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ILLEGAL ADVERTISING IN CHINA
PHARMACEUTICAL COMMERCIALS

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**ILLEGAL ADVERTISING IN CHINA:
PHARMACEUTICAL COMMERCIALS**

ABSTRACT

A content analysis of 83 pharmaceutical commercials broadcast in national and local channels in China was conducted. The official Regulations on pharmaceutical advertisement were itemized by the author and adopted as evaluation criteria to determine whether the commercial was illegal. It was found that over 50 percent of the sampled drug commercials in were classified as illegal. It was found that 29 percent omitted the official drug code while 19 percent did not carry the physician advice. Under 5 percent of the commercial contained illegal claims such as no side effect. Three percent featured images of medical institutes, medical professions and patients. Non-compliance of regulations were probably due to ineffective censorship system, unclear definition of pharmaceutical products and inadequate knowledge of the advertising manpower.

Illegal Pharmaceutical Advertising in China

Introduction

Advertising has been one of the fastest growing industries in China since its re-establishment in 1979. According to official statistics, the total advertising turnover in 1993 was 13.4 billion yuan (Fan, 1994) and it represented a remarkable 98% growth over the year of 1992. The average annual growth of advertising revenue for the period 1983 to 1993 was as high as 50%. The four major advertising media in China were newspapers, television, radio and magazines. Television contributed over one third of the total media expenditure and was the second important media in 1993 (Fan, 1994).

The Chinese government welcomed foreign advertisers to play a catalytic role in the advertising industry through exchanges of information, upgrading technology and importing advanced technology and equipment (Deng, 1987). However, the government also took an active role in regulating advertisers' activities. At present, television commercials were shown only during breaks between programs. Cigarette advertising was not permitted nationally. Advertisements for medicine and alcoholic drinks were also strictly controlled.

Probably one of the most striking observations of Chinese television advertising was its abundance of pharmaceutical commercials that made claims about the healing power and health-giving properties of various drinks and drugs. Pharmaceuticals stayed as the top advertising category that accounted for an overwhelmingly high percentage (21%) of total monitored television expenditure in 1993 (SRG China ADEX). In a recent content analysis study on television advertising in Hong Kong and China, pharmaceutical commercials contributed 4% in the sample of 342 commercials in Hong Kong. The corresponding percentage for the China sample of 324 commercials was 26%, which was over six times that of Hong Kong (Chan, 1994a).

Purchase and use of drug and health-giving products is expected to be a high involvement activity and consumers will definitely look for information for rational decision. Television commercials of pharmaceuticals in China were very informative and but the information were mainly on performance and components/contents (Chan, 1994b).

In the conduct of the content analysis of China's television commercials, it was noted that some of the regulations were not followed. For example, advertisement for an arthritis and rheumatism drug showed a woman stood up from her wheel chair and walked smoothly. The visual of the commercial implies that the product cures immediately. It is on this observation that further study will be promising in analyzing how advertising regulations in China are observed or broken.

Do the pharmaceutical commercials in China conform to the regulations and if not, how frequent are they breaking the rules? The objective of this paper is to investigate on deceptive and illegal advertising in China. This is the first systematic study on how advertising regulations are followed in China. This study will deepen our understanding of the current style of advertising execution as well as shed light on the implementation of advertising regulations in China.

Literature review

A limited number of studies had been conducted to analyze the content and style of television advertising in China. Keown, Jacobs, Schmidt and Ghymn (1992) studied 50 commercials on China Central Television Station (CCTV) and found that 92% of them were informative. The three most frequently occurring information cues in television commercials in the China were quality, availability and performance (Keown, Jacobs, Schmidt and Ghymn 1992). However, the sample size for the study was too small in comparison to other international studies.

The author had completed a study on information content of television commercials in China (Chan, 1994b), using similar criterion used by Resnik and Stern (1977). It was found that 58% of the 324 sampled television commercials were informative. The most frequently occurred information cues were performance, quality, components/contents and availability. Non-durables and pharmaceutical commercials were found to be most informative as over 70% of the non-durables and pharmaceutical commercials could be classified as informative. Cigarette and liquor commercials were found least informative.

There was no systematic research on deceptive or illegal advertising in China. However, some medical professions in China did express their worries about the over exaggeration and puffery in pharmaceutical advertisements (Li, 1993; Cheung 1994). They complained that pharmaceutical advertising had over-claimed on effectiveness and under-played on limitation and possible side effects. They also pointed out that deceptive pharmaceutical advertising would result in mis-allocation of medical resources, delay in treatment and inference with the professional medical diagnosis (Li, 1993).

Advertising has a responsibility within the economic system to provide information on new and existing products and services. There is no question that false and misleading advertising should be prevented and the government needs to play a key role through the state of advertising regulations.

China introduced the 'Provisional Regulations on Advertisement' in 1982. The regulations stated that advertising must be true, sound, clear and understandable, and no deception should be allowed. In December 1987, a new 22-article 'Regulations on Advertisement' was introduced to replace the Provisional Regulations on Advertisements. The State Administration for Industry and Commerce later introduced a 32-article 'Regulation on Advertisements -- Implementation Details' in January 1988. In June 1992, the State Administration for industry and Commerce and Health Division announced the 'Regulations on

Pharmaceutical Advertisements'. A new 'Advertising Ordinance' was announced on October 27, 1994 (China Daily, 1994) and the enactment date would be February 1, 1995.

The Regulations on Pharmaceuticals Advertisements stated controls namely in three main areas:

1. Superlative claims, effective rate and awards of drug could not be used.
2. Official drug code and physician advice should be displayed in the advertisement.
3. Names and images of medical institutes, medical professions, patients and children should not be used.

Research methodology

A sample of 83 different pharmaceuticals television commercials was taped from channels in China, including CCTV and three local channels in Guangdong during the period December 11 to 18, 1993. A multi-stage sampling procedure was used to select viewing days, time blocks and commercials. Any duplicate commercial occurring more than once would be excluded in order to eliminate the bias from broadcast frequency of commercials. Two Chinese graduates with competence in Putonghua and Cantonese were recruited as coders. They were trained on the understanding of the advertising regulations in China. They viewed the tape commercials independently to determine whether specific regulations were violated. To facilitate coding and data analysis, the possible violations of the Regulation were itemized into thirteen items listed in Table 1. Any commercial breaking one or more items in the list would be classified as 'illegal' commercial. The two coders were first tested on a pilot sample of about 10 pharmaceuticals commercials until they reached over 80% of inter-coder reliability. The sample was then re-examined by the author for checking and finalizing for any disagreement occurred. A coder reliability level of 96% was achieved for compliance to advertising regulations.

Table 1 about here

The frequency of breaking of Regulations on pharmaceuticals advertisements for each commercial was recorded and percentage was compiled. Details of illegal pharmaceutical commercials would be investigated.

Results

The total sample consisted of 83 pharmaceutical commercials. Table 2 showed the distribution of commercials among different types of drug. Tonic and vitamin, painkiller, anti-bionics, cough and cold prep commercials accounted for nearly two thirds of the sample. Medicated cream and stomachache contributed another one fifth of the sample and the rest were Chinese over the counter and others. The Chinese over the counter and other drugs claimed to deal with a wide range of diseases from diabetes, tumour, hepatitis or even cancer. Commercials of slimming, baby pharmaceutical product, eye care, first aid products were not found in the sample.

Table 2 about here

Table 3 summarized the frequency of violation of pharmaceuticals advertising regulation per commercial. Research findings indicated that 51% of the sample drug commercials broke at least one item of the regulations and could be classified as illegal commercials. One sixth of the sample broke two items and two percent broke three items. Altogether, 42 illegal commercials violated 58 items and on average, and each illegal commercial violated 1.4 items.

Two drug commercials were found to violate three items of the advertising regulations. One was a throat drug that did not carry official drug code and the physician advice, and claimed that it could cure immediately. It featured an old patient lying painfully on a hospital bed, with a notice board 'hepatitis patient inside, no enter' hanging at the door. It also featured a child patient being blocked outside a kindergarten. After taking the pill, both of them joyfully said, 'my disease was cured'. This commercial did not carry the physician advice, used the image of hospital and patients.

Table 3 about here

Table 4 summarized the frequency of violation of individual items of the pharmaceutical advertising regulations. Thirty percent of the sample commercials did not carry the official drug code. Majority of them (14 out of 24 commercials) was tonic and vitamin, essence, cod liver oil and pill. The study revealed one major loophole in the existing regulations on pharmaceutical advertising was the unclear definition of pharmaceutical products. It was estimated that many vitamins and essence claiming that they could regulate the body or solve health problems were not registered as pharmaceuticals. They probably registered as food products to by-pass the more vigorous regulations on drugs. This may explain why so many pharmaceutical commercials did not carry the official drug code.

Table 4 about here

The next most frequently violated item was the missing of physician advice. Nearly half of them (7 out of 16) were commercials on analgesics, painkiller, anti-biotic, cough and cold

prep drugs. Although these drugs were for not so serious health problems, they had huge impact due to the enormous population at risk involved. Lack of warning to consult physicians may cause delay medical treatment or even fatal consequence especially for elder people and children.

The current study also exposed some tricks played by perfunctory advertisers. In some cases, the physician advice was shown in a very tiny type face or in a quick flash across the screen. It showed that the advertisers attempted to reach the minimum requirement of the advertising regulations only. In order to protect the health of the consumers, a tighter control on size and duration of the physician advice should be introduced.

Very often, the effectiveness of a pharmaceutical product was not guaranteed and depended highly on other factors like individual differences in health conditions. Taking of a drug may involve different levels of risk of side-effects. As a result, pharmaceuticals advertising have strict restriction on use of cure rate as evidence and uses of superlative claim like the best, the safest or the most effective.

Results from Table 4 indicated that there were one to five commercials using superlative claims. Wordings like 'miracle cure, take it and stop pain', 'stop diarrhea immediately', 'cure fundamentally and give you a healthy heart', 'high cure rate', 'no side effect' and 'raise immunity after taking for 20 days' were found in the illegal commercials. Occurrence of such claims exposed the inefficiency in the existing advertising censorship system.

Taking of drug was a high involvement purchase decision. When in doubt, people tend to seek for recommendations from medical professions. One of the restriction in the pharmaceuticals advertising was to control the use of name or image of medical institutes, hospitals, medical professions as credible endorsers. Pharmaceuticals advertising are also forbidden to use testimonials of patients and children. Details of award should not be mentioned too.

In the sampled commercials, three drug commercials claimed that they had obtained 'science and technology product award' and 'big awards'. One commercial claimed that the product was 'endorsed by Health Department' and one commercial adopted the hospital as background venue. One commercial featured the image of an arthritis and rheumatism patient standing up from her wheel chair after receiving the medical treatment. Another commercial featured an old and child hepatitis patients.

It was noticed that two legal commercials attempted to feature some grey areas in the advertising regulations. They claimed that they had reached agreement with an insurance company. If the drug failed to bring noticeable recovery after a certain period of time, consumers would be refunded. The 'after-sales' guarantee for pharmaceutical was very new to China as well as to the Western world. Due to limited air time, the commercial seldom mentioned details and exemption clauses of the guarantee. Consumers were tempted to try out the products. If any argument was brought up later on, it was quite natural to blame advertisers for misleading information.

Discussions and conclusion

The current study was the first large scale content analysis on deceptive and illegal pharmaceuticals advertising in China. It revealed many problems and inefficacy in the implementation of advertising regulations in China. There were loop-holes on the definition of pharmaceutical products. Many health food advertisers by-passed the stricter advertising control on pharmaceuticals. This was demonstrated by the large proportion of commercials without official drug code. Factual requirement like the physician advice was not followed closely. Illegal claims and illegal use of medical professions and patients' images were found occasionally. Repetitions of these illegal commercials may bring severe damage to the health of the general public.

It would be quite shocking to the Western world with such a high proportion of illegal pharmaceuticals advertising in China. How can they successfully pass the censorship system and become visible on air? There are many possible reasons. One most obvious explanation was the lack of effective advertising censorship system in China. In the existing practice, commercials were censored by the State Administration for Industry and Commercial and the broadcast media. It was known that central television stations were more tight in control while provincial and local television stations were much more easy. As the television stations in China were running on a self-balance manner, they were desperately seeking for clients' media budget. Their vested interests weakened their positions in the censorship.

Secondly, advertising was a very new industry in China. Formal advertising education was only limited to an extremely small fraction of the current manpower. It was not surprising that government official controlling the advertising standards would have inadequate understanding of advertising.

The current study exposed the seriousness of the problem of deceptive advertising in China. Illegal advertising hurts the consumers as well as the reputation of the advertisers and the advertising industry. China has introduced her comprehensive 'Advertising Ordinance' on October 31, 1994. It is hoping that the new legal document will help remedy the situation.

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Table 1 Itemized breakdown of violations to 'Regulations on Pharmaceutical Advertisements'.

1. Do not carry the drug code of official approval
2. Do not carry the advice 'Please use under the supervision of a physician'
3. Comparison with other competitors in performance or safety
4. Claim or imply the cure of all diseases
5. Contain superlative statement or implication of 'the most successful', 'the best',
or 'king of drug'
6. Contain superlative statement or implication of 'cure immediately, or 'cure
thoroughly'
7. Contain superlative statement or implication of 'safe precaution' or 'no side-
effect at all'
8. Contain statement of 'the highest technology', 'the most scientific way', or 'the
most advanced way'
9. Mention the cure rate or effective rate
10. Use the name or image of official medical and technological institutes,
academic institutes, or hospitals
11. Use the name or image of children, doctors or patients
12. Mention content of awards

Source: Chapter 3, Ordinance 15-16 from 'Regulations on Pharmaceuticals
Advertisements, June 1992'; itemized by the author

Table 2 Distribution by type of pharmaceuticals in the sample

Type of Pharmaceuticals	Frequency	Percent
Tonic and vitamins, essence, cod liver oil and pill	30	36
Analgesics, painkiller, anti-biotic, cough and cold prep	24	29
Pimple and acne medicine, medicated cream and lotions	7	8.5
Stomachache medicine	7	8.5
Chinese over the counter and others	15	18
Total no. of commercials	83	100

Table 3 Violations of Regulations on Pharmaceutical Advertisements

Violation of regulations per commercial	Frequency	Percent
None	41	49
1 item	28	34
2 items	12	15
3 items	2	2
at least 1 item (illegal commercial)	42	51
Total number of commercials	83	100

Frequency of violation = 58

On average, each illegal commercial violates 1.4 items

Table 4 Distribution of violation of items in Regulations on Pharmaceutical Advertisements

Violation	Frequency	Percent
Omitting details		
No official drug code	24	29
No physician advice	16	19
Illegal claims		
Claim cure immediately/thoroughly	5	6
Claim cure rate	4	5
Comparative	1	1
Claim safety	1	1
Claim cure all	0	0
Claim best	0	0
Claim high technology	0	0
Illegal use of images/award		
Mention award	3	4
Name/image of medical institutes	2	2
Name/image of medical professions/patients	2	2