

# The Countermeasures of Improving the Willingness to Pay for the Pay Channel

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## Abstract

Along with common use of the digital technology, the development of digital television industry has become the trend of the world. In July 2003, the State Administration of Radio came up with the conversion concept of digital television and approved 33 cities as the first batch of cable digital TV pilot. Since then, the number of cable television subscribers in China has been growing at a high speed, according to the data of the State Administration of Radio and Television. Until the end of January of 2011, China's digital cable TV users has exceeded 90,000,000, reaching 90,392,000. The degree of wired digitalization reached 48.26%. (The basic users of cable TV were 187,300,000.

China digital cable TV users increase steadily, and the level of cable digitalization rises steadily. However, the development of the digital pay channel of China is not so satisfactory. We should pay attention to some problems, for example, the purchase intention of pay channel is not so high in China.

Here we are going to summarize the reason that the purchase intention of pay channel is not so high. Besides, we are going to try to find out the countermeasures.

**Keywords:** Pay channels, Countermeasures, Willingness

## 1. Introduction

Along with common use of the digital technology, the development of digital television industry has become the trend of the world. In July 2003, the State Administration of Radio came up with the conversion concept of digital television and approved 33 cities as the first batch of cable digital TV pilot. Until the end of January of 2011, China's digital cable TV users has exceeded 90,000,000, reaching 90,392,000. The degree of wired digitalization reached 48.26%. (The basic users of cable TV were 187,300,000. This data came from the State Administration of Radio and Television. ) Since 2009, digital cable TV users have increased consistently by 20,000,000. The transformation of wired digital TV entered a rapid development period. According to the authoritative research conducted by Grand Company, up till the end of January of 2011, China's digital cable users had reached 113,902,000. The degree of wired digitalization was about 56.52%. (The basic users of cable TV were 201,520,000. This data came from the State Administration of Radio and Television.) Compared to the same period of 2011, the degree increased by 8.26%. China digital cable TV users increase steadily, and the level of cable digitalization rises steadily. However, the development of the digital pay channel of China is not so satisfactory. Here we are going to summarize the reason that the purchase intention of pay channel is not so high. Besides, we are going to try to find out the countermeasures.

## **2.The reason that the purchase intention of pay channel is not so high in China**

### *2.1 There are many free channels which provide marvelous programmes*

Firstly, there are a lot of free channels in China. In the foreign television market, there are very few free channels in most of the foreign countries. In the United States, there are only a dozen free channels. In Japan, there are only 3 free channels. In UK, if you don't want to cost any, you can only watch five or six channels. Besides, those free channels mainly focus on public service and commonweal, which have no conflict with the commercialized pay channels. Our country's free channels are numerous, which is the masterpiece in the world. By 2009, there have been 2654 national radio and television agencies (251 Radio stations\272 Televisions\44 Education TV\ 2087Radio and television stations), and 3985 sets of open broadcast radio and television programmes (2675 sets of Broadcast\ 1310 sets of TV) (Zhang Yali & Li Yajuan, 2010). According to the CSM's basic research survey in all the provinces, In 2009, family users in city received 49 channels in average while television household received an average of 33 channels, including CCTV channel and the satellite TV channel at the provincial level. City television household and rural television household can receive respectively to 33 and 26 including non-star provincial television, urban household can receive 16 channels and the country family can receive 7. (Chou Xiaozhou, 2010) Although these free channels provide mostly same content, and appear in the same form of comprehensive channel at the same time, this research shows that, a lot of people think that free channels are enough.

Secondly, free TV channels also began to be professional. Up till now, only CCTV provides nearly 20 specialty channels, including economy, sports, movies, TV shows, music, news and children's. Each channel has its particular program content for a particular audience groups so that it can attract a certain number of viewers. This makes professional free channels and pay-per-view channels compete for audience. If pay channels cannot provide a breakthrough in personal programs, it is difficult to compete with free channels.

Thirdly, in order to compete for ratings and attract advertisers, the central and local channels have done their best. Independent drama and premiere drama swept on satellite channels, and a variety of shows are also hit. In order to attract advertisers and get higher advertising revenue, both central and local television stations pay special attention to enrichment and improvement of their program content. On the one hand, the content of free-to-air channels program is becoming perfect day by day. On the other hand, the new open-circuit free-to-air channels continue to emerge, such as CCTV record channel, also named CCTV-9. It keeps broadcasting for 24 hours, the whole day. The content of this channel includes natural exploration, history and culture social records and documents and archives.

In a word, as the number of free channels becomes more and more, and the content quality tends to be specialized and professional, which can basically meet most of the audience demand, so audience's demand of professional digital pay-TV channel is not very high overall.

### *2.2 The quality and quantity o pay channels is not so high*

The content of pay channel mainly comes from two aspects: one is produced by channel itself, and the other is purchased from others. In home-made aspects, as our television station in China is also the television producer and broadcaster, this mode has resulted in low level of program production, specialization and poor selectivity. Besides, the manufacturing cost is high. While some private television production companies are lack of symmetry of bargaining power in the broadcast platform, being in a disadvantageous position in the cooperation, so they don't get much profit. The dysplasia of content production market also causes Chinese TV program market lack of professional production team. This is the barrier of improving the quality and quantity of the television content.

As for purchase, because of the television management policy restrictions in China, the content of pay channel has no more advantages than the free channel. It is very difficult to do something outstanding in the purchase of the program, especially in the purchase of foreign programs Foreign. Many foreign programs with adult content, gaming content and some news channel are banned in China.

Although there are some advantages of pay channels in China, they are too normal to be outstanding. That's why they are lack of audience.

### *2.3 Pay channels are relatively expensive*

Nowadays if you want to watch pay channels in China, the audience who use imitate television need to take three passes: The first is to pay cable TV installation fee and network maintenance fee; the second is purchasing expensive bidirectional digital television set top box (digital translation free set-top boxes are one-way set-top box, which does not support interaction and a number of value-added business); the third is paying program fee. So, if a family consumes pay TV, it needs to pay hundreds of dollars every month, apparently far beyond "the demand with that

pays ability". What's more, audience did not see the scale and characteristics of the show, so they feel the price is too high but what they can get from is low. That's why the demand rate of the digital pay TV is very low.

Meanwhile, the price of the main program platform is high in China: the price of First Drama of Central Digital is 36RMB/month $\times$ 12=432RMB/year; World Geography 15RMB/month $\times$ 12=180RMB/year; Stormy Music 15RMB/month $\times$ 12=180RMB/year. The programs above belong to mass or focus. They are only a small part of pay programs. The price of the single set of programs alone has exceeded television license fee. No wonder that it is also higher than the majority of users' psychological price.

In addition, the program of platform in counterpoise packaged sale price is also not very reasonable, such as median platform "CCTV the package", monthly 28 yuan/door $\times$ 12 = 336 yuan/years. The "value package", monthly price is as high as 56 yuan/door $\times$ 12 = 672 yuan/year. The tripod with two handles visual platform "tripod apparent much" bag, monthly 32 yuan/door $\times$ 12 = 384 yuan/year. These don't include counterpoise each year 300 yuan of the basic subscriptions, this price level is really hard to accept.

We still need a long time to popularize pay channel in China. The relatively expensive price can only lead to audiences' resistant and eventually led to the failure of pay channel's popularization.

#### *2.4 Users have not formed the habits of paying for TV watching*

The television industry in our country has always been known as the party and the government's "mouthpiece". It is a culture propaganda tool. Public culture is not only the main guarantee of the people's basic cultural rights, but also the important content of harmonious society construction. This has resulted in many free channel in China, and people has taken watching TV for free for granted. According to Ernst & Young's report, in 2009, although 83% Chinese internet users listened to music via internet, each people spent only 0.15USD on digital music products, far below the 10.1USD in Japan and 8.8USD in America. Moreover, the expenditure of traditional media like pay TV, music, film, television in the USA of each family is 50 times of Chinese family. This data shows that audience in China has not yet formed the habits of paying for TV watching. According to the development experience of pay TV, the popularity of pay TV is closely related to the number of free channel and consumer psychology. In Germany, cable television subscribers only need to pay a small amount of fee to watch over 30 informative free TV channels, so the pay TV in Germany is hard to survive. Chinese people have been watching TV for free for decades. It still needs some time for them to change this consumption habits to accept the ideas of pay TV.

#### *2.5 Users have insufficient understanding of Pay-TV*

From October 20, 2011 to December 20, we carried out a computer assisted telephone interview in Guangzhou. We asked the following questions in a sample of 359 who watch digital TV: 1. Have you purchased pay channels? (1) No (2) Yes (3) I don't know. 13.9% interviewee chose "I don't know." Although pay TV has been developed for 8 years in China since 2004, there are still a part of the audience who does not know pay channels. This show that pay TV still need to be promoted.

#### *2.6 The policy constrains the development of pay channel*

Nowadays the integration of program is facing the related constraint of National Radio and Television policy. In foreign countries the adult channel and gaming channel are the profit pillar of pay channel, but in China, obscenity, gambling and violence and instigates crimes are prohibited. This is the minefield of program production. The scale of pay channel is only 5%, more than free channel in the introduction of the foreign program. Apparently, this is unable to reflect the special policy of pay channel. What's more, the SARFT also clearly states that pay channel should not broadcast the commercial other than commercial promote the pay channel itself.

In the development of the digital pay TV, the State Administration of Radio and Television has explicit request of paid channel. All transmission of pay channel must be authorized by the State Administration of Radio and Television.

In addition, the broadcasting policy in the past resulted in the "governors regime". Differed from the industry of broadcasting and television which entirely depends on the state capital, the cable TV network in China largely relies on self-financing. Moreover, as the state's wired digital pay TV operators, cable Network Company is directly under the charge of the State Administration of Broadcasting and Television. In fact, the cable network company is in the state of natural monopoly. The feudal ruling of the network company in China has restricted the development of digital cable TV. Although a few years ago the broadcasting system in China was reformed, the reform has not been carried on cable network because of a variety of complex reasons. The best summary for the situation of cable TV network would be that there is a system but not unity.

In such an environment, no pay TV channel can be rolled out in the countrywide, so it is difficult to form a sufficiently large amount of audiences. Because the progress of network integration did not go smoothly when the promotion of digital TV began, pay channel in China has to accelerate digital TV in the unit of city network. This greatly increases the cost of the integrated platform and transaction and the number of users is not able to increase rapidly.

### *2.7 The broadcasting organization of pay TV is in a disadvantage place of the industrial chain*

The open degrees of China's TV industry chain are different; the open degree broadcasting is low, and the transmission link has a distinct characteristic of natural monopoly. Due to the monopoly in cyber source, network transmission method for television broadcasting institutions has strong ability of bargaining. For example, the rate of TV households in China reaches 70%. The launching fee is about 50million RMB, coupled with the high quality drama resources purchase, self-made program input and so on, the breakeven point of ad revenue is 2000million RMB. In 2004, Zhejiang TV's landing fee is 30 million yuan, in 2005 it is 70 million yuan, in 2006, it up to 1. Shandong TV launched 2000-30 million yuan for in 2004, up to 50 million yuan in 2005, in 2006 total landing input increased to about 80 million yuan. Part of the cable TV networks auction channel landing rights for profit, but satellite channel as a broadcast link have no bargaining space. Both sides of the competition is uncoordinated.

## **3. The countermeasures of enhancing purchase intention of China's digital pay channel**

### *3.1 Construct the content of pay-channel in professionalization, Personality and branding*

This study's multiple research show that , the ostensible reason that digital television users aren't not satisfied with the pay-channel comes from the lack of content, though pay-TV programs are colorful, and its content is very comprehensive, the users think high-quality program is still not enough. At present, the lack of TV content and immature program forms cause the loss of huge amounts of target audience, so pay-channels can't attract enough users.

In 2009, Beijing's survey data shows that the channels that users are willing to pay for focus on film and television, sports, wealth, documentary and animation, women, leisure and entertainment, 53.6% of them prefer to film and television class channel, 37.7% of people prefer sports class pay-channel, 15.9% of people prefer wealth, documentary class pay-channel. (Wu Yuling & Bao Li, 2010) A telephone survey of this study, what were made from April to June in the Guangzhou in 2012, shows that the top seven of the channel that users of Guangzhou and Beijing both like are shown blow: (1) Film and television programs; (2) Leisure entertainment programs; (4) Sports programs; (6) Music programs; (7) Animation programs; (8) Life programs; (9) Documentary programs. So the future pay-TV programs can still develop content that the users like to watch, and may purchase.

The first thing we should consider is integrate more content which users are willing to pay for, when we construct the content of pay-channel in professionalization, Personality and branding. So film, television, sports and other contents should have a market segmentation and reasonable positioning. In order to construct the content of pay-channel to be professional and personalized, We need to promote the content of the premium channel providing, through a variety of channels, For example we can use our own programs, make programs together with social agencies, buy or bring program from abroad, and we also can integrate the existing program content.

### *3.2 Let users have more chance to experience the Pay-TV for free*

Let users have more chance to experience the Pay-TV for free. This study's multiple research show that a lot of digital television users now still failed to understand, contact and experience the Pay-TV. No such process, Naturally it is difficult to promote the digital television users to buy the Pay-TV. At present, Operators do not pay enough attention to TV program product publicity, and don't provide specialization and even precision turn of propaganda and service for classification users, Some users express digital television channels are too much and don't know how to choose. Program guide for program content is too simple, and just stay in time-forecast level, Because it doesn't provide brief introduction of program content, it can't guide the user's selective watch effectively, but also difficult to cause the user's viewing interest and desire.

The most basic effective way to please the audience and win the users is to provide free viewing experience, to carry out different levels of service preferential measures for user group having different needs, to make products and service concept have a better communication with consumers, so we can get users' participation experience faster. At present, some place have already began to provide more free experience ,Such as the audience of Sichuan can watch the Pay-channel for free from February 1 to 18, including "The first theatre", "Explode sports", "CHC action movies", "Chinese Cinema", "The world geography", "The football", "Old story", "Pioneer record", "Voyages of Discovery", "Tianyuan Go" and so on. Cable television users of Guangxi radio and television networks company can also be free

to watch all pay-channel (including hd channel) from January 30th 16 to February 9th 16. But these free experience are not enough, Free experience of normalization and standardization can be able to please the audience and win users better.

Experience Pay-TV can also come true through the free preview function. Free preview function refers to a kind of function that users can be short or periodically to watch channel content when without authorization of the program in order to make users understand the channel information and prompt the user for ordering, and it can let users get viewing experience and conform to the user's buying habits. After almost 8 years of development, Pay-channel as one of the earliest value-added service in digital television, The reason is various why promotion didn't get very good effect, and one of the most important reason is that the user can't understanding of the channel content directly, it does not conform to the user's spending habits purchase program when users don't experience the content. Free preview function demands mainly has the following several aspects: 1) Providing a period of free preview; 2) Providing order information of free preview channel; 3) Free preview function in the net all old and new type set-top box or multifunction all can achieve; 4) It should be safe and reliable, not easy to break hackers; 5) Forepart function can be cancelled at any time (Li Ruilong, 2011).

### *3.3 Use "the low charge, AD and multiple management" business model*

To develop digital pay TV, we must reduce the link of audience pay price, and keep the prices down. At present, Most of Chinese income level is still very low. It is very important for digital pay TV in the early development to look for a reasonable way to fix pay-TV's price. So pay-channel should adopt "the low charge, AD and multiple management" operating mode, instead of no broadcast advertising model at present. CNN, MTV, ESPN and many other international famous Pay-channel, generally adopt this operation mode. Therefore, whether cable simulation pay TV channel, or digital pay TV channel, all can explore operation mode that can broadcast advertising (Li Qiong, 2009). At present, sales prices of pay channel is obviously on the high side, For example, In Guang Dong cable, sales prices of 36 yuan/month/door for Pay digital TV is obviously higher compared with 17 RMB/month/family ratings maintenance costs (Even if costs of basic digital TV ratings maintenance is 26.5 yuan/month/door after completing revolution, sales prices is also higher), Most of the cable TV audience is difficult to bear the price in psychological, managers tend to ignore impact of price factors on the pay TV development before, sales price of 36 yuan/month/door is always high, Although some channels were once broadcast whose content is very attractive and professional, such as Home box office (HBO), Phoenix information, Lady Fashion, Tianyuan Go, Golf, PPlive, The world geography, Voyages of Discovery and so on, But digital pay-TV business development is still not ideal, are not effective. In fact, the price is one of very important factors which affect pay digital television business development. Related data shows fixing price of 20.6 yuan/month/door can make the cable operators produce the maximum income return in pay digital television business, when assuming that target users of pay digital TV user are 80000 households, and People will no longer sensitive to price if below the price 20.6 yuan/month/door. If increase of some stage user is not ideal, we can reduce price to attract more people to use digital television business (for example in 14.1 ~ 20.6 yuan/month/door range), or sacrifice some income (such as 10%) (Du Ge & Wang ZhiYu, 2009).

At present, some places carry out low charge mode, For example, In 2010, digital television users in Chongqing enjoyed more than 25 professional channels (such as "The first theatre", "Oriental financial", "Full documentary" and so on) half a year, but they only pay 150 yuan, In addition, the 25 pay channels not only include the "first theatre" of CCTV, also include "Hong Kong and Taiwan theater" and "classic movies", "the music" and so on, covering movies, TV series, music, science and education, and other subclasses, The content of programme is very rich, and can meet needs of different ages, different careers people viewing. In 2011, Nanjing cable launched favourable activity called "a cool summer". If users pay the annual maintenance costs of 288, adding an extra 2 yuan can optional one from the four big program package (contains 28 channel), adding an extra 7 yuan can optional two, and four programs bag all open to experience adding an extra 12 yuan.

At the same time, we also need to adopt advertising model to make up for the loss of the reducing price, pay TV advertising revenue of The United States accounted for about 10% of its revenue, In the 1980s, the United States pay TV advertising revenue is more than 1.5 billion dollars, and more than 6 billion dollars in the 90s (Zhang Xiaozheng, 2003). Of course whether to adopt advertisement, pay channel should decide by themselves, rather than rely on stating law to implement the policy. Although some of the users can endure advertising, others can't stand ads. As a result of premium channel pay or not is decided by the user, The profit model of digital TV is not necessary completely limited in a single payment to watch, because the proportion users willing to pay for digital TV is low and The digital TV costs are larger, advertising still can be used as one of the profit model to be paid more attention to put more free potential digital TV user development as the pay TV user. On the other hand, the professional

advertisement that Pay channel to satisfy specific user groups' needs will not lead to the user's antipathy, due to pay channel itself content is specialized products and be provided for specific user groups. In addition, Advertising sales business of pay channel won't conflict with free channel, because pay channel is highly professional, and the customers advertising on pay channel have specific customer base, so it cannot fight the advertising expenses of the mass market.

In addition, pay TV should operate diversification to get benign development, so we should integration the industry chain link advantage resources, cooperate with others to create original and unique content to attract orders, sale actively and increase the selling point, we should also carry out derivative activities, work hard to develop a series of industrial projects within our power to alleviate the pressure of channel management, according to derived sideline each channel program's content. For example, "auto channel" can consider cooperating with manufacturers of automobile manufacturing, sales, maintenance to develop related industry, and "Learning channel" can cooperate with education agencies, etc. In this respect, the modern "women channel", "game athletics channel" discussed the pay channel business diversification road, carried out multiple derivative activities, and had obtained a good effect, achieved profitability of the premium channel from our country reality(Yan Congzhi & Xiao Hui, 2008).

### *3.4 Develop flexible variety of sales mode and payment of pay TV*

Pay channel should develop flexible variety of pay TV sales mode. At present, pay TV sales mode is simple, people can pay monthly according to a channel as a unit, or pay according the form of wraps year through packing more pay channels that belongs to the same company as a preferential bag. No more paying way is too simple to satisfy the users' various individuality demand and make users produce outlaw motion from psychological. Even if the user can accept the payment method, Most can only choose to business hall to transact at dealing with business and pay stage. Even though some areas users can pay through the bank special account or phone, this way is not universal. The chapter "purchase intention index formulation and investigation of pay TV channel " shows, cognitive subindex of pay TV sales mode was only 92.65 below the comprehensive index averages 93.23, Therefore, it is urgent to improve pay TV sales way, let the audience can take different forms capture to expend as soon as possible according to their own needs.

At the same time, pay channel should take various methods of payment and reassure consumers' high concerns about high price, by valuation mode of "angle" and even "points" for the unit. The sales strategy for both whole and parts are very convenient so that consumers have a wider choice space. Then it can stimulate the desire the consumer to purchase by delaying paying. Finally, flexible payment methods can provide more convenience for consumers to pay. Electronic banking online payment is the most convenient payment for consumers of network literature. In addition we can recharge through the traditional post office, bank transfer way, mobile phone bank and mobile phone fee, and also can buy rechargeable card website issued, or pay through the other network payment platform, payment, etc. Payment is so much that providing consumers with the maximum convenience and don't have to give up to buy because of payment inconvenience. In addition, we can pay according to times and turn each time's payment amount down, so that more flexible way (such as mobile payment) to pay can expand the source of income.

For example, the Chinese cable Hainan branch make innovations to introduce digital television IVR self-help service system, it introduced the user proprietary "TV number" and used voice guide order form, As long as the user dial 963999 followed by channel number, input the user proprietary "TV number", people can see without waiting for an opening, can complete self-help pay channel order business at home.

### *3.5 Develop vigorously three net fusions of pay TV and interactive 3D pay TV*

Managers need to develop three net fusions of interactive pay TV. The history of Chinese pay TV was just seven years, its environment is a world of difference compared to such as HBO pay channel born in the 1970s. The latter only need to consider how to form differentiation and competitive advantage with traditional open circuit TV in the beginning, While China's pay TV also need to face the impact of the new media mainly the Internet, besides "the river"--Open circuit TV. The present situation of the digital TV is watching uniaxially, and cannot carry out interaction on demand, the video on demand and the bidirectional interaction problem of the user can be solved through distributing the high-definition interactive set-top box, which can stimulate willingness to pay of digital TV user. Therefore, make the pay TV searchable, can download, can link network through the three net fusions, thus increasing the user's interaction, and finally promote loyalty of the users to pay TV.

In addition, now each developed countries and regions are doing 3D channel's trying and promotion, and charged small fees tentatively. The future pay TV programs will also develop towards new, strange, special high-tech production direction, there will be 3D, 4D or multidimensional affiliate programs, and even can satisfy the users'

desire of playing the role, experiencing star in the movie and TV drama. It is a good example that The 2010 World Cup in South Africa lived using 3D technology. In Australia, Hong Kong of China and other countries and regions, many fans watched the World Cup that was lived by using 3D technology in the cinema. In Australia, 3D World Cup retransmitted fare was designated as 12 ~ 16 Australian dollars (\$RMB 74 ~ 98 yuan), the scene is very hot and the audience also praise this new experience. In China there has set up 3D TV test channel, but we still need to carry on the promotion and overcome some technical problems, and reduce the costs of watching 3D TV at the same time to make 3D pay TV to be accepted by users.

### *3.6 Reform government management of pay channel to promote the development of premium channel*

The development of Pay channel need support of SARFT in the policy (such as advertising limit sowing, cover, financing policy, etc) (Jiang Yalin, 2010) .In advertising, abolishing the provisions that Shall not pay channel broadcast business advertising outside of pay channel advertising. It is to avoid pay channel and free channel fighting for advertising that SARFT formulate this policy, and also can guarantee the rights and interests of the subscribers. However, it is beyond the original limits, because pay channel advertising is completely different from free channel advertising, the content of the pay channel is specialized, so its advertising also must be professional advertising, this will have different positioning, compared to popular advertising fitting with free channel comprehensive content. In addition, the AD itself is a kind of information, pay channel users are interested in information of professional channel he subscribed, so providing them with such advertising does not infringe upon their rights and interests, but get their welcome.

To develop Pay TV still need some national policy's support and liberalization, Some things should be treat specially especially in social capital access and the introduction of overseas TV. The government should give pay TV policy support and preferential, in capital investment, tax reduction or exemption, interest, non-interest bearing etc. In addition, If government can guide pricing, price or price market regulation, it can be great help for pay TV. For foreign TV, Countries should change one size fits all policy for all content, use relaxed management to recreation and culture class overseas TV program that does not involve political meaning, to support the management and development of overseas pay TV program. The copyright of show is particularly important in the pay TV's industrialization developing, the government should strengthen the efforts to crack down on piracy market, and strengthen the market law enforcement and supervision. The status of radio and television industry is very special, not only should meet the "mouthpiece" propaganda requirements, also should strengthen the cause of broadcasting and television industrialization process, it is public welfare and also is profitable at the same time, the national policy side will be the lifeline for its development.

Pay channel also need to integrate cable network. At present, China's premium channel should rely on the cable transmission network to fall to the ground in the industrial chain, but the scattered cable network can't let pay TV formed the scale market, and it is hard to accept high landing fee for pay channel operators. Only having a unified and national cable networks, can premium channel get further development. David, vice President of Cable system operators cox communications company emphasize three points, when summarizing the reason of cable TV successful development. First, the United States cable industry provide consumers with excellent value with the technology, and supported by a great variety of programmes choice as the core, with reasonable price and satisfactory service for platform; Second, the successful cooperation of programmers and cable creates the reasonable and effective business model, that is to transfer the first stated value to consumers at the foundation of sustainable development; Third, the relationship and organizational structure which cable television network and system operators support each other (Yuan Jingyan, 2005). Therefore, SARFT need to unify cable transmission network as soon as possible, and provide transmission service for all the Chinese digital pay TV operators fairly and reasonably,thus solving pay channels' landing fees and the scale and efficiency problem in the operation summary.

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