



Pearl River Delta Destination Guides are part of a series of supplements tapping advertising opportunities on the mainland



The Next Frontier

Global media companies have set their sights on China in recent years. Many organizations have made bold forays into select segments, such as advertising, publishing, content production and TV programming. The reasons for this expansion quest for global media companies are clear.

With roughly 10,000 magazines and newspapers serving a population of 1.3 billion and one of the world's largest emerging advertising markets, China presents both an opportunity and a challenge for publishing companies from around the world.

Combine this media market profile with one of the largest mobile phone and internet populations on the globe and you have a market primed for the convergence of content and digital delivery platforms.

Over the years, no foreign newspaper has made a greater commitment to cover China than the SCMP. Today, some 20 correspondents in three bureaus (Beijing, Shanghai and Guangzhou), backed by a Hong Kong-based China team, deliver unparalleled news and information. The SCMP is intent on making China business coverage a top priority through the expansion of editorial coverage.

Circulation

The SCMP has had a mainland China presence for almost two decades. The newspaper reaches a select readership, primarily through a network of distribution outlets at five star hotels. Circulation has expanded steadily as more people on the mainland look to the SCMP as a source of independent information on China, the Greater China region and world events from a local perspective. This is a role few news organizations can match.

China's desire for English language business information and news is growing. Although the overall cost of distribution in China is high due to distribution fees, tariffs and taxes, the ability to reach even a fraction of this readership presents a great opportunity. The ability to lay a solid foundation for the long-term is an important priority.

Building mainland readership provides a clear opportunity on the advertising front over the long-term. Ad spend is growing fast across all sectors. China's advertising industry is projected to be the third largest in the world by 2011, as estimated by industry associations. According to the State Administration for Industry and Commerce (SAIC), the advertising agency licensing body, there are nearly 100,000 advertising agencies operating throughout the country.



The only foreign publication with a promotional booth at the Shanghai Formula 1 event, the SCMP took this high profile opportunity to reach potential readers on the mainland

Investment Policy

In the coming year, SCMP will put capital to work developing an even stronger editorial product, one that continues to lead the world in the provision of English language information on the mainland. Furthermore, additional investment will be made to increase circulation in key mainland cities and raise the SCMP profile to enhance the brand.

China is a market of strategic importance to the SCMP. However, after two decades on the mainland, the SCMP has learned that prudence and patience are necessary for long-term success in the world's fast growing publishing market. China must be explored with caution. SCMP will implement a focused and realistic investment program with a plan of action that features sufficient risk management.