

Changing Dynamics of China's Publishing Landscape

By Jin Yixin

Over the past two years, after a brief "rebound", China's book market has gradually returned to average levels, with growth challenges becoming increasingly apparent. For most industry players, the guiding principle has become "stabilize the foundation while forging new paths".

According to statistics from China Publishing & Media Journal, the total revenue of 28 publicly listed publishing and distribution companies in 2023 reached ¥148.39 billion (£16.26 billion), with a year-on-year increase of 3.47%. Seven companies—Phoenix Publishing & Media, China South Publishing & Media Group, Shandong Publishing Group Limited, Xinhua Winshare, Zhejiang Publishing Media, Anhui Xinhua Media, and Chinese Media—each recorded revenues exceeding ¥10 billion (£1.10 billion), maintaining the same lineup as the previous year.

Phoenix Publishing and Media retained the top spot with a revenue of ¥13.645 billion (£1.52 billion), with over 500 textbooks selling more than 100,000 copies. China South Publishing & Media Group followed closely at ¥13.613 billion (£1.52 billion), transitioning from a book manufacturer to a comprehensive media brand creator. Shandong Publishing Group Limited claimed third place, replacing Zhejiang Publishing Media, with a revenue of ¥12.154 billion (£1.35 billion).

According to observation, leading publishing and distribution groups have heavily invested in textbooks, educational resources, and marketing, yielding higher returns. Initiatives include creating dedicated textbook distribution platforms, developing e-commerce and livestreaming media matrices, and building regional logistics centers. Additionally, educational travel services have emerged as a key expansion area for companies like Shandong Publishing Group, Central China Publish, Southern Publishing & Media, and Times Publishing & Media.

However, revenue growth rates for the seven companies exceeding 10 billion RMB declined compared to the previous year, with none surpassing 10%. Companies such as Thinkingdom Media Group and CITIC Press Group experienced negative revenue growth. This reflects trends of resource concentration among top enterprises, a lack of new growth drivers, and unstable market investment returns.

In the first half of 2024, the total operating income of the 28 listed companies reached ¥70.874 billion (£7.94 billion), with a slight year-on-year increase of 0.56%. However, net profits attributable to shareholders declined by 22.76%. Key contributing factors are as follows. The first one is the rising costs across various segments of the supply chain and declining profit margins. Second, intense market competition leads to price reductions and promotions, which caused a decrease in profits. The third factor is increased expenses due to business expansion or large-scale investments. Fourth, there are policy changes such as the expiration of preferential corporate income tax policies for cultural enterprises undergoing operational restructuring. Additionally, several companies reported slower growth compared to the previous year, with 12 publishing companies experiencing negative year-on-year revenue growth, up from five in the previous year. Overall, private publishing companies were more severely impacted, with ChineseAll recording the largest decline, with a 29.01% drop in half-year revenue compared to the previous year.

Overall, amid a cyclical downturn in the industry, China's publishing and distribution institutions have begun seeking breakthroughs and transformations. They are exploring new approaches in core publishing operations, integrated development, educational services, di-

versified business operations, capital management, international collaborations, and the creation of bestsellers. Profitability disparities among listed publishing companies have become increasingly pronounced. In 2024, the official establishment of Hainan Publishing and Distribution Group, Qinghai Publishing and Media Group, and Chongqing Xinhua Publishing Group marked efforts in the publishing media sector to enhance market competitiveness through resource allocation and structural optimization.

Recently, China Publishing Group advocates for maintaining advantages in general and academic publishing, creating more high-quality bestsellers, and revitalizing brand clusters. It encourages expanding partnerships with universities and research institutions, advancing cross-sector integration through "Publishing+" integration and collaborations with digital technology, cultural tourism, educational exhibitions, and financial enterprises. Additionally, it emphasizes leveraging big data, artificial intelligence, and other technological tools while exploring innovative models for international cooperation.

In the first half of 2024, Shandong Publishing & Media reported the highest revenue growth, with a year-on-year increase of 13.77%. This success was attributed to its focus on core publishing operations, advancement of quality educational services, exploration of social services and cultural derivative products, and accelerated implementation of innovative projects targeting specific audiences. Central China Media achieved a 7.31% increase in distribution revenue, highlighting its channel advantages while actively investing in blockchain, AIGC-based digital content development, and exploring innovation in "Education + Research" models.

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Looking back at 2024, Tmall leveraged key marketing moments such as World Book Day on April 23, launching the campaign "Reading, Who Says I Don't Love It?". With the core message "Tmall Books, Helping You Choose the Right Book", Tmall led three major marketing events: collaborations with coffee brands to inject cross-industry brand power into books, livestreams by celebrities and authors to generate topic exposure, and special book lists to trigger nationwide interactive enthusiasm. This initiative closely connected books with cultural life, enabling dialogues between well-established and "new generation" writers. The themed book lists, inspired by viral short web dramas in the entertainment industry, aimed to break barriers and bring reading into the public's view.

JD Books: Discount Strategy Sparks Controvers

On the eve of the "618" sales event in 2024, JD.com launched promotional ads such as "All children's books 40% off", prompting multiple publishing institutions to release a "joint statement" in resistance to JD's proposed "618 promotion plan". The plan required publishers to offer books at 20%-30% of their regular prices and participate in an 8-day promotional campaign. A worker from JD explained that the goal was to sell more at lower margins, thereby benefiting consumers and generating profits for partners. However, many publishers were no longer willing to "lose money for promotion", and the "price war" in the book industry sparked social discussions.

Recently, JD Books, in collaboration with China Publishing & Media Journal, the SMZDM.com platform, and etc., launched the "2024 Annual Good Books



Astro Century specialized in the K-12 education sector, integrating AI technology to develop digital intelligent products and supporting services, with its research and development team capable of producing over 3,000 items annually. Xinhua Winshare expanded revenue through smart campus projects and educational equipment procurement, while DuZhe Publish & Media saw steady growth driven by its flagship magazines, *Du Zhe* (《读者》) and *Du Zhe Campus Edition* (《读者》校园版).

Private publishers have demonstrated greater boldness in adopting emerging technologies such as digital humans and large AI models. Lelequ, while maintaining its advantage in pop-up books, actively developed AI-powered smart reading pens. ChineseAll experimented with AI hosts, AIGC-adapted short dramas, large language model-assisted novel translations, as well as English novel and screenplay creation, with plans for scalable production using AIGC technology. Guomai Culture & Media invested heavily in AI-driven proofreading, illustration, and digital reading applications, including digital humans for reading services.

As many Chinese publishing and distribution institutions increase investments in new technologies and venture into emerging fields, they aim to overcome growth bottlenecks through diversified operations. Will these endeavors become rare opportunities or risky moves that disrupt traditional industry structures? Only time will tell.

Voting", with 200,000 readers participated. From the books published in 2024, 50 works were selected as the best of the year, covering a wide range of fields, including literary fiction, social sciences, history, business and inspiration, science and technology, and lifestyle. Among them, *When History Meows 14: Ming and Qing Dynasties* (《如果历史是一群喵14: 明末清初篇》), *Interesting Classics of Ancient Literature* (《古文观止有意思》), and *The Journey To The South* (《食南之徒》) ranked among the top 3, becoming the most popular books of the year.

Of the 50 selected books, 37 were original works from China, and 13 were translated works. Comic books were particularly popular, especially those that combined knowledge from disciplines like geography, literature, and history, allowing readers to broaden their horizons while being entertained. Authors like Yu Hua and Li Juan also made the list. Yu Hua had four works on the list, maintaining a long-standing presence on bestseller charts. Li Juan had two works on the list, and with the recent popularity of the TV adaptation of her memoir *My Altay* (《我的阿勒泰》), her works once again gained public attention. Similarly, books adapted into TV dramas or films, such as *Escape from the Tri-lateral Slopes* (《边水往事》), *The Boy and the Heron* (《你想活出怎样的人生》), and *Dune* (《沙丘》), also made the list, benefiting from exposure through entertainment media and sustaining the "traffic" generated by their adaptations. Many of these quality books came from the same publishing brands. Dook Media Group, for example, had 9 books on the list, while CITIC Publishing Group, Beijing Boji Tianjuan Books, and Thinkingdom MediaCla each contributed 5 books.