

## Chinese children's perceptions of advertising and brands

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**Chinese children's perceptions of advertising and brands:**

**An urban rural comparison**

Keywords: China – consumer socialization – brand equity – television advertising –  
developmental psychology

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## **Chinese children's perceptions of advertising and brands:**

### **An urban rural comparison**

#### Abstract

#### **Research paper**

**Purpose** – The purpose of this paper is to examine how perceptions of truthfulness of television advertising and perceptions of brands vary among urban and rural children in Mainland China and also to collect information about the basis of judgment children used to determine whether commercials are true.

**Design/methodology/approach** – Descriptive statistics were compiled to give the perceptions of television advertising and brands of the overall sample, as well as the urban and rural sub-sample. Chi-square tests and independent sample t-tests were conducted to examine the urban-rural difference in perceptions of television advertising and brands. The sample was divided into two groups that were of similar size (age six to nine and age ten to 15). Chi-square tests were conducted to examine the age difference in advertising perceptions.

**Findings** – The urban-rural difference in consumer perceptions of advertising and brands indicates that children's development in consumer socialization depends on the environment. Urban respondents were more skeptical towards advertising than rural children. Urban and rural children shared two similarities: older children were less

likely to perceive television commercials truthful than younger children. Younger children liked television commercials more than older children.

**Research limitations/implications** – The three surveyed urban cities were highly advanced in terms of their economies and advertising development compared with all other Chinese cities. The seven surveyed rural counties cannot be generalized to the very poor rural provinces in China.

**Practical implications** – The study should serve as an advertising guideline for marketers and advertisers that target urban and rural children in China.

**Originality/value** – This paper offers insights for employing different advertising message strategies to disseminate market information to urban as well as rural children in China.

## **Chinese children's perceptions of advertising and brands:**

### **An urban rural comparison**

#### **Introduction**

China, the country with the largest population of children in the world, adopted a Single-Child Policy in 1979 and it is the current rule in urban China (Zhang and Yang, 1992). These only children have a substantial amount of their own money to spend and exert a great influence on their household spending (McNeal and Yeh, 1997). In the year 2006, there were 262 million children under age 15 in China with approximately forty percent urban, sixty percent rural (Population Reference Bureau, 2007). Urban population increased from 31 percent of the total in 1995 to 41 percent in 2005 (United Nations, 2005), reflecting a rapid rate of urbanization. Nearly all consumer studies regarding youth have been conducted among China's urban population ignoring the rural areas. The study presented here remedies this omission by reporting a study of children's attitudes and perceptions in both urban as well as rural China. Specifically, this paper focuses on urban and rural children's perceptions of television advertising and brands with or without advertising support.

Besides the fact that 60 percent of China's youth are rural, there are other important reasons to study this group. First, social and economic reforms are leading to a rapid increase in household incomes and demand for products and services (Batra, 1997).

China's enormous population and growth in consumer demand are resulting in several new market segments with distinctive profiles including its children (Schmitt, 1999). The children have enormous market potential, since they have their own money to spend.

They also determine perhaps 67 percent of their parents' spending, and they have all of their purchases ahead of them (McNeal and Yeh, 1997). Also, it is important to know

children's perceptions of advertising and brands as attitudes toward brands and purchase intentions are positively correlated (Chan, 1996). Chan and McNeal (2007) studied the

new product information sources utilized by Chinese children and found that urban

children perceived commercial sources more useful and credible than rural children. Rural

children perceived personal sources more useful and credible than urban children. Chan

and McNeal (2006a) studied media ownership and usage among Chinese children and

found that urban children enjoyed higher media ownership, exposure and usage than rural

children. Rural children paid more attention to television advertising than urban children

while urban children paid more attention to other forms of advertising than rural children.

The current study is a continued effort to investigate the roles of commercial

communications among urban and rural children in China.

## **Literature Review**

### *Rural development and consumption patterns*

Rural China is defined here as the population of 780 million men, women, and

children who reside in other than cities and towns classified by the government (State Statistics Bureau, 2005). Most of the residents of the rural areas are engaged in farming activities.

Since the Open policy was established by Vice Premier Deng Xiaoping in 1979, the Chinese economy has enjoyed rapid growth. Its annual percentage increase in GDP for the period 1979 to 2000 averaged above seven percent. During the initial five years from 1979 to 1984, the growth rates for the agricultural and industrial sectors were similar (Anderson, Huang and Ianchovichina, 2002). During the subsequent period, 1985 to 2000, agriculture continued to grow but at a lower rate than that of the industry and service sector (Anderson, Huang and Ianchovichina, 2002). Agriculture's share of employment dropped steadily from 69 percent in 1980 to 45 percent in 2005 (State Statistical Bureau, 2007). There has also been a widening gap in income between the urban and rural populations. The annual per capita income of urban and rural residence in 1990 was 1,510 Yuan and 686 Yuan respectively. By 2005, the annual per capita income of urban and rural Chinese had both increased substantially to 10,493 Yuan and 3,254 Yuan respectively. The urban/rural ratio of per capita income increased from 1.9 in 1990 to 3.2 in 2005, indicating a widening gap between economic standings of urban and rural people (State Statistical Bureau, 2007).

In addition to the income gap between urban and rural residents, the difference in quality of education children receive also affects their ability to seek and access information.

Although China phased in the “Nine Year Compulsory Education” plan in 1986, the rural education system suffers from problems including insufficient resource support, poor teaching facilities, a high proportion of unqualified substitute teachers, and a high student-teacher ratio. With the increase in school tuition and miscellaneous charges, rural families that cannot afford the increased costs have had to remove their children from the education system (Wang, 2003). A consequence of poor education in rural China is that rural children may not be able to access and process information in an active way. Research findings indicate that they rely more heavily on personal sources in obtaining market information (Chan and McNeal, 2007).

Lu and Peng (2000) analyzed the rural consumption structure for the period 1978 to 1998 and found that rural residents were spending an increasing percentage of their income on housing, education and recreation services, indicating improvements in living standards. Despite these improvements there is still a large difference in the consumption patterns between urban and rural China. Based on the per capita annual living expenditures in 2005 (State Statistical Bureau, 2007), rural households spent a significantly greater share of income on food items and housing, and a lesser share on clothing and services when compared to their urban counterparts. The Engel coefficient, i.e. the percentage of expenditures on food in total consumption expenditures, was 37 percent for urban households and 46 percent for rural households



(State Statistical Bureau, 2007).

Recently, China has been shifting the focus of its proactive fiscal policy from stimulating investment to strengthening low-income earners' purchasing power. It reflects the government's goal of relying more on domestic consumption in maintaining stable economic growth (Global News Wire, 2003). In 2005, retail sales of consumer goods was 6.7 trillion Yuan. Urban residents who represent about forty percent of the population contributed two-thirds of the total retail sales. The remaining sixty percent of the population residing in rural areas contributed one-third of the total retail sales (State Statistical Bureau, 2007). The rural consumer market suffers from poor consumption environment, poor retailing and distribution network, insufficient after-sale service, and slow income growth (Zhang, 2003). Some manufacturers have considered rural China as a secondary market and channeled poor quality products to the rural market (Economic Daily, 1999). Research shows that rural consumer markets rely heavily on opinion leaders in brand selection (Economic Daily, 1999).

A survey found that adult urban and rural consumers differ significantly in their attitudes toward the entire marketing mix including product price, brand recalls, shopping patterns, and attitudes toward mass media advertising (Sun and Wu, 2004). Urban consumers are more likely to shop at well-known, large-scale stores and stores with quality customer services. Rural consumers are less product-innovative, less brand-

conscious, and more price-conscious. Scholars advised that multi-national companies should take a regional market segmentation approach when expanding into inland regions in China (Cui and Liu, 2000).

### *Urban-rural theories*

Scholars generally assume that rural and urban populations have different cultures. Hofstede (1994, p.4) defines culture as “collective programming of the mind which distinguishes the members of one group or category of people from those of another.” According to Rogers (1960), a pioneer in studying rural populations, 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 that informed persons in traditional and modern interpersonal societies take up the role of disseminating knowledge about the environment while news media take up the role of transmitting knowledge in modern media societies. As a result, 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.

Given the differences in economic and social development of rural and urban societies, one might assume that consumer perceptions of commercial communication and brands among urban Chinese children would be different from their rural counterparts.

### *Children and advertising*

John (1999) proposed a model characterizing the growth of consumer knowledge, skills, and values as children mature throughout childhood and adolescence. Much evidence shows that as children grow cognitively and socially, there is growth in their parental influence strategies, consumption motives and values, and their knowledge of products, brands, and advertising.

Research in U.S. indicates that by the time children reach the age of eight, they usually are able to understand to some extent advertising's persuasive intent and recognize the existence of deception in some advertising. Children ages eight and older no longer believe that 'commercials always tell the truth'. Beliefs about the truthfulness of advertising become even more negative as children move into adolescence (Bever *et al.*, 1975; Greenberg *et al.*, 1986; Robertson and Rossiter, 1974; Rossiter and Robertson, 1976; Ward *et al.*, 1972; Ward *et al.*, 1977). Chan (2001) surveyed 448 children in Hong Kong and reported that boys demonstrated increased skepticism of commercials with age, but girls did not. A focus group interview of urban children in Beijing, China indicated that skepticism of commercials increases with age

(Chan and McNeal, 2002).

Ward *et al.* (1977) reported that kindergartners were not able to explain why commercials lie whereas older children connected lying to persuasive intent suggesting that the ability to detect specific instances of bias and deception tends to increase with age. Bever *et al.* (1975) reported that most of the 7-10-year-olds in their study could not detect misleading advertising and admitted to their difficulties. Eleven to 12-year-olds, however, were more discriminating, using nuances of voice, manner, and language to detect misleading advertising. Chan (2001) found that a majority of children's judgments about perceived truthfulness of TV advertising was based on perception of advertising content and intrusive feelings. The youngest children based their judgments on others' opinions while the older children based theirs on personal experience. In a focus group of urban children in China, younger children considered a commercial not true if they perceived its presentation not real while older children were more likely to use personal experience to decide (Chan and McNeal, 2002). In a survey of 1758 urban children aged 6 to 14 in China, a majority of respondents perceived half of the television commercials to be true. Children in Beijing put more trust in television commercials than children in Nanjing and Chengdu. Gender and level of television viewing did not show a consistent impact on perceived truthfulness and liking for commercials. Perceived truthfulness of television advertising and liking

for commercials were positively related (Chan and McNeal, 2003).

To conclude, knowledge about children's perceptions of advertising and brands are important to marketers and policy makers. Most of the research literature on advertising and children is based on research conducted in Western societies, and there are very few comparable studies about China. Studies about children in urban China are being published recently (Chan and McNeal, 2002; Chan and McNeal, 2003). The current study attempts to extend the coverage from urban China to rural China.

### **Hypotheses**

Previous research indicates that urban children found commercial sources more useful and credible than rural children in obtaining information about new products and services (Chan and McNeal, 2007). Based on Schramm's (1977) theory, we hypothesize that rural children and urban children have different perceptions about television advertising. Specifically, we offer the following two hypotheses:

H1: Urban children are more likely to perceive television commercials truthful than rural children.

Studies on adults have shown that responses to advertising are more positive in countries with newer advertising industries (Zhao and Shen, 1995). This indicates a novelty effect, suggesting that consumers are not overwhelmed with commercial messages.

As urban children often are exposed to television commercials, they will be harder to please. We therefore hypothesize that:

H2: Urban children dislike television commercials more than rural children.

According to Rogers' (1960) model, families and senior persons are more important among rural populations than in urban populations and rural families retain more family functions than urban families. As a result, we hypothesize that:

H3: Rural children rely more on personal sources to make judgments about the truthfulness of television commercials than urban children.

A previous study of adult rural consumers in China found that they were less brand-conscious (Sun and Wu, 2004). Tom Doctoroff, an advertising practitioner in China, commented that consumers in rural China had little experience with brand consumption and had difficulty understanding the concept of brands (Chan, 2006). We therefore hypothesize that:

H4: Urban children are more likely than rural children to put more trust in advertised brands.

While there may be differences in perceived truthfulness and liking among urban and rural children, John's (1999) model of consumer socialization predicts similarities of urban and rural samples that consumers' cognition and attitudes toward advertising will depend on age. We therefore hypothesize that:

H5: Older children are less likely to perceive television commercials truthful than younger children.

H6: Younger children like television commercials more than older children.

## **Methodology**

### *Survey Procedures*

Data for the rural sample were collected in July to October 2002 in the counties of seven provinces including Gansu, Guangdong, Hebei, Jiangsu, Liaoning and Sichuan. Provincial per capita GDP of these seven provinces ranged from 54 percent (Gansu) to 179 percent (Guangdong) of the national per capita GDP. A national Chinese market research company was hired to conduct the survey. Permission was obtained from school authorities to distribute questionnaires at schools. Questionnaires were administered in classroom settings during normal class periods in fifteen elementary schools. The number of students in each school varied from 210 to 700. 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 and asked respondents to check the most appropriate answers. Respondents 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. The three cities were selected to represent high, medium and low levels of advertising development according to the provincial advertising expenditures (Fan, 2001). A convenience sample of six schools was selected, with two from each city. The size of the school ranged from 800 to 1700 students. Local researchers (University faculty members) were appointed to collect the data. The survey procedure was the same as that for the rural survey. It is not common to seek parental consent for surveys among school children in China. The school principals examine the questionnaire to decide on whether the school will participate in the study. At the beginning of the data collection, researchers announced that the survey was voluntary and students could leave the questionnaire blank if they did not want to participate. Researchers also assured them that their responses were anonymous.

### *The questionnaires*

The same questionnaire used in Chan and McNeal's (2004) study of urban children was adopted. The questionnaire was tested among seven rural children in Guangdong and no revision was made. The questionnaire consisted of close-ended questions about children's perceptions of television advertising and brands along with four demographic questions. This study focuses on television advertising because a previous study found that rural children were not familiar with other forms of advertising (Chan and McNeal, 2006b).



Children's liking of TV commercials was measured by the question "What is your feeling towards TV commercials?" using a five-point scale from 'dislike very much' to 'like very much.' Children's perception of the truthfulness of television commercials was measured by the question: "Do you think what they say in the commercials are true or not?" using a five-point scale from 'nearly all are not true' to 'nearly all are true'. Children's criteria to differentiate true from false commercials was measured by the question "How do you know which commercials are true and which are not true?" with a choice of six answers.

Children's perceptions of advertised and non-advertised brands were examined by the question "Suppose there are two different brands of soft drinks (or computer), one advertises on TV and one doesn't advertise. What do you think about them?" Five answers were presented and children were asked to select the most appropriate answer. The two product categories were selected to represent products with low and high involvement.

#### *The sample*

Altogether 1559 questionnaires were distributed in the rural sample and 1481 questionnaires were returned. Forty-nine percent were boys and fifty-one percent were girls. Respondents were 6 to 15 years old. The mean age of the respondents was 10.3 years (SD=2.0 years). The response rate was 95.0 percent.

Altogether 1765 questionnaires were distributed in the urban sample and 1758 questionnaires were returned. Fifty-one percent were boys and Forty-nine percent were girls. Respondents were 6 to 14 years old. The mean age of the respondents was 9.6 years (SD = 1.8 years). The response rate was 99.6 percent.

### *Data analysis*

Descriptive statistics were compiled to give the perceptions of television advertising and brands of the overall sample, as well as the urban and rural sub-samples. Chi-square tests and independent sample t-tests were conducted to examine the urban-rural difference in perceptions of television advertising and brands. The sample was divided into two groups that were of similar size (age 6-9 and age 10-15). Chi-square tests were conducted to examine the age difference in advertising perceptions.

### **Findings**

*Perceived truthfulness of television commercials.* Table 1 summarizes the respondents' perceptions of the truthfulness of television commercials. A major portion of the respondents (41 percent) perceived that half of television commercials are true. About 15 percent and 24 percent thought that 'nearly all' or 'most of' the commercials were true, respectively. On the negative side, nine percent believed that 'nearly all commercials are not true' and 12 percent thought that 'most of the commercials are not true'. Altogether 249 respondents reported that they don't know and they were treated

as missing values.

Perceived truthfulness of advertising differed among urban and rural respondents. Overall, rural respondents were more likely to perceive television commercials to be truthful than urban respondents. For example, 20 percent of rural children perceived that all television commercials are true while 10 percent of urban children perceived so. The Chi-square values of perceived truthfulness by urban/rural residence was 115.2 ( $p < 0.001$ ). Children's perceived truthfulness of television advertising score on a five-point scale was 3.5 and 3.1 for rural and urban sub-sample respectively. Independent sample t-test indicated that the two means were significantly different ( $t = 10.4$ ,  $p < 0.001$ ). Contrary to what we expected, rural children were more likely to perceive television advertising truthful than urban children. As a result, H1 was rejected.

No significant difference was found between boys' and girls' perceived truthfulness of television commercials in the rural sub-sample (Chi-square=8.4,  $p = 0.08$ ). Among the urban sub-sample, boys held more extreme perceptions than girls. Urban boys were more likely to perceive nearly all television commercials are true or not true. Urban girls were more likely to perceive that half of them are true and half of them are not true (Chi-square=9.5,  $p < 0.05$ ).

[INSERT TABLE ONE ABOUT HERE]

*Liking of TV commercials.* Table 2 summarizes the respondents' liking of television

commercials. Over two-fifths of the respondents (41 percent) reported neutral feelings toward television commercials. One quarter of the sample reported that they like television commercials and 15 percent reported that they like television commercials very much. A total of 12 percent claimed that they dislike television commercials and 9 percent reported that they dislike television commercials very much. Liking of television commercials differed among urban and rural respondents. A higher proportion of rural children reported they liked or liked very much television advertising than urban children. A higher proportion of urban children reported they disliked or disliked very much television advertising than rural children. The Chi-square value was 297.1 and was significant at the 0.001 level. Children's liking score on a five-point scale was 3.6 and 2.9 for rural and urban sub-sample respectively. Independent sample t-test indicated that the two means were significantly different ( $t=16.8$ ,  $p<0.001$ ). Urban children disliked television commercials more than rural children. As a result, H2 was supported.

Again, no significant difference was found between boys' and girls' liking of television commercials in the rural sub-sample (Chi-square=2.6,  $p=0.62$ ). However, among the urban sub-sample, boys disliked television commercials more than girls. Of the urban boys, 19 percent reported that they disliked television commercials very much while 12 percent of urban girls reported that they dislike television commercials

very much (Chi-square=18.8,  $p<0.001$ ).

[TABLE TWO ABOUT HERE]

*Basis of judgments.* Table 3 tabulates the means by which children judge which television commercials are true and which are not. Overall, a significantly higher proportion of respondents reported that they will ‘try the products,’ or ‘see if the products are by a trustworthy brand or by a trusted advertiser’ to decide whether commercials are true (29 and 22 percent, respectively). About 17 percent said they would check the products at the stores and 16.7 percent would ask their parents or teachers. (Due to the small percentages of children consulting teachers, the two categories of consulting parents and consulting teachers are combined in the tables.) A total of 9 percent reported that their judgment was based on intuitive feelings about whether the commercials seem to be true or not. A total of 6 percent would ‘see if the products were endorsed by trustworthy persons’.

The basis for judging truthfulness of television commercials differed among urban and rural respondents (Chi-square value=30.5,  $p<0.001$ ). Urban respondents were more likely to use brand equity as a basis of making the judgment than rural respondents. Rural respondents were more likely to use their personal experience as a basis of making the judgment than urban respondents. Rural respondents were also more likely to see if the product is endorsed by trustworthy persons as a basis of

judgment than urban respondents. In order to test H3, two answers were selected (i.e. ask parents or teachers; see if endorsed by trustworthy persons) for hypothesis testing as these two answers were related with the use of personal sources for making judgments about truthfulness of television advertising. Dummy variables were created (1=the answer is checked, 0=the answer is not checked) and t-tests are conducted. For the answer 'ask parents or teachers', the t-value was 1.0 and was not significant at the 0.05 level. For the answer 'see if endorsed by trustworthy persons', the t-value was 3.9 and was significant at the 0.001 level. Rural children relied more on whether the commercial was endorsed by trustworthy persons as a basis of judgment about truthfulness of the television commercials than urban children. However, rural children relied on the advice of parents or teachers as a basis of judgment about truthfulness of the television commercials to the same degree as urban children. As a result, H3 was partially supported.

[INSERT TABLE THREE ABOUT HERE]

No significant difference was found between boys' and girls' basis of judgment used in deciding about truthfulness of television commercials in either the rural or the urban sub-samples (Chi-square value=7.5,  $p=0.27$  for rural sub-sample; Chi-square value=5.4,  $p=0.50$  for urban sub-sample).

*Children's perception of advertised and non-advertised brands.* Children were asked

about the perceived quality of an advertised brand vs. a non-advertised brand. Table 4 summarizes children's perceptions of advertised and non-advertised brands. For both product categories, children had difficulty in giving 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 perceive that the advertised brand is better than urban children. Urban children perceive that a soft drink brand without advertising will be better than a soft drink brand with advertising. But for computers, urban children were more likely to perceive that an advertised brand is as good as a non-advertised brand. Urban children were not more likely to put more trust in advertised brands than rural respondents. As a result, H4 was rejected.

[TABLE FOUR ABOUT HERE]

No significant difference was found between boys' and girls' perceptions of advertised and non-advertised brands in the urban sub-sample (Chi-square=2.5,  $p=0.47$  for soft drink; Chi-square=4.4,  $p=0.22$  for computer). However, among the rural sub-sample, boys were more likely to perceive that an advertised brand is better than girls. Girls were more likely to perceive that an advertised brand is as good as a non-advertised brand than boys (Chi-square=9.8,  $p<0.05$  for soft drink; Chi-square=11.8,  $p<0.01$  for computer).

*Perceived truthfulness and liking of television commercials.* The Pearson correlation between children's perceived truthfulness of television commercials and liking of commercials was 0.35 ( $p < 0.001$ ). Respondents who perceived television commercials to be true liked them more than those who perceived television commercials to be untrue.

*Age differences.* Table 5 summarizes the respondents' perceptions of the truthfulness of television commercials by age group. Older children were less likely to perceive television commercials truthful than younger children in both the urban as well as the rural samples. However, older children were also less likely to perceive television untruthful than younger children. Older children were more likely to perceive half of the television commercials were truthful and half of them were untruthful than younger children. As a result, H5 was partially supported.

[INSERT TABLE FIVE ABOUT HERE]

Table 6 summarizes the respondents' liking of television commercials by age group. Younger children liked television commercials more than older children in both the urban as well as the rural samples. However, younger children also disliked television commercials more than older children in both the urban as well as the rural samples. Older children were more likely to hold a neutral feeling toward television commercials. As a result, H6 was partially supported.



[INSERT TABLE SIX ABOUT HERE]

## **Discussion and conclusion**

The study reported here represents a first attempt at ascertaining a comparison of perceptions of advertising and brands among a sample of 3,239 urban and rural children in China. Generally speaking, rural children were likely to perceive television advertising truthful than urban respondents. This may be because urban and rural children are exposed to different television channels and programs. The regional television channels in rural provinces carried less children's television programs than the national television channels (Chan and McNeal, 2004a). It is therefore expected that rural children consume more national television channels than urban children. The well established image of CCTV may lend its credibility to the television advertising that it carries. Because of the strict censorship process, CCTV was also less likely to broadcast deceptive advertising (Chan and McNeal, 2004b). As a result, rural children are more likely to perceive television advertising truthful than urban children. This result seems to be contradicting to Chan and McNeal's (2004a, b) finding that children residing in a city with high advertising development (i.e. Beijing) were more likely to perceive television advertising truthful than children residing in cities with medium to low advertising development (i.e. Nanjing and Chengdu). The authors attributed the

observation to the conditions that children in second-tier cities failed to locate the advertised products, the prevalence of counterfeit products in second-tier cities and the novelty of advertising in second-tier cities. However, the current study found that a lower proportion of rural respondents reported that they checked the products at the stores to form a basis for judging the truthfulness of advertising. Therefore the absence of advertised products in the rural markets is a less important factor in triggering the deception of advertising among rural respondents. Although counterfeit products are prevalent in the rural areas, children may not even know that they are counterfeit products as they have vague ideas about brands. Previous studies indicated that brand awareness were low among rural consumers (Sun and Wu, 2004).

Our result may not be contradictory to Chan and McNeal's (2007) finding that urban children found television more credible than rural children in obtaining information about new products and services. In Chan and McNeal's (2007) study, the focus is on the credibility of television as a source of information about new products. In the current study, the focus is on the perceived truthfulness of television advertising. The two variables measured are not the same. The results may suggest that children have different perception of truthfulness of television as an information source and perception of truthfulness of television advertising. Further study is needed to find out the possible discrepancy.

The findings support the hypothesis that urban children dislike television advertising more than rural children. The result echoed that responses to advertising were more positive in countries with newer advertising industries (Zhan and Shen, 1995). It suggests that children in rural China are not overwhelmed with advertising messages and they are still easy to please.

Urban and rural children differed in their basis for judging truthfulness of television commercials. Rural children were less likely to use brand equity as a basis of making the judgment than urban children. This can be attributed to their lower awareness of brands, perhaps because of limited exposure to brands. This is consistent with Doctoroff's comment that rural consumers have a lower understanding of brands because brand is an abstract concept (Chan, 2006). Rural children were more likely to use personal experience in judging the truthfulness of television commercial. It suggests that rural children are pragmatic.

In the current study, urban children disliked television commercials more than rural children. In a previous study of children in Hong Kong, liking of television commercials had positive correlation with perceived truthfulness and attention to television advertising (Chan, 2001). Since rural children were more likely to find television commercial truthful, we expect, as it was found in this study, rural children liked television commercials more than urban children. The finding was consistent with a previous study that rural children

reported a higher attention to television commercials than urban children (Chan and McNeal, 2006). This is probably because other forms of advertising were not prevalent in rural China. The current study suggests that television advertising is particularly influential in the life of rural Chinese children.

The hypothesis that rural children rely more on personal sources to make judgments about truthfulness of television commercials than urban children was partially supported. The dependence on parents and teachers on deciding whether a commercial was true did not differ among urban and rural children. However, rural children relied more on the credibility of product endorsers in deciding whether television commercials were true. This suggests that parents and teachers carry equal weight in consumer socialization regarding the offer of advice about truthfulness of television advertising among rural and urban children. Product endorsers on television commercials play a more important role among rural children than that of its urban counterpart. It echoed a previous finding that rural children were more likely to perceive personal source useful and credible when compared with urban children (Chan and McNeal, 2007).

Urban children relied more on brand equity to decide whether a television commercial is truthful than rural children. This suggests that urban children have a more sophisticated understanding of brands than rural children. Brand equity is an unfamiliar concept among both urban and rural children. This can be seen from the large number of

respondents reporting “don’t know” when they are asked about the quality of a product with advertising and a product without advertising. Contrary to what was hypothesized, rural children were more likely to perceive that an advertised brand is superior to a non-advertised brand than urban children. The result suggests that brand awareness and trust in brand are two different concepts. It is expected that rural children, similar to rural adults, are less brand-conscious. It is speculated that rural children put more trust in brand than urban children for two reasons. First, rural children were more likely to perceive television advertising truthful than urban children. Since advertising is about brands, the credibility of television advertising may rub off to the advertised brands. Second, a previous study found that rural children less often visited shops and made purchases than urban children (Chan and McNeal, 2006a). It is expected that rural children have less consumption and brand experience than urban children. As a result, they may have a rosy picture about the quality of advertised as well as non-advertised brands. This can be seen from the low percent of respondents reporting that both advertised and non-advertised brands are equally bad.

The findings partially support John’s (1999) model of consumer socialization.

Younger children were more likely to hold extreme perceptions of television commercials than older children. Younger children perceived television commercials either truthful or untruthful. Younger children either liked or disliked television commercials very much.

Older children perceived that half of television commercials were truthful while half of them were untruthful. Older children showed neutral or indifferent feelings of television commercials. These developmental changes in perceptions of television commercials were similar for the urban and the rural samples.

To conclude, perceptions of television advertising showed similarities as well as differences among the urban and the rural samples. The similarities lie in the developmental changes in attitudes towards television commercials. The urban-rural difference in consumer perceptions of advertising and brands indicates that children's development in consumer socialization depends on the environment. Urban children were more skeptical towards advertising than rural children. They disliked advertising more and they were less likely to perceive advertising truthful. They also put less trust in advertised brands. Rural children, on the other hand, were less skeptical than urban children. They enjoyed advertising more and were more likely to perceive them as truthful. Rural children relied more on credibility of product endorsers to determine whether commercial are truthful.

#### Managerial implications

The current study has provided insights for marketers and advertisers to employ the right advertising message strategies to disseminate market information or social services marketing information to reach urban as well as rural Chinese children. According to the

current study, rural children are more likely to perceive television advertising truthful than urban children. Rural children like television advertising more than urban children. The rural children market can therefore provide marketers with an opportunity to try out new products, new packaging, or new advertising strategies. If the new marketing element does not work for the rural children's market, it probably will not work for the urban children's market. Testing new advertising or marketing communication components in the rural setting also has the advantage of a smaller budget, owing to the more affordable advertising media costs. Health and social service marketers should definitely consider using television advertising to provide prompt information about health and social development issues to rural children in China.

Rural children depend on the credibility of product endorsers to make judgments about truthfulness of television commercials. Marketers should therefore identify and employ national heroes and famous persons in designing testimonial types of advertising messages that target rural children. The celebrities should be pilot-tested on perceived credibility and liking among the target audience. As rural children are more likely to use personal experience to decide whether a television commercial is truthful, advertisers and marketers should encourage rural children to locate the product in the nearby retail facilities or try out the product. Marketers can consider employing special point-of-purchase design to encourage package recognition. These point-of-purchase materials

should be incorporated in a prominent position in the television commercials. Marketers should also consider the packaging of the products to encourage trial. For example, many renowned brands of shampoos were sold in small individual packets in rural China. This packaging should be used as an appeal in the television commercials for brand recognition.

The current study provides further evidence that understanding of brands is weak among rural children consumers. A managerial implication is that brand/image advertising will work better among urban children than among rural children. Marketers targeting at rural children should employ direct sales appeal rather than lifestyles or image appeals.

As rural children put more trust in brands than urban children, marketers should consider exploring the under-developed rural children's market. It is not known if trust in brands is positively related with brand loyalty for rural Chinese children. If further study provides evidence for a positive link between trust in brands and brand loyalty, the rural children's market is promising not only for its size, but also for its stability and long-term business returns.



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Table 1 Perceived truthfulness of television advertising (N=2,990)

Do you think TV commercials are true or not true?				Urban		Rural	
	Urban %	Rural %	Total %	Boy %	Girl %	Boy %	Girl %
Nearly all are true	10.5	20.0	14.7	10.7	10.2	17.4	22.7
Most of them are true	19.9	28.5	23.7	21.5	18.3	30.4	26.8
Half of them are not true	44.8	36.0	40.9	41.9	47.9	37.9	34.2
Most of them are not true	14.0	9.6	12.0	13.5	14.3	9.0	10.3
Nearly all are not true	10.8	5.9	8.6	12.4	9.2	5.3	5.9
	100.0	100.0	99.9	99.9	99.9	100.0	99.9
	Chi-square = 115.2 ***			Chi-square = 9.5 *		Chi-square = 8.4	

\*p<0.05; \*\*p<0.01; \*\*\*p<0.001

may not add to 100.0 percent due to rounding  
excluding 249 cases that checked “don’t know”

Table 2 Liking of television advertising (N=3,239)

Your feeling toward TV commercials is...	U	F	C	Urban		Rural	
					Bo %		Bo %
like very much		2	1	-	24.8	-	
like	2	3	2	-	35.8	-	
neither	3	1	4	-	19.1	-	
dislike	2	1	1	-	13.2	-	
dislike very much	1			-	7.2	-	
	9	10	9	1	100.1	1	
	Chi-square = 297.1 ***			Chi-square = 18.7 ***		Chi-square = 2.6	

\*p<0.05; \*\*p<0.01; \*\*\*p<0.001

may not add to 100.0 percent due to rounding

Table 3 How children know which commercials are true and which are not

Basis of judgments				Urban		Rural	
	Urban %	Rural %	Total %	Boy %	Girl %	Boy %	Girl %
Try the products	27.3	30.9	29.0	26.3	28.5	29.7	31.9
See if they are about a trustworthy brand or they are by a trusted advertiser	24.6	19.8	22.4	25.1	24.3	21.7	18.0
Check the product at the stores	17.9	15.4	17.0	17.7	18.1	16.3	14.4
Ask parents or teachers	16.3	17.7	16.7	15.9	16.9	15.8	19.7
Whether the commercials seem so	9.6	8.6	9.2	10.9	8.0	8.7	8.6
See if endorsed by trustworthy persons	4.3	7.5	5.8	4.1	4.3	7.9	7.3
	100.0	99.9	100.1	100.0	100.1	100.1	99.9
	Chi-square = 30.5***			Chi-square = 5.1		Chi-square = 7.3	

\*p<0.05; \*\*p<0.01; \*\*\*p<0.001

Table 4 Children's perceptions of advertised and non-advertised brands

Perception			Total %	Urban		Rural	
	Urban %	Rural %		Boy %	Girl %	Boy %	Girl %
<i>Soft drink</i>							
Advertised brand is better	39.7	49.0	25.2	41.9	37.5	51.7	46.5
Non-advertised brand is better	24.3	19.3	15.2	23.0	25.7	21.3	17.4
Equally good	26.7	25.2	16.9	26.5	26.9	21.1	29.3
Equally bad	9.3	6.5	5.8	8.7	9.8	5.9	6.8
Total	100.0	100.0	100.0	100.1	99.9	100.0	100.0
				Chi-square = 21.3***		Chi-square = 2.5	
				Chi-square = 9.8*			
Excluding 1,180 cases that checked "don't know:"							
<i>Computer</i>							
Advertised brand is better	43.0	50.3	30.1	45.6	40.0	54.7	46.2
Non-advertised brand is better	20.6	19.9	14.5	19.1	22.4	20.3	19.5
Equally good	29.8	23.7	20.8	29.2	30.3	19.4	28.1
Equally bad	6.6	6.1	4.6	6.1	7.2	5.6	6.2
Total	100.0	100.0	100.0	100.0	99.9	100.0	100.0
				Chi-square = 14.4***		Chi-square = 4.4	
				Chi-square = 11.8**			

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

\*p<0.05; \*\*p<0.01; \*\*\*p<0.001

Table 5 Perceived truthfulness of television advertising by age

Do you think TV commercials are true or not true?			Urban		Rural	
	6-9 %	10-15 %	6-9 %	10-15 %	6-9 %	10-15 %
Nearly all are true	18.6	12.2	14.2	7.5	25.5	17.1
Most of them are true	23.0	24.4	19.7	20.2	28.2	28.7
Half of them are not true	35.5	44.4	38.7	49.8	30.4	38.9
Most of them are not true	11.8	12.2	12.3	15.4	11.0	8.9
Nearly all are not true	11.1	6.8	15.0	7.1	4.9	6.5
	100.0	100.0	99.9	99.9	100.0	100.1
	Chi-square = 50.0***		Chi-square = 55.2***		Chi-square = 19.9***	

\*\*\*p<0.001

may not add to 100.0 percent due to rounding



Table 6 Liking of television advertising by age

Your feeling toward TV commercials is...			Urban		Rural	
	6-9 %	10-15 %	6-9 %	10-15 %	6-9 %	10-15 %
like very much	21.6	13.7	14.7	4.2	32.7	22.8
like	28.2	30.3	24.0	24.5	34.9	35.9
neither	19.0	29.9	22.6	37.9	13.1	22.3
dislike	16.1	17.0	19.3	21.4	11.1	12.9
dislike very much	15.1	9.0	19.4	12.1	8.1	6.1
	100.0	99.9	100.0	100.1	99.9	100.0
	Chi-square = 91.2***		Chi-square = 100.0***		Chi-square = 30.2***	

\*\*\*p<0.001

may not add to 100.0 percent due to rounding