

China's Scorching Media Economy Downshifts, But Pacing For Double-Digit Growth in 2014-17, Despite Millions Without Digital Media Access, New PQ Media Intelligence Shows

China's red-hot media economy downshifted in 2013, but Asia's rising phoenix is pacing to become the world's largest digital media market by YE14, according to PQ Media's new China Media & Technology Outlook 2014. Growing middle class consumers are jumping to gain access to premium broadband, content and smart-tech services, as China develops into a world leader in stark contrast to millions of rural, underprivileged citizens that outnumber the populations of 13 of the world's 15 largest countries.

Stamford, CT ([PRWEB](#)) April 04, 2014 -- While China's scorching economic growth decelerated in 2013, it grew at an enviable 8%, outpacing 13 of the world's 15 largest economies, including the US, as digital media operator revenues and consumer media & tech spending combined to generate \$173 billion, up 18% year-over-year, according to market intelligence released by [PQ Media](#) today. China's red-hot media economy may have downshifted, but Asia's economic phoenix is ascending fast to become the world's largest digital media market, fueled by a growing middle class with access to advanced media services, such as broadband internet, rich media downloads and the purchasing power to acquire new smart-tech gadgets, digital content, and related software & services.

But behind the Great Wall there's a large swath of China's massive population that remains ill-equipped, untrained or living in rural areas far from the bustling urban centers like Beijing and Shanghai. As a result, the number of Chinese consumers without digital services is larger than the total populations of 13 of the Top 15 Global Markets profiled in PQ Media's new [China Media & Technology Outlook 2014](#), the first in a multi-part series focusing on the trajectory of emerging market growth amid a slow economic recovery and the challenges faced by key emerging markets, such as China, Brazil and Russia. Consequently, China ranks as one of the world's largest markets based on digital & alternative media revenues and consumer spending on digital content & tech, but it trails most developed markets in consumer time spent with digimedia weekly.

[PQ Media](#) projects a minor deceleration in China's growth rate this year, owing to unresolved issues in the financial and real estate sectors, as well as economic reforms that are expected to relieve some pressures. Accordingly, PQM expects China's digimedia market to grow 14.9% this year. Growing middle class, particularly older GenXers and beyond, propelled a 10.7% gain in 2013 for traditional media & tech operator revenues and end-user spending, which totaled \$83.24 billion, thanks to higher spending on HDTV sets and newspapers, according to [China Media & Technology Outlook 2014](#). Similar economic concerns have induced many frugal Chinese to pare spending, with traditional media & tech projected to grow at a slower 9.5% this year. Chinese media & tech spend will top \$256 billion, with a slightly tamer 13.2% jump expected for FY 2014.

Decelerating economic growth and a lack of major quadrennial events, such as the Summer Olympics, to act as industry growth catalysts, digital media & technology revenues combined with consumer spending should tally a much lower CAGR in the 2013-17 period (13.5%) compared with the 29.9% CAGR in the 2008-12 period. "Despite softer growth, digital media & tech will top \$276 billion in 2017, accounting for more than 70% of total media revenues and consumer spending on media content & tech, compared with only 48% as recently as 2007," said Patrick Quinn, CEO, PQ Media.

As Chinese tech steadily improves and the PRC gov't continues to invest in new infrastructure and upgrades, consumer digimedia usage will climb at a 13.2% CAGR from 2013-17, reaching 8.0 hours per week, ranking China among the lowest of the Top 15 Global Markets, as more than half the nation will lack broadband and smartphone services.

Traditional media & tech spend rose 10.4% in 2013 to \$75.20 billion, ranking among the fastest-growing traditional media markets in the world. China's traditional media infrastructure for many years was government-controlled, so growth in public/private media companies is a relatively new phenomenon, though conventional print and broadcast media also continue to grow, in sharp contrast to most other major global markets. Traditional media revenue and consumer spending in aggregate will expand at a 9.1% CAGR from 2013-17 to \$116.33 billion, placing third worldwide, PQM estimates.

Chinese media & tech revenue combined with end-user spending will expand at a 12.1% CAGR during 2013-17 to \$392.39 billion, making China the world's fastest-growing media market in the forecast period. As digital media usage propels media consumption growth, overall time spent with media will register a 4.3% CAGR during the forecast, reaching 50 hours a week.

Strict government regulations have hindered the use of online channels to distribute advertising via other digital media platforms, such as digital out-of-home ads. Chinese consumers average only 4.3 hours spent per week with digimedia, a result skewed much by the high percentage of Chinese lacking access to digital and wireless tech.

Other Key Findings:

- China's digital media spending rose 21.2% in 2013 to \$17.53 billion, and is expected to reach \$38.10 billion by 2017, driven by gains in mobile marketing apps, mobile location & telemarketing services, and mobile coupons.
- Consumer spending on digital media content & tech increased 17.6% in 2013 to \$155.65 billion, and we project a total \$232.27 billion in 2017, fueled by consumer investments in digimedia content players and units, such as OTT video services, DVR's, VOD, among others.
- By 2017, digital & alternative media will account for 37.5% of total advertising & marketing revenues, ranking China sixth worldwide. Meanwhile, 81.8% of all consumer spending on media content & tech will be digital, ranking second behind only tech-savvy South Korea.

About the Report:

[China Media & Technology Outlook 2014](#) is the first in a multi-report series focused on the world's pivotal emerging media markets. The first definitive guide to consumer-facing media in China, this new product includes a PowerPoint in PDF slide-based report with top-line findings, tables, graphics, analytics for digital, alternative & traditional media in the 2007-17 period. Also included is a new Companion Excel Databook, providing hundreds of exclusive datasets and thousands of data points drilling down into China's digital media economy by size, growth, revenues, end-user spending & consumer media usage.

About PQ Media:

[PQ Media](#) is a leading provider of market intelligence and strategic guidance to top execs in the media, entertainment & tech industries. PQM's influential market intelligence is considered essential for empowering



execs with the latest market data & insights to take actions that will positively impact solutions to growth challenges that lie ahead.



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