circumstance.

In the second findings chapter (Chapter 6), the findings present that the managers of QNC and NNC have the similar passion for developing businesses on the mobile Internet. This passion has a special connection with the role of metropolitan newspapers as local media. Mobile devices can be used to trace individual information, e.g., accurate geographical information. This function can be utilised in media production to create localised and personalised content products. It is particularly beneficial for the metropolitan newspaper publishers to improve their competitiveness in the local market. Related topics have been discussed by the western media scholars (Schrock, 2015; Westlund, 2015), but barely in Chinese media scholarship. In reality, some Internet giants in China have already offered personalised information services, and incline to co-operate with local media for the purpose of acquiring local information sources and the support of local governments (Li, 2014). Therefore, further study can be developed in the issue of how the local media deal with the competition with Internet giants or co-operate with them.

In the third findings chapter (Chapter 7), a conflict exists in keeping professional ethics and pursuing commercial interests. However, no dedicated suggestion is proposed for resolving the conflicts, which is
limited by the practicability and because of the explanatory rather than normative stance of this dissertation. Even so, the issue of professional misconducts in the changing context is worth discussing, not least for the contemporary Chinese media policies that severely lack the adequate standards of journalism ethics (Lee et al., 2015; Li & Shang, 2013; Yang, 2014; Yu & Su, 2009). In this regard, Chinese policymakers and academic researchers need to learn experiences from the western counterparts (Chen, 2010; Zhou, 2009). Nevertheless, the consultation needs to avoid taking the western experiences as “take-for-granted normative standards (Zhao, 2015)” because the realistic conditions of industry activities vary.

8.8 Conclusion

This chapter reviewed the primary findings of this dissertation, including the empirical results based on the field research and the theoretical implications for established theories and previous studies. Both the empirical and theoretical results are presented in the sequence of three research questions of this study, namely the changes in organisational management, the changes in production activities, as well as the association of state policies and industry practices. In addition, the limitations of this study are admitted, which are mostly related to the constrained opportunity of data collection. In the end, the possibilities for future research are proposed, which are inspired by the empirical findings of this study.

This dissertation investigates the organisational practices changed by the operation of new businesses in the two Chinese metropolitan newspaper companies. It interprets the vigorous activities in the Chinese newspaper industry with the reference of the theories in the areas of media management, journalism and news production, and media policies. Theoretically, the findings either corroborate or modify the opinions of the relevant research in both Chinese and English. Meanwhile, the discussion reveals that the metropolitan newspaper publishers do not merely serve for party propaganda any longer. In the recent decade, they have also experienced the trends of commercialisation and digitisation, so they have founded the organisational structure of commercial enterprises and pursued for profits in the market. Moreover, as with media organisations in other regions, they are facing to the challenge brought by changing media consumption in the era of Internet. The changes “bear risk as well as opportunity (Gade & Lowrey, 2011),"
which shapes a complex environment for the development of new businesses of the newspaper companies.

The three questions proposed by this study can be answered now. Firstly, in order to facilitate the operation of new businesses, the strategic management of QNC and NNC are changing in three aspects: corporate expansion, organisational re-structuring and cultural adaption. Secondly, the production activities of QNC and NNC are simultaneously affected by the practices of digitisation and commercialisation, which is reflected by the special content products – promotional articles. Lastly, with the changes of organisational activities, the industry practices of QNC and NNC are consistent to the inclination of certain state policies on the one hand, and conflict with some established government regulations on the other.

This study is exploratory, and its findings are explanatory. In order to pursue the objective description of industry practices, the researcher adopted both positive and passive evidence from the data collected in the field research. In other words, this study is devised to provide a balanced vision on the current situation of the Chinese newspaper industry. The new businesses of the two publishers are beneficial to the digital transition and the building of new revenue streams. However, they bring many problems for the adjustment of organisational management and the adaption of individual practitioners, which are still wait for resolution. What’s more, they endanger the journalistic integrity, but few effective government regulations are available at present. In summary, the practice of new business in QNC and NNC is the miniature of the transition in the Chinese newspaper industry, which inherits the features formed in the decade of evolvement. Meanwhile, as the two publishers are pioneers in the Chinese newspaper industry, their practices lead the trend of novel exploration in the future.
## Appendices

### 9.1 Appendix 1 – List of Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Location of interview</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Qianjiang News Chain (QNC)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feng He</td>
<td>Chief manager of QNC</td>
<td>Hangzhou</td>
<td>16th December 2014</td>
</tr>
<tr>
<td>Liping Yao</td>
<td>Deputy manager of QNC; Deputy</td>
<td>Hangzhou</td>
<td>18th December 2014</td>
</tr>
<tr>
<td>Jian Zheng</td>
<td>Direct of IT team of Qianbaoyouli</td>
<td>Hangzhou</td>
<td>16th December 2014</td>
</tr>
<tr>
<td>Qiao Wu</td>
<td>Editor-in-chief of the Omni Media</td>
<td>By E-mail</td>
<td>15th March 2015</td>
</tr>
<tr>
<td>Shuihua Zhu</td>
<td>Deputy manager of the Omni Media</td>
<td>Hangzhou</td>
<td>17th December 2014</td>
</tr>
<tr>
<td>Yiping Shou</td>
<td>Copywriter of the Department of</td>
<td>Hangzhou</td>
<td>17th December 2014</td>
</tr>
<tr>
<td><strong>The Nandu News Chain (QNC)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ke Cao</td>
<td>Chief manager of NNC</td>
<td>Guangzhou</td>
<td>23rd December 2014</td>
</tr>
<tr>
<td>Xianghong</td>
<td>Deputy editor-in-chief of NNC; Leader</td>
<td>By Telephone</td>
<td>18th March 2015</td>
</tr>
<tr>
<td>Wantao Zheng</td>
<td>Deputy manager of NNC; Leader of</td>
<td>By Telephone</td>
<td>19th March 2015</td>
</tr>
<tr>
<td>Chunlin Liu</td>
<td>Deputy director of the Department of</td>
<td>Guangzhou</td>
<td>28th December 2014</td>
</tr>
<tr>
<td>Chunhui Luan</td>
<td>Deputy director of the Department of</td>
<td>Guangzhou</td>
<td>23rd December 2014</td>
</tr>
<tr>
<td><strong>Scholarly media experts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professor Jianwu Song</td>
<td>Renmin University of China</td>
<td>Beijing</td>
<td>8th January 2015</td>
</tr>
<tr>
<td>Doctor Jun Zhou</td>
<td>Renmin University of China</td>
<td>By Telephone</td>
<td>10th January 2015</td>
</tr>
<tr>
<td>Professor Zejin Yao</td>
<td>China University of Political Science and</td>
<td>Beijing</td>
<td>6th January 2015</td>
</tr>
<tr>
<td>Doctor Weizhi Yin</td>
<td>China University of Political Science and</td>
<td>Beijing</td>
<td>6th January 2015</td>
</tr>
<tr>
<td>Doctor Wei Zhu</td>
<td>China University of Political Science and</td>
<td>By E-mail</td>
<td>10th January 2015</td>
</tr>
</tbody>
</table>
9.2 Appendix 2 – Consent form

CONSENT TO THE USE OF DATA

University of Glasgow, College of Arts Research Ethics Committee

I understand that Miao Huang is collecting data in the form of record interviews and observations for use in an academic research project at the University of Glasgow.

This research focuses on the transformation of the regional newspaper industry in China. The emerging e-retailing business of regional press groups will be described and analysed to interpret the transformative process. The research will be based on case studies, in which the methods of interview, field observation and content analysis will be adopted.

Mainly three issues will be explored:

1) how the e-retailing is affecting newspapers’ content production practices;

2) how the e-retailing is changing the newspapers’ revenue models;

3) how the industry policy should be modified to simultaneously support the industrial development and protect the journalistic integrity and the media consumers’ benefits.

I give my consent to the use of data for this purpose on the understanding that:

• The material will be retained in secure storage for use in future academic research

• The material may be used in future publications, both print and online.

• Any data or information that I identify as confidential will be treated accordingly.

Signed by the contributor: ____________________ Date: __________________

Researcher’s name and email contact:

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Dr Melanie Selfe, Melanie.Selfe@glasgow.ac.uk

Department address:

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University of Glasgow

13 Professor Square, Glasgow G12 8QQ
9.3 Appendix 3 – Interview outline

This research mainly focuses on three issues. However, in order to practically carry out the interview, the questions are re-organised in two categories because the interviewees are two different types of professional experts: newspaper practitioners and policymakers. The first group of questions will be asked to newspaper practitioners in different positions in newspaper companies, for investigating if a potential gap exists between managerial strategies and practical experiences.

Newspaper practitioners

(1). How do the new business affect the organisational transition?
(2). How is the content production changed by the operation of new business?
(3). How is the co-operation between the new business and other departments achieved?
(4). How do the new business contribute to the financial performance?
(5). How can journalism integrity be protected from the invasion of commercial interest?
(6). In current state policies, are there barriers for developing the new business?

Policymakers

(7). What are the implications of the new business on current state policies?
(8). How to modify current state policies to facilitate the convergence strategy?
(9). How to adjust the policies to protect journalistic integrity and support commercial businesses simultaneously?

N.B. In the field research, policymakers could not be accessed. According to the feedbacks of my contact, the officers refused to give comments on new industry activities that were not formally confirmed by the administrators. Meanwhile, some related government documents are not open to the public. However, some scholarly media experts have access to the policymakers and some in-house documents. Therefore, I interviewed them to collect their interpretations on the administrative regulations and state policies.
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