

## Production of Advertising Messages

Advertising production can be measured by examining three areas. The first indicator of productivity is the investment in advertising production; this can be seen in the level of advertising expenditure in different commercial sectors. The second productivity indicator is the capability of advertising production which is reflected by the manpower engaged in the advertising industry. The quality of advertising production represents the third productivity indicator.

### Investment in Advertising Production

Nielsen (2015), the world's leading provider of marketing research, compiles figures of advertising expenditure by different product categories. In the past, reports on advertising expenditure by product category and by brand were prepared in hard-copy format on a monthly basis. However, as the advertising market is becoming increasingly competitive, clients require timely reports on an interactive platform: admanGo was founded in 1999 to provide such a service. It works closely with major advertisers, advertising agencies and media to develop an extensive online advertising archive. Its advertising intelligence database documents advertising creatives and spending data over more than fifteen years. Its competitive advertising monitoring service is updated on a daily basis. A wide range of media types are covered including television, newspapers and magazines, radio, outdoor and in-transit displays, digital and mobile advertising, among others. Detailed reports about advertising expenditure by different product categories, media, brands and campaigns are available by subscription. By clicking on the thumbnails of advertisements on the platform, subscribed users can see the two-dimensional print advertisements, can hear the radio spots, as well as watch the television or digital commercials. Users may also subscribe for enhanced features to keep track of new media types and their adoption levels in the market.

### Capability of Advertising Production

In addition to advertising expenditure, the hardware of advertising production lies in the manpower engaged in the advertising industry. The first survey of advertising and public relations manpower was conducted in 1987 by

the Vocational Training Council. It covered all advertising agencies, public relations agencies, media agencies and selected in-house advertising and public relations departments in Hong Kong. The manpower of the advertising and public relations industries were surveyed every two years and figures were reported. The formal training requirements and qualifications were also examined. However, the statistics were reported by job level (i.e. managerial, supervisory, executional and supporting/technical) instead of by function (e.g., account servicing, creative, media planning). Other than advertising manpower, the number of advertising programs offered by local institutions and the respective intakes every year can also serve as an indicator of the capability of advertising production. This information indicates the potential supply of advertising manpower and the amount of formal training that individuals receive before joining the advertising profession. Moreover, the analysis of relationship dynamics between advertisers and advertising agencies may also signal the capacity of advertising production (So, 2005).

### Quality of Advertising Production

Another indicator of advertising productivity is the quality of production which is reflected in the number of awards and the recognition and complaints received by the industry. In Hong Kong, no official bodies are designated to censor advertising production. In other words, the advertising industry is largely self-regulated. The Association of Accredited Advertising Agents of Hong Kong (HK4As) has published a code of practice for its members to follow in order to preserve standards and ethics in the advertising profession. The high quality of advertising production was illustrated in the number of awards and positive recognition earned both locally and internationally. These include the Most Popular Television Commercials Award organized by local television broadcasters and the Hong Kong Advertisers Association (HK2A), and the Kam Fan Awards (formerly known as the HK4As Creative Awards) organized by the HK4As every year. Some creative advertisements also received renowned international awards such as the Cannes Lions International Advertising Awards, the Effie Awards and the Clio Awards, among others. Chapter 3 discusses the encoding process of advertising creativity.

Some substandard advertisements or advertisements expressing bad taste or inappropriate values were punished by the Communications Authority (formerly known as the Broadcasting Authority). These advertisements received advice, warnings or even fines from the Authority. When a member of the public feels annoyed by an advertisement, they can lodge a complaint with the Communications Authority. The Authority will then launch an investigation and file the case into an online archive which documents all the complaint cases since 2012 (Communications Authority, 2015a). Currently, there is no official body to deal with complaints on print or outdoor advertising in Hong Kong. The media themselves are responsible for the quality of advertisements that they carry.

In summary, investment, capability and quality are the three key indicators of advertising productivity. Together, they determine the distribution of advertising messages and the volume of advertising carried by different media which are discussed in the next section.

### Distribution of Advertising Messages

The available channels for the distribution of advertising messages have proliferated over the past decade. They include the traditional media outlets (e.g. television, radio, newspapers, magazines, transit vehicles, outdoor billboards) as well as the unconventional platforms for advertising such as applications on smart phones and various digital formats. Audiences are becoming more fragmented nowadays and it is increasingly hard to reach audiences with a single medium. It is envisaged that more and more advertising channels will appear which will certainly drive fierce intramedia and intermedia competition. Indeed, marketers have gradually shifted their advertising budget from traditional media outlets to new media as shown by admanGo. It shows a 7% growth in television advertising expenditure in 2014, while advertising revenue from online and mobile media recorded increments of 12% and 105% respectively (Perez, 2015).

### Traditional Media Outlets

Although new media channels keep evolving, currently traditional media outlets still account for a large proportion of the advertising revenue pie in Hong Kong. According to admanGo, a total of HK\$49.9 billion was spent on advertising across different media in 2014, in which the following traditional mass media took up 90% (Perez, 2015).

#### Television

Television, a traditional advertising medium, was once the main entertainment staple of people in Hong Kong. There were originally two domestic free television program service providers in Hong Kong, Asia Television Limited (ATV) and Television Broadcast Limited (TVB), and one government-funded public service broadcaster, Radio Television Hong Kong (RTHK) (Information Services Department 2014). The government did not renew ATV's license, and it stopped broadcasting in April 2016. However, a free-to-air license was granted to HK Television Entertainment Company Limited (Viu TV). Currently the three operators broadcast a variety of programs in analog format as well as the newly introduced digital format. A one-hour television program usually embeds four commercial breaks and each commercial break contains five to eight advertisements. There are also three domestic subscription-based television program service providers: Hong Kong Cable Television Limited (Cable TV), Pacific Century CyberWorks Media Limited (now TV) and TVB Network Vision Limited (Information Services Department, 2014).

Various television advertising possibilities are available including spot television commercials, product sponsorship, title sponsorship and product placement (Chan, 2012). There are altogether four types of product sponsorship: prop sponsorship, which means the product is displayed in a program; scene sponsorship, which means a particular scene of a program is specifically built for a product; character sponsorship which means a particular character in a program is closely associated with the product; and theme sponsorship, which means the key theme of the program is tailor-made to tie in with the product (Television Broadcasts Limited, 2015). According to admanGo, television advertising accounted for 32% (equivalent to HK\$15.97 billion) of the total advertising expenditure in 2014 (Perez, 2015).

### Radio

Radio is a less costly platform for advertisers compared to television. Advertisers can choose to place their advertising messages in either analog or digital radio channels (Communications Authority, 2015b). Currently, there are thirteen analog radio channels in Hong Kong including three operated by Hong Kong Commercial Broadcasting Company Limited (Commercial Radio), three by Metro Broadcast Corporation Limited (Metro Radio), and seven by RTHK. RTHK is funded by the government and does not accept commercial advertisements. There are a total of eighteen digital radio channels operated by four digital audio broadcasting service providers. In March 2011, the government granted licenses to Digital Broadcasting Corporation Hong Kong Limited (DBC) to operate eight channels, Metro Radio to operate three and Phoenix U Radio Limited (U Radio) to operate two channels. In September 2012, RTHK also launched five digital channels. U Radio stopped its services in September 2015 because of consistently low ratings. Radio advertising accounts for a very small proportion of the total advertising expenditure.

### Newspapers and Magazines

Hong Kong is a hotbed of publications. There are two English newspapers (the *South China Morning Post* and *The Standard*, which has now become a free newspaper) and more than fourteen Chinese daily newspapers. They include newspapers such as *Apple Daily*, *Oriental Daily*, *Ming Pao* and *Wen Wei Po*, among others. *Hong Kong Daily News* ceased publication in 2015. There are also free tabloid newspapers such as *AM730*, *Headline Daily* and *Metro Daily*, which have attracted many advertisers because of their growing readerships. Full-page advertisements or inserts are frequently seen in these free newspapers.

There are more than fifty magazines published in Hong Kong. They can be classified into different subcategories: business, cars, children, IT, fashion, food and cooking, health and fitness, etc. Advertisers may choose to place advertisements in magazines of a relevant subject area. Some familiar titles include *Next Magazine*, *East Week*, *Yazhou Zhoukan* and *Cosmopolitan HK*. Some freely distributed magazines like *Recruit* and *Jiujik* also provide avenues for advertising messages.

### Outdoor and Transit Advertising

A lot of outdoor advertising spaces are available in Hong Kong such as around shopping malls, on high-rise buildings and above tunnel entrances. Transit advertising is also very popular. Many transportation vehicles such as the MTR, taxis, buses and minibuses are platforms for advertising. Advertisers can choose to purchase the interior or exterior advertising spaces of buses or advertise on bus-TV. RoadShow, which is owned by Kowloon Motor Bus, broadcasts on over 5,000 buses and minibuses. Likewise, M-Channel, owned by StarEast Limited since 2001, broadcasts on New World buses and in some shopping malls. These advertising platforms keep expanding and have extended to unconventional outlets, for instance, Roadshow has created the HK2gather app.

### Digital Media Outlets

The Internet has changed the advertising paradigm by offering advertisers cheaper and more targeted varieties of communication. Advertisers can tailor-make advertising messages to specific audiences via the platforms of webpages, emails, search engines, social media or mobile applications. Cheung (2006) discusses some of the successful Internet advertising strategies. The distinct capability of digital media outlets lies in their interactivity. Unlike traditional media outlets, audiences are able to respond immediately to advertising messages carried by the unconventional channels below. AdmanGo forecast that digital media will overtake television to be the major outlet for advertising by 2020 (Perez, 2015).

### Webpages and Emails

Many advertisers choose to post promotional messages on webpages. There are many varieties such as banners, pop-ups, pop-unders and rich media advertisements. Advertising on popular webpages such as Yahoo!HK, SinaHK and MSN can reach millions of Internet users, but is relatively costly. Alternatively, advertisers may opt for a low cost and convenient channel—email. Email direct marketing (EDM) is increasingly popular with marketers.

### *Search Engines*

Google and Yahoo are the big players of search-engine advertising, or more specifically, keyword advertising. Advertisers buy keywords from the search engines and their advertising messages will be brought up on the pages of the search engine when specific words or phrases are entered. The ranking of ad appearance is subject to the amount placed by the advertiser and the quality of the advertisement. For instance, Google uses a quality scoring system (to estimate the quality of ads or keywords) to decide its ad rank (order of advertisements shown). Keyword advertising is popular with advertisers because it reaches consumers who have relevant needs. It also helps to feed back to advertisers the readiness of customers to partake of the product. Customers looking for comments, reviews or ratings of a particular product may represent different buying stages (i.e. searching, reviewing or comparing stages).

### *Social Media and Sharing Sites*

Social media is another trend in advertising development. Some of the popular social media networks include Facebook, Twitter, Instagram and LinkedIn, among others. These networks, once used mainly for connecting people, have now become tools for matching advertisers to their potential buyers. Likewise, YouTube, once a video-sharing site, has now become an alternative advertising platform to reach young consumers. It also serves as a test bed for television commercials for advertisers. There are many popular YouTubers such as Bomba, Hayhay and Szeto. Inviting these YouTubers to shoot a promotional video for a product/service may cost more than HK\$100,000. Other emerging advertising platforms include video games, mobile apps and product placements, to name but a few (see Chapter 4).

In summary, evaluating the utilization and performance of the above media outlets serves as a key indicator of advertising distribution. Regulation could be another indicator of advertising distribution. The restrictions put on some product categories affect the possible distribution outlets of their advertising messages. For instance, tobacco advertisements have not been allowed on broadcast media in Hong Kong since 1991. Some products, such as alcoholic drinks and condoms, are allowed to be advertised on broadcast media but have to be outside prime-time hours (see Chapter 6 for advertising

regulations). Gao (2005) compared the advertising regulations in Hong Kong, Taiwan and China and revealed some regulatory congruence within the greater China region.

## **Reception of Advertising Messages**

The third set of indicators of the effectiveness of advertising communication are the reception indicators, which include audiences' perception and evaluation of advertising messages. More than forty studies have been conducted to examine advertising messages in Hong Kong and public opinion toward them. Some of these studies have compared advertising in Hong Kong to other countries. Various research methodologies have been adopted in the studies. Content analysis and sometimes discourse analysis were employed to examine advertising messages, and surveys and experimental studies were frequently used to map individuals' cognitive, affective and behavioral responses toward advertising.

### **Content of Advertising Messages**

Advertising messages, mainly print and television, were analyzed with respect to their appeals, language usage, information content and gender portrayal. A few studies also examined the cultural values embedded in advertising and the symbolic meanings.

### *Appeals and Language Usage*

Studies were conducted to examine the appeals adopted by and the language used in advertisements. Ha (1998) content analyzed print advertisements in *Next* magazine (published in Hong Kong) and *Time* magazine (published in the U.S.) to compare the advertising appeals adopted by service advertisements in these two countries. The results were further examined with regard to different services types such as experience and credence services. Wu and Chan (2007) also conducted a content analysis of advertisements in *Next* magazine but their study focused on the language used before and after 1997 (i.e. before and after the return of sovereignty to China). A more recent study attempted to map the usage of humor in television advertising (Chan, 2011a). A total of 356 Hong

Kong television commercials were content analyzed and 20% of the sample were found to utilize humor devices to a certain extent.

#### *Information Content*

The first analysis of information content of television commercials in Hong Kong was conducted in 1986 using Resnick and Stern's (1977) evaluation criteria. Commercials were analyzed to see if they contained one of fourteen information cues including availability, performance and price, among others (Chan, 1986). The study also examined whether the presence of information cues depended on the type of product advertised, the duration of the commercials, and the day, time and channel of broadcasting. Altogether, 235 commercials were studied and 47% were found to contain one or more information cues. A replicate study analyzing 341 commercials was conducted a few years later (Chan, 1995b). There are also studies examining the information content of corporate advertising (Kwok, 1994; Tse, 2004) and subway advertisements (Lewis, 2003).

#### *Gender Portrayal*

Advertising is sometimes accused of creating and reinforcing gender stereotypes in society. A few content analysis studies were conducted to investigate the existence of gender stereotyping in advertising. Various items were coded, such as the frequency of males or females portrayed as central figures in the advertisement, the roles played by the central figures and the estimated price of the product (Siu 1996). Yik (1999) and Moon and Chan (2002) have conducted similar studies but with a focus on how television advertising targets children. Furnham and Li (2008) also investigated gender portrayal in advertising but focused specifically on food and beverage commercials. A recent study examined the portrayal of female figures in advertisements appearing in *Next* magazine (Chan and Cheng, 2012). The latest study on gender portrayal is from Prieler et al. (2015) and analyzed gender representations in television advertising in East Asian societies including Hong Kong, Japan and South Korea. Chapters 8 and 9 discuss gender issues in advertising.

#### *Embedded Cultural Values*

Advertising is said to reflect cultural values. Chan (1999) explored the set of cultural values embedded in newspaper advertising in Hong Kong from 1946 to 1996. A total of 580 advertisements were examined to check whether they contained any of the thirty-two cultural values including adventure, beauty, quality and safety, among others. The same coding frame was employed to compare cultural values embedded in Hong Kong and mainland Chinese television commercials (Chan and Cheng, 2003). Other cross-cultural comparisons include So (2004) which analyzed cultural values embedded in print advertisements in Hong Kong and Australia, and Moon and Chan (2005) which contrasted Hong Kong and Korean television commercials.

#### *Layers of Meaning*

Some scholars attempted to "undress" advertisements by conducting textual or discourse analysis. Frith (1997) argued that in order to comprehend an advertisement in detail, we have to deconstruct it. This enables one to identify what the advertisement states and how exactly it operates. This deconstructive reading and interpretation help to reveal the hidden motives in advertisements. In the deconstruction process, three levels of meaning that may emerge include the surface meaning, the advertisers' intended meaning and the cultural or ideological meaning (see Chapter 7 for details). Several studies were conducted to reveal the symbolic meaning of Hong Kong advertising. These included deconstructing the text and visuals of television commercials targeting children (Wong, 1997), advertisements on slimming products or services (Fung, 2006), banking commercials (Wong, 2000; Ma, 2001) as well as public services announcements (Cuklanz and Wong, 1999; see also Chapter 13).

#### *Cognitive Responses to Advertising*

Individuals' cognitive responses toward advertising mainly depend on the amount of exposure and attention paid to advertising, their understanding of advertising, especially by children, and whether one believes in what advertisements claim.

### *Exposure and Attention*

Exposure and attention to advertising is the first step to examine in the hierarchy of effects. In order for an advertisement to be effective, one needs to have sufficient exposure and attention to it. Questions such as "What do you usually do when advertisements are on?" may be used to check audience's exposure and attentiveness to advertising (Chan, 1995a). Attention to advertising could also be reflected in the capacity to recall or recognize advertisements that they have been exposed to. For example, Prendergast and Chan (2005) surveyed the Hong Kong public about their exposure to and recall of cinema advertising and noticed significant differences across demographic groups.

### *Understanding*

Advertising is sometimes criticized because of its manipulative effect on children (Gerbner and Gross, 1976). Advocate groups and educators are generally concerned that advertising may take advantage of children's inability to fully understand ads. Research has been conducted to investigate children's understanding of advertising and promotional messages. Chan (2000) employed three questions to examine children's understanding of television advertising: "When we are watching television, sometimes the program stops and there are other messages coming up, what are these?" "What do commercials want you to do?" and "Why do television stations carry such messages?" In another study, children were asked to recall their favorite television commercials and to describe what the commercials said by reading advertising storyboards (see Chapter 10 for details). Sin and Cheng (1984) surveyed the public's views on the impact of advertising on children with the statement, "Advertising has a bad influence on children".

### *Perceived Credibility*

In addition to understanding, trust toward advertising is another frequently studied topic in exploring individuals' cognitive perception of advertising. Statements such as "Products don't perform as well as the ads claim" (Martin et al., 1994) and "In general, advertisements do not present a true picture of the product advertised" (Sin and Cheng, 1984) were employed to check whether people believe in advertising claims. A study was conducted to examine the

credibility of advertisements of different product types and of advertisements carried by various media channels (Prendergast et al., 2009). The credibility issue is particularly controversial in relation to children because they generally lack the ability to detect exaggeration in advertising claims. Indeed, Chan (2001) interviewed 448 children regarding the truthfulness of television advertising and found that younger children were more likely to perceive advertising as truthful.

### *Affective and Behavioral Responses to Advertising*

The higher order effects of advertising include the effects on people's attitudes and behavior toward advertising, which are frequently examined. Opinions toward advertising in general, advertising on specific products or services and different types of advertising have been investigated.

### *General Opinions*

Many studies have been carried out to map public opinion toward advertising in general (e.g. Chan, 1995a; Martin et al., 1994; Sin and Cheng, 1984). Two recent studies focused on youth and young adults. Andersen et al. (2008) surveyed youth in Denmark and Hong Kong and found significant differences in their perception of and reactions to advertising. Jozsa et al. (2010) examined young adults' views toward television advertising by asking them to discuss three advertisements that they liked and three they did not like and the reasons for their opinions. Studies have also been conducted to explore particular sectors about their opinions toward advertising. For instance, Yau and Wong (1990) interviewed eighty professionals from CPA firms regarding their views toward the relaxation of restrictions on advertising (see also Yau et al., 1995).

### *Unacceptable Products and Services*

Offensive advertising is another topical issue in advertising reception. Consumers were surveyed to identify product/service advertisements that they found offensive and their reactions toward these advertisements. In one study, MDR Technology Limited (1994) used the question, "Do you think it is necessary to prohibit the broadcast of commercials of female sanitary products

during family viewing hours?" to check audiences' acceptance of advertising these products. In another study, respondents were asked to indicate the level of offensiveness they felt toward advertisements for products/services such as chatline services, gambling, condoms, underwear and funeral services (Prendergast et al., 2002). The reasons for finding these advertisements offensive, the level of tolerance of offensive advertisements and the impact on purchase intentions were also examined (see Chapter 5 for details).

#### *Perceptions of Different Advertising Types/Appeals*

In addition to examining opinions toward advertising in general, studies have also been conducted to explore the views of the public toward specific types of advertising. Prendergast and Chan (1999) interviewed over 100 consumers about their involvement with and attitudes toward exterior bus advertising. Au (2000) surveyed individuals' attitudes toward religion and church advertising in Hong Kong. Chan (2011b) conducted an experimental study to examine young adults' perception of humorous advertising and its effectiveness. Celebrity endorsements are very common in advertisements appearing in Hong Kong; Chan et al. (2013) conducted a focus group study to explore adolescents' interpretations of celebrities in television commercials. A similar study focused on the interpretation of images of female figures in particular (Ng and Chan, 2015). Public attitudes toward other types of advertising were also considered, such as public service announcements (Chan and Chang, 2013), product placements (see Chapter 4) and advergames (see Chapter 12).

#### **Conclusion**

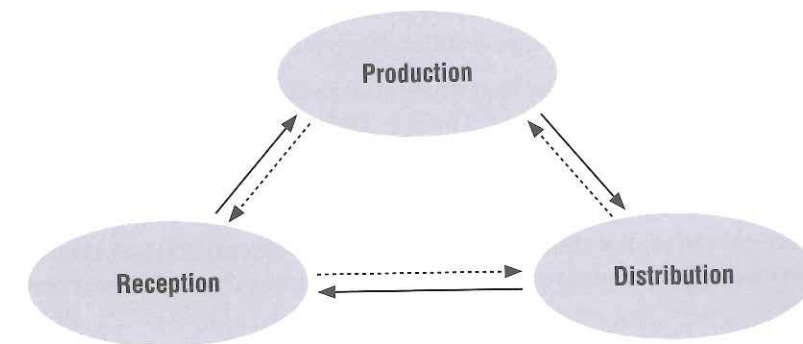
In summary, the three sets of indicators—production, distribution and reception—discussed above are important in displaying the development of advertising communication in a society. Table 1.1 summarizes the different sets of indicators of the success of advertising communication. The production, distribution and reception of advertising can be viewed as three intertwined paths (see Figure 1.1). The capacity of production exerts pressures on the method of distribution which further influences the reception of messages. Meanwhile, the state of message reception also feeds back to and shapes message production and distribution. In other words, the investment in

**Table 1.1**  
**Summary of Indicators Showing the Effectiveness of Advertising Communication**

Production indicators	Distribution indicators	Reception indicators
Investment in advertising production	<i>Traditional media outlets</i> Television	<i>Advertising message content</i> Appeals and language usage
Capability of advertising production	Radio	Information content
Quality of advertising production	Newspapers and magazines	Gender portrayal
	Outdoor billboards and transit vehicles	Embedded cultural values Symbolic meaning
	<i>Digital media outlets</i> Webpages and emails	<i>Cognitive responses to advertising</i> Exposure and attention
	Search engines	Understanding
	Social media and sharing sites	Perceived credibility
		<i>Affective and behavioral responses to advertising</i> General opinions Unacceptable products and services Perception of different advertising types/appeals

**Figure 1.1**

**The Three Interactive States: Production, Distribution and Reception**



Chan (2016) conducted a content analysis of top grossing movies in 2010. The prevalence and characteristics of brand appearances in these movies were documented. The study recorded an average of thirteen brand appearances per movie and that most of the top-grossing movies were U.S. productions. In other words, Hong Kong audiences were exposed to brand integration not only in local productions but also in American movies.

Hong Kong people's views toward this implicit promotion were also explored. Chan et al. (2015) interviewed thirty-two young adults from Hong Kong and the United Kingdom (UK) about their perceptions and interpretations of product placement. In general, the young audience from Hong Kong found it acceptable to integrate brands in media content and they actually preferred the practice to traditional advertising. Kong and Hung (2012) conducted an experimental study to explore the effect of information-overload and different character attributes on the recall of and attitudes toward placed brands. It was found that college students recalled placements loaded with product information better, although they displayed negative attitudes toward those placements. This negative effect was further strengthened when the audience had a high level of involvement with the character associated with the placed brand. In another experimental study, Chan et al. (2016a) investigated the role of prominence and brand awareness on placement effectiveness among young consumers in Hong Kong and the UK. The results show that young consumers disliked prominent placements or placements of less well-known brands and were less likely to be persuaded by these placements. The effects of interaction between prominence, brand awareness and cultural dimensions were also evidenced in the study.

The most recent experimental study explored the effect of placement processing on brand persuasiveness among young audiences (Chan et al., 2016b). It was found that prominent placements elicited more extensive processing, which led to more negative attitudes toward the brand. In summary, systematic scholarly work on product placement spans just two to three decades and there is a need for more research in Asian contexts (Chan, 2012; 2015).

## Regulation of Product Placement

Product placement is often accused of taking advantage of audiences who are unaware of it and trying to influence them in a subconscious way (Chan, 2012). It is generally agreed that product placement can be regulated through two forces: external and internal control. External control refers to laws and regulations enforced by governments or codes of practice laid down by established bodies such as professional associations. Internal control is the regulatory power exercised within media organizations. It is common for broadcasting media to set up their own regulatory systems in order to avoid being fined or losing viewers.

In Hong Kong, a Generic Code of Practice on Television Advertising Standards has been developed to guide the integration of branded content in television programs (Communications Authority, 2015a). Product placements in television programs are acceptable as long as they meet certain ground rules. First, the product/service placed should be justified editorially and should not cause any obtrusion to the viewing experience. Second, product/service sponsorship is not allowed in children's programs. This is to protect young viewers who may not be able to exercise sound judgment and hence are more susceptible to the influence of the embedded products/services.

The Communications Authority undertake investigations when they receive complaints concerning a particular instance of brand integration. For example, a complaint was received some time ago regarding the travelogue *Chimelong Resort Special: Fun at Panyu* broadcast on Asia Television Limited (ATV) at prime time (Communications Authority, 2015b). A viewer complained that the program had been filmed entirely within a theme park with strong promotional intent. In line with established practices, members of the Authority then viewed the program. It featured a male character guiding a group of artists around a theme park. The name and logo of the hotel and facilities in the theme park were clearly and prominently shown. Positive remarks and recommendations about the facilities were frequently made in the program. The case was then discussed and investigated by a committee set up by the Authority. It concluded that the extensive exposure and detailed descriptions of the sponsor's products and services in the program were unlikely to be incidental. It was evident that advertising materials had been



However, disclosing commercial intent at the beginning of a movie may also irritate some audiences. In addition, concerns are frequently raised that product placement works best when consumers are not aware of it (Russell, 2002). Prior disclosure explicitly alerts viewers to the promotional nature of the placed brand. Audiences may then recognize that the brand appearance is purposeful and may associate it with selling intent and argue against it. In this case, the promotional effort may be wasted. Those who support further regulations on product placement tend to agree with this view. Therefore it is hypothesized that a prior disclosed product placement will be subjected to more scrutiny, and thus will be less persuasive, specifically:

H1: Participants will report (a) a less positive attitude and (b) a lower level of purchase intention toward a placed brand which has been previously disclosed.

#### Culture and Prior Disclosure of Product Placement

A few studies have investigated the views of audiences from different countries about further regulation of product placement and these have revealed substantial differences. For example, respondents from less assertive cultures (e.g. Korea) were more likely to find product placement unethical and misleading (Lee et al., 2011). Audiences in the United States (an assertive culture) generally do not think that product placement should be banned or regulated by the government (Sung et al., 2009). On the contrary, respondents from a less assertive culture (Singapore) were more likely to agree that the government should regulate the use of branded products in movies (Karrh et al., 2001). This may be attributed to the unique governance of Singapore. However, it may also indicate cultural differences with regard to regulating product placement, though more empirical support is needed. The interaction between culture and prior disclosure of product placement has not been empirically tested.

Cultural orientation has been mapped as the antecedent to various types of consumer behavior (Rokeach, 1973). Previous studies indicate that the cultural dimension of assertiveness shapes consumers' responses toward different advertising campaigns (Okazaki et al., 2010). Assertiveness is a cultural dimension identified in the Global Leadership and Organizational Effectiveness

(GLOBE) study by House et al., (2004). It is defined as "the degree to which individuals are assertive, confrontational, and aggressive in their relationships with others" (House et al., 2004). It is anticipated that societies with higher levels of assertiveness may find prior disclosure of placed brands unnecessary. Individuals in such cultures are generally more assertive and confrontational, and thus may not appreciate explicit warnings. Alternatively, individuals from less assertive cultures may favor explicit rules and regulations to protect them from covert selling. Therefore it is hypothesized that the assertiveness of a culture has an impact on the persuasiveness of a prior disclosed brand:

H2: Participants from assertive cultures will report (a) a less positive attitude and (b) a lower level of purchase intention toward a placed brand which has been previously disclosed than participants from less assertive cultures.

#### Research Design

A web-based experiment, which combined aspects of a lab-controlled experiment with a real-life situation, was used to test this. This method of experiment allowed students to watch a video online in the comfort of their own space, and yet the fact that it was online allowed the researchers to manipulate it and trigger different stimuli. Thus, a high degree of control over the experiment was maintained while at the same time using a real-life viewing environment.

#### Sample Profile

The sample contained 572 consumers between 18–34, with 283 from the UK and 289 from Hong Kong. The UK and Hong Kong were chosen for comparison because of the resemblance of the two social units in terms of political, economic and social infrastructure (Chan et al., 2016). Despite the similarities, the two cultures differ remarkably in assertiveness, the key cultural dimension of concern in this study (House et al., 2004). This makes them extremely desirable for a comparative experimental study. The group of 18–34-year-olds was targeted because they are the primary consumers of movies. Thus it is appropriate to examine placement effectiveness using this group.

### Research Stimulus and Procedures

A content analysis study helped researchers to decide to use the placement of a branded camcorder as the research stimulus (Chan, 2016). A pretest with twenty young consumers showed that a camcorder was the most appropriate product among a wide array of products offered. The selected scenes were extracted from a science fiction movie which featured a female character using a branded camcorder to record her days after a virus outbreak on earth. The edited video clip lasted for about five minutes. Participants were randomly assigned to watch the video clip either with or without prior disclosure and were invited to respond to a list of questions afterwards.

The two independent variables were prior disclosure (with versus without) and cultural orientation (low versus high assertiveness). Prior disclosure was administered by placing a statement at the beginning of the video clip to inform participants about the placed brand. House et al.'s (2004) scale was adapted to assess individuals' levels of assertiveness. In view of acculturation, the study only considered those who had stayed in their home countries for the majority of their lives. The two dependent variables were attitude toward the brand and purchase intention (Gupta and Gould, 1997; Matthes et al., 2007).

### Results and Discussion

A high correlation was noted between the appearance of a prior disclosure notice and participants registering that they had seen a prior disclosure message at the beginning of the video (see Table 4.1). Among participants who were not exposed to a prior disclosure statement, 89% reported correctly that they had not seen a prior disclosure statement. Among participants who had been shown a prior disclosure notice, 86% reported accurately that they had seen a prior disclosure statement. Participants exposed to a placed brand which had been disclosed to them prior to viewing had a slightly less positive attitude toward the brand but the difference was not significant (see Table 4.2). In other words, the results are not opposed to H1(a) but do not provide statistically significant support for it. Similarly, exposing participants to placements with or without prior disclosure did not affect their purchase intention toward the placed brand. Therefore H1(b) is not supported.

**Table 4.1**  
Differences in Reporting Seeing a Prior Disclosure Message

Manipulations		Prior disclosure	
		Without (n = 317)	With (n = 255)
Report seeing a prior disclosure message	No	282 (89%)	37 (14.5%)
	Yes	35 (11%)	218 (85.5%)

$r^* = 0.75, p^* < 0.001$

\*  $r$  = Pearson's  $r$  correlation.  $p$  = significance level.

**Table 4.2**  
The Effect of Prior Disclosure on Brand Attitude and Purchase Intention

Independent variables	Attitude toward brand		Purchase intention	
	M	SE	M	SE
Without prior disclosure	4.45	0.05	4.19	0.07
With prior disclosure	4.37	0.05	4.22	0.07

Results indicate that Hong Kong people were perceived to be significantly more assertive than the UK cohort (5.11 versus 4.22). This was consistent with the findings (4.67 versus 4.15) reported in the GLOBE study (House et al., 2004) although the differences in this instance were even more pronounced. No significant interaction between prior disclosure and culture was found in this study (see Table 4.3). However, participants from the assertive culture (Hong Kong) did report a less positive attitude ( $M_{HK} = 4.13$  versus  $M_{UK} = 4.60$ ) and a lower rate of intention to purchase ( $M_{HK} = 4.21$  versus  $M_{UK} = 4.24$ ) toward a placed brand which had been previously disclosed than participants from the less assertive culture (UK). In other words, the results tallied with the direction predicted by H2 but did not provide statistically significant support for it.

**Table 4.3**  
**The Interaction Effect between Prior Disclosure and Culture on Brand Attitude and Purchase Intention**

Independent variables	Culture	Brand attitude		Purchase intention	
		M	SE	M	SE
Without prior disclosure	UK	4.63	0.08	4.25	0.10
	HK	4.28	0.08	4.12	0.10
With prior disclosure	UK	4.60	0.08	4.24	0.10
	HK	4.13	0.08	4.21	0.09

Cowley and Barron (2008) found that informing participants of the persuasive intent of product placement lowered their preference for that brand. However, the current study did not detect any significant effect of prior disclosure on the evaluation of placed brands. Similarly, no correlation between culture and prior disclosure was found. Both UK and Hong Kong participants exhibited similar attitudes and levels of intention to purchase toward a placed brand which had been previously disclosed.

A possible explanation is that consumers nowadays have a high exposure to various marketing practices and hence are more skeptical of different promotional tactics. Participants from both cultures may be predisposed to assume commercial elements are prevalent in movies. This is supported by the fact that moviegoers, on average, were exposed to thirteen brands per movie as revealed in a recent content analysis study (Chan, 2016). In addition, the research specifically focuses on a group of 18–34-year-olds who have grown up with new media and are believed to be more familiar with different marketing practices. They may be desensitized to different promotional tactics and thus are harder to persuade. In other words, the participants may have already assumed there will be some kind of commercial intent in movies. Therefore acknowledging them or not does not cause any significant difference to their evaluation of a placed brand.

Another implication is that although prior disclosure alerts audiences that the movie is being employed as a vehicle for promotion, it may also make

audiences feel that the movie producers/brand owners are honest enough to disclose their intention explicitly. Consequently, the brand evaluation may not be as negative as anticipated. Therefore participants who were exposed to a previously disclosed brand only displayed slightly less positive attitudes than the group who had not been given prior disclosure. However, the difference was not significant enough to support the research hypothesis. It suggests that warnings related to commercial intent may not be sufficient to insulate consumers from persuasion while non-disclosure does not make audiences fall prey to promotion.

Some consumer advocate groups have lobbied for blanket legislation of product placement, but the findings here suggest this may be an overreaction. Practitioners generally believe that product placement can benefit many different parties if it is well integrated and that nobody will watch the show if the brand integration is badly designed. The industry inclines to consider product placement as an intrinsically self-regulated marketing communication activity, which means that the movie and the placed brand will automatically be penalized if the placement is overdone or too prominent.

Results from the current study appear to suggest that mandatory disclosure may not be necessary for young adults because it does not safeguard young audiences from the persuasiveness of product placements. With technological advancements and the force of globalization, regulating product placement geographically/regionally may soon become impractical. Perhaps self-censorship by the industry and scrutiny by the public are more feasible. It is believed that brand owners and movie producers are the ones to suffer if a movie or program becomes saturated with product placement and consequently annoying to audiences. Therefore practitioners have to make sure that they uphold their autonomy and credibility if they want to be free from formal regulations and close scrutiny by authorities.

## Conclusion

The crossover between editorial content and promotional material is becoming more and more common and it is increasingly difficult to separate (Baerns, 2003). Products sometimes appear as an integral part of characters' experiences, perhaps to mask the original promotional intent. Although

product placement is perceived to be less intrusive compared to traditional advertising messages, this promotional practice may actually be more penetrative. The effectiveness and ethical acceptability of product placement calls for subsequent media and research attention.

The directive on prior disclosure of product placement deals in movies has yet to be implemented. This chapter reports the first study to explore the role of prior disclosure on product placement effectiveness in the Asian context. However, no significant effects have been detected. Although the result does not conform to our expectations, it is still important because it sheds light on issues affecting the further regulation of product placement in movies across two cultures. It is suggested that future studies may extend to a wider international sample of consumers. In particular, the increasing use of product placements in children's entertainment media should receive more research attention (Hudson et al., 2008). Children are more vulnerable and the way they process product information may be different. Therefore the role of prior disclosure of product placement may have different effects on them. The advancement in communication technologies together with the fact that audiences are more skeptical nowadays suggests that implicit promotion is a fruitful research area which warrants further exploration.

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are a major target audience for social marketing. Social marketing usually involves the promotion of abstract ideas rather than concrete products and services, thus, it is natural to ask if children understand these messages. At what age will they begin to be interested in social marketing communication? How does this interest develop with time? What forms of social marketing communication appeal most to children? This chapter attempts to answer these questions.

### Children's Responses to General Advertising and Public Service Advertising

Most researchers in developmental psychology agree that a child's ability to acquire cognitive reasoning progresses through a series of distinct stages (John, 1999; Piaget, 1970; Selman, 1980). Based on Piaget's (1970) stage theory of cognitive development and Selman's (1980) stage theory of social development, John (1999) proposes a model of consumer socialization. The model proposes that children learn to become a consumer through the perceptual stage (ages 3–7), the analytical stage (ages 7–11) and the reflective stage (ages 11–16). Using John's (1999) theoretical framework and empirical evidence from a survey of 1,758 children in China, Chan (2014) summarizes children's responses to television advertising at different stages.

At the perceptual stage, children do not have a clear understanding of the persuasive intent of advertising. They are usually aware that advertising wants them to buy the product featured in the commercial or tell their parents about it. However, they seldom have a clear picture about why television stations broadcast these messages (for example, some young children think that the commercials appear on television in order to give the audience a break from watching the program). Also, for the most part, they believe that advertising is mainly true. Furthermore, they often have strong views about advertising, whether positive or negative. The advertising appeals they like the best are humor and animations.

At the analytical stage, over a third of children are able to understand that advertising promotes products. Unlike the previous age group, most children in the analytical stage perceive that only about half of the advertising is true. Again, they do not have strong views about advertising; some still like it a lot,

but others now have more neutral views on it. Also, while these children still enjoy funny ads and animated ads, they now begin to show an appreciation for public service advertisements, which the majority of them perceive as being more meaningful than other advertisements. Comparatively speaking, children at this stage have a more sophisticated understanding of advertising than children at the previous stage.

When children reach the reflective stage, most of them are able to identify the persuasive intent of advertising. Like children at the previous stage, children at the reflective stage perceive that half of the television commercials are truthful. However, by now most of them have become desensitized: they neither like nor dislike television advertising, and they are no longer interested in animated ads. But they still love funny advertisements. Furthermore, most of them show an appreciation for public service advertising, such as social service advertisements about environmental protection, which they still believe is meaningful (Chan, 2014). Notice that as children progress through the stages of the model their understanding and liking of public service advertisements also increases.

A study using face-to-face interviews with a structured questionnaire was conducted among 448 children aged 5–12 in Hong Kong (Chan, 2000). It was found that by ages 7–8, children were beginning to understand what advertising was and were aware of the persuasive intention of television advertising. These results provide empirical support for John's (1999) model of consumer socialization. The deciding factor in the interviewees' responses to advertisements was the entertainment element. The study showed a few television commercials to respondents and asked them to recall the key messages of the commercials. Two of these commercials were public service advertisements. The first was developed by the Electrical and Mechanical Services Department to promote liquefied petroleum gas as a cleaner form of energy for taxis by featuring taxi drivers who claimed that gas fuel would create a better environment for pedestrians. Less than one third of the respondents were able to demonstrate full understanding of the advertisement. Some reported that the advertisement was about the use of unleaded fuel, while some misunderstood it to be an advertisement advocating that drivers turn off their engines when their vehicles were not in use. Chan (2000) attributed the confusion to the fact that children were unfamiliar with driving or choice of fuel.

Chan (2000) found that public service advertisements were able to communicate well with younger children when they were presented in a child-friendly manner. A television public service advertisement produced by the Civic Education Committee about human rights reported an overall 63% of full understanding among all respondents and 27% of full understanding among children studying in kindergarten or primary 1 (equivalent to grade 1 in the U.S. system, ages 6–7). This advertisement featured an animated girl and an animated boy. The girl said that she wanted to be a doctor when she grew up. When the boy said that she could not be a doctor, the girl replied that if she had the competence, she could make it. The voice-over reassured the audience that boys and girls both have the right to choose their occupation. The closing scene showed a boy and a girl with an equals sign between them. Chan (2000) suggested that a straightforward narration and a concrete example of how human rights were being challenged contributed to the successful communication to the target audience (Chan, 2000).

A qualitative study was conducted to examine older children and youths' perceptions of public service advertisements in Hong Kong (Chan, 2010). In this study, thirty-two Chinese adolescents aged 14–16 were recruited to participate in a face-to-face interview. Most interviewees reported that they distinguished between public service advertisements and commercial advertisements mainly through the ad's persuasive intent. They perceived that public service advertisements were messages with no intention of making money, while advertisements for goods and services were messages for profit. Some interviewees also perceived that public service advertisements were educational, informative and meaningful in nature. Government departments, non-profit organizations and charity groups were identified by the interviewees as major sources of social marketing communication. When asked what these messages want people to do, most of the interviewees reported that these messages want people to follow the featured actions or to adopt the advocated attitudes. In general, these young consumers demonstrated a positive attitude toward public service advertisements, and most of them believed these messages. Most of them reported that their trust was based on the credibility of the government as a source of communication. Some believed these messages because they perceived that these messages were meaningful. Three interviewees reported that they believed these messages

because the messages were close to what they saw in their daily lives. However, a few interviewees did not believe the public service advertisements because they found the persuasive messages exaggerated or unrealistic. One interviewee in particular criticized a public service advertisement advocating that "learning is not about getting high scores". Based on her own experience, she believed that the point of education was to compete with others and move ahead by getting good scores. She concluded that the government was telling lies (Chan, 2010).

The study also found that young people paid attention to details of public service advertisements. They were most interested in the characters portrayed in the advertisements, the scripts and the story, the celebrities featured, the music and the slogan. They also liked some of the public service ads because of the entertainment value, personal relevance, creativity and visuals. For instance, one interviewee enjoyed an advertisement with the slogan "Love your teeth, start flossing" that featured Ah Sa (of the group Twins) with a giant tooth. He found it creative, trendy, easy to remember and thought it had good sound effects (Chan, 2010).

When asked about advertising executions often used in public service ads on television, interviewees most frequently reported use of celebrities, slice-of-life dramas and slogans. An interviewee recalled without effort six celebrities who appeared in a public service ad, including three popular local singers and two prominent government officials. However, not all persuasive campaigns were appreciated by children and youths. Interviewees in a study to examine two government television advertisements promoting green living reported mixed views (Chan and Chang, 2013). The majority of the thirty-seven interviewees reported that they found the green living ads enjoyable, refreshing and visually stimulating. However, some interviewees found the same two ads unrealistic, irrelevant and unimpressive. Chan and Chang (2013) suggested that to encourage the young target audience to practice the desired behavior using public service advertisements, the social marketers should use visual images, music and appealing characters to evoke desirable emotions and to arouse a sense of personal relevance. According to them, the social message would also need to spell out how to achieve the advocated end-state; only when the audience is empowered with the perceived competence would they be motivated to carry out the specified behavior (Chan and Chang, 2013).

A recent study was conducted to examine Hong Kong children's understanding and comprehension of public service advertisements broadcast on TV in October 2013. A sample quota of thirty-one children aged 7–12 studying in primary 2 to 6 were personally interviewed. Two APIs (Announcements in the Public Interest) were shown to the interviewees. In the first API on drug abuse, serious consequences of sniffing thinner and abusing cough medicine such as rotten teeth and loss of bladder control were shown. The API featured children aged around 10–12 as its central characters. The voice-over of this API says:

Not only can she not walk straight...Not only does she break out in cold sweats...Not only has her pulse rate shot up...Not only is she slow to react ... Not only are her teeth rotting...But her brain is also damaged. Do you still want to abuse thinner and cough medicine? Stand firm! Knock drugs out! (Information Services Department, 2010)

The other API included in the study was about social inclusion. The API featured characters of different races, ages and genders. The API urged the public to respect different values and lifestyles. The API featured five characters including a man, a girl dressed in fashionable clothing, an older man and an older woman. They were being kind and nice to one another. The script of this API was as follows:

Man: "Respect—it's easy. Mutual understanding and accommodation."

Indian girl: "We all think differently but accept each other for who we are".

Pop girl: "Trendy style—no problem!"

Old man: "Thank you, young man! And they don't mind if I'm a little clumsy".

Wife: "It's best when people truly understand me".

Voice-over: "Want to be respected? Try respecting others first".

Old woman: "Don't mind me when I laugh out loud!" (Information Services Department, 2013d)

This public service advertisement obviously was not targeting children as its narration was adult-oriented. Interviewees were asked to report the key message of these two advertisements. They were also asked to describe the differences between these public service messages and advertisements

of a commercial nature such as an advertisement for toothpaste or an advertisement for candy.

Results indicated that children's understanding of the social message on anti-drug API was much higher than that of the social message of the API on social inclusion. Among the thirty-one interviewees, twenty-three were able to identify the key message of the anti-drug API. They reported that illegal drugs are harmful to bodies, and that people should not take drugs. Seven of them had a partial understanding of the anti-drug abuse API. They remarked that people should not take medicine too casually. One interviewee was not able to identify the key message of the API. On the other hand, only twelve of the thirty-one interviewees were able to identify the key message of the social inclusion API. They reported that people should show respect to one another. A further seventeen interviewees had a partial understanding of the API. Some of them perceived that the message advocated respecting seniors. The remaining two interviewees were unable to discern the key message of the API.

The significant gap between the understanding of the two APIs can be attributed to several factors. Firstly, the anti-drug abuse messages were concrete and direct, while the social inclusion message may seem vague and fragmented to children. Secondly, the anti-drug API featured child characters throughout and would be more likely to attract the attention of children and youths. The social inclusion API featured six adults and was less likely to appeal to a young audience. Thirdly, some interviewees reported that they received similar messages about drug abuse from parents and school teachers. A few interviewees mentioned that the API on drug abuse had been shown at their schools. However, none of the interviewees reported that they were exposed to social inclusion messages at home or at school.

Furthermore, it was found that children distinguish social messages and commercial messages based on the intention of the messages as well as the execution strategies of the advertisements. Out of thirty-one interviewees, twenty reported that public service advertisements attempted to teach, educate, change attitudes or evoke action, while commercial messages were about promoting products to make money. Another eight interviewees distinguished between the two types of messages by their styles. Some



The Information Services Department, a department of the Hong Kong Government, is responsible for providing a communication link between the government and the people through newspapers, television, radio, magazines and other media (Information Services Department, 2014). It aims to enhance public understanding of government policies, decisions and activities through various media content, publicity and advertising. It has four divisions: local public relations, publicity and promotions, public relations outside Hong Kong and administration. The publicity and promotions division is responsible for government publications, promotional campaigns, advertisements, creative and design work and government photography (Information Services Department, 2014). It serves as the government's publicity adviser, serving various government departments and bureaus in designing and executing local publicity campaigns (Information Services Department, 2014).

In Hong Kong, the public service advertising handled by the Information Services Department has a special name, "Announcements in the Public Interest", or "APIs" for short. They provide information that the public needs to know (Wong, 2006). The production of each API is funded by government departments or bureaus. These messages are related to issues of public concern such as health, safety, social welfare, legal obligations, availability of public resources and changes affecting environmental factors. They are directly related to government policy or operational objectives (Information Services Department, 2013c). The design and production of APIs are normally contracted out to private advertising and media companies. The Information Services Department works closely with other government departments, working groups and committees in designing campaign themes and execution strategies (Wong, 2006). Information Services Department personnel are involved in the preparation of documents inviting quotations, selecting ad agencies for production, liaising with client bureaus and departments on production logistics, management of the approval process and allocation of airtime for broadcasting the APIs (Information Services Department, 2013c). Among the mass media, television is considered the most effective medium for delivering messages to the public (Wong, 2006). Hong Kong's licensing regulations oblige the three local free television licensees and two local commercial analog radio broadcasters to broadcast one minute of APIs every hour free of charge. With the free airtime, APIs on television are known to make a significant social impact (Chan, 2010).

As of 2015, there are eighteen different publicity campaigns broadcast in the television media. Table 10.1 (Information Services Department, 2015) lists these in alphabetical order. Among them, at least thirteen are of concern to children and youths. However, most such publicity campaigns do not employ age segmentation strategies. In other words, it is rare to find a publicity campaign developed on a single key message but with different executions,

**Table 10.1**  
**The Hong Kong Government's TV Publicity Campaigns**

Campaign	Title or slogan of advertisement targeting children and youths
Anti-drugs*	Anti-drugs 2015 (Quit drugs now)
Basic law and constitutional development	
Civic Education	
Clean Hong Kong*	Let's keep Hong Kong clean
Fight crime*	Mind your belongings
Education*	Respect our teachers
Environmental protection*	Waste less! Rinse and recycle glass bottles
Family*	Family education (modelling)
Fire prevention*	Countryside protection and hill fire prevention
Health and hygiene*	Exercise every day with your family
Home safety and building management	Lift safety
Hospitality	
Information technology*	GovWiFi (security)
Intellectual property rights*	Don't sell counterfeit and pirated goods over the Internet
Labor relations, employment and occupational safety*	Youth employment and training program
Road safety and transport*	Pay attention. Cross the road with care
Volunteering*	Volunteering—new attitude to life
Others	

\*Campaigns with children and youths as one of the target groups (Information Services Department, 2015).

each aimed at a different age segment. Take the promotion of social inclusion ideas among children and youths as an example. In recent years, there has been an influx of school children from mainland China. Some schools also have students of non-Chinese races. Many children therefore have daily encounters with classmates from different cultures. It is important to foster mutual understanding and respect among schoolchildren. Therefore, there is a need to introduce the idea of social inclusion among children. The public service advertisement in place is not sufficient to cater to the cognitive level and tastes of children. In the government's audit report, the Information Services Department was criticized for its lack of yardsticks to measure the effectiveness of the publicity campaigns in terms of awareness, attitude/behavioral change and participation. Some publicity campaigns did not set any performance targets to measure the effects of communication (Audit Commission, 2001).

### Conclusion

Children have a good understanding of public service advertisements in Hong Kong. They can identify the key messages of the public service advertisements which use straightforward and child-friendly narration. However, audience research indicates that not all public service advertisements communicate well with youths and children. Hong Kong citizens in general and children and youths in particular are responsive to creative stories, funny characters and social issues which have a high personal relevance. There is a need for social marketers to measure the effectiveness of public service advertisements using interviews or surveys. These social messages will be more effective when they are discussed or elaborated in detail in the family or at school.

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health-care costs (Goldman et al., 2005). This suggests an increasing demand for health-care services in the long run. This demographic trend will increase the demand for medical as well as health-care services. As a result, the medical costs to be borne by individuals and public funding by governments will also increase dramatically (Peterson, 1999).

A comparative study of health-care systems in Europe and Asia found that those in Asia are characterized by a high degree of preventive services and policies, combined with the use of traditional medicine. Governments in East Asia control health-care systems to a great extent and are very cost-conscious (Aspalter et al., 2012).

There are mixed views on whether health-care services should be made private. Proponents of private care say it will reduce waiting lists in the public system. Opponents say private markets will drive prices up to enable health providers to make profits (Davidson, 2012). Despite the differing opinions, the need for private health-care services has undoubtedly been increasing over the past decades. The rising costs of medical care may threaten the trust between medical health providers and patients. A survey of patients in the U.S. found that respondents with high medical bills have less trust in their physicians and have a more negative opinion of the thoroughness of the medical care they receive from their physician. Exposing patients to higher medical costs could lead to greater skepticism and less trust in physicians' decision-making skills, thereby making health-care delivery less effective (Cunningham, 2009).

Privatization of health-care systems leads to the need for health providers, including hospitals and medical practitioners, to promote their services. Advertising is one of the marketing communication channels to promote services. There has long been a call to relax advertising rules against the advertising of certain professions and regulations for different types of professionals including accountants, lawyers and physicians all over the world (Miller and Waller, 1979; Hite et al., 1990). Attitudes toward professionals advertising varied significantly among professionals and the general public. Studies in the 1970s showed that professionals disliked advertising and most professionals expressed worries that such advertising would tarnish the public image of their professions (Shimp and Dyer, 1978). A survey reported that advertising by medical professionals was perceived more negatively

by medical practitioners than by the general public (Hite and Billizzi, 1986; Caruana and Carey, 1997). It also found that consumers desired informative advertising from professionals, especially during the period of prohibition on professionals' advertising when such services relied heavily on word-of-mouth for promotion (Hite et al., 1990).

A consumer survey found that professionals such as accountants, lawyers and doctors in Hong Kong generally enjoy a highly favorable public image. Respondents considered professional advertising useful in providing information about services and fee structures. They perceived that advertising by professionals would not jeopardize this favorable image. However, they noted that advertising by professionals would increase the cost of professional services (Au, 1997). Another qualitative study found that interviewees generally believed that advertising legal services is helpful as it makes the legal profession seem more approachable and transparent. However, interviewees considered that lawyers advertising using price appeal could be misleading. Interviewees also worried that the advertising of legal services would encourage the use of litigation as the preferred means of solving disputes (Chan et al., 2012).

### Medical Professionals in Hong Kong and Advertising Regulations

In Hong Kong, there were 13,726 medical practitioners registered as of December 2015 (Information Services Department, 2016). The number of doctors per thousand people was 1.9, which was significantly lower than that of the U.K. (2.8 in 2013), the U.S. (2.5 in 2011), Japan (2.3 in 2010) and Singapore (2.0 in 2013; The World Bank, 2015). The Medical Council of Hong Kong was established under the Medical Registration Ordinance. The Council is responsible for enforcing the registration and professional discipline of all medical practitioners in Hong Kong. The objective of the Council is to maintain a high standard of professional conduct and to uphold trust in the competence and integrity of the medical profession (The Medical Council of Hong Kong, 2009). In the past, medical professionals were not allowed to advertise in Hong Kong (Au, 1997). In fact, according to the *Code of Professional Conduct for the Guidance of Registered Medical Practitioners* published by the Medical Council, medical practices should not be promoted

as a commercial activity (The Medical Council of Hong Kong, 2009). The Council believed that advertising medical care as no more than a commercial activity would undermine public trust in the profession and eventually diminish the standard of medical care (The Medical Council of Hong Kong, 2009).

In view of the increasing demand for private medical services, the Medical Council relaxed the regulations on medical practice promotion in 2008. Publication of service information in four print media, namely newspapers, magazines, journals and periodicals, was permitted (The Medical Council of Hong Kong, 2009). Not many medical doctors advertised. In 2011, the advertising expenditure spent on health services was HK\$435,817,000 (admanGo, 2012). Most of the advertisers were hospitals, clinics, laboratories or health-care groups. Individual medical doctors accounted for only 1% of this advertising expenditure.

### **A Study Examining Public Attitudes toward Advertising by Medical Professionals**

A study was conducted to investigate the public's attitudes toward advertising by medical professionals. The main objectives of the study were:

- to investigate consumers' attitudes toward advertising by medical professionals;
- to examine if attitudes toward advertising by medical professionals vary among different demographic groups; and
- to examine if consumers with a high knowledge about the current regulatory framework and consumers with a low knowledge have different attitudes toward advertising by medical professionals.

The questionnaire used in the study was adapted from a previous study on attitudes toward professional advertising (Au, 1997). Additional statements were added by modifying those from a previous qualitative study on attitudes

toward advertising by lawyers (Chan et al., 2012). The questionnaire had three sections, including "Attitudes toward advertising by medical professionals", "Attitudes toward medical professionals" and "Perceived impact of advertising by medical professionals". All the statements were measured on a five-point scale with one indicating "disagree strongly" and five indicating "agree strongly". Medical professionals were defined as all types of medical doctors and dentists who treat human patients. Following the attitudinal statements, respondents were asked in which media medical professionals in Hong Kong were allowed to advertise now. Respondents were asked to choose from a list of nine media including newspapers, radio and television. A new variable was added, labeled "Knowledge of advertising regulation". The variable was set to one if respondents were able to observe correctly that medical professionals were allowed to advertise in both newspapers and magazines. These respondents were labeled as having a high knowledge of the current regulatory framework. Otherwise, the variable was set to zero, with these respondents labeled as having a low knowledge of the current regulatory framework. Finally, demographic variables including age, sex, education, housing type, occupation and household income were collected. The study was conducted in Chinese.

In view of the unavailability of a suitable sampling frame, a quota sampling survey of Hong Kong residents aged 20 or above was conducted. Students studying research methods at Hong Kong Baptist University were asked to invite others to fill in an online questionnaire. At least one male and one female adult in the age groups of 20–29, 30–39, 40–49 and 50 or above were recruited by each student. Altogether 1,403 online questionnaires were received. Among these, 1,297, about 92%, were completed.

The demographic profile of the respondents is presented in Table 11.1. There were roughly equal proportions of males and females. The majority of them were aged 20–29. More than half of them had post-secondary or university education. Among them, 61% were coded as having a low knowledge of the current regulatory framework on advertising by medical professionals.