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## PLAYER PROFILE

Focus Media's Jason Jiang

Entrepreneur's flat screen panels have taken off in China

By [✉ Normandy Madden](#)



Focus Media's Jason Jiang

SHANGHAI--Jason Jiang, a charming, gregarious, soft-spoken ex-poet, whose favorite leisure activity is getting a traditional Chinese foot massage, cuts an unlikely figure as one of the richest media moguls in China's dog-eat-dog marketplace.

Yet three years ago, Mr. Jiang, 33, created Focus Media, a digital outdoor advertising company that operates a vast network of flat screen monitors airing TV commercials, 24 hours per day, for marketers like Samsung, Nokia, Motorola, Kodak, General Motors Corp., Ford Motor Co., HSBC, Haier, Unilever, Maybelline and McDonald's.

The company has become immensely successful in a very short period. Focus became China's largest publicly-quoted advertising firm last July after raising \$172 million from an initial public offering on NASDAQ. Since the IPO, he has pulled off two of the largest mergers to date in China's advertising industry.

Last October, Focus snapped up Shanghai Framedia Advertising for \$183

million, allowing Focus to combine its core network of flat screen TVs with Framedia's network of print ads mounted in elevators and lobbies of residential and office buildings. Just last month, when Focus Media's market cap was up to \$1.6 billion, he took over his only remaining major rival, Target Media, for \$94 million in cash and \$231 million in stock.

In a larger sense, Mr. Jiang's company has revolutionized the way marketers communicate with Chinese consumers, particularly coveted white-collar office workers, by installing flat screen monitors in every conceivable public space.

"We reach consumers around their lifestyle," said Mr. Jiang, who started with office lobbies and elevators and quickly expanded to common areas in residential buildings, restaurants, bars, shopping malls, retail stores, even gyms and golf clubs. His company's in-store point-of-sale network, for example, now covers more than 4,000 stores in 77 cities, reaching 90 million shoppers weekly.

It has become nearly impossible for the average Chinese office worker to travel between home and work without passing several screens en-route. Throw in a lunch hour restaurant visit, a dash to the grocery store or an after-work beer and the daily total easily climbs into double-digit figures.

"High income earners are very busy, they don't have much time to read newspapers or watch TV at home. Because of their lifestyle, traditional media owners are weak in reaching this demographic," said Mr. Jiang. "We provide another way to target them that's built around their lifestyle."

"Big media agencies like MindShare and ZenithOptimedia spend about 25-30 million RMB (\$3-3.7 million) each with Focus every year now. It fits well with our 360 degree approach, so we use them a lot for clients like Motorola and Nestle," said Andrew Meaden, MindShare's managing partner, Eastern & Southern China, Shanghai. "Focus dominates lift advertising now, they're pretty much everywhere. Plus, Jason is a very charming, charismatic salesman. His sales pitch can convince media buyers that he can get consumers who don't watch TV."

Compared to consumers sitting at home, Focus Media also has a captive audience. While office workers in developed countries can move quickly through modern office buildings, in China, the journey from entering a building to reaching a high-floor office can take up to ten minutes. The time is usually spent in awkward silence surrounded by strangers in a densely-populated area.

“If what they’ re doing is more boring than watching ads, like waiting in queues or for an elevator, people will watch ads more carefully than they would at home, where there often are other distractions. It gives them something to do,” said Mr. Jiang, who came up with the idea for Focus Media while waiting listlessly for an elevator and staring at a small poster for several minutes. He realized if the ad had been moving, it would have been more effective and viewed by thousands of people every day. With venture capital funding from investors like Goldman Sachs, he founded Focus Media in January 2003.

“I don’ t think this idea would work in the U.S. The wait for elevators isn’ t that long. But it would probably work in other Asian cities like Tokyo, Mumbai and New Delhi,” added Mr. Jiang, who is investigating opportunities to expand into other markets. In addition, Western consumers undoubtedly would protest the ubiquitous presence of invasive, noisy TV advertising in public spaces that Chinese consumers have accepted quite willingly. “We haven’ t experienced any backlash so far. Chinese culture is different, we like TV, and we don’ t mind noise,” said Mr. Jiang frankly. “Chinese people also seek out information about new products, so many Chinese actually like advertisements.”

He also wants to expand into delivering video ads via mobile phones through a partnership with China Mobile, and adding more large-scale LED screens in strategic locations like busy urban intersections and squares.

Mr. Jiang’ s evolution into a media pioneer stemmed from a background in advertising. He started his own agency, Everease, in 1994, after he graduated from a Shanghai university with a degree in Chinese literature. (A published poet, he abandoned the literary world after he discovered girls were more attracted to successful businessmen than writers.)

He learned about business by reading books, “because there were very few good examples of companies in China at that time,” he recalled, and relying on his instincts.

### Cheat Sheet

**Who?** Jason Jiang, CEO of Focus Media, based in Shanghai

**Age?** 33

**His Challenge?** Continue Focus Media’ s expansion into new areas, like

large-scale LED screens on building exteriors and video advertising sent to mobile phones through an alliance with China Mobile

**Biggest obstacle?** “Finding talented people who have experience in this business”

**Top tip for foreigners in China?** “Study extensively consumer behavior in China’ s local market.”

**Favorite Chinese poet/author?** Qian Zhongshu

**Favorite restaurant in Shanghai?** Xiawei Guan

**Favorite hangout in Shanghai?** Han Yuan Shu Wu bookstore

**Best place in Shanghai to get a foot massage?** Shanghai He Zhong Tang, part of a national foot bathing and massage chain practicing traditional Chinese medicine