

Chapter 1

An Overview of China TV Drama Market

Section 1 The Structure of China TV Drama Market

1 .Commercialization of TV media-Driving force

Nearly RMB20 billion was generated by advertising

The separation of programming and broadcasting accelerate the development of TV drama industry

2 .Chinese TV drama market take shape

TV media market has become a rather mature market

Huge output of TV drama

Stable price and balanced supply and demand

Stable trading terms

3 .Two-tier trade and two structures

TV drama producer and TV stations

TV stations and audiences

Section 2 TV Drama Trade Under The Government Control

1 .Frame of TV drama market is decided by the government

Important events lead to short term supply and demand uncertainty

Managing the demand of TV stations

Managing the supply of TV drama producers

2 .TV stations: Expanding and monopolizing

Monopoly in urban areas was strengthened

The rapid development of TV channels led to growing program demand

TV drama competition structure is clear

The arrangement and broadcast of TV drama becomes matured

3 .The suppliers: Separation and pressure

- TV drama producing companies adjusted business
- A few TV drama producers had strength and capability
- The gap brought by TV drama producing periodicity
- The demand of quality TV drama exceeded the supply
- The pressure of producing cost
- TV drama production remained stable

Section 3 Three Market Trends for TV Drama

1 .Overall drop in TV drama market

- The demand for new TV drama decreased
- The price of TV drama went down
- TV drama faced distribution difficulty

2 .Commercialized TV station operation

- Advanced program producing industry
- Further separation of programming and broadcasting
- Specialized labor dividing expanded TV drama production

3 .TV drama market in the environment of pay-TV and channel specialization

- The development of TV drama channels
- TV drama is still the major program of “broadcast” TV
- Pay-TV enhanced the competition between program block and TV drama

4 .Differentiation brought by the separation of program producing and broadcast

- Differentiation among the TV stations
- Differentiation of TV drama producers
- Change from “free-viewing” to “pay-viewing”

Chapter 2

Analysis of TV Drama Broadcast and Viewing

Section 1 Broadcast Status of TV Drama

1 .Broadcast status of TV drama in different regions

TV drama broadcast volume varied dramatically in seven administrative regions
Most of regions had higher broadcast volume in 2002 than that of 2001

2 .Broadcast situation by month

Broadcast volume showed significant variance in each month
Generally, TV drama broadcast volume in each month of 2002 showed an increase over that of the same period in 2001

3 .TV drama broadcast status by day

TV drama broadcast volume saw the regularity in the 7 days of a week
Overall, broadcast volume from Monday to Sunday increased in 2002 compared with 2001

4 .TV drama broadcast volume by timeslot of day

High broadcast volume was gathered in three timeslots
Compared with 2001, TV drama broadcast volume in most timeslots increased in 2002

5 .TV drama broadcasted by TV stations

Three types of stations had high broadcast volume
The broadcast volume of TV drama in each TV station in 2002 was higher compared to 2001.

6 .Broadcast frequency of TV drama

In 2001, the highest broadcast frequency rested with TV dramas of “Hong Se Kang Na Xin” and “Hei Bing”
“Bei Pan”, “Ji Qing Ran Shao De Sui Yue” and “Yong Bu Fang Qi” were the TV dramas with the highest broadcast frequency in 2002

Section 2 Status of TV Drama Viewing

1 .Characteristic of TV drama viewing

Average per capita TV drama viewing time in 2002 was 52 minutes, which accounted for 30% of total TV viewing time

2 .TV drama viewing time

Audiences watched more TV drama during holidays

Audiences spent less time on TV drama during weekdays

Audiences spent more time watching TV drama during prime time than in other dayparts

3 .Regional characteristics of TV drama viewing

Audiences in Northern China spent more time on TV drama than in other regions

Audiences in Guangzhou spent less time on TV drama than audiences in Shanghai and Beijing

The same TV drama generated variable viewing times in different regions

4 .TV drama audience profile

Female spent more time watching TV drama than males

The more elderly the audiences, the more time they spent viewing TV drama

Audiences with higher education levels spent less time on TV drama

Audiences with high income watched less TV drama than those with low income.

Section 3 Balance of Broadcast and Viewing of TV Drama

TV drama demonstrated the largest variance in ratios for both broadcast and viewing

Imported TV drama, modern drama and urban life stories were the categories where broadcast ratios exceeded viewing ratios

TV drama saw the biggest gap between broadcast and viewing ratio among the all program types in most regions and months

TV drama broadcast ratio was lower than viewing ratio in the morning, midday and evening

Section 4 Competition Structure of TV Drama Viewing Market

1 .Competitive situation of TV drama in the national market

Generally, provincial satellite TV stations were very competitive

CCTV had better performance in the evening and prime time

TV drama had the largest market share among all programs

Crime detective, common people drama, urban life, reform story, legendary tales and military story were the TV dramas with high viewing share

TV drama “Liu Lao Gen” took the highest audience rating

2 .TV drama viewing competition in Anhui market

Anhui TV had a near-monopoly of the provincial TV drama viewing market

CCTV was competitive among the elderly and highly-educated audiences

TV drama was the most popular program in the market

Popular TV drama categories were chivalrous conduct, Kung-fu, fighting, romance and crime detective in Anhui market

TV drama “Bu Yao He Mo Sheng Ren Shuo Hua” had the highest rating in Anhui TV market

3 .Competition in Beijing TV drama market

BTV took 50% market share

Satellite TV from other provinces did well in the late night daypart (22:00-24:00)

TV drama was the most popular program in Beijing market

Beijing audiences were interested in various types of TV drama

“Tie Chi Tong Ya Ji Xiao Lan” had the highest audience rating in Beijing market

4 .Competitive situation in Shanghai TV drama market

TV stations affiliated to Shanghai Media Group had absolute advantage in Shanghai TV drama market

CCTV had influence in middle-aged and elderly audiences with high education

TV drama was the most popular program type in the market

TV dramas in subjects of romance, sitcom and dialect drama, Kung-fu, crime detective, legendary tales and imported TV dramas were the hottest ones in the market

TV drama “Hei Dong” had the highest average rating.

5 .TV drama competition in Guangzhou market

Overseas TV played a pivotal role in Guangzhou TV drama market

TV drama was the most popular program in the market

Guangzhou audiences preferred legendary tales, sitcom and dialect drama

“Wai Lai Xi Fu Ben Di Lang” got the highest average rating

Chapter 3

Current Situation and Future Trend of TV Drama Production

Section 1 TV Drama Production-Output volume and Subject Matter

1 .TV drama production application and approval process

Total number of TV drama production remained stable in 2002

The amount of TV drama application for production was 40,000 episodes in 2002

The amount of TV drama got production permit was stable in 2002

2 .Length and subject of TV drama

The average TV drama length was 20 episodes

Long and short drama had different subject matter

Stories reflecting real life was the main stream in TV drama

Top 3 TV drama subjects were urban life, common people life and crime detective

3 .Special TV drama production

Sitcom became more mature in China

Dialect drama also saw growth

TV movies had mad a start

4 .TV dramas awarded prize in 2002

Section 2 TV Drama Producing Companies

1 .TV drama producing companies: Number and distribution

Large move and TV investment companies emerged

Movie groups became the major force in TV drama production

Many small TV drama producing companies remained in the market

2 .Future direction of TV drama producing companies— integration and standardization

TV drama producing companies are heading in the direction of large-scale production

Integration of TV drama producing companies is crucial to program content platform construction

Programming platform is in line with broadcast platform

Standardized operation becomes more critical to TV drama producing companies

Section 3 Investment in TV Drama Production

1 .Total investment and return

Total investment in TV drama production was RMB3billion

Annual demand for new TV drama is 8,000 episodes

TV drama production is not an investment with quick large profit

2 .The mode of TV drama investment

Complete investment

Joint investment

Section 4 Key Elements in TV Drama Production

1 .Source of play script

Independent plot design and scrip writing

Purchasing ready-made script

Adapting novel and famous literary works

2 .Major staffing required

Usually only one script writer needed

TV drama directors hired from TV stations and film studios

TV stars became more important for TV dramas

3 .Other aspects of TV drama production

Source of backstage staff

Outdoor scene park

Section 5 Future Trend of TV Drama Production

1 .“Rationality”—TV drama invest will be more rational

2 .“High quality”—future competition of TV drama will be on product quality

3 .Serialization of TV drama

4 .Technology will help streamline production process

Chapter 4

TV Drama Trade in Domestic Market

Section 1 Demand For TV Drama

1 .The perception of TV drama demand

- TV drama was the most required program category
- Provincial capital TV stations had the largest TV drama demand

2 .Demand for TV drama in 2002

- Total broadcast volume was 30,000 episodes
- TV stations at various level differed greatly in TV drama demand
- Demand varied by different TV drama categories
- TV drama market shrunk in 2002

3 .Demand trend of TV drama

- Format change of CCTV intensified the TV drama competition in the evening timeslots
- Pay-TV posed challenge for TV drama market
- Nearly 50% of TV stations were optimistic about TV drama market prospect

Section 2 TV Drama Distribution Companies and patterns

1 .TV drama distribution organizations

- 76% of companies distributed both their own TV drama and the TV dramas from other producing companies
- Companies that handled both own and others' TV dramas had stable distribution channels
- Only 1.6% of the distribution companies operated in large scale
- There was limited market room for professional distribution agents
- 78.6% of TV drama distribution companies were located in North east and South

2 .Distribution pattern of TV drama

- Large companies tended to handle their own products

Small TV drama producing companies contracted distribution to others

Most companies sell TV drama to distribution agents in contracted distribution pattern

3 .Two distribution phases and customers

Provincial and provincial capital stations were the main stream markets in the first distribution phase

Municipal stations were the major customers in the second distribution phase

Joint purchase became the force not to be ignored

4 .Distribution territories

Section 3 TV Drama Distribution Channels and Promotion

1 .Distribution channels

Direct sell was the key channel

TV festival provided communication and trade opportunities

Program trade network enhanced the joint purchase

2 .Purchase channels of TV stations

Program trade network of provincial and municipal stations

Personal sales

TV Festival

Program trade fair independent from TV festival

3 .TV drama promotion

The most common way was personal sell

Trial and pilot viewing was very popular

TV drama distribution companies placed advertisement on mass media

Promotion cost accounts for 20%-30% of total production cost

New promotional tools

Section 4 Content and Price of TV Drama Trade

1 .Content of TV drama trade

CCTV: various purchasing modes

Provincial stations: mainly purchased provincial broadcast right and satellite TV broadcast right

Municipal stations purchased local broadcast right

2 .Market price of TV drama	
Price ladder of TV drama	
TV drama price varied in different regions	
Purchasing price of TV stations at all levels	
Dropped prices in subsequent rounds of distribution	
3 .Payment in TV drama trade	
Cash payment was the most commonly used	
Problems of default payment in TV drama trade	
4 .External factors affecting TV drama trade	
Quality of distributors and buyers	
Non-industry effects	
Uncertainty in TV drama ratings	

Chapter Five

Current Situation and Development Trend for TV Drama Advertising

Section 1 Market Environment and TV Drama Advertising

1 .China's TV drama advertising increased sharply in 2002, trumping all other media advertising	
TV advertising volume was RMB23 billion	
Making up 50.5% of total advertising volume	
2 .TV drama advertising was the major revenue source of TV stations	
3 .Price ceilings set by media group helped to increase TV drama advertising profit	
4 .Multiple operation patterns of TV drama advertising	

Section 2 Common TV Drama Advertising Practices

1 .TV drama spot time price and decisive factors affecting price

Premium pricing of TV drama advertising

Decisive factors affecting TV drama advertising price

2 .TV drama advertisement

Various forms

The most commonly used were program naming, special sponsored program broadcasting and subsidiary ad usage

3 .TV drama spot time selling

Two ways of selling

Selling patterns of TV stations

4 .TV drama ad arrangement and broadcast

Using TV drama ratings to drive ad ratings

Arrangement and broadcast of TV drama ads

Factors taken into consideration for TV drama ad arrangement

Section 3 TV Drama Attached Ad

1 .General status of TV drama attached ads

Definition of TV drama attached ad

History of TV drama attached ad

Hard ad was the major form of TV drama attached ad

Length of TV drama attached ad

Huge discount rate of TV drama attached ad

The price gap was the source of profit

2 .Three players in TV drama attached ad market.....

TV drama attached ad companies had high risks and more difficulty

TV drama attached ads were mainly non-seasonal products

3 .Arrangement, broadcast and monitoring of TV drama attached ads....

TV drama producing companies and TV stations cooperated in ad arrangement and broadcast

Ad monitoring was conducted by the third party

4 .The trend of TV drama attached ad

TV drama theater is the future pattern of TV drama attached ad

Plot ads of advertising companies will be a great selling point

TV drama attached ad will be handled by advertising divisions of TV stations

Section 4 New Trend of TV Drama Attached Ad-TV Drama Theater

1 .Status of TV drama theater

Growth through merger of several organizations

Operating pattern: TV drama attached ad was the major management issue of TV drama theater

TV drama theater operating companies handled both TV drama distribution and advertising

2 .Management characteristics of TV drama attached in TV drama theater ...

Stable broadcast time

Concentrated in prime time

With multi-coverage broadcast, TV drama theater penetrate municipal stations

Focused on differentiation

Improved service consciousness

Lower ad price with direct ratio to TV station rank

3 .Supply and demand of TV drama attached ads

Advertisers only spent 2.4% of total ad spending on TV drama theater ad

Ad length in TV drama theater

Profit generated by TV drama theater

Chapter 6

Operating Status of Movie and TV Drama Channels

Section 1 Scale and Characteristics of Movie and TV Drama Channels

1 .The number and distribution channels of movie and TV drama channels ...

Movie and TV drama channels were the largest and most popular group of specialized channels

Most TV stations had movie and TV drama channels

Most movie and TV drama channels gathered in East China

2 .Characteristics of movie and TV drama channels

Movie and TV drama channels were the most popular TV channels

Movie and TV drama channels helped to develop stable viewing habit of audiences'

Movie and TV drama channels operations were different in geographic regions

Movie and TV drama channels were the most commercialized channels

Movie and TV drama channels had the highest profit potential

Section 2 Broadcast and Viewing Status of TV Drama Run by Movie and TV Drama Channels

1 .Broadcast status of TV drama run by Movie and TV drama channels ..

Total 1,357 TV dramas run at evening timeslots in 2002

Modern drama was the major TV drama broadcasted by the channel

2 . Viewing status of TV drama run by Movie and TV drama channels

Average rating of CCTV-8 during prime time was 1.5% in 2002

Movie and TV drama channels of provincial stations did well

Overall ratings of Movie and TV drama channels of municipal stations were low

Section 3 Program Arranging and Broadcast Strategy of Movie and TV Drama Channel

- 1 .Core advantage of Movie and TV drama channels
 - Scale effect
 - Program segmentation
- 2 .Factors affecting program arranging and broadcast strategy
 - Audience
 - Program
 - Media
 - Market
- 3 .Overview of program arranging and broadcast strategy
 - Following audience's lifestyle and habit
 - Extending audiences' viewing time
 - Considering input/output ratio
 - Avoiding viewing and share peaks between channels of the same station
 - Program pair-up
 - Branding daypart
 - Program classification (segmentation)
- 4 .Specific program arranging and broadcast strategy
 - Relatively fixed weekday programming
 - Programs broadcasted in blocks during daytime, dividing evening daypart into three timeslots
 - Broadcasting programs in blocks during public holidays
 - Using TV drama theater to target different audience segments
- 5 .Channel Image
 - To communicate the diversity and uniqueness of the channel
 - Developing unique broadcast style
 - Enhancing service quality

Chapter 7

International Program Exchange of TV Drama

Section 1 The Import and Broadcast Status of Overseas TV Drama

1 .Policy and regulations regarding the importation and broadcast of overseas TV dramas

Maximum broadcast volume of imported TV drama is 25% of the total daily TV drama broadcast volume

Broadcast volume of overseas TV drama in prime time should be no more than 15% of the total volume in prime time.

Imported TV drama should not be run at more than 3 provincial satellite TV channels

Imported TV drama market saw shrinkage in 2002

2 .Import status of overseas TV drama

Imported volume of TV drama took 14.1% of total TV drama purchasing volume

13.2% of TV drama purchased were overseas TV dramas

45% of TV stations had import volume less than 10% of the total TV drama purchased in 2002

3 .Broadcast status of imported TV drama

22% of TV stations run imported TV drama in evening timeslots

TV drama from Hong Kong had the largest broadcast volume

The broadcast volume of imported TV drama varied by regions

TV drama from Hong Kong and Taiwan occupied leading position in the market

TV drama from US and European countries were at the fringe of the market

4 .Cooperation between mainland China and Hong Kong / Taiwan

Mainland China, Hong Kong and Taiwan had formed a core TV program system that takes Chinese all over the world as target audiences