Transformation Challenges for China's Traditional Newspaper Groups in the Context of Media Convergence

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ABSTRACT

Against the backdrop of the development of informationisation in Chinese society, traditional newspaper groups are facing profound changes brought about by media convergence. With the rapid development of mobile Internet and new media, the traditional advertising revenue model and the circulation of paper newspapers have declined sharply, forcing newspaper groups to accelerate digital transformation. Taking Henan Daily Newspaper Group as an example, this study, based on semi-structured interviews, provides an in-depth analysis of the three core challenges faced by traditional newspaper groups in the context of media convergence, namely, the loss of readers, the decline in advertising revenue and the plight of outdated organisational structure. The results of the study show that the traditional newspaper industry has greater difficulties in technological integration, especially in the construction of digital platforms, the application of content production tools and the shortage of technological talents. The rigidity of organisational structure and the lack of cross-departmental collaboration also severely constrain the efficiency of innovation and the pace of transformation. In addition, with the decline of traditional advertising revenues, newspaper groups have made slow progress in content payment, IP realisation and diversified revenue exploration. To address these challenges, the study proposes strategies to enhance the competitiveness of traditional newspaper groups through technological innovation, organisational structure optimisation and the establishment of diversified revenue models. In the future, newspaper groups need to accelerate the pace of technological innovation, implement more flexible organisational management models, and actively explore new revenue sources in order to maintain sustainable development in the new media environment.

Keywords: Media convergence, traditional newspapers, declining audiences, technological innovation, revenue diversification, organisational restructuring

INTRODUCTION

Chinese society is in the era of rapidly developing information technology, and the popularity of mobile Internet and new media technology is changing people's way of life, the way of obtaining information as well as the survival environment of traditional media. Traditional newspaper groups, once an important channel for information dissemination in China, are now facing unprecedented pressure to survive. With the widespread use of mobile devices and the rise of social media platforms, readers can access news and information anytime, anywhere via smartphones, tablets and other end devices. This change in the way of information consumption has led to a sharp shrinkage of the user base of traditional paper media. In addition, short video platforms, news apps and social media not only provide a more vivid and direct content experience through the fusion of multimedia forms (text, pictures and video), but also make use of data analysis and personalised recommendation technology, significantly

enhancing user interactivity and engagement.

This new mode of communication has brought great challenges to the traditional news production and dissemination model. Newspaper groups that once depended on advertising revenue and paper circulation are gradually losing their core readership and revenue sources. The concept of media convergence refers to the integration and interpenetration between traditional media and emerging digital media. It includes convergence in multiple dimensions such as technology, content, and operating models. The global trend of media convergence has shown that traditional media need to adapt quickly to this change in order to survive and develop in a fiercely competitive environment. China's traditional media, especially newspaper groups, have to cope with multiple challenges in this process, including how to achieve technological upgrades, organisational reforms and the exploration of new profit models.

Research Objective

Based on the context of media convergence, this research aims to address two core objectives. Firstly, it seeks to identify the key challenges traditional newspaper groups face as they navigate this evolving media landscape. These challenges include technological integration, organizational rigidity, and declining revenue models. Secondly, the research aims to explore how these challenges impact the survival and long-term development of these newspaper groups. By understanding these issues, the study will provide insights into how traditional media can adapt and thrive in the digital age.

Research Question

Since the mid-2000s, digitalization and networking have gradually become the basic requirements for the survival and development of global media, and new media and various new media technology applications have emerged. By open and compatible multimedia network platforms, the Internet makes it more convenient and efficient for people to obtain information, and more and more people rely on the network platform to get information. News clients and various social media have become the first channel for most people to obtain information" (CNNIC, 2022). With the advent of the 5G era, the Internet and mobile terminals will further change the way of social information dissemination. The rise of new media seeded the audience and advertising resources of traditional media, including paper media, and significantly impacted the operation of traditional media. In recent years, the business situation of paper media has become increasingly severe, and the phenomenon of newspapers being suspended or suspended has become increasingly common. The national newspaper industry faces unprecedented operating pressure (Wang, 2021). The major problem is that the monopoly of traditional media no longer exists, especially newspapers that have survived and developed for nearly 400 years, showing a clear trend of decline. Facts have proved that in the process of media reform. However, newspapers have faced challenges from "new media" such as radio and television. Their communication characteristics align with the audience's usage habits of certain media so that the crisis can be resolved every time. In China, the "Internet Plus era" has broken this balance. Since new media has almost all the communication characteristics and value functions of traditional media, it has formed an alternative relationship with traditional media to a certain extent, making human media's development appear as an irreversible trend of digitization and networking (Zheng, 2021).

In his book, "The Dying Newspaper. How to Save Journalism in the Information Age," University of North Carolina professor Philip Mayer in 2005 proposed, "By October 2043, the last daily reader will close him or her newsstand and leave". Globally, the decline of traditional newspapers is a harsh reality. In her article published in 2014, Yu (2014) mentioned that traditional media, especially traditional newspaper groups, have been significantly impacted by the effect of network communication. Declining revenues in traditional newspaper groups, massive loss of print media audiences, shrinking

newspaper influence, and massive employee turnover have all shifted to the more emerging new media industry. Secondly, in the context of the rapid development of new media, the management idea of the newspaper group, mainly relying on advertising revenue to support media operations, is facing enormous challenges. On the one hand, the emergence of new media has squeezed the market share of the traditional newspaper industry, and the advertising investment of advertisers has become more and more scattered and diversified.

On the other hand, the development of new media by the newspaper group requires high capital investment, and the new media operated by the newspaper group has not yet found a transparent profit model. In this case, the profits generated by the operation of the enterprise are used to support the development of the enterprise. Nicholas Negroponte and White, (1983) first proposed the concept of "media convergence." Negroponte first proposed the idea of "media fusion" in 1983, when MIT professor Ithiel de Sola Pool first noted it in his book "Techniques of Freedom" (Ithiel, 1983)—the phenomenon of Fusion. The demand for media convergence in developing traditional and new media has been comprehensively examined. Media convergence must promote the transformation and upgrading of traditional media to meet the requirements of global informatization. Based on the background of media convergence and the survival status of traditional newspaper groups in China, the problem of this study is the challenges and dilemmas faced by traditional newspaper groups in China.

METHODOLOGY

This study adopts a qualitative research methodology to explore in-depth the challenges and transformation strategies faced by traditional Chinese newspaper groups in the context of media convergence through semi-structured interviews. Qualitative research methods are suitable for in-depth exploration and understanding of complex social phenomena, especially when the researcher wishes to gain detailed insights into a phenomenon (Creswell, 2021). In order to ensure that the study can cover the different functional departments of a traditional newspaper group, this study adopted the target sampling method and selected five representatives from the China Henan Daily Newspaper Group as the interviewees. These included two academic and industry experts, referred to as KE 1 and KE 2, and three technical staff members, codenamed TP 1, TP 2 and TP 3.

The technical, management and content production departments were covered to ensure that the results of the study reflect the multiple dimensions of the newspaper group in the process of media convergence and transformation. Each interview lasted about 60 to 90 minutes and was conducted in face-to-face or telephone interviews. To ensure the accuracy of the data, all interviews were audio-recorded with the permission of the interviewees, and transcribed and initially analysed at the end of the interviews. The researcher designed a semi-structured interview outline to ensure that all important research themes were covered during the interviews, while leaving enough space for the interviewees to express their views freely. Once data collection was complete, all audio recordings of the interviews were transcribed into text so that the original words and views of the interviewees could be traced in detail during the analysis process. To ensure that the data analysis was scientific and systematic, this study used NVivo software for thematic analysis and coding. This study used a coding approach to analyze the content of interviews with key experts, practitioners involved in traditional newspaper groups, and target audiences (Cope, 2017). First, constructs were identified to create questions. Later, based on the constructs, these questions were constructed in English and translated into Chinese. These questions will go through a validation process, and they will be improved based on the experts' comments.

The whole interview will be captured on tape. It will subsequently be changed "from spoken to written text" in the recording. The text has numbers next to several lines. When the transcription was finished, the researcher reread it while still playing the audio file and made any necessary edits, including any spelling or other mistakes (Cope, 2017). All of the research interviews have been transcribed, reviewed, and the content has been broken down into sub-themes. Through this procedure, the researcher might start to comprehend the problem from each participant's point of view. Similar codes were mixed when themes started to emerge openly. Finally, we compiled a summary of every subject from every interview. The snippets were used to discuss each subject and sub-theme. The

specialists in charge of validation then confirmed these topics. Questions and approaches were later created from these subjects. All topics and study questions based on each respondent were mapped using mind maps (Belotto, 2018). Through NVivo's coding and thematic analysis, this study was able to systematically collate and analyse the interview data from the interviewees to ensure that the results were comprehensive and objective. In addition, NVivo was able to help the researcher conduct comparative analyses across interviewees and identify similarities and differences between different functional departments, thus providing more informative suggestions for the overall transformation strategy of the newspaper group.

RESULTS

Survival Crisis of Traditional Newspapers:

Both experts and technicians agree that traditional newspapers are facing a serious existential crisis, mainly due to a massive loss of readers and declining profitability. Both experts point out that traditional newspapers are currently facing a serious existential crisis, mainly due to a massive loss of readers and a decline in profitability. Traditional newspapers have lost their close connection with the mainstream audience. KE 1 specifically mentioned that many newspapers, such as Dahe Newspaper, have ceased the distribution of their paper editions and have suffered a serious loss of audience, which has made the survival of the newspaper group very severe. KE 2 mentioned that not only the readership of paper newspapers has dropped significantly, but also the readership of the electronic editions, which indicates that the overall influence of newspapers is declining.

Reader Loss and New Media Competition

Technical staff (TP 1, TP 2) emphasised that the loss of readers and the impact of new media are the biggest challenges facing the traditional newspaper industry and the main reasons for the decline of traditional newspapers. As users diversify their access to news, efficient and attractive news products are gradually replacing traditional newspapers. TP 3 emphasised that 'the agenda-setting function of traditional media has now been replaced by commercial brands, and the role of traditional media as a guide to public opinion is gradually weakening.' TP 1 also points out that with the rise of new media, the influence of traditional media has been weakened. New media provide readers with more choices, further weakening the influence of traditional newspapers on their audiences.

Necessity of Transition to Mobile Platforms.

The experts and technicians interviewed agreed that the transition to mobile media platforms is crucial to the survival of traditional newspapers. TP 3 pointed out that 'when traditional media are facing downward strikes from commercial platforms, the transition to mobile media platforms has become a must for survival and development.' TP 2 agrees, arguing that although traditional newspapers still have some regular audience groups, with the lagging speed of local information dissemination and the rapid development of new media, newspapers must transform in order to continue to exist. KE 1, on the other hand, points out that media convergence has put more pressure on newspapers to adapt. Traditional media have become increasingly disconnected from current audiences, which has exacerbated newspapers' existential dilemma.

Challenges in Revenue and Business Models

In terms of profitability, both experts agreed that the revenue streams of traditional newspapers were basically broken. The industry expert (KE 1) pointed out that newspapers lacked the ability to 'make blood' and their revenues had plummeted to the point where they were no longer self-sufficient. The academic expert (KE 2) added that traditional newspapers used to rely on advertising revenue, but now the advertising revenue was almost completely cut off, resulting in traditional newspapers having almost

no source of income. As a result, newspapers were not only facing loss of readers but also serious economic challenges. TP 1, on the other hand, pointed out that technological advancement required government support for newspapers to compete with commercial media in terms of resources and capacity to successfully complete the transformation.

Marketization and Institutional Issues

KE 2 explored in depth the lack of marketisation in traditional newspapers. He pointed out that although some newspapers, such as China's Dahe Newspaper and Henan Business Newspaper, had marketisation elements, they were still subject to institutionalised production methods, and this institutionalised production of content could not be adapted to the needs of contemporary media development. The technical staff focuses more on technical and resource challenges and does not discuss marketisation in depth.

Technological Applications

KE 2 highlights the lack of technological innovation in traditional media, emphasising that newspapers are simply copying new media technologies without creating their own platforms. Technologists focused on the practical aspects of integrating technology with government resources to achieve success.

Regional Differences

Regarding regional differences, KE 1 particularly mentioned the differences in the development of new media innovations in different regions. He pointed out that Henan is relatively backward in the media field, but this means that there is greater potential for development. He suggested learning from the successful experiences of developed regions such as Zhejiang and Hunan. And TP 3 mentions the backwardness of traditional media in China's Henan Province relative to other developed regions, pointing out that Henan is lagging behind in new media innovation and marketisation, and should need to learn and improve further in terms of technology application, media management and industrial restructuring.

Internal Mechanism Challenges

KE 2 identified internal institutional barriers, such as outdated evaluation, monitoring and output mechanisms, as the main obstacles to newspaper transformation. More attention was paid to sales and audience loss.TP 1 was more concerned with the balance between political responsibility and market-oriented needs of the party media, identifying the conflict between institutionally assigned responsibilities and the market-oriented context as the main obstacle in the transformation.

Future Viability of Newspapers

Technicians realised that there were divergent views on the future of newspapers. TP 2 believed that newspapers still had a need to exist as an authoritative source of local information, especially for readers who wanted to obtain authoritative information, and that newspapers still had credibility and labelled themselves as such. On the other hand, TP 1 thinks that although newspapers still exist, they have lost their readership, the media circle is relatively closed, and it is difficult to break through the influence of traditional media.

Challenges of Technological Investment

TP 2 emphasised that local media often face the problem of not being able to sustain projects due to financial constraints after initial investment in new technologies.TP 1 stressed that technological innovations must be closely aligned with government resources in order to be successful.

DISCUSSION

The expert and technical personnel interviews reveal that traditional newspapers in China face severe survival challenges in the context of media convergence, driven by rapid changes in audience behavior, new media competition, and technological advancements. The following conclusions can be drawn.

Reader Loss and Diminished Influence.

Across both groups, the most significant challenge identified is the rapid loss of readership due to the proliferation of new media platforms. Both experts and technical personnel agree that traditional newspapers are struggling to retain their audience. As TP 3 highlighted, the agenda-setting role of traditional media has been overtaken by commercial brands and digital platforms, reducing traditional media's influence.

Revenue Decline and Financial Instability

Experts and technical personnel both agree that traditional newspapers are facing severe revenue declines. The traditional reliance on advertising revenue has diminished, and many newspapers are unable to generate sustainable income. This financial instability compounds the difficulty of investing in technological upgrades and innovation, which are essential for survival in the digital age.

Necessity of Technological Transition

There is a consensus that transitioning to mobile and digital platforms is essential for the survival of traditional newspapers. However, both groups point out significant challenges in implementing this transition, including high costs, lack of technical expertise, and dependence on governmental resources to compete with more advanced commercial media platforms.

Organizational and Marketization Challenges

While both experts and technical personnel recognize the need for transformation, they differ in their emphasis on marketization and organizational structure. The academic expert (KE 2) places more importance on the need for deeper marketization and internal reform, pointing out that institutional constraints limit innovation. On the other hand, the industry expert (KE 1) is more focused on practical challenges like sales and audience engagement, with less emphasis on internal mechanisms.

Regional and Technological Gaps

Both groups acknowledge regional differences in media innovation, with Henan's media lagging behind more advanced regions. The need to learn from successful models in regions like Zhejiang and Hunan is emphasized as a potential solution for regions that are slower to adapt to new media trends.

To remain relevant and competitive in the current media landscape, traditional newspaper groups must:

> Invest in technological infrastructure and skills development to successfully integrate new media formats and maintain their content production efficiency. Diversify their revenue streams, exploring opportunities in mobile platforms, content subscriptions, and digital advertising. Reform organizational structures to foster innovation and respond more quickly to changes in the market, potentially through cross-departmental collaboration and reducing bureaucratic layers. Leverage regional opportunities by learning from successful cases in more developed regions to accelerate their transformation and take advantage of underexplored growth opportunities.

CONCLUSION

This paper explores the serious challenges facing traditional newspaper groups in China in the era of media convergence. It finds that traditional newspapers are facing a serious existential crisis, mainly due to a massive loss of readership and a decline in advertising revenue. The rapid development of new media platforms has led to audience fragmentation, weakening the influence and profitability of traditional media. The decline in traditional newspaper audiences is largely attributed to the rapid rise of new media and its impact on user behaviour. In the digital era, especially driven by the development of 4G and 5G network technologies, there has been a fundamental shift in the way information is disseminated. With its convenience, real-time and highly interactive features, new media platforms have quickly won the favour of a large number of audiences, especially the younger generation.

In contrast, traditional newspapers have a relatively single mode of communication, which cannot meet the needs of modern users for instant access to information, personalised recommendations and diversified content, leading to a gradual weakening of their attractiveness among audience groups. This study finds that the loss of traditional newspaper audiences is not only due to competition from new media platforms, but also to changes in audience reading habits and information consumption. Young audiences, especially "digital natives", are more likely to access news and information through mobile devices such as mobile phones. They no longer rely on fixed paper newspapers, but rather use social media, news clients and other new media channels to quickly access information. New media platforms provide personalised recommendations, instant push, social interaction and other functions that greatly meet the needs of the audience, which are not available in traditional newspapers. In addition, the limitations of traditional newspapers in terms of content forms and dissemination methods are also one of the reasons for the loss of audience. While traditional newspapers mainly rely on static text reports, new media have enhanced the expressiveness and dissemination of news through diverse content forms such as video, audio, and graphic combination. In particular, the rise of short videos has made news information more vivid and interesting, and the reading experience of the audience has been greatly enhanced. In contrast, the content form of traditional paper media seems to be old-fashioned and single, which is difficult to attract the attention of modern audiences.

Analysis of interviews with experts and technologists revealed several key issues in the transformation of traditional newspapers, including inadequate technology, outdated organisational structures, and a lack of diversification of revenue streams, challenges that prevent newspapers from competing with more agile digital platforms. To ensure survival and relevance, traditional newspapers must embrace technological innovation by adopting mobile and digital platforms. In addition, organisational change is necessary to increase flexibility and adaptability, leading to faster decision-making and cross-departmental collaboration. Finally, revenue diversification is critical, and newspapers need to explore new business models, including content monetisation, paid subscriptions and partnerships with government and commercial entities. Therefore, the future of traditional newspapers depends on their ability to modernise their operations, adopt innovative technologies and restructure their business models to compete in an increasingly digital marketplace.

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