

Advertising to Children in China

Kara Chan, PhD

Department of Communication Studies
Hong Kong Baptist University
Kowloon Tong, Hong Kong
Telephone: (852) 3411-7836 Fax: (852) 3411-7890
Email: karachan@hkbu.edu.hk

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Introduction

China has the largest population of children in the world, adopted a one-child per family policy in 1979 and it is the current rule in urban China (Zhang & Yang, 1992). In 2008, there were 257 million children under age 15 in China with approximately 45% urban and 55% rural (Population Reference Bureau, 2009). In fact, the urban population increased from 31% of the total in 1995 to 46% in 2009 (Population Reference Bureau, 2009; United Nations, 2005), reflecting a rapid rate of urbanization.

China's children represent an important market because of their growing purchasing power and their enormous influence on family purchase decisions (McNeal & Yeh, 1997). While rapid commercialization of childhood as a result of economic restructuring, new affluence, and innovative retailing practices is not unique to China, its single-child policy and the rapid economic development have enabled the process to unfold at a fast pace and across all social strata (Davis & Sensenbrenner, 2000). This process has created an unparalleled opportunity to develop a new generation of consumers and study the consumer behavior of China's children (Chan & McNeal, 2006a).

Consumer socialization and socializing agents

The process of learning to be consumers is usually referred to as consumer socialization (Ward, 1974). Children may learn consumer behavior patterns from various socializing agents, including parents, peers, schools, stores, media, and the products themselves and their packages (Moschis, 1987). The influence of television on children is mainly reflects two dimensions—advertising and editorial/programming content (O’Guinn and Shrum, 1997). Advertising is designed to inform these young consumers about products and encourage behaviors such as noting the products at the stores, memorizing brand names, asking parents for the products, or buying the products with their own money. Advertising on television has probably received more attention in the research literature than any other consumer socialization agent (Moschis, 1987). Both advertising and editorial/programme content of television have the potential to provide children with knowledge and guidance in their consumer behavior development. The amount of interaction with the media appears to be positively related to learning consumer behavior.

Retail shops serve as another socializing agent for consumer behavior as children can see and touch the products, compare different brands, and interact with the sales person to get more information about various products and services. Two studies were conducted to investigate the visits to different types of retail stores by Chinese children. In Chan’s (2005) survey of 965 urban children aged 5 to 13 years, the three

most popular retail shops among urban children were bookstores/stationery stores, supermarkets, and restaurants/fast food shops. The percentages of children who had visited these shops in the previous month were 78%, 72%, and 68% respectively. The least popular shops were cyber cafes, electronic games centers, and computer stores. Only 9%, 15%, and 26% of children had visited these three types of shops respectively in the past month (Chan, 2005).

In Chan and McNeal's (2006b) survey of 1008 rural children aged 5 to 13 years, the three most popular retail venues were clothing stores, bookstores/stationery stores, and supermarkets. The percentages of children who had visited these shops in the past year were 77%, 75%, and 56% respectively. The least popular shops were cyber cafes, computer stores, and electronic game centers. Only 7%, 9%, and 16% of the respondents had visited these shops in the past year (Chan & McNeal, 2006b).

Store visits demonstrated age and gender differences. In both studies, older children more often visited and consumed at different kinds of retail shops than younger children. Boys were more likely than girls to have visited computer stores and cyber cafes. However, urban girls were more likely than urban boys to have visited clothing stores in the past month (Chan, 2005; Chan & McNeal, 2006b). The low incidence of visits to cyber cafes, computer stores, and electronic game centers among children in both studies suggests that consumption of new media may be

restricted to the domestic context.

Media ownership and usage

Chan and McNeal (2006a) examined how media ownership and media usage varied among urban and rural children in Mainland China. Altogether 1,977 urban and rural children ages six to thirteen in the four Chinese cities of Beijing, Guangzhou, Nanjing and Shanghai, and in the rural areas of the four provinces of Heilongjian, Hubei, Hunan, and Yunnan, participated in the study in 2004 (for urban) and 2003 (for rural). Media ownership and media exposure were high for television, children's books, cassette players, VCD players, and radios among both urban and rural samples (see Figure 1 and Figure 2). As expected, media ownership and exposure were higher among urban than rural children. However, television ownership and television exposure were slightly higher among rural than urban children. The urban-rural gap between media ownership and media exposure was more prominent for new media such as DVDs and computer/internet (Chan & McNeal, 2006a).

Given these results, the authors suggested that television, the Internet, and children's print media were all potential media for promotion to urban children. Similarly, TV, children's books, cassette tapes, VCDs and radios were viewed as good potential media for promotion to rural children.

[Figure X.1 about here]

[Figure X.2 about here]

Scholars generally assume that rural and urban populations have different cultures. According to Rogers (1960), urban and rural societies differ in family, group relationships, and values. Rural families are more likely to see children as economic assets. Rural families are more likely to be larger, and have senior members. Rural families are more likely to retain educating, entertaining, religious orientations and protection functions. Neighbors, relatives and kinship groups are more important to the rural population than to the urban population.

Schramm (1977) proposed a theory about societal development and the key players in the communication process. In his framework, informed persons in traditional and modern interpersonal societies take up the role of disseminating knowledge about the environment while news media takes up the role of transmitting knowledge in modern media societies. Similarly, mass media play an important role in socialization of new members in modern society while parents and teachers play an important role in socialization in traditional society.

The same survey of 1977 urban and rural children in 2003 and 2004 showed significant differences in perception of personal and commercial communication sources among urban and rural children (Chan & McNeal, 2007). As predicted by

Rogers' (1960) and Schramm's (1977) theories, urban children found commercial sources more useful and credible than rural children in obtaining information about new products and services. Rural children perceived personal sources as more useful and credible than urban children in obtaining information about new products and services. Results indicated that mass media played a more important role in consumer socialization among urban children than rural children.

Furthermore, older children in both urban and rural samples found parents and grandparents less useful and less credible than younger children regarding information about new products. Older children in both urban and rural samples found commercial sources more useful and credible than their younger counterparts (Chan & McNeal, 2007). Collectively, these findings supported John's (1999) developmental model of consumer socialization that describes children's response to advertising.

In this model, learning to be a consumer is a developmental process spanning three stages: perceptual (3-7 years), analytical (7-11 years), and reflective (11-16 years). In the perceptual stage, children can grasp concrete knowledge only. Thus, their consumer knowledge is characterized by perceptual features and distinctions based on a single and simple dimension, such as "commercials are short". They are egocentric and generally unable to take others' perspectives into account. Children in the analytical stage are able to grasp abstract knowledge. Concepts are viewed in terms of

functional or underlying dimensions as children show the ability to analyze marketplace information in two or more dimensions and understand the contingencies. Similarly, children in the analytic stages have presumably developed new perspectives that go beyond their own feelings and motives, and can assume dual perspectives of their own and that of others. They are able to analyze and discriminate products and brands based on multiple dimensions and attributes. Finally, children in the reflective stage show a multi-dimensional understanding of concepts such as brands. They shift into more reflective ways of thinking and reasoning and focus more on the social meanings and underpinnings of the consumer marketplace than younger children.

John's theoretical perspective (1999) has ramifications for understanding how children respond to advertising within different media contexts such as television which remains among the major media forms to reach young consumers in China.

Understanding of television advertising

A survey was conducted by Chan and McNeal in 2001 and 2002 to examine urban and rural Chinese children's understanding of marketing communication, their attitudes toward television advertising, their perception of brands, and their attitudes toward commercials using different advertising approaches. The urban data was published (Chan & McNeal, 2004a). This is the first time that the rural data has been

reported. In the rest of the paragraphs, report of the rural data or the new comparison of the urban and the rural data is referred to as the “present study”. The methodology of the present study is outlined in Appendix 1.

Children’s understanding of television advertising was measured among children in urban and rural areas by asking them to characterize TV commercials and their intent, and to specify TV stations broadcast commercials. For each of these questions, five to six answers were presented. These responses were developed based on findings within the research literature and the results of a focus group study conducted in Beijing (Chan & McNeal, 2002). Among all the answers presented in the first question about “What are TV commercials?”, only one indicated respondents’ awareness of the persuasive intent of television advertising (i.e. television commercials are messages “to promote products”). For the second question about “What do commercials want you to do?”, two of the five answers (i.e. television commercials want us to “buy the products” and “tell the parents about the products”) indicated respondents’ awareness of the persuasive intent of television advertising. For the third question about “Why do television stations broadcast commercials?”, two of the six answers indicated respondents’ awareness of the profit intent and the notion of program sponsorship (i.e. television stations broadcast commercials in order “to make money” and “to subsidize the production of programs”). These answers were classified as “demonstration of

understanding” of television advertising. All other answers were classified as “not demonstration of understanding” of television advertising.

For the data analysis, children were categorized into four age groups: 6 to 7, 8 to 9, 10 to 11, and 12 to 14, representing the perceptual, early analytical, late analytical and reflective stages of John’s (1999) model of consumer socialization, respectively.

Table X.1 summarizes the percentage of children who were classified as “demonstration of understanding” of television advertising according to the three questions by age group and by urban/rural residency.

For the first question “What are TV commercials?”, 34% of the urban sample demonstrated the persuasive intent of television advertising by answering correctly as compared to 30% of their rural counterparts. For the urban sample, 28% perceived that commercials were messages allowing the audience to take a break from viewing. The percentage of rural children giving this response was slightly less at 26%. Eleven percent of the urban sample perceived commercials as humorous compared to 12% of the rural sample. About 25% of the urban sample perceived that commercials were messages for introducing products; 28% of the rural sample responded as such. Two percent of urban sample and 4% of the rural sample reported “don’t know”. Urban respondents showed a general increase in understanding of “what are TV commercials” with age unlike rural respondents. However, a high proportion of young

rural respondents understood that television advertisements are messages for promoting products.

For the second question “What do TV commercials want you to do?”, 66% of the urban sample and of the rural sample demonstrated the persuasive intent of television advertising by giving the “correct” answers. Among both the urban and rural samples, 21% perceived that commercials were intended to prompt individuals to check the products at stores. Among the urban children sample, 9% perceived that commercials were intended to prompt individuals to consider whether the advertisements were good or bad; 15% of the rural sample reported as such. (This incorrect answer suggests that advertisements are similar to program contents that have no particular persuasion intents.) Again, small percentages of urban (4%) and rural respondents (5%) responded “don’t know”.

Urban respondents showed a general increase in understanding of “what do TV commercials want you to do” with age, unlike rural respondents. The percentages of the rural sample who answered this question correctly were comparable across all 4 age groups.

For the third question “Why do television stations broadcast commercials?”, 54% of the urban sample and 50% of the rural sample demonstrated the persuasive intent of television advertising by answering correctly. Among the urban sample, 17 %

perceived that television stations broadcast commercials for the benefit of the public; 24% of the rural sample reported as such. About 14% of the urban sample and 8% of the urban sample said that television stations broadcasted commercials because the stations did not want to waste time. About 11% of the urban sample and 12% of the rural sample thought that television stations broadcast commercials to help the audience. Small percentages of both samples responded “I don’t know.”

[insert Table X.1 about here]

Urban respondents did not show a general increase in understanding of “why do television stations broadcast commercials” with age as compared with the rural respondents. Older rural children aged 12-15 were less likely than younger rural children aged 6-7 to perceive that television stations broadcast commercials for money and for sponsoring the programmes. Thus, the older children tended to perceive that television stations broadcast commercials as a benefit to the public. So, even if these children know that television stations broadcast commercials to make money and to sponsor programmes, they may fail to understand the persuasive intent of advertising.

Overall, significantly higher percentages of urban respondents demonstrated understanding of television advertising and its intent than rural respondents.

Attitudes toward television advertising

Perceived truthfulness of advertising differed among urban and rural respondents. Overall, rural respondents were more likely to perceive television commercials truthful than urban respondents. Children's perceived truthfulness of television advertising score on a five-point scale (1=nearly all are not true; 5=nearly all are true) was 3.1 and 3.5 for urban and rural samples respectively. This difference was significant as rural children were more likely to perceive television advertising truthful than were urban children.

Pearson correlation coefficients between perceived truthfulness of television advertising and age for the urban and the rural samples were -0.01 ($p>0.05$) and -0.07 ($p<0.05$) respectively. With increasing age, there were fewer urban and rural respondents who thought that nearly all television advertising was true or that nearly all television advertising was not true. With increasing age, more urban than rural respondents perceived that half of the television advertising was true. An inverse relationship, however, was found among the rural respondents.

Results indicate that rural children put more trust in television advertising, reflecting their differential exposure television channels and programs. The regional television channels in rural provinces carried less children's television programs than the national television channels (Chan & McNeal, 2004a). Thus, rural children may consume more national television channels than urban children. In fact, the well-

established image of CCTV may lend its credibility to the television advertising that it carries. Because of the strict censorship process, CCTV is also less likely to broadcast deceptive advertising (Chan & McNeal, 2004b). Accordingly, rural children are more likely to perceive television advertising truthful than urban children.

[Table X.2 about here]

Table X.3 summarizes the respondents' liking of television commercials. Over one-quarter of the respondents (26%) reported neutral feelings toward television commercials. Twenty-nine percent of the sample reported that they liked television commercials and 17% reported that they liked television commercials very much. Seventeen percent claimed to dislike television commercials and 12% reported that they very much disliked television commercials.

Liking of television commercials differed among urban and rural respondents. A higher proportion of rural children reported that they liked or very much liked television advertising than did urban children. A higher proportion of urban children than rural children reported they disliked or disliked very much television advertising. Children's liking score on a five-point scale (1=dislike very much; 5=like very much) was 2.9 and 3.6 for the urban and rural samples respectively. This difference was significant as rural children reported liking television commercials more than urban

children. The result echoed that responses to advertising were more positive in countries with newer advertising industries (Zhao & Shen, 1995). Potentially, children in rural China are not overwhelmed with advertising messages and remain easy to please. Pearson correlation coefficients between liking of television advertising and age for the urban and the rural sub-samples were -0.03 ($p > .05$) and -0.05 ($p > .05$) respectively.

With increasing age, the percentage of urban respondents who liked advertising very much and the percentage of urban respondents who disliked advertising dropped. However, the percentage of urban respondents who expressed neutral feeling toward television advertising increased with age. Among the rural respondents, age was not related with liking of television advertising.

[Table X.3 about here]

The Pearson correlation coefficients between children's perceived truthfulness of television commercials and liking of commercials were 0.35 ($p < .001$) and 0.28 ($p < .001$) for the urban and the rural samples respectively. Respondents who perceived television commercials as true liked them more than those who perceived them as false.

Perception of brands

Children were asked about the perceived quality of an advertised brand vs. a non-

advertised brand for a soft drink and a computer. Table X.4 summarizes the children's perceptions. For both product categories, children showed difficulty providing a definite answer, demonstrated by the high number of children reporting "don't know" answers. There was a greater confusion for soft drink brands (1,180 respondents answering "don't know") than for computer brands (1,018 respondents answering "don't know"). For both soft drinks and computers, rural children were more likely to believe that the advertised brand was better than did urban children. Urban children believed that a soft drink brand without advertising would be better than a soft drink brand with advertising. For computers, urban children were more likely to believe that an advertised brand was as good as a non-advertised brand.

Brand equity is an unfamiliar concept among both urban and rural children as reflected by the large number of respondents reporting "don't know" when asked about the quality of a product with advertising and a product without advertising. Rural children were more likely to think that an advertised brand was superior to a non-advertised brand than urban children. Thus, brand awareness and trust in brand may reflect two different attributes. It is expected that rural children, similar to rural adults, are less brand-conscious. This is because most of the products rural children encountered in the retail stores are unbranded, according to our observation in a rural county in China in 2002.

Rural children may place more trust in a brand than urban children for two reasons.

First, rural children were more likely to perceive television advertising truthful than were urban children. Since advertising is about brands, the credibility of television advertising may extend to the advertised brands. Second, rural children less often visited shops and made purchases than urban children (Chan and McNeal, 2006b). Thus, rural children may have less consumption and brand experience than urban children. Accordingly, they may have a positive picture about the quality of advertised as well as non-advertised brands as evinced from the low percentage of rural respondents reporting that both advertised and non-advertised brands were equally bad.

[Table X.4 about here]

Responses to different advertising approaches

Advertising knowledge of a more specific form emerges much later in the developmental sequence as children approach early adolescence (Boush, Friestad, & Rose, 1994; Friestad and Wright, 1994). Younger children (ages 7-8) consider advertising primarily as a conduit of product information. Older children (ages 10-11) are able to analyze the creative content and identify some execution tactics (Moore-Shay and Lutz, 1997). Among various types of advertising tactics, children easily identify celebrity commercials as they express liking of commercials using famous characters (Chan, 2000). By age nine, children show marked improvement in

understanding ambiguous wording, humor, and imagery found in advertisements

(Belk, Mayer and Driscoll, 1984; Nippold, Cuyler and Braunbeck-Price, 1988).

Advertisers have suggested that different advertising approaches should be adopted for

Chinese children. For example, commercials for younger children should be

immediately attractive while commercials for older children should show how the

brand helps children to meet challenges and master their environment (O'Hanlon,

2000).

In a focus group study conducted in Beijing, Chan and McNeal (2002) found that

Chinese children enjoyed funny commercials and disliked commercials that were

viewed as boring. Older children in Mainland China showed liking for a particular

form of advertising, that is, public services announcements. Children's perception of

commercials using celebrities was mixed. Younger children considered commercials

with famous person endorsements as more credible, while older children expressed

doubt about celebrity commercials (Chan & McNeal, 2002).

Four different advertising approaches were studied, including funny

commercials, animated commercials, public service announcements, and

commercials using celebrities. Children were asked whether they disliked, neither

liked nor disliked, or liked these commercials (coded as 3). 'Don't know' cases

were treated as missing cases. Table X.5 summarizes the mean scores for these four

advertising approaches.

[Table X.5 about here]

Overall, children expressed liking for all four advertising approaches as seen via the pattern of all mean scores as higher than the mid-point of two. A one-way, repeated-measures ANOVA to compare the mean liking scores of the four advertising approaches yielded a significant effect for advertising approach. Children liked funny advertisements the most, followed by animated advertisements, public service announcements, and celebrity advertisements. Among four selected advertising approaches, celebrity advertisements were the least liked.

Further analyses failed to show any differences by age or region (rural/urban) for funny advertisements. The other three advertising approaches demonstrated significant differences in age and in place of residence. Specifically, rural children liked animated advertisements, celebrity advertisements, and public services advertisements more than urban children. Younger children liked animated and celebrity advertisements more than older children. However, older children liked public services advertisements more than younger children.

Funny advertisements were welcomed by urban and rural children of all age groups consistent with findings showing that entertainment value is the most frequently reported reason for liking of television commercials by children in Hong

Kong (Chan, 2000). Rural children liked celebrity advertisements much more than did urban children, consistent with findings showing that rural children rely heavily on authority figures and personal sources for new product information (Chan & McNeal, 2007).

Children's response toward their favorite commercials

Kovarik's survey (2001) of adult consumers in China found that 85% of respondents said that their favorite commercials made them want to see the commercial again and 62% said their favorite commercials made them change attitude towards the brand. However, 67% of adults said their most disliked commercials made them feel 'that couldn't be me in the commercial'.

In the present study, we asked children to check one or more responses for their favorite television commercials, including: want to see the commercial again, have a good impression about the brand, want to buy the product right away, and feel that could be me. Table X.6 summarizes children's response to their favorite commercials. Findings showed that, 58% of urban and 47% of rural children reported that their favorite commercials made them want to see the commercials again. Forty-eight percent of urban respondents and 40% of rural respondents reported that they develop a good impression about the brand from their favourite commercials. Thirty-six percent

of urban respondents and 37% of rural respondents wanted to buy the product immediately. Finally, 29% of urban children and 37% of rural children projected themselves into their favorite commercials.

Chi-square tests were conducted to examine whether responses to favorite commercials differed by age. Findings showed that with increased age, children were less eager to see their favorite commercials again and less likely to associate attitudes toward the commercials with intention to purchase. Increases in age, however, were associated with a stronger link between attitudes towards the commercials and attitudes towards the brands. This link was stronger among rural children than among urban children. With increase in age, urban children were less likely to project themselves into commercials that they liked very much. However, with increase in age, rural children were more likely to project themselves into well-liked commercials

[Table X.6 about here]

Concerns about advertising to children

Advertising receives much attention from parents, educators, and government policy makers. These constituencies' concerns include the growth of materialism in a traditional socially-oriented society, the honesty of advertising in a developing economy, and the role of regulation in a new and expanding market. Chinese parents were concerned about commercials containing offensive scenes, violence, and scenes

suggestive of sexual content for example in commercials for bras and breast builders (Wiseman, 1999; Wang, 2000). Others were concerned about the misleading content and materialistic values in television commercials (Ma, 2000). Traditional Chinese culture puts much emphasis on thrift and frugality, and spending within your means so Chinese parents worry that advertising encourages children to buy luxurious goods or unnecessary possessions.

Chan and McNeal's (2003) survey of 1,665 Chinese parents of elementary school children aged six to fourteen in Beijing, Nanjing, and Chengdu found that respondents held negative attitudes toward television advertising in general and children's advertising specifically. The negative attitudes stemmed mainly from the perception that advertising was deceptive and annoying. Parents felt strongly that advertising should be banned on children's programming and worried that advertisements for food and snack products encouraged unhealthy eating. Fifty-three percent of respondents thought that there was too much sugar in the foods advertised to children and 44% of parents reported that advertising taught children bad eating habits. Nearly 50% of parents commented that advertisers used marketing gimmicks to encourage children to buy the products. Thirty-seven percent reported that advertising directed at children leads to family conflicts. Despite a low level of co-viewing and discussion of television commercials with children, Chinese parents believed that they had the

greatest influence on their children's attitudes toward advertising, and 98% said that they exercised some control over the contents and time of television viewing (Chan & McNeal, 2003).

Regulation of advertising to children in China

China's advertising industry grew at an unprecedented pace of over 10% per year during the period 2003 to 2008. According to official statistics, advertising expenditures reached a record high of 189.96 billion yuan (around 26.8 billion US dollars) in 2008 (China Advertising Association, 2009). The fast development of the advertising industry has given rise to a range of problems, such as exaggerating the efficacy of medicines and health foods, false advertising, inferior product quality, advertisements of low taste, and sexually-explicit content (Xinhua Economic News Service, 2008).

Advertising in China is mainly regulated by the government, and self-regulation plays a minor and marginal role (Guo, 2007). The primary government agency in charge of advertising regulation and administration has been the China State Administration of Industry and Commerce (2009). In the Chinese context, advertising regulation is a product of negotiation between the various economic, political, social, and cultural forces (Guo, 2007). For example, the rigid Chinese political and

communication system attempts to regulate advertising such that advertising will not erode the socialist ideology (Stross, 1990), but the complex and advertising regulation system suffers from inefficiency, confusion, bureaucracy, and corruption. This results in a state of flux that becomes almost unmanageable for advertisers and marketers (Guo, 2007).

In 2008, the State Administration of Commerce and Industry (SAIC) prosecuted over 51,000 illegal advertising cases with fines totaling 247 million yuan, or about 35 million US dollars. Advertisements for medicine, medical services, foods, and properties accounted for the biggest proportion of illegal advertising activities (China State Administration of Industry and Commerce, 2009). The ineffective enforcement of advertising laws can be attributed to the lack of compliance by local officials, insufficient manpower for monitoring of advertisements, lack of systematic pre-censorship mechanisms, and local protectionism (Guo, 2007).

Some advertisements to children and their parents have been accused of misleading children and promoting unhealthy lifestyles (Zhou, 2001). In fact, some products for children are hazardous to their health. For example, a herbal skin lotion for babies that was claimed to cure eczema and milk ringworm was alleged to contain a hormone that in excess dosages could cause bone damage (Changjiang Daily, 2008). According to the China Consumer Association, food advertisers have claimed that particular brands

of biscuits can increase children's intelligence, that some health food can enable students to score full marks in examinations, and that some shoes can enhance growth (Chan & McNeal, 2004a). Marketers have also designed sales gimmicks that encourage children to consume certain products excessively to obtain a bonus or to enter a contest (Luo, 2000).

The SAIC implemented the Interim Advertising Censorship Standards in 1993 which consisted of sixteen articles and 125 sections. Article 5 of the Censorship Standard governs the regulation of children's advertising. Children's advertising is defined as the 'advertising of products to be used by children or advertising using children as models' (China State Administration for Industry and Commerce, 1993). According to the regulations, children's advertisements violate the censorship standard if they:

1. harm children's mental and physical health or moral standards;
2. induce children to put pressure on parents to buy the advertised products;
3. reduce children's respect for their elders or their respectful behavior;
4. interrupt parents' or elders' education of their children;
5. instill in children a sense of superiority or inferiority from owning or not owning an advertised product;
6. use child models to demonstrate a product in a way that would exceed the

performance that of a typical child of that age;

7. show acts that children should not do alone;
8. cause children to act or behave badly;
9. deceive children by using descriptions beyond the judgment capacity of children;
10. use the names, identities or images of teachers, educators, writers of children's literature, or child celebrities to endorse products (Chan & McNeal, 2004a).

The current advertising regulation system has been criticized as piecemeal and as responding reactively to what happens in the market (Lichtenstein, 2003; Peerendoom, 2002). For example, SAIC is now revising the Advertising Law to make celebrities responsible for the products they promote. If the products are later found to have harmed consumers' rights, the celebrities need to shoulder the penalty (Beijing Evening News, 2010). This move was a response to the recent trend of employing famous actors to promote fake medicines in advertisements. In 2009, the China Advertising Association criticized Hou Yaohua, a Beijing actor and talk show host, for his appearance in ten television commercials for unregistered medicines and medical equipment (China Daily, 2009).

In 2008, SAIC asked its branch offices to monitor advertisements that borrowed the credibility of government offices or government institutions (Beijing Commercial News, 2008). In 2009, several television stations broadcast an advertising magazine

programme called “Exploring a baby’s brain” that promoted a set of education material titled “Revolution in early child education”. The author, Professor Fung Dequan, claimed that he was “a consultant, exploring children’s potential for the Education Department” or “a senior consultant for a scientific education project at the Education Department”. The commercial claimed that the educational material had received an endorsement from the Education Department. But the Education Department issued a statement that the Department had no relationship with the publication of the educational material and warned parents about being misled (Education Department, 2009).

Other current issues related to advertising regulation in China include websites selling illegal drugs, product placements in talk shows, and television shopping programmes promoting shoddy products in rural provinces (Xinhua Economic News, 2010). The effort to deal with loopholes in existing advertising laws and the constant need for introducing new advertising regulatory measures makes advertising regulation difficult, especially in a new and growing economy.

Conclusions

This review of parental and public concerns of children’s advertising and examination of the advertising regulation in China indicates that there is a long road

to travel for China to develop a mature regulatory system that can provide sufficient protection for consumers' rights and meet international standards. Our review provides insights for public policy makers for enhancing the development of an advertising industry that meets the concerns of the general public, consumers, and parents.

(7500 words)

Table X.1 Percentage of children giving appropriate responses to questions about television advertising, by age group among urban and rural respondents

		Age group and cognitive stage				
		6-7	8-9	10-11	12-15	
		Perceptual	Early analytical	Late analytical	Reflec- tive	All
What are TV commercials?	Urban	16	29	41	43	34
	Rural	39	15	30	37	30
What do TV commercials want you to do?	Urban	67	60	70	69	66
	Rural	55	59	61	61	60
Why do TV stations broadcast commercials?	Urban	53	51	56	57	54
	Rural	60	46	54	45	50

Table X.2 Children’s perception of the truthfulness of television advertising, by age group among urban and rural respondents

Perceived truthfulness of TV advertising (%)		Age group				total	All
		6-7	8-9	10-11	12-15		
Nearly all are true	Urban	18	12	9	5	11	15
	Rural	29	24	18	16	20	
Most of them are true	Urban	19	20	20	20	20	24
	Rural	23	31	26	32	29	
Half of them are true	Urban	33	42	50	50	45	41
	Rural	39	27	39	39	36	
Most of them are not true	Urban	11	13	14	19	14	12
	Rural	7	13	9	9	10	
Nearly all are not true	Urban	21	12	7	7	11	9
	Rural	1	6	8	5	6	

Table X.3 Children’s liking of television advertising, by age group among urban and rural respondents

Liking of TV advertising (%)		Age group				total	All
		6-7	8-9	10-11	12-15		
Like very much	Urban	17	13	5	2	9	17
	Rural	27	35	26	20	26	
like	Urban	19	27	26	21	24	29
	Rural	30	37	36	36	36	
neither	Urban	20	24	35	44	31	26
	Rural	18	11	18	26	19	
dislike	Urban	21	18	21	22	20	17
	Rural	12	11	14	12	12	
Dislike very much	Urban	23	17	12	12	15	12
	Rural	14	6	6	6	7	

Table X.4 Children's perceptions of brands

Perception of advertised and non-advertised brands	Total %	Urban %	Rural %
<i>Soft drink@</i>			
Advertised brand is better	44.1	39.7	49.0
Non-advertised brand is better	22.0	24.3	19.3
Equally good	26.0	26.7	25.2
Equally bad	8.0	9.3	6.5
<i>Computer#</i>			
Advertised brand is better	46.3	43.0	50.3
Non-advertised brand is better	20.3	20.6	19.9
Equally good	27.1	29.8	23.7
Equally bad	6.3	6.6	6.1

@Excluding 1,180 cases that checked "don't know"

Excluding 1,018 cases that checked "don't know"

Source: Chan (2008)

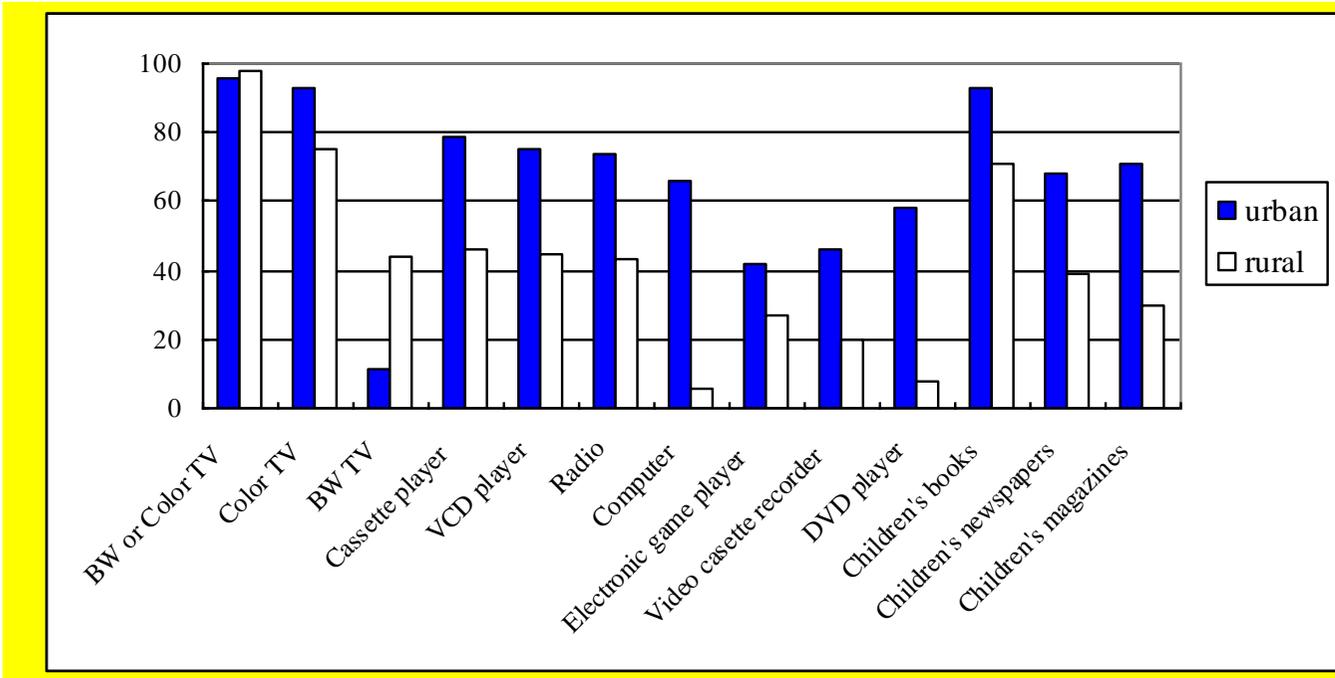
Table X.5 Children’s responses to different advertising approaches by age group among urban and rural respondents 1=disliked, 2=neither liked nor disliked, 3=liked

advertising approaches		Age group				total	All
		6-7	8-9	10-11	12-15		
Animated ads	Urban	2.7	2.7	2.6	2.5	2.6	2.7
	Rural	2.9	2.8	2.8	2.7	2.8	
Celebrity ads	Urban	2.2	2.1	2.0	2.1	2.1	2.3
	Rural	2.6	2.5	2.6	2.5	2.5	
Funny ads	Urban	2.7	2.8	2.8	2.7	2.8	2.8
	Rural	2.9	2.8	2.8	2.8	2.8	
Public service ads	Urban	2.3	2.6	2.7	2.8	2.6	2.6
	Rural	2.6	2.5	2.6	2.8	2.7	

Table X.6 Children’s responses to their favorite commercials by age group among urban and rural respondents

My favorite commercial made me... (%)		Age group				All
		6-7	8-9	10-11	12-15	
want to see it	Urban	67	55	57	55	58
again	Rural	62	50	49	39	47
have a good impression about the brand	Urban	44	44	47	63	48
	Rural	28	26	41	54	40
want to buy the product right away	Urban	44	37	32	34	36
	Rural	36	42	38	32	37
feel ‘that could be me’	Urban	42	30	27	18	29
	Rural	16	21	23	28	23

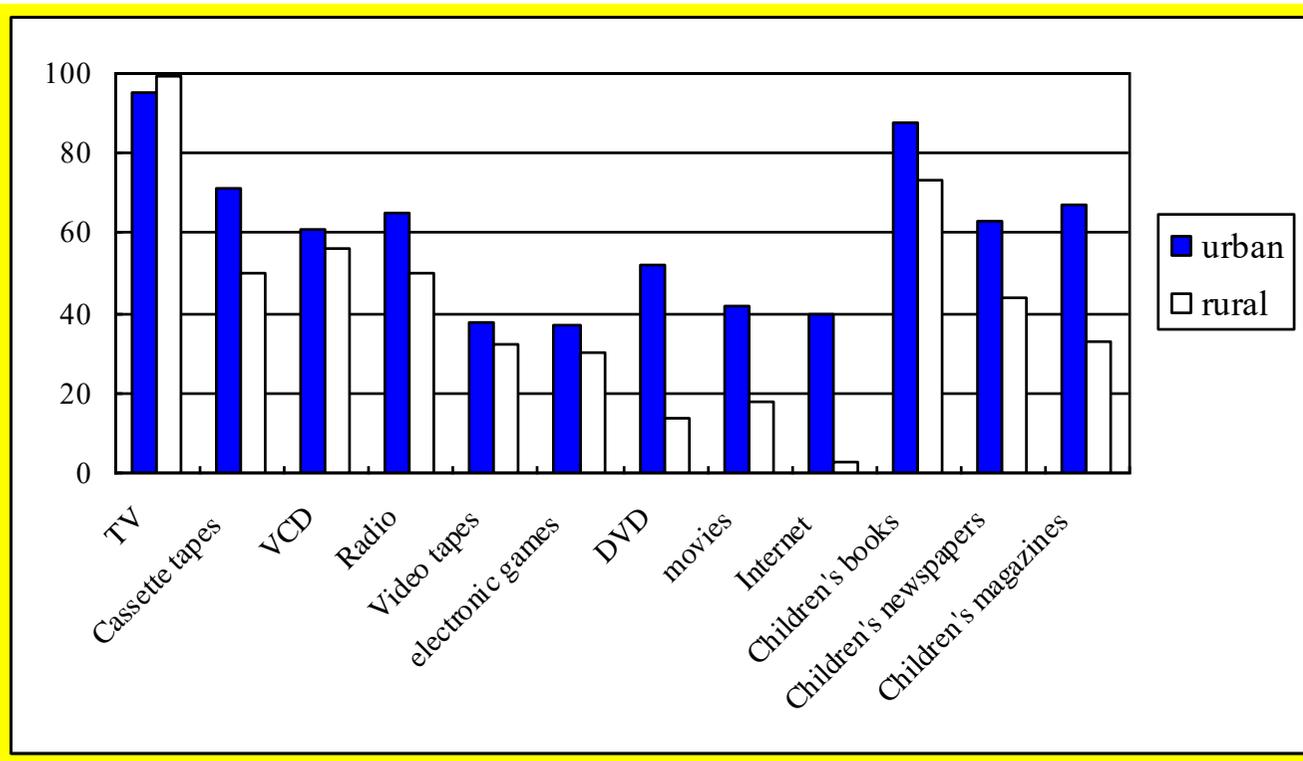
Figure X.1 Percentage of urban and rural children reported household ownership of broadcast and print media in 2004 (urban) and in 2003 (rural)



Source: Chan & McNeal (2006a)

Figure X.2 Percentage of urban and rural Chinese children exposed to various media in the past month in 2004 (urban) and in 2003 (rural)

Percentage who reported exposed to the media in the past month



Source: data from Chan & McNeal (2006a)

Appendix 1

Data for the rural sample were collected in July to October 2002 in the counties of seven provinces of Gansu, Guangdong, Hebei, Jiangsu, Liaoning and Sichuan.

Respondents were 1,481 grade 1 to 6 students ages 6 to 15 years from 15 schools.

Forty-nine % were boys and fifty-one % were girls. The mean age of the respondents was 10.3 years (SD=2.0 years). A national Chinese market research company was hired to conduct the survey. Questionnaires were administered in classroom settings during normal class periods. All the schools were situated in counties with populations of less than 60,000. Researchers read out the questions and possible answers for grades 1 and 2 students while older children in grade 3 to 6 filled in the questionnaires by themselves. All aspects of the research procedure were conducted in Chinese (Mandarin).

Data for the urban sample were collected from December 2001 to March 2002 in the three major cities of Beijing, Nanjing and Chengdu. Respondents were 1,758 grade 1 to 6 students ages 6 to 14 years from six schools. The mean age of the respondents was 9.6 years (SD=1.8 years). Fifty-one % were boys and Forty-nine % were girls. Local researchers were appointed to collect the data. The survey procedure was the same as that for the rural survey.

Questions and choice of answers

Q1. "What are TV commercials?"

Answers not demonstrating an understanding:
some funny messages;

some messages for us to take a break;
introducing products;
don't know

Answer demonstrating an understanding:
promoting products

Q2. "What do commercials want you to do?"

Answers not demonstrating an understanding:
to see which commercial is good and which is poor;
to check the products at stores;
don't know

Answer demonstrating an understanding:
buy the products;
tell parents about the products

Q3. "Why do television stations broadcast commercials?"

Answers not demonstrating an understanding:
not to waste time;
help the audience;
care the public;
don't know

Answer demonstrating an understanding:
Subsidizes the television programs;
Make money

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