

Review
Received: 02.03.2010

ADVERTISING INDUSTRY - TRENDS, OPPORTUNITIES AND CHALLENGES WITH SPECIAL EMPHASIS OF CHINESE TOURISM

Misko Dzidrov

Wuhan University of Technology – China¹

Abstract:

Now day advertising has craftily become an inescapable companion of modern life that we can't escape and avoid it, truly it's an intrinsic part of our daily lives. Advertising affects everyone's life and influences many purchasers. Consumer turns to advertising for its informativeness, as well as its entertainment value.

In November 2001, China joined the World Trade Organization (WTO) and became a formal member of the free trade club. China's accession to the WTO came after the country had economic reforms and significant growth of Chinese economy. In the same period advertising start booming in China (early 1979); it has become dramatically an increasing important business, industry, and custom artefact in the country.

A lot of researches have been made on advertising industry in the west and are one of everyday activity in the current market, but researches about Chinese advertising about tourism market has generally been limited to journal articles. The purpose of this research is to: Investigate how consumers read and understand advertising in China, mainly tourism advertising; To learn how Chinese consumers react to TV and print advertisements; Examine what role advertising playing in marketing and how it perused people of China - moreover which channel is most preferable to advertise tourism offers in Chinese society.

Key words: China advertising industry, marketing in tourism, advertising channels.

RESEARCH METHODOLOGY

The data for this study were collected from primary source or direct questionnaire survey, supplemented by follow-up personal interviews and secondary data sources include review of works and materials from text related to the subject matter.

Data Collection: The survey was made in Beijing (100 questionnaires), Wuhan (200) and Changsha (100) were distributed to the chosen consumers. We were able to get only 150 filled questionnaires from Wuhan, 75 from Beijing and 75 from Changsha.

Another research was to collect data from tourism provider companies in Wuhan, including local small and big international firms and 100 questionnaires were

¹ **Misko Dzidrov**, MBA, Wuhan University of Technology – China

distributed to other companies. Only 50% of the questionnaires were filled by the companies.

Interview Methodology: During data collection procedure apart from the use of questionnaire, personal interview, personal observation and direct discussion with the employees and managers in particular of the firms were also adopted. The reason for interview was supplement the data gathered through the questionnaire survey, to allow the respondents to answers to open ended questions and to get the information which was not included in the questionnaire.

Method of Data Analysis: The qualitative analysis method is the dominant way for this paper to interpret the collected data as instrument to justify and analyze the problem. This method is more convenient and simple to analyze the real evidences, because of the nature of the research topic.

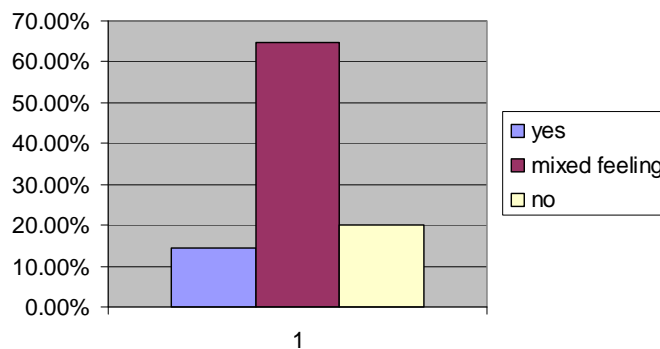
FINDINGS AND ANALYSIS

PUBLIC REACTION

Though advertising industry is booming rapidly and getting huge popularity in China but the consumers have mixed attitude toward advertising and even some of the consumers have negative attitude for it.

On the question: “Do you rely or trust advertisement?” 14.55% of them said “yes I do trust and rely on advertisements” and 65.45% of them have “mixed feeling” and fortunately only 20% said they “don’t trust or rely on advertisements”.

Figure 1: Consumers who trust and who do not trust in tourism adv.



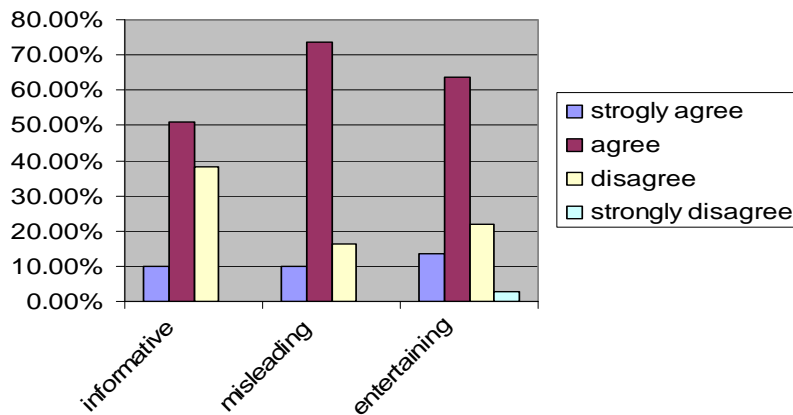
1. Advertising as entertainment: In this case according the survey 300 consumers were asked whether the tourism advertisements are entertaining and 13.64% have strongly agreed and 63.64% have just agreed, 21.82% disagreed and only 2.73% said strongly disagree that mean 77.28% of the total respondents have agreed that advertising is entertaining.

2. Advertising as information: According the survey 9.09% of 300 consumers strongly agree on the informativeness of advertisement, 50.91% agree on other hand, 38.18% disagree and 1.82% strongly disagree. This shows us that considerable number

of consumers believes that advertisement in tourism industry is informative though they have different interpretation on its successfulness.

3. Advertising like misleading: Accordingly our survey 10% of the consumers are strongly believe that advertisements are misleading and to some extent other 73.64% agree with that and surprisingly only 16.36% don't agree with that.

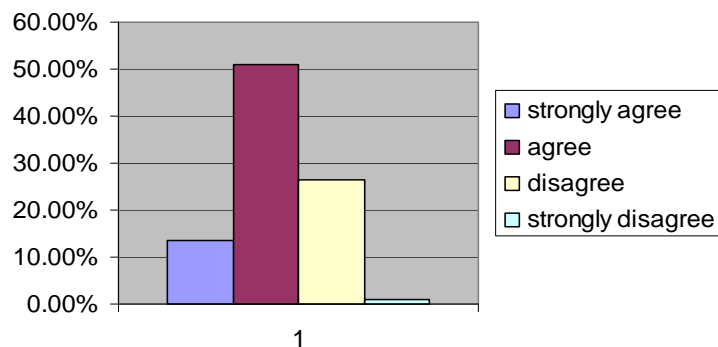
Figure 2: Public attitude toward advertising



Culture difference

As far as cultural differences are concerned Chinese consumers thinks their culture is being dominated by western advertisings. According to the questionnaire 15.52% strongly agreed for the culture domination, 55.00% agree, on other hand 28.36% disagree and 1.12% strongly disagrees. That means 70.52% of them have agreed that Chinese culture is being influenced by the western culture and only 29.48% disagree.

Figure 3: Public opinion on foreign ads. on changing Chinese culture



MEDIA DECISION

Advertising medium's ability to efficiently reach a specific target audience is the most important criterion in media decisions.

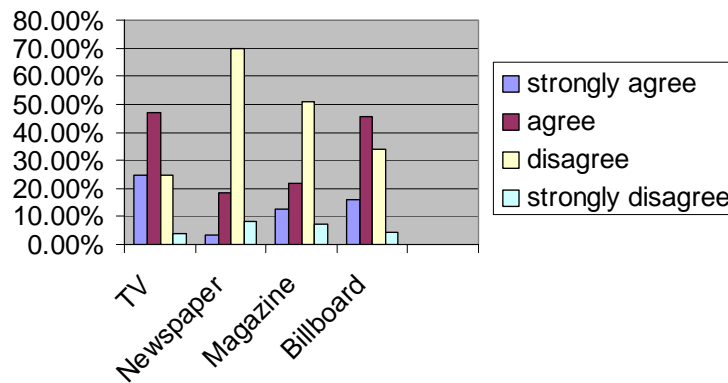
1. Television: China's television industry is enjoying huge popularity, and according our questionnaire 25.45% strongly agree that TV is the best media for tourism advertising, 48.18 % agree, 25.45% disagree and 4.55 % strongly disagree.

2. Newspaper: This kind of advertisement in China have also attracted considerable attention from the population and our study shows 3.63 % of our respondents said they strongly agree as newspaper the best media for them, 18.18% agree, 70% disagree and 9.19% strongly disagree. Accordingly 79.19 disagree and 21.81% agree as the newspaper is the best media for tourism advertising.

3. Magazine: Though magazine could not reach to the general public but its advertisement getting good market share. According the public opinion 12.73% strongly agree 22% agree, 50.91% don't agree and 7.27% strongly disagree. Those 34.73% of our respondent who prefer magazine advertisement are from educated class and mostly fashionable persons.

4. Outdoor: On other hand though some of consumers have negative attitude to billboard adv. but it has got huge appreciation among majority of Chinese consumers. According the distributed questionnaire 16.36% of respondent strongly agree saying billboard is the best way of advertising for tourist offers, 45.45% agree, 34.55% disagree and 4.54% strongly disagree. That means 61.81% of the respondents like billboard advertising.

Figure 4: The best media for ads according public opinion



As far as companies are concerned different companies have different approaches to advertise their product or service. Accordingly 32 companies have been chosen to fill the questionnaire and almost all, which we interviewed, advertise their offers through different channels, especially through television, newspaper, and billboard and occasionally magazine and newspaper. Starting from the position on the market, the companies have different approach to the advertising, small and local companies were more orientated on local TV's stations and newspaper.

In the same time some companies react about their reason for the dissatisfaction of advertising, since unfair competition exists because of the lack of protective law. Chinese advertising industry is one of the fastest growing industry in the world however compare to the western advertising industry it's still at infant stage and a lot of laws and regulations as well as enforcing bodies are needed to ensure stable market competition and to eliminate or minimize unfair competition.

CONCLUSION

Advertising generally as far as economy is concerned makes volume sales possible, therefore significantly lowering price. Looking from competition side, it stimulates competition, leading to service quality improvements assists new market sector entrants, providing greater consumer choice. It helps the development of new markets and emerging economies and encourages research and development. Advertising has considerable social and economic impact that could be factors to bring peoples together and improve the lifestyle.

Since December 11, 2001, China is a formal member of WTO and with that agreement China have allowed foreign companies to operate in this the most populous nation, and with that has helped to introduce technologies, management experience and talented personnel to the advertising industry, and has improved the overall level of the same.

Regarding cultural issue Chinese companies and consumers are not facing only marketing challenges but also cultural challenges from international adv companies. According my findings Chinese young generation is dominated by western custom and culture and local companies and community should move fast to protect the culture from western cultural invasion.

As the most dominant advertising medium, television was the most likely to be remembered and talked about and the reason for televisions dominance comes from its ubiquity, entertainment value and the role that television plays in people's lives. Many tourism companies choose TV as the best media to advertise their service, but many small local enterprises choose newspaper.

As far as foreign adv companies are concerned the recent measures heralding greater market access must be viewed as part of a long- term strategy for foreign adv companies in the Chinese market. However these foreign adv companies need to do more in order to avoid cultural conflicts and to give due respect to the local culture or should work with local experts.

As far as cultural issues are concerned now local advertising companies are facing tough competition from their foreign counterparts and striving to survive. Chinese companies need to improve their financial capacity before they get swallowed from huge foreign enterprises. To achieve this goal small and medium local companies need to merge together and should take the advantage.

Regarding the media findings of the study confirmed that relative to television and newspapers, billboard is effective vehicles for reaching upscale and status-seeking targets that are important to advertisers with an upscale. So the tourism companies and advertising companies should take in to consideration this issue in order to attain the final objective of the adv. Since the objective of ad is not only to create good image of service that is offered but also to encourage the consumption for it.

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