

EXECUTIVE SUMMARY

The year 2003 will remain in the minds of many in China and be long remembered for the Sars outbreak that paralysed the country during the 2nd quarter of the year. In most cities, where life and work never stops at day and night, it was like a sudden new Lunar New Year holiday, with deserted streets, limited vehicles and many businesses closed.

The impact of Sars has been strong in many sectors of China and TV has not escaped it; in a way, one can say that TV was one of the main benefactors of Sars as most people had to stay home and limit contacts and so...TV became one of the only leisure activity available and also the major way to learn about the news.

As a result, the Sars impact will often be visible in the various analysis included in the yearly release of the CSM *Television in China 2004*.

CSM Media Research, is the leader in TV audience measurement in China. Since 1996, it has been publishing an industry report summarizing the main figures and trends of TV in China.

Our ambition since the beginning has always been to provide a clear, accurate and in-depth introduction to the reality of TV in China through various vantage points.

***Television in China 2004* includes the following topics...**

A quick overview of the history of TV in China, the current situation and its future:

China has changed dramatically since Chairman's Mao decision to create a TV industry in the 50's and since the "confidential" audiences of about 80 million in the late 70's.

By 2003, almost all Chinese can watch TV whether it is through terrestrial, cable or satellite. This evolution has lead to important changes in the needs and habits of viewers.

Cable and satellite channels have appeared and become more prevalent in today's TV market, leading to marked changes in TV viewing habits. Digitalization is on the tracks and competition is increasingly strong .

The major TV viewing trends (based on 80 cities) over 2003, specifically:

An average viewing of 3 hours a day/person in line with what has been observed in the past 6 years, but with great differences from areas to areas and by age categories.

The continuing importance of the Chinese New Year/Spring Festival season and TV drama programs which attract considerable audiences.

But, in 2003, two events had a considerable impact on the amount of TV viewing in China: the Iraq War and the Sars outbreak. For the former, news coverage of the war in "direct" led to increased audiences during news time, especially amongst adults, while for the latter, it is the entire TV viewing consumption of the whole population that was changed and boosted.

A view of the major TV markets in China (measured via peplemeters)

For Beijing, Shanghai and Guangzhou the focus was on comparisons with the past years, the current trends and profiles of audiences, as well as the favorite programs over 2003. Although TV dramas are widely appreciated in these 3 markets, the choices are different in Beijing, Guangzhou and Shanghai. Local flavors ?

Shenzhen, Chengdu, Changsha, Hangzhou, Chongqing, Xian and Suzhou (newly measured in 2003) will provide the reader an opportunity to go look beyond the major markets and see how second-tier cities or provincial capitals watch TV.

Additionally, we included an overview of the advertising markets in Beijing, Shanghai and Guangzhou, as these 3 markets make over 45% of the total advertising spends in China and are still leading China's TV advertising boom. Toiletries, pharmaceuticals and foodstuffs were the most advertised categories over the year.

Several topics will provide the readers some in-depths insights

Sars was the event of the year 2003: we will propose our analysis of the impact of this terrible disease on TV viewing. The results are impressive and one can not think now of a similar event that could keep so many people home (even a final of a World Cup football ?)..

Summer is usually a great season for holiday and in many countries TV experiences a decline in viewership during the months of July and August: this is not the case in China, as there are no national holidays at that period; on the contrary, with schools and universities closing for 6 weeks, TV appears as the major leisure activity for the Chinese Youths.

Radio is still a minor medium in China but is rapidly growing: a specific analysis of the radio markets measured by CSM will show the strengths of radio, that is promised to a bright future in te coming years.

Advertising expenditures have continued to increase drastically, enabling China to surpass countries like France or Italy: the key figures on the categories and brands advertised, the spending trends by months, etc... are in the *Television in China 2003* once again.

Finally, this year again, we will propose you a general view of the complex China TV landscape, thanks to the data extracted from CSM nationwide panel which ended its 3rd entire year. It gives a slightly different vision of the TV scene.

In the end, a look at TV viewing in some foreign countries

As a leading worldwide actor in TV audience measurement, TNS (CSM's parent company alongside CVSC) provides TAM data in over 30 countries. The countries included this year will aim at providing some comparisons basis for better understanding of the China TV market.

We wish that you will enjoy reading *Television in China 2004*.