

## **Chapter 24**

### **Mobile news in Chinese newspaper groups:**

#### **A case study of Yunnan Daily Press Group**

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Today the cell phone has become so ubiquitous that its wonders to behold are commonplace, an astonishing part of everyday life. (Levinson, 2004: 1)

Perhaps the most rapid developments in adoption and usage patterns for mobile or cell phones can today be observed in Southeast Asia, where the Japanese and South Korean markets for mobile telephony are already mature, and where the Chinese market is set to overtake them very quickly in terms of quantity, but perhaps also in terms of technological sophistication. It is therefore important to observe the developing uses of mobile phone-based communication, and to examine the strengths and weaknesses of the Chinese approach to mobile technologies, across a variety of social, commercial and official domains. As approaches to mobile telephony mature across in these domains, the technology itself is gradually finding its place and role in Chinese society — a role which may vary significantly from that in other societies. This social construction of technology is necessarily an ongoing, never-complete process negotiated between everyday users, corporate service providers, and government regulators.

In this context, it is also necessary to recognise the vast differences which exist between specific Chinese regions and localities. Uses of mobile telephony in key economic and administrative centres such as Shanghai or Beijing may be significantly different from those in less prominent and more remote areas, and a research focus only on the outstanding examples of the booming Chinese economy may well distort the overall picture. At the same time, Chinese government policy for the bulk of the country, outside of the special administrative and economic areas, is relatively uniform, so that a case study of developments outside of these special areas can be seen to offer insights which may be understood as representative for much of the rest of China.

This chapter, therefore, is based chiefly on developments in Yunnan Province, and here focusses especially on the gradual development of mobile phone-based news services. It specifically builds on the expertise of its primary author, Liu Cheng, who has been in charge of the operation of cell phone, SMS and WAP news services within Yunnan Daily Press Group since 2002, as part of his role as vice-director of the information and network centre of Yunnan Daily Press. Compared with its counterparts, for example in Beijing, Shanghai, or Guangzhou, who began to utilise new and mobile media forms at an earlier stage, Yunnan Daily Press Group is still a developing newspaper group. Its approach is informed to some extent by these early adopters' experiences, as well as by the efforts of other national and regional newspaper groups around China — for example, Xinhua News Agency and *People's Daily* in Beijing, Jie Fan Daily Press Group and Shanghai Media Group in Shanghai, Nan Fang Media Group and Guang Zhou Newspaper Group in Guang Dong province.

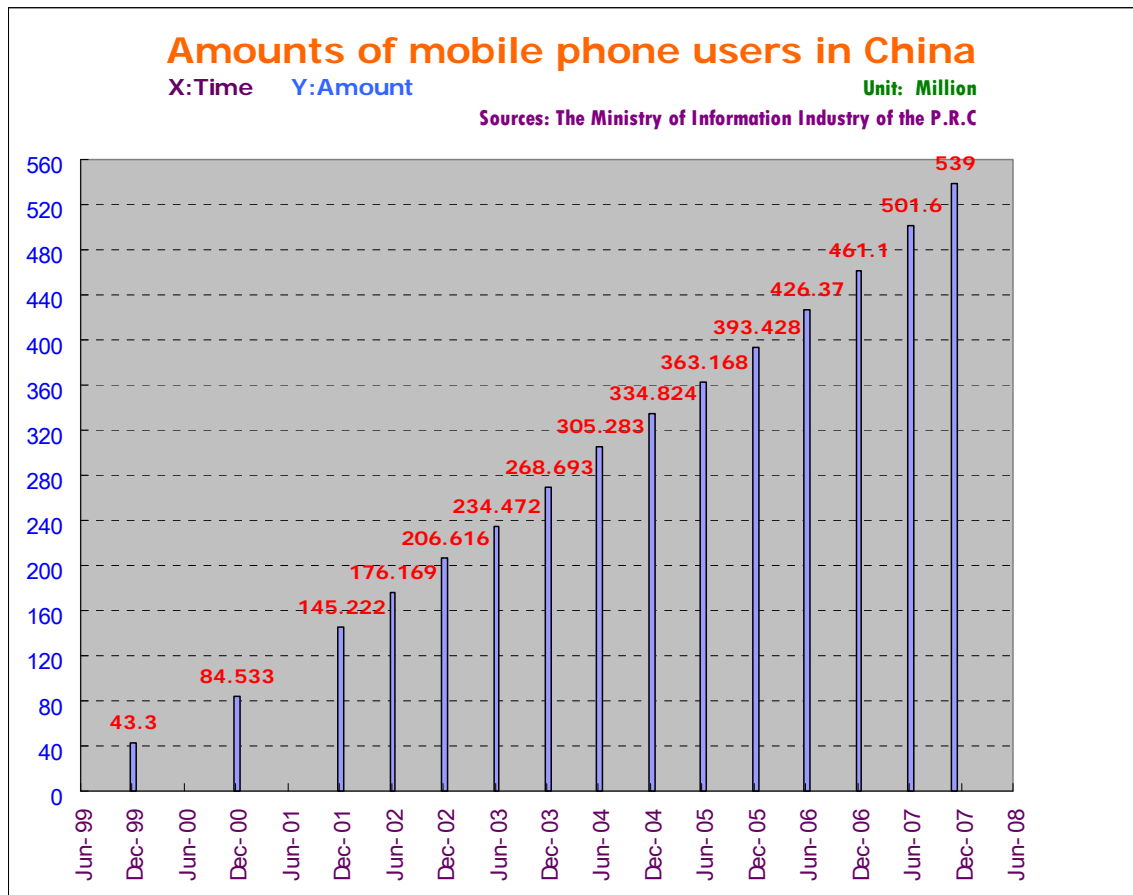
At the same time, it has also been important to translate the experiences of newspaper groups elsewhere in China to the specific needs of the Yunnan audience.

Overall, the Yunnan experience demonstrates some important trends relating to mobile phone-based news access in China. For Yunnan Daily Press, mobile newspaper services have now become the most important area of its new media operations. At the end of 2007, the number of subscribers to its recently introduced MMS-based mobile newspaper has reached 100 000 users, with some 50 000 still accessing an older, SMS-based service; additionally, the market leader in mobile telephony, China Mobile, is going to promote the mobile newspaper of Yunnan Daily Press around the country. This makes Yunnan Daily Press an even more relevant example for mobile telephony developments in China, beyond Yunnan province itself.

### **A brief history of recent developments in the Chinese SMS market**

In China, the mobile phone is known as the fifth media form, closely following newspapers, broadcast, TV, and the Internet. There are two main mobile telecommunications companies in this field: China Mobile Communications Corporation (or 'China Mobile') and China Unicom Limited ('China Unicom'); together, they control a large part of the private-use mobile telephony market. This market has shown impressive growth in terms of numbers of subscribers over the past six years: statistics from the Ministry of Information Industry of the PRC show that the number of

subscribers rose by some 1,200 per cent in the eight years from 1999 to Nov. 2007 (see Figure 24.1).

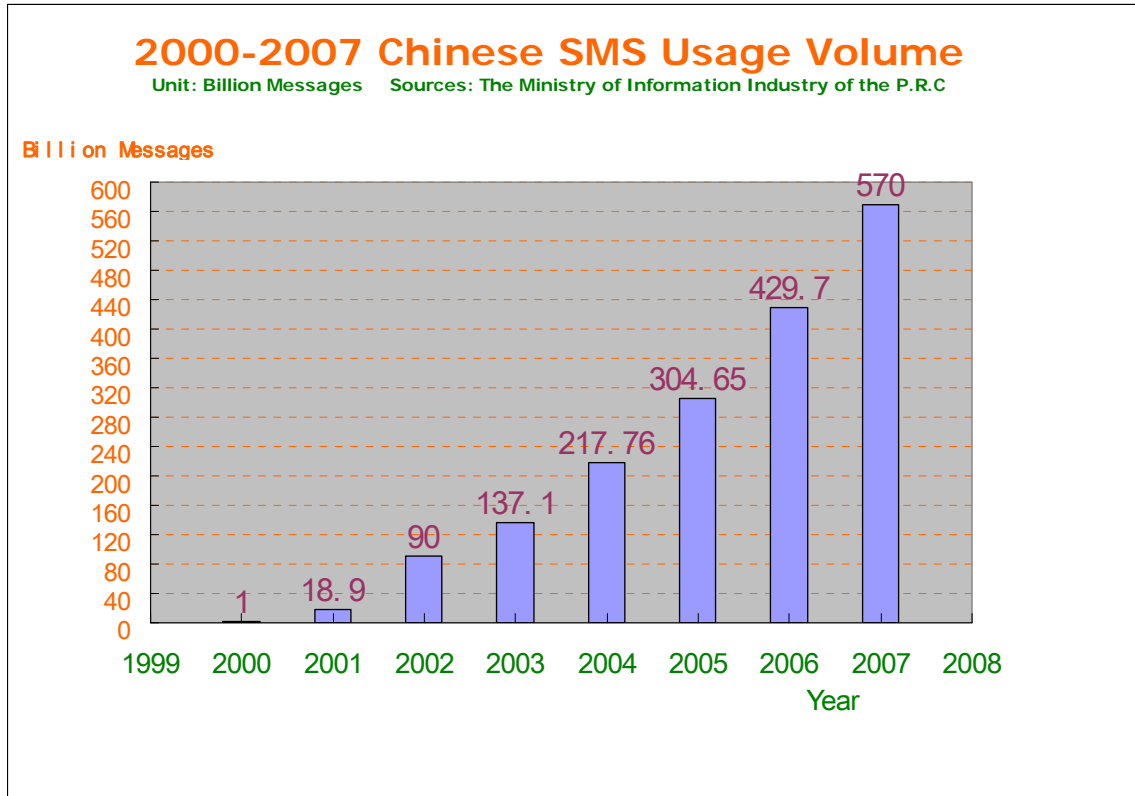


**Figure 24.1 Chinese mobile phone subscribers**

British company Vodafone sent the world's first mobile phone short message from a PC to a mobile phone on its GSM network as early as 1992, but prior to the introduction of attractive messaging cost plans, growth in SMS services remained slow. Their development in China was further hampered by language difficulties. Tianjin launched the first Chinese-language mobile phone short message service in China in 1997; before this, mobile phones in China only offered English (or Latin script) short message functions. SMS messaging and SMS-based information services began spreading rapidly

around the world after 1997, but operations in China really only started when China Mobile launched the ‘Monternet Plan’ in November 2000. It was the first mobile value-added service available in China. Monternet (mobile + Internet) acts as a bridge between mobile devices and Internet-based and other digital information services. To make use of the new service, mobile communication companies authorised a range of service providers (SPs) to deliver value-added services content by way of SMS to mobile phone users. The monthly package fee for such services is around 2 to 8 Yuan (A\$0.333–1.333) in most cases. Users pay such fees to their mobile communication companies every month, and during that month receive about 30–100 messages.

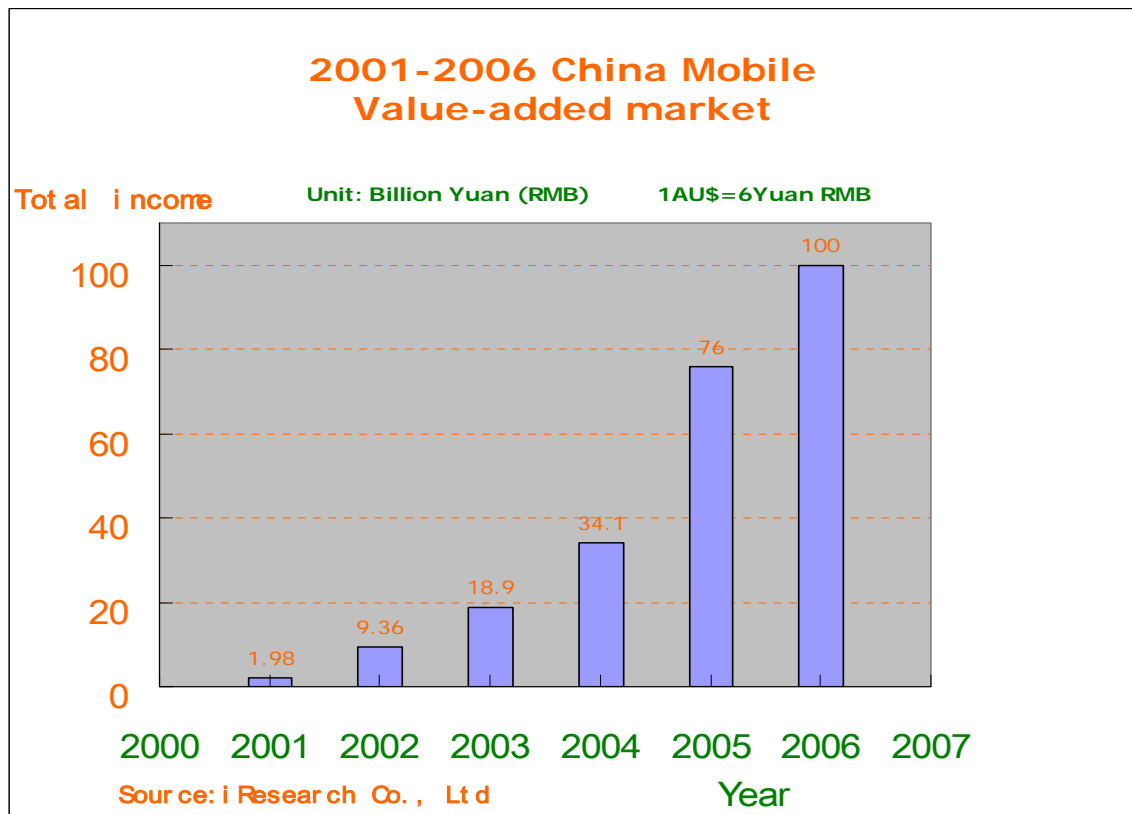
As a result of such new services, according to statistics from the Ministry of Information Industry of the PRC, the SMS usage volume increased from 1 billion messages in 2000 to some 570 times that amount in 2007 (see Figure 24.2).



**Figure 24.2: SMS usage rates**

In 2002, the mobile phone short message industry was even said to have saved the Chinese Internet. The three biggest portal Websites in China were in danger of being delisted from the NASDAQ. However, that year one of them, *Netease*, was the first to achieve profitability by relying on network games and short message services, and the stockmarket success of *Netease* became the engine for other China-related concept stocks in the NASDAQ. Shortly after, *Sina*, *Sohu*, *Tom* and other Websites were also able to generate strong profits through short message value-added services (Xinhua News Agency, 2003).

As a result, the Chinese value-added SMS market enjoyed five years of rapid development (see Figure 24.3), and the total size of the market reached 100 billion Yuan in 2006, and was expected to approach more than 120 billion Yuan in 2007 (iResearch, 2004-7).



**Figure 24.3: Chinese value-added SMS market growth**

#### **Yunnan Daily Press Group's Development of SMS news services**

As they have begun to do elsewhere in the world, news publishers have the ability to make an important contribution to the provision of value-added SMS services. There are two tiers of newspaper groups in China, respectively existing at the national and at the

provincial levels. The majority of newspaper groups are at the provincial level, spread across almost all of China, and their news represents the most authoritative information in China at a national and local level. Yunnan Daily Press Group ('Yndaily' for short) is the only newspaper group in the Yunnan province of China. Yndaily combines ten newspapers, four periodicals and one Website (<[www.yndaily.com](http://www.yndaily.com)>) into one group. It provides various forms of information, and especially local news, to the people of Yunnan province.

Located in the southwest of the Chinese mainland, Yunnan is home to a population of about 45 million, and is governed from the provincial capital Kunming. Its 2006 GDP was just over 400 billion Yuan (US\$50 billion), growing at a rate of some 11.9 per cent per annum. Secondary and tertiary industries contribute the vast majority of the province's gross domestic product. In spite of such growth, however, some 2.3 million citizens continue to live in absolute poverty in the province, and some seven million live below the official poverty line. This places Yunnan at or below the national average for China (Yunnan Provincial Bureau of Statistics, 2006). Because of its comparatively ordinary performance within the Chinese context, however, Yunnan province and its news and media organisations — chiefly, Yunnan Daily Press Group — provide a useful case study which may be more representative of the overall Chinese experience than studies of the better-known boom cities and provinces.

Yndaily developed its SMS news service in partnership with Yunnan Mobile Communication Company, which introduced its SMS services interface in the middle of



2002. Main issues for Yndaily in this process were the news content management process, the service's technical feasibility, and the development of a strategy for the new medium. While sourcing content for an SMS news service posed no problem, given Yndaily's existing resources, the company did not have technological expertise in mobile phone service provision, and had to rely on its partner to provide this knowledge. Yndaily began to offer its SMS information service in August 2002. (Other mobile companies throughout the country also introduced SMS news services into their markets around this time.)

Of course, the quality of short message services is key to generating user satisfaction. Yndaily sends two to five short messages to users every day. SMS is limited to a maximum of 70 Chinese characters, including numerals and punctuation, and the challenge of collecting news and remaining within the word limit is difficult. SMS news is a new project for traditional journalism, and its extreme limitations of characters per message challenge editors needing to present the headline news of the day.

### **Problems with the mobile value-added services market in China**

Because this field is a comparatively new, developing market, service quality has varied from provider to provider, and initially there was a pronounced lack of management experience and governance rules for service providers (SPs). Many SPs initially exploited an absence of clear rules and regulations, to the disadvantage of their consumers. A large

number of complaints from SMS consumers were voiced in 2004 and 2005, and as a consequence the authorities utilised administrative and technological means to restrict the actions of SPs. This action meant that a number of SMS content providers had to withdraw from the market gradually, but in a follow-on effect also affected the ability of legitimate and conscientious providers to do business effectively.

In the Chinese system, service providers are not entitled to charge fees from consumers directly: fees for information services are charged by mobile communications companies on behalf of the SP. However, most of the fee statistics are calculated by the SPs and forwarded to mobile communications companies at the end of every month; mobile communication companies then charge customers according to these fee data.

As there were some gaps in managing this new market, however, some SPs initially provided falsified statistical data and charged fees from users illegally — for example, by introducing additional fees without notice, or by duplicating charges. Some users also found it difficult to cancel their services: at times there was no response to users' requests, or the process of cancelling services was overly complex. Some SPs also sent information to users directly, subscribing users and charging fees without the involvement of the mobile carrier; further, some SPs had no department or service hotline to deal with complaints; and in the worst cases, users were charged fees even when they had never received any information services.

To address such problems, China Mobile, the biggest mobile communication company in China, began to penalise those SPs who had been found guilty of fraudulent practices, and increased its penalties in order to manage the service providers. Ultimately, more than 100 SPs were penalised by the provincial branch companies of China Mobile around the country (Yesky.com, 2004), and some well-known companies, such as Sina, Sohu, Mtone Wireless, HL95, and Tencent Inc., were placed on a black list. At the end of 2004 China Mobile started up a new information management platform known as MISC (Mobile Information Service Centre). Using this platform, mobile communication companies could utilise technical means to enhance the management of SPs. All SPs were required to connect to this system; if SPs missed the deadline, they would lose their qualification as a service provider.

Through this platform, managing relations between subscribers and SPs became the responsibility of mobile communication companies. Furthermore, the only way that a relationship between subscribers and SPs could now be established was by subscribers actively sending short messages to service providers. SPs are unable and do not have a right to send any short messages to users with whom they have no existing relationship, even if the messages are provided for free or claimed to be useful. Service fee statistics for all SPs are also calculated by MISC system. In this way, the operational power moved from SPs to the mobile companies, and illegal behaviour and harmful information can now be controlled and filtered efficiently.

Both with the help of such added customer protection measures, and due to the overall rapid growth in Chinese mobile phone users, the development of the various value-added services offered by Internet portals and traditional media, which represented the first generation of service providers in the Chinese mobile communications market, has continued at high speed. In spite of the exploitative practices employed by some providers, as long as SPs provided decent value-added services, they were able to obtain increased market returns over time: customer churn due to some providers' unethical conduct was more than balanced out by the overall growth in the user population. As a result, a large number of further new SPs have continued to step into the field.

Gradually, too, the Chinese government has adjusted its industry regulations in an attempt to stamp out exploitative practices. Table 24.1 shows the relevant rules and regulations which have been implemented since the problems were first exposed. The first rules and regulations were enacted in September 2000; in 2004 and 2005, further regulations were introduced when additional problems emerged. (Other regulation addresses cultural, social, and political requirements for communication services, but cannot be addressed in this chapter for reasons of space.) From September 2005, the Ministry of the Information Industry has required Chinese telecommunication companies to exclude those SPs which continued to misbehave. China Unicom dropped 125 SPs from its network platform, and cancelled cooperation with 79 SPs. Another 19 SPs received heavy fines from the China Telecommunication Company (Xinhua News Agency, 2005).

**Table 24.1: Relevant rules and regulations**

<i>Time</i>	<i>Name</i>	<i>Authorised departments</i>
25/9/2000	Regulation on Internet Information Service of the PRC	State Department of China
April 2004	Notice of relevant questions about standardising the short message services	The Ministry of Information Industries of the PRC
13/3/2005	Criteria for telecommunication services	The Ministry of Information Industries of the PRC
25/9/2005	Provisions for the Administration of Internet News Information Services	The Press Office of State Department and the Ministry of Information Industries of the PRC

*Source:* The Ministry of Information Industry of the PRC.

Such problems are hardly limited to China, of course – developing SMS services markets in other nations have similarly moved through early phases of uncontrolled growth and experimentation with service models, and from there towards a gradual consolidation and regulation of the industry. The experience of that early phase can have a lasting effect on consumer attitudes, however, as it substantially affects user trust in the mobile medium’s available content, services, and service operators. It is therefore necessary for regulators to strike a difficult balance by adopting a level of regulatory oversight that is sufficiently strong to protect customers from unscrupulous operators, and light enough to allow for

the continued exploration of innovative SMS business models. (See also Tsang *et al.*, 2004; Carroll *et al.*, 2005.)

### **Effects on Yunnan Daily Press's mobile news services, and future possibilities**

Limited user trust remains a key barrier for the ongoing development of mobile value-added services in China, however. At present, the traditional means of publicising value-added products through newspapers, TV and broadcasting are not enough to attract consumers, especially to innovative service products. Some promotional means previously employed even by legitimate SPs have now become illegal — for example, service providers can no longer send invitational messages or provide unsolicited free trial services to users. The development of alternative, legal means for the promotion of their mobile information services is today a key issue for every SP.

Even though it never engaged in exploitative business practices itself, Yunnan Daily Press's mobile news services were affected by the trust crisis and subsequent downturn in mobile value-added service subscriber numbers. Statistics gathered by Yndaily show that the number of users subscribed to its SMS news services grew from 1500 users in September 2002 to a top of 290 000 users in January 2005, but declined to 120 000 users in January 2006. This translates to a growth in users by some 10 000 subscribers per month from September 2002 to January 2005. (In the same period, 2002–06, the two

main newspapers published by Yndaily — *Yunnan Daily* and *ChunCheng Evening* — maintained circulations of between 150 000 and 200 000 copies.)

How can mobile value-added service providers, and especially the providers of mobile news services, reinvigorate this market? A number of new opportunities are currently becoming available for Chinese mobile news providers, and like many of its regional counterparts Yndaily is currently in the process of exploring these options.

#### *Leveraging established content sources*

The Yunnan Daily Press Group and similar news organisations hold the original copyright and intellectual property rights for their content. This means that existing newspaper groups have an immense advantage compared with other providers which are engaged in new media information services. Traditional media have set up their information services as a way to utilise the new media to provide value-added information services.

#### *Participatory journalism and related interactive options*

As Bowman and Willis (2003) state, ‘participatory journalism provides media companies with the potential to develop a more loyal and trustworthy relationship with their audiences’. As Yndaily has discovered, from January to July 2006, those mobile phone subscribers who participated in interactive activities (voting, commenting, feedback,

responses to questions, etc.) were growing in number. In May to July 2006, Yndaily subscribers on average sent some 200 000 messages per month; this is a significant increase from an average of 50 000 messages per month during 2005 — especially given that the total number of subscribers declined from 290 000 to 120 000 users during 2005 and remained at that level during 2006.

### *MMS services*

In June 2006, Yndaily established a new mobile phone newspaper service which utilises MMS (Multimedia Message Service) technology to send mobile phone newspapers to users. Of course, MMS is no longer a new technology: it has long been used to transmit photos and similar messages. However, beyond simple photos, MMS also allows for the transmission of audio and video content, and Yndaily's new service utilises these opportunities. There has been a relatively speedy transition of users to the new MMS service: the post-2005 subscriber base of 118 000 SMS news users in June 2006 has declined to 50 000 users at the end of 2007, while some 100 000 users now subscribe to the MMS-based mobile newspaper offered by Yunnan Daily Press.

### *3G services*

Technical tests of the 3G standard in China were conducted between October and December 2006 (Xinhuanet, 2006), and further commercial tests are now in progress. At a development and policy conference for the Chinese telecommunication industries in Beijing in March 2007, Lou Qin Jian, the vice-minister of the Ministry of the Information



Industry, said that ‘the reform of telecommunication industry system will be deepened’ and that ‘3G is an opportunity to optimise the competitive situation of the Chinese telecommunication market’ (Ministry of the Information Industry, 2007).

However, its development remains restricted by some elements: 3G mobile phones generally remain expensive, as do the service fees for using MMS and WAP, and especially multimedia functions. It will take a long time for a developing country with a large population and low average income to popularise such devices and utilise the advanced functions of 3G mobile phones. Additionally, the Chinese mobile telephony market at present remains heavily skewed in favour of the major domestic provider, China Mobile, which is seen to stifle competition, innovation and the introduction of new technologies. The government is therefore also using the introduction of 3G to effect changes to the structure of the industry; this, however, has repeatedly delayed the granting of 3G licences.

3G does offer many new opportunities for mobile news providers — once 3G phones are seen as being multimedia and networking devices as much as they are telephony tools, new services are likely to no longer resemble the current SMS- and MMS-based news updates, which themselves remain based largely on traditional newspaper formats, but will probably be more closely aligned in style, content and opportunities for user participation to comparable Internet-based offerings: they are likely to be more flexible, more customisable and more interactive news services. This contributes, as Rifkin notes, to ‘a long term shift from industrial production to cultural production. More and more

cutting edge commerce in the future will involve the marketing of a vast array of cultural experiences rather than of just traditional industrial-based goods and services.’ (2000: 7) However, what remains to be developed are interactive marketing and advertising approaches using 3G mobile media which actively attract, rather than annoy, their target audiences.

Yunnan Daily Press’s mobile services strategy for the short- to mid-term future, then, is based around extending its existing services through the incorporation of new technologies as they become available — but this will also necessitate a fundamental restructuring of the company’s overall organisation as it exists today. In the short term, it is already evident that the basic SMS information service, with its limitations of 70 Chinese characters per news report, is increasingly insufficient, and that readers are moving away from this service. The new MMS-based mobile newspaper service is already a success, but will have to be developed further. Yndaily believes that a subdivision of the service into specific topical channels will be a necessary and appropriate move within the user-centred new media environment.

Beyond such immediate developments, the Yndaily Information and Network Centre completed a research report entitled ‘Building a New-Style Media Group in Yunnan Based on Integrated Information’ at the end of 2006. This report suggests that Yndaily should see itself no longer simply as a newspaper group, but as a multimedia company, combining Internet services, mobile communication, and further new media forms as they emerge in the future. Information technology is positioned by the report as an

impetus and catalyst for changes to Yndaily's traditional operational approaches, production flows and management strategies. Media operations are shifting from single-dimensional approaches to multi-dimensional models which combine a number of channels and technologies in the company's news products.

Mobile communication technologies already are amongst the most important tools towards achieving this goal. The existing SMS news service, and the new MMS newspaper, are two effective supplements to the print newspapers already offered by Yndaily, but may move well beyond playing a supportive role for conventional flagship publications. Further mobile magazines, mobile books, WAP and mo-blog services are likely to be introduced over time as additional opportunities for publishing content and interacting with Yndaily customers and users. Ultimately, such services will be part of a cross-media suite of related and interconnected news and information products offered by Yunnan Daily Press Group, which integrates social networking, Weblog, mo-blog, WAP, and networked personal storage spaces in a community Website. Users who subscribe to any one value-added service will be free use most of the other available functions – on the assumption that if Yndaily can provide further services on top of existing offerings, more users will continue to subscribe to its services. Finally, as part of these developments, the Yunnan Daily Press Group will also take over [www.yunnan.cn](http://www.yunnan.cn), the official portal Website of Yunnan Province. In developing such new products, Yndaily will continue to build on its existing brand advantages within the Yunnan context. Yndaily will introduce and operate its current and future mobile information services with this brand image in mind.

Of course, the organisation will also closely track the development of the overall regulatory and legislative framework for press and new media organisations in China. The PRC's General Administration of Press and Publication issued its *Developmental Plan of Press and Publication Industry in 2006 to 2010* in December 2006, highlighting digital publication as one of the strategic keystones which will be promoted over these five years. Books, newspapers, and periodicals as delivered through online, mobile and digital television technologies are encouraged and supported by the government. As part of the development process, the China Digital Newspaper Lab, an open research laboratory, aims to explore and utilise technologies to support the growth of a digital newspaper industry. Eighteen of the most prominent newspaper and media groups around China were founding members of the lab, and Yndaily has now also been invited to join the organisation. In particular, its research will explore the impact of broadband and wireless Internet as well as e-paper developments on current commercial models in the Chinese news industry; mobile and multimedia newspapers, as well as other electronic reading devices, are another key field of research.

The General Administration of Press and Publication is the administrative department overseeing all media groups around China and its guidelines directly affect Yndaily's operations — developments such as the China Digital Newspaper Lab therefore have a strong potential to enhance the mobile news services (and especially the mobile newspaper) already offered by Yndaily, as well as to lead to and inform the introduction

of new services including the WAP news service, mobile magazines, mo-blogs, and other new offerings currently under consideration within the Yunnan Daily Press Group.

In spite of such positive and constructive developments, both within Yndaily itself and within the administrative frameworks of the PRC in general, it is likely that further regulatory changes will be necessary. As in many other nations, mobile information services — and especially mobile news services — still represent a new challenge for the authorities. In China, there is no one regulatory authority which manages the mobile market. The State Council Information Office of the PRC has responsibility for mobile news. The Bureau of Telecommunication Administration licenses service and content providers. Mobile communication companies offer service interfaces and networks to SPs and CPs — and at present, mobile companies are in a particularly strong position because of their control of this crucial bottleneck in the mobile communication chain. The development of a more comprehensive mobile communications authority would help streamline regulatory processes for mobile news service providers.

Ultimately, it is the mobile communication companies which offer information services to customers, in cooperation with media organisations or other SPs and CPs; they themselves are becoming major content providers in their own right. A monopolisation of mobile information services by these providers does not benefit the development of the mobile medium in China, however. Therefore, mobile services regulation aimed at preventing monopoly effects will need to be implemented. Such regulation must address the relationship between mobile companies and SPs and CPs, and determine whether

mobile companies can become media organisations themselves. Yunnan Daily Press Group's experience to date suggests that clear guidelines defining the respective roles for mobile communications companies, service providers and content providers would be very useful to systematise the structure of the mobile communications industry in China, and to avoid market dominance by a small number of major players.

### **Conclusion**

It is likely that Yunnan Daily Press's experience in offering mobile news services in the context of the developing regulatory and commercial frameworks for mobile telephony in China can be regarded as representative for the bulk of other regional news organisations in the country. While the market leaders (national news organisations as well as the regional presses in boom regions such as Shanghai or Beijing) may operate in a class of their own, outside of such extraordinary cases all Chinese newspaper groups — regardless of location — work under the same institutional, organisational and administrative system. (In addition to the overall rules for establishing and operating a news organisation, this also includes regulations for the censorship of news content, and procedures for the nomination of the top executives of newspaper organisations, for example.) Such news organisations do differ mainly in the local markets they address: they need to develop content and commercial strategies which address the specific demographic and socioeconomic realities of their home region. Based in a province which benefits from China's current rapid economic development, but cannot be seen as

one of its leaders, Yunnan Daily Press Group can therefore be seen as a useful example for overall developments in the field of mobile news service provision in China.

What emerges from this case study is that, in the context of the rapid and sustained growth of the Chinese economy, there is a similarly rapid and sustained development of mobile information services, including news services, in Yunnan as well as in other Chinese provinces; such development (which has already seen a shift from relatively basic SMS headline services to increasingly more sophisticated MMS newspapers and is likely to turn its focus to interactive 3G services in the near future) continues to be hampered, however, by the regulatory frameworks and industry structures currently in place for mobile telephony in China.

Although divided into mobile communication companies (providing access to the networks), service providers (which handle the subscription and content provision processes themselves), and content providers (such as the Yunnan Daily Press Group), the industry is dominated by the mobile communication providers which ultimately control SPs' and CPs' access to networks and users. This may be addressed through a restructuring of the Chinese mobile telecommunications sector: instead of the current division of the industry, we may see an increasing convergence of such roles. Mobile communications providers could incorporate service provision functions, thereby also overcoming the continuing problems with service providers overcharging or falsely subscribing users to their services; they could also enter into direct partnerships with content providers to offer strong and clearly branded mobile content services. Such

moves towards mergers and the vertical integration of mobile telephony industry sectors would be consistent with similar developments in other mature or maturing mobile markets around the world.

The problem with such industrial convergence, however, may be that innovation in the Chinese mobile services market could be subdued as a result: mergers concentrate more control amongst a small group of operators, and traditional content providers offering mobile services in concert with mainstream mobile communication companies may have limited incentive to innovate and might focus on relatively standard, non-interactive offerings rather than exploring new and interactive opportunities. By contrast, it is often the smaller and more flexible service or content providers in any new media market which develop the most innovative service offers. Broader, ongoing trends towards more interactive functionality in mobile technology might work against such limiting developments — but in order for such new mobile technologies to be used innovatively, more effective legal and corporate frameworks will also need to be established. Only if this is done will mobile media in China mature into a legitimate and well-respected media form comparable to print or broadcast media.

At the same time, the continuing overall boom of the Chinese economy may easily obscure even the existence of such structural problems for the mobile telephony industry: the relatively rapid growth of mobile phone usage in China, and the staggering statistics it generates, make it easy to overlook the fact that, at least in the field of news services, the mobile industry does not perform as well as it could. A focus on developments in



provinces away from the current powerhouse performers of the Chinese economy may help uncover structural deficits underneath the façade of overall growth.

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