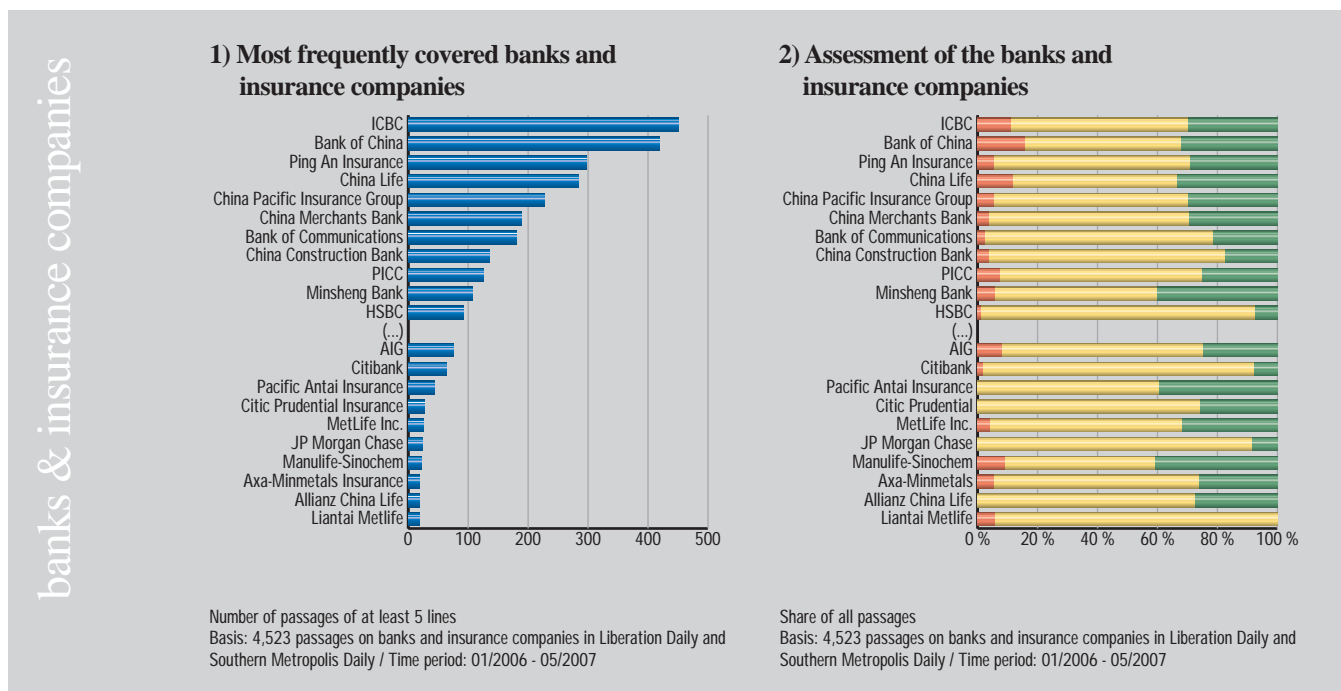


# Regional Champions versus Global Players

China: Media coverage on banks and insurance companies



**The media image of most international financial and insurance groups in China is friendly. Companies continue to benefit from the image bonus of international brands as well as an overall positive tone in the Chinese media. In the midst of the recent stock market boom, however, foreign corporations could not equal the hype on their Chinese competitors. Moreover, with the opening of the banking and insurance sector to foreign investments, the communication environment is changing. MEDIA TENOR has analyzed how two Chinese newspapers have portrayed those changes in their coverage on the financial sector.**

Since 2006, MEDIA TENOR has been analyzing the coverage on banks and insurance companies, based on the examples of two Chinese newspapers: The **Liberation Daily (Jiefang ribao)** and the **Southern Metropolis Daily (Nanfang dushibao)**. They belong to the opinion leading media in the regional newspaper markets of Shanghai and Guangzhou, respectively.

The long-term analysis illustrates the increasing amount of articles on banks and insurance companies in both titles. Coverage shot up from an average 148 news stories per month to about 300. The IPO of the fifth largest bank ICBC and the subsequent IPOs of the insurers China Life as well as Ping An resulted in a strong presence in the general media.

**Stock market hype puts focus onto the financial sector**

The strong focus on the stock market is partly due to the macroeconomic significance of trade in the stock markets of Shanghai and Shenzhen. But more than anything, it is carried along by the stock market fever of the urban Chinese population. General media such as the two newspapers analyzed respond to the information demands of their readers turned shareholders.

A look at the topic structure of the news on banks and insurance companies (**charts 3 and 4**) illustrates the key role of stock market activities: The development of share prices was by far the most frequently mentioned issue with regard to banks, while it came second in reports on insurance companies. Product-related topics, too, are of great importance to Chinese journalists and their readers: In the case of financial groups they make up 28%, while as much as two thirds of the articles on insurers dealt with this issue.

**Regional champions dominate the agenda**

News on the Chinese capital markets primarily focus on Chinese companies. Chart 1 shows the dominance of the stock market newcomers ICBC, Bank of China, Ping An Insurance, and China Life. HSBC, as the most strongly represented international corporation, ranks 11th, thus generating about 20 % of ICBC's media presence.

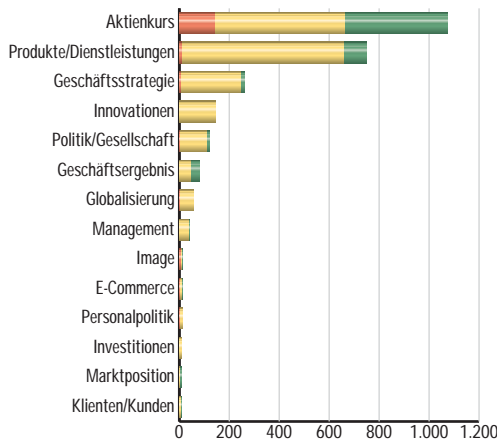
## Research Source

Warren, Anabel: Positioning for a big transformation

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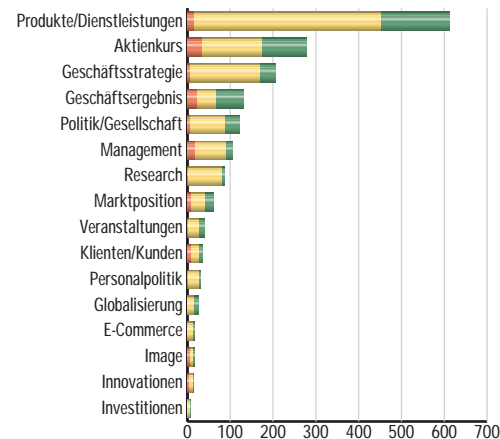
AWarrenIPRAFrontline07-05-02.pdf

### 3) Topical structure of coverage on banks



Number of passages in at least 5 lines  
Basis: 4,523 passages on banks and insurance companies in Liberation Daily and Southern Metropolis Daily / Time period: 01/2006 - 05/2007

### 4) Topical structure of coverage on insurance companies



Number of passages in at least 5 lines  
Basis: 4,523 passages on banks and insurance companies in Liberation Daily and Southern Metropolis Daily / Time period: 01/2006 - 05/2007



In the course of WTO agreements, the political framework changed significantly, resulting in opening up retail banking for foreign banks and extending business activities for foreign insurers. The more intensive market penetration and strong importance of practical topics in the coverage on the industry sector provide continuous communication opportunities for foreign players.

#### Patriotism versus image bonus

In this context, most of the international corporations are able to benefit from an image bonus. The company's image as well as official diplomatic relations to the country of origin continue to be important for how quality and reputation of international companies are perceived. German brands are primarily associated with "quality, reliability and trustworthiness", but are seen as less innovative and modern (comp. BBDO, 2005).

Other aspects are the return to Confucian values and the strengthening of patriotism, which is manifested in the demand for a "purely Chinese" production without foreign corporations. Corporate Social Responsibility (CSR), too, is increasingly questioned and covered prominently with regard to non-Chinese companies (charts 1 and 2).

#### Communication opportunities

The last aspect, in particular, offers the opportunity

to position oneself as a competent and trustworthy partner. Aside from social commitment, banks and insurance companies could focus their communication activities on training and professional education activities for local employees as well as on the implementation of international financial standards.

International financial institutes could also take greater advantage of the high demand for stock market information and achieve permanent visibility in the Chinese media, by providing their know-how as financial market experts in the form of media partnerships. All in all, the dynamic market development and regional expansions also offer multinational banks and insurers new opportunities to position themselves strongly through communication. (san)

#### Basis

4,523 passages in the Chinese newspapers Liberation Daily (Jiefang ribao) und Southern Metropolis Daily (Nanfang dushibao)

Time period: 01/2006 - 05/2007

Analysis: all passages on banks and insurance companies of at least 5 lines

