

China start-ups seek riches in podcasting

With audio and video bloggers in the mainland now numbering up to a million, venture capitalists and international media are in hot pursuit

Stuart Biggs

Two years ago, Irishman Ken Carroll reached a conclusion every professional dreads. The product of four years' graft – a series of textbooks to teach English to Chinese students – had fallen below expectations, and the long-term veteran of the language-training industry in China was looking for new ideas.

Typical flaws, such

were teaching the subject, but there is an inherent flexibility in podcasting in terms of being able to download the lessons and consume them whenever you want.

"The production cycle has also shrunk to about five days from the time we receive feedback to the time we produce the next lesson – the effect is that of a user-generated programme."

Chinesepod.com is a mainstay near the top of the podcast ranking at Yahoo.com. But the site's significance extends to two key issues dominating the discussion on podcasting – how popularity can be monetised and the potential of podcasting in China.

Users of Chinesepod.com can download the podcasts for free but pay a monthly subscription of US\$5 upwards for accompanying material. Traffic and sales growth were growing at 30 per cent and 40 per cent respectively, Mr Carroll said.

"Most people are trying to make money from podcasting via advertising, but that is not a route we want to take," Mr Carroll said.

"Obviously there is a lot of content out there and much of it is entertainment, which is great but often has no inherent value. Information you can leverage for training does have an intrinsic value, especially in China."

The website's parent company, OnDemand Train-

penetration of broadband among internet users in China. About 20,000 clips are original. Their distinction from TV clips would grow increasingly important, Mr Van der Chijs said, due to the potential for the former to be repackaged into other products [such as ring tones] in future and the risk that the latter could fall foul of copyright regulations.

The two most popular clips are teenagers lip-syncing to karaoke songs.

"People still like to see others their own age doing this kind of thing," Mr Van der Chijs said.

"But the biggest shift over the past few months is that the quality is getting higher – people are learning from each other, they are watching other clips ... spending more time adding effects."

The question is whether the portal and its content will eventually sell.

Toodou.com will experiment with targeted ads played at the beginning of each clip in the coming months, but the company is also going after mobile revenue via a 12-month revenue share deal with Dragon Mobile – a Shanghai Media Group subsidiary – to stream the clips to mobile phones.

Matt Roberts, a Beijing-based partner with business development firm BlackInc China, is also bullish on the tremendous potential of podcasting, in part because traditional media models are less entrenched in China.

"One aspect is the increase in the use of mobile devices to receive content," he said. "The second is the potential for a





Amateur video creators look to achieve the popularity of China's Backdorm Boys with their video podcasts.

as pre-meditated lessons and arbitrary grammar points, had resulted in out-of-touch, linear textbooks that locked users into a step-by-step rigmarole, Mr Carroll said.

"You cannot progress to Lesson Three, for example, until you master Lesson Two."

But even so-called interactive web-based applications such as Englishtown and GlobalEnglish fell short of Mr Carroll's requirement of a more interactive, natural form of learning.

The so-called Web 1.0 era simply sought to replace human activity with software.

Instead, he turned away from the top-down approach of the early internet to the emerging trend of Web 2.0, which allows users to generate their own content through blogs, podcasting, photo-sharing, wikis and instant messaging.

Chinesepod.com was launched in September as a language-learning portal that lets users download audio lessons as podcasts, read accompanying texts in pdf format, leave feedback via e-mail and discuss language-learning issues with other users of blogs.

The result is impressive.

"In less than four months, we have had 1 million downloads," Mr Carroll said.

"Partly this was down to the way we

lished Englishpod.com for Chinese learners of English, although take-up has so far been slower due to the lack of RSS (Really Simple Syndication) usage in China. There is also an absence of the iTunes and Apple culture to drive podcasting forward.

There is little doubt, however, that podcasting – and videocasting – are booming in China. Podlook.com chief executive Jack Gu recently predicted the number of podcasters in the mainland would reach 50 million by 2010, from between 500,000 and a million now.

Venture capitalists and the international media are in hot pursuit – in part because, for perhaps the first time, a technology's emergence and attempts to monetise its popularity are occurring simultaneously in China and the west.

Toodou.com has received much of the early attention. The site was launched in April with financing from co-founders Gary Wang and Marc van der Chijs, but recently secured venture capital from International Data Group.

Video accounts for 60 per cent of the content on the site due to the high

verusers to deliver messages to a well-defined audience, which was never possible with traditional radio (or TV)."

That still leaves the issue of the type of content, and the difference could not be starker between the educational value of Englishpod.com and the lollipop entertainment that appears on many of the social portals in China.

Self-censorship is a major reason.

"The [government] policy is a common concern for podcast service providers in China," said Hopesome Fu, a mainland-based blogger who has charted the rise of podcasting both in the west and China on his homepage Hopesome.com.

Mr Fu includes links to what he regards as quality podcasts on his site, many of which are from overseas because of the limited variety available in China.

But despite the prevalence of copycat content on many portals, Mr Fu has seen first-hand the growing popularity of podcasting through an increase in web traffic that has required a shift from a hosting service to a dedicated server.

"When I first started there was virtually no podcasting in China, but now traffic to my site is increasing all the time," he said.

"In the future there will be some kind of business model I could look at."



Hear the podcast at podcasting.scmp.com

HK attracts tech giants for top telecoms event

Triennial industry gathering, to be held outside Geneva for the first time, promises a big turnout of exhibitors and visitors

ers of the International Communication Union's triennial industry gathering to be held in Hong Kong in December secured firm commitments from the largest and most influential technology companies in the

here and we are running out of space," said Connie Lee Yun-man, a government official serving as head of marketing and events for ITU Telecom World.

Ms Lee said a number of industry giants that skipped the event in Geneva had confirmed as exhibitors in Hong Kong. These included Texas Instruments, Lucent Technologies, Motorola, Siemens, Alcatel and Ericsson.

A meeting for exhibitors will be held in Hong Kong next month, with about 200 corporate representatives expected to attend

and the mainland, through the state-run trade and exhibitions group China National Postal and Telecommunications Appliances.

Ms Lee said exhibit planners could pack from 20 to 40 SMEs, each with their small booth, inside a pavilion.

Secretary for Commerce, Industry and Technology Bureau John Tsang Chun-wah announced in March last year that the government would open the event to a wider range of industries and smaller companies.

He said ITU Telecom World would include participants from



\$1.2 billion from exhibition space rentals and hospitality-related spending.

Still, Hong Kong and mainland authorities are expected to launch a big marketing initiative over the next six months for major sponsorship deals to help cover the cost of ITU Telecom World.

The Ministry of Information Industry (MII), represented by vice-minister Jiang Yaoping, will lead that promotional push at the 3GSM World Congress in Barcelona next week and at the World Telecommunication Development