

CCTV SEMINAR NOTES

OPENING

I am honored to be here in Beijing again, and to meet all of you.

In my first visit, I felt the challenge before CCTV International was both unique and awe inspiring, and that CCTV International can someday emerge as one of the most influential media outlets on earth, because it can be the window on China for the entire world.

That impression has only been reinforced by my visit here in the past 2 weeks, where I have had the opportunity to work shoulder to shoulder with the CCTV International staff.

Between the time of my first visit, and this trip, I continued to watch CCTV International. Its growth in producing better programming has been very rapid.

During the first visit, I was invited by the CCTV International staff to have an in-depth discussion about the coverage plans for the CPC Party Congress. That was the primary reason that I returned this time, to witness, and help when I could, with that coverage, as well as focus on many other things.

I am amazed by the job that CCTV International has done so far. I am a specialist in the US at “start-up” operations. I talk about your achievements all the time back home. More importantly, I see continued progress at an exponential rate ... In other words faster and faster, the “Changing China’ series for example, was something that collectively, I could hold up to my Western news colleagues as examples of fine reporting. It’s this kind of rapid achievements that have made me passionate about the future of CCTV International.

And with good reason, you have the staff and the leadership to achieve that goal. There is much work need to be done. But you have bright, dedicated people, who learn new techniques and implement them very quickly. Your management is strong and well respected by the staff. I wish I saw the same kind of selfless teamwork in some of our newsrooms that I see at CCTV International.

Audience

Of course you will need a talented and dedicated staff because their challenge is unique. They have to program this channel to an audience that is of a different culture, and are accustomed to very different programming techniques and patterns than the CCTV domestic audience is accustomed to.

Let me describe the potential audience for CCTV International is the west ... specifically the US and the UK.

In the west there are 2 types of viewers, people who watch television only to be entertained, and people who watch television to be both entertained and informed. CCTV International cannot expect any viewers from the first group, only from the 2nd, which is just fine ... that's the audience that you want. It's a viewer who is affluent, educated and likely to be an "opinion maker". These opinion makers should be your initial target audience, and I will talk more about them in a moment.

The patterns of these viewers now revolve around niche program offerings. Content is still the most important dynamic, but the days of mass appeal programming, with the exception of very special live events are gone.

Niche programming offers viewers a destination they can rely upon for a certain kind of content.

These viewers are also now accustomed to some very specific programming patterns ... For example, programs only begin at the top and bottom of every hour, and programs are at least 30 minutes long. Any

departure of from these patterns is foreign to them.

In addition, there are prime viewing periods that a channel like CCTV International must be very sensitive to, and must target its best programming and production efforts to those time periods in the US and UK. I cannot implore you enough to have your best anchors and your best efforts featured when you go up on the BskyB platform. The British will focus on those elements right away.

Finally, in any news and information programming, the Western viewer will not settle for anything less than information that they perceive is “timely”, “exclusive” (where applicable), containing real “expertise”, and perceived to be “balanced”.

If these standard patterns are not delivered, viewers will go elsewhere for programming, in no small part because they can.

Competition

In the US there are literally hundreds of channels for a viewer to choose from, an affluent viewer who is very busy. If you are a channel, your programming must be very good, very targeted in its branding, and create a very good first impression because it is very difficult to get viewers to return to sample a channel after they gotten a bad impression of it.

CCTV international's place in a Western viewing universe

So let's talk about CCTV International in the environment that we've just described.

First of all, it's a perfect niche offering. Because it's about one subject – China.

Second, it has **NO** direct competition for that niche, although there is indirect competition in terms of news and financial news programming. For example, given the choice, would the English language viewer first choose CNN or the BBC to get their information about the recent CPC Party Congress, or CCTV International? The answer is that they chose the former, CNN and the BBC. I believe your goal should be that they choose the latter ... CCTV International. After all, in a perfect world, what other channel should a viewer turn to, except for the one "about China"?

I believe that goal is attainable but will there is much work ahead. If you don't achieve that goal, then you will have wasted a real opportunity.

So there is a real niche available and a real opportunity at being the only player in that niche. Those ingredients would make an American

programmer very envious.

Opinion Makers

So who might want to watch, and who should CCTV International target right away to attract more viewers? That person is the English language “opinion maker”. This is an individual who:

- 1) Has significant interest, in either participating, or starting in the dynamic economic environment that exists in china,
- 2) Has a interest in China’s geo-political position, or
- 3) Wants to seek trends from this dynamic nation.

CCTV International has to create an environment where this individual *has* to watch the channel in order to gain vital information.

If I’m a businessman with any interest in China, I should *have* to watch CCTV to see what the business environment is like. Here’s a small example, the other day I recommended that the CCTV International financial programs publish all the licenses that have been granted for foreign companies to do business in China. If I’m a businessman, I want to know if there is opportunity for me, and what my competition is up to.

If I'm an investment banker I should *need* to watch CCTV International's financial program every day. Someday I want to walk into the investment banking houses in New York and London and see CCTV International on the same wall of monitors with CNN, CNBC and Bloomberg TV.

On the subject of "news", do you know how western journalists get most of the information? ... Not from their own original reporting, but from research, from utilizing other people's niche efforts. If I'm a journalist, I should *have* to watch CCTV International because I will learn things about China on that channel first, and in more detail, than anywhere else. I will then utilize that information in my own reportage, assuming, of course, I deem it credible, not necessarily non-prejudiced, but credible. CCTV International's news programs are new to viewers, and still have the opportunity to create this perception.

Right now, you have the opportunity to create news programming that you are comfortable with, and which the Western opinion maker can also take seriously. However, if you waste this opportunity, you will not get another chance. We'll come back to this point.

Finally, it is typical that a kind of cultural dynamic will follow nations like yours where an economic growth is already taking place. Again, CCTV International is in the perfect position to capitalize on this factor as

well.

SPECIFIC PROGRAMMING EFFORTS

China Biz Today

So let me talk about which CCTV International program efforts are the most crucial right now for you to attract the opinion maker audience. They are all of your financial programs, all of your CCTV “news” programs (and I include Dialogue in this category), and finally, Culture Express.

Let’s start with the financial programming. CCTV International needs to be essential programming for western business people as soon as possible. This means programming that offers “timely” information, with “expertise”, and “exclusivity”.

CCTV International should be the daily source for the first information on government policy. It should provide the first information on the Shanghai and Shenzhen indexes, the most complete analysis of those policies, daily business news and the movements on those two exchanges, (and to a lesser extent the Hang Seng and Taiwan indexes.)

No other television medium offers that information now (China Daily does). There is an opportunity here, you can seize it and hold it, but the quality of that production must be equal to what the Western economic business establishment is accustomed to, which is. A strong production look that features up to the second timeliness, and strong home based analysis by both Chinese and Western experts.

Specifically, CCTV International should create a great daily financial news program, which I will call China Biz Today. Initially this program should be 30-minutes long. Someday it should be 60-minutes. It should be produced, in its original version, once a day, an hour or two after the Chinese equity markets close. But this show needs to air, and be featured in prime viewing periods in the UK and on both coasts of the US.

CCTV News

With regard to CCTV News, of course, you need to fashion programs that are in the style of Western news programs ... Programs that the viewer perceives offer “balance” in their reporting. This is not a political statement on my part. I completely respect the political system that has lead china to where it is today. My motivation is much simpler. I believe passionately in the future of CCTV International, and I want it to attract

and hold viewers in the west. I don't think the perception of balanced reporting and the traditional requirements of Chinese news programs are necessarily mutually exclusive. But there is a finesse here.

In the past 2 weeks, I've noticed this finesse is often only a matter of a choice of words. Reporters and announcers should only tell the audience what they know, never what they think. Telling people what should be "thought" in Western journalism should be attributed to 3rd parties, government officials, academics, analysts etc. There are plenty of those people about. This is not a "line" to be crossed in the eyes of the Western viewer. There is a big difference to the ear of the western viewer in the hearing from a reporter that something "will" happen; as opposed to it "might" happen.

If CCTV News can convey this kind of language, and add to it the elements of "timeliness", "exclusivity" and "expertise", it can be a significant source of information in the west.

On the issue of "exclusivity", it would be great to turn the perceived weakness of the channel's closeness to the government into a strength that revolves around the dynamic of "exclusivity".

In other words, why shouldn't I hear the words "CCTV International has learned" first when it comes to significant political news.

Why doesn't CCTV International have the first interviews with significant Chinese leaders? Of course, this means people such as these have to talk ... If I'm a Western reporter and I know there is going to be an interview with a member of the standing committee of the CPC Central Committee on CCTV International, then I will watch, and I will quote it.

As with CCTV's financial programming, there has to be a similarity in production techniques and efforts to western programming. There is not now.

Some basic graphic capability has to be added. "Expertise" is all about listening to "smart" people talk about important topics. I would love to see an analyst from Tsinghua University on the program for important news stories, but the current CCTV International news set is too small.

That's just one example of how production capability has to be enhanced. In addition, CCTV news would be greatly improved if it added sports and weather to the newscasts. "China related" sports and weather are unifying

topics that are of great interest to viewers. Like BBC world and CNN International, the CCTV news programs would be richer for having sports and weather as elements in each news program.

Finally, there is the issue of foreign news in the CCTV news programs that does not have a direct connection to china. Whenever there is a Chinese perspective to a foreign story, it is important. When there is not a Chinese connection, it is not important to the Western viewer.

What I am saying is that when there is foreign news that directly impacts China, it should be an important element of the news. If Western viewers are watching CCTV International, then they want to know all that they can about China, and its perspective on world events.

Dialogue

On the subject of the program, “Dialogue”, this is a very important program for western opinion makers, but only if its guests are great. The program is securing better and better guests. Someone like Strobe Talbot or some of your distinguished academicians should be the standard for the program on a daily basis, and in fact the program has greatly improved in the past 2 months. When the day comes that Hu Jintao sits down for a conversation on dialogue, Western audiences will pay

attention. That should be a goal not only for CCTV International, but also for the CPC as well.

But there is only so far the program can go to achieve these goals, if it cannot be more “timely” in responding to significant news stories when necessary. Dialogue needs to have greater production capability by recording its shows on a routine basis much closer to their air-dates.

Culture Express

If the CCTV International news and financial programs represent the mind of China, then cultural programming represents its heart and soul. In this regard, the program Culture Express should be a daily 30-minute showcase that represents the face of a dynamic, modern China. Western viewers want information about “trends”. I could easily make the case that China is poised to be a world trendsetter in the sector of popular culture ... in modern fashion and style of all kinds.

Culture Express must be just as “timely” and the “first” to expose these trends on a daily basis. Culture Express is also an excellent vehicle to promote other CCTV International programming.

The program should be defined by the words, “latest” “trends”, “hot”, and

“cool”.

The anchor of Culture Express must move out of the news studio in order to differentiate the program from all others.

A typical 30-minute episode of Culture Express would be divided into the following segments:

- 1) Cultural or popular news of the day.
- 2) Fashion and style -- not only the latest clothing fashion, but fashion and style about everything, home and business design, art, architecture, etc.
- 3) Performances by both the latest Chinese and Western artists who appear in china.
- 4) Restaurant/food – the style revolving around these restaurants should be just as important as the food they serve.

If CCTV International can aggressively address these 4 programs, it can lay a strong foundation for acceptance by a Western audience.

OTHER PROGRAMMING

In addition to those 4 programs, some others need to be mentioned. One of them is Travelogue. This program has really evolved well in the past 3

or 4 months. Its selection of topics is interesting, and its cast of enthusiastic, and bright hosts are compelling. Travelogue is a program that is ready to expand from 15 to 30 minutes. A more long term goal is to produce original shows daily.

As I said in my original seminars, there are too many programs currently on CCTV International. When we begin a cable channel in the United States, we usually don't program more than 4 hours of original programming a day. As the channel gets more mature we add to the successful schedule that we have built.

In an environment of niche programming, it is not a question whether viewers will see the same program more than once, but rather that they have many opportunities to see it at all.

I believe a schedule of 6 original hours a day, plus constantly updated versions of all news programs is important for the following reasons:

- 1) It is important that you rotate your best programming in prime viewing areas in the US, and UK.
- 2) It will enable CCTV International to build a schedule where all programs are 30 minutes long.
- 3) It will devote more resources to doing a better job at producing fewer original programs.

- 4) It is a way to eliminate some programs that just don't work at all, such as the Chinese learning program

THE FUTURE

Therefore, here are some goals for implementation as soon as possible in 2003:

- 1) The staffs of the 3 financial news programs need to be combined, and their collective efforts should be focused on producing a defining 30-minute, daily financial news program, China Biz Today.
- 2) CCTV News needs to schedule its best anchors and its best material so that they are certain to appear in high viewership time periods in the US and the UK, when CCTV International goes up on the BskyB platform.
- 3) CCTV news must adapt a style of writing that is more consistent with Western standards, and provides the viewer with a perceived sense of balance.
- 4) CCTV News should make every effort to be "timely", "exclusive", and demonstrate "expertise" when it comes to reporting about china. It should turn the fact that it is "China's channel" into strength by providing the latest interviews with government officials, analysts, etc.
- 5) Culture Express should be provided with the resources to expand as soon as possible to 30 minutes on a daily basis. In that process the host

of the program should be moved from the news set to another location of the producer's choice.

- 6) Travelogue should be expanded to 30 minutes as soon as possible in 2003,

OTHER AREAS

In addition, there are some other significant areas that also need to be addressed immediately.

We've already talked about the crucial importance of a program schedule that is consistent with Western viewing patterns.

Another issue is the internal promotion on the channel, which is so crucial in the competitive environment that we have defined. Once again, very rapid and significant improvement has been made in this area in the past few months. CCTV International needs to stay focused on its promotion efforts with strong and aggressive scheduling of internal promotions. As I've found in the past 2 weeks, the tools exist inside the CCTV building to do this.

In the near future, there are 2 other issues that need to be addressed to enhance the CCTV International position in the Western channel

environment. One is marketing on 3rd party platforms. The other is advertising.

Once CCTV is cleared on the BskyB platform, in addition to US distribution, I think some thought should be given to advertising on targeted productions. For example, if China Biz Today is properly developed, I think there is some real opportunity for significant sponsorship or spot advertising by Western financial media outlets or western business entities. I am not suggesting that this revenue will be significant, but it will establish a pattern, and in another respect help legitimize the channel in the eyes Western viewers by virtue of the fact that viewers see Western advertisers participating.

As I said at the beginning, I believe CCTV International has the talent and the leadership to accomplish these goals quickly, if it has the support of the people gathered here. Thank you.