

# Alcohol advertising in China

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## 1. The national alcohol in China

China is a centuries-old country in the world. So do the alcohol production and alcohol drinking. The national alcohol in China is the famous distilled spirits “Moutai”, it was produced by Chinese in the year of B.C. 135 with over 2100 year’s history. It won the golden medal in 1915 at the Panama Exposition and it becomes one of three famous distilled spirits in the world. In 2000, Moutai was collected by the China National History Museum as a historic witness and cultural symbolization.

### The national alcohol in China



Moutai produced in B.C 135



Moutai won Golden Medal in 1915

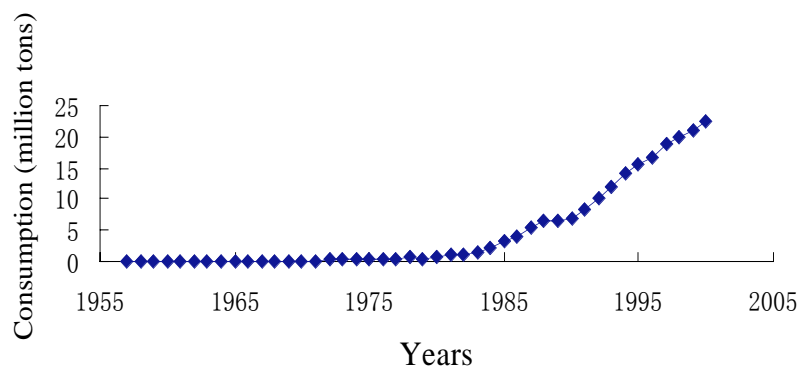
In Chinese mind, Moutai is a national alcohol, a diplomatic alcohol. Especially, most of Chinese have been considered that alcohol is Chinese culture, alcohol is Chinese history, alcohol is man, alcohol is power and alcohol is luck. At the present time, so many alcohol advertisements displaying on various kinds of medias is continuing the love knot of alcohol culture.

## 2. Alcohol industry and the policy in China

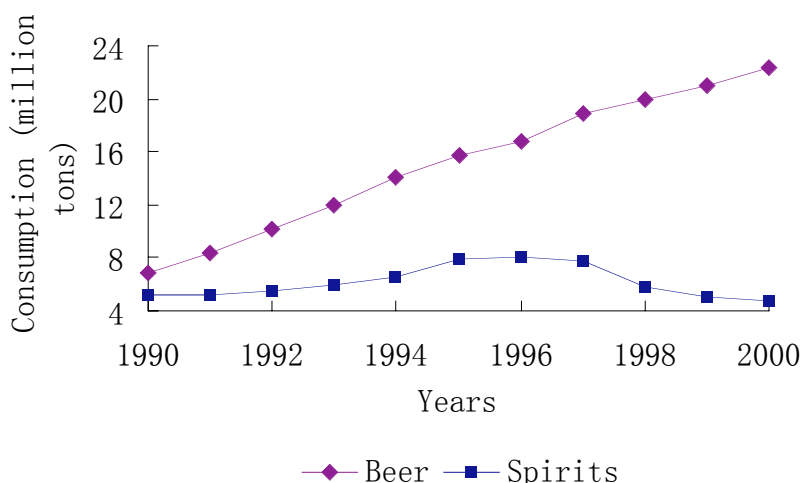
China is an archaic country with over 5000 years history. Alcohol production has experienced over 2000 years. At the present, there are about 100000 alcohol manufactories in China. In which, spirits factories occupy 1/3.

China Ministry of Industry established a series of guidelines and policies for alcohol industry, including amount of production, quality of production and policy of revenue tax for each individual factory. The current general policy for alcohol industry is “Limit the development of high degree of alcohol; Encourage the development of low degree of alcohol and ferment alcohol; Sustain the development of fruit alcohol and non-foodstuff made alcohol”. Especially, in 1998, the center government increased the tax rate for spirits; restricted to extend the license for spirits industries; limited the import amount of

spirits, banned the alcohol advertising on TV. Most of alcohol industries obey these regulations. Therefore, the consumption of spirits declined steeply from 8.01 million tons in 1996 to 4.76 million tons in 2000. While the consumption of beer went up from 16.81 million tons in 1996 to 22.31 million tons in 2000.



**Figure1. Consumption of beer from 1957 to 2000 in China**



**Figure2. Consumption of beer and spirits from 1990 to 2000**

### 3. Alcohol advertising in China

The main medias that contain alcohol advertisements in China are TV, newspaper, radio and magazine.

The earliest alcohol advertisement was found in Luzhou, Shanxi province, it was printed on a paper in 1529.

Before economic reform in 1978, the production of alcohol beverage has been kept to a lower level for many years in China. During that period, no alcohol advertisements were allowed to put on any media.

The first alcohol advertisement appearing on television screen was a spirits of health care named as “ShenguiBujiu” at 28 Jan 1979 issued by Shanghai TV station. Since then

more and more alcohol advertisements appeared on TV screen around China.

China is a large country with territory of 96 million square kilometers and population of 1267 millions in 2000. There are over 300 TV stations and over 1000 channels of TV programs in China. In generally, there are about 40-50 channels of TV program can be watched at each city and 10-20 at each downtown or each countryside. At the present time, TV program becomes the most welcomed and popular media. Therefore the majority of expenditure of alcohol advertising is put in TV stations. According to the reports of China TV Advertisement Surveillance System, the total expenditure of alcohol advertising put in TV is about US\$268 millions in 2000, while only about US\$30 millions put in newspaper in 2000. And the yearly expenditure of alcohol advertising on TV is increasing about 11% per year in China. In 2003, the total expenditure of alcohol advertisements put in TV has reached to US\$357 millions.

Because there are a countless number of brands of alcohol are produced by hundred thousands of alcohol industries each year, in order to attract the consumers and occupy the alcohol markets, alcohol manufacturers drift into a war of alcohol advertising. Facing so many TV stations, the alcohol manufacturers firstly occupy the key channels of TV, such as CCTV (China Center TV station) channel 1; secondly occupy the golden time, such as 19:00-21:00 every day; thirdly repeatedly display an alcohol advertisement on several channels at a same period.

Another reason of arising the war of alcohol advertising on TV is that Chinese are more trust in TV about the quality and name brand, especially the CCTV. In general, Chinese drinking alcohol is following the alcohol advertisements on CCTV.

There is no figure to show what percent of young people are exposed to the different types of media. However, it is true that 100% of young people ever seen at least one alcohol advertisement on TV screen. Because most of Chinese young people watch TV program at evening and night from 18:00-24:00. During that time period, many alcohol advertisements are displayed on TV screen. Table 1 listed the number of brands, times of appearing, hours of appearing and expenditure for three types of alcohol beverages put in TV between 18:00-24:30 from Jan to June 2000. These data was surveyed by China TV Advertisement Surveillance System and based on 156 main channels within 34 cities.

**Table1. Expenditure, times and hours of alcohol advertisements on TV**

Types of beverage	Number of brands	Times of appearing	Hours of appearing	Expenditure (US\$, million)
Spirits	660	149906	558	61
Beer	221	61806	272	28
Wine	113	11137	44	5
Total	994	211749	874	94

From Table1, it can be figure out that the average exposure of alcohol advertisement on TV is 1.25 times per hour per channel and 18.5 seconds per hour per channel. If a young people watch TV program for 2 hours per day at one channel, then there is over 900 items of ads being exposed to he/she yearly.

#### **4. Regulations of alcohol advertising on media in China**

For the bans of alcohol advertising on media, China Industry and Commerce Committee has issued an official document of “The regulations of alcohol advertising” in 17 Nov 1995 and it was executed from 1<sup>st</sup> of Jan 1996.

The Regulation mainly forbids the following matters appearing on any alcohol advertisement on media:

(1) Encourage, sparkplug or tempt people to drinking alcohol or propagandize the drinking alcohol immoderately.

(2) The actions of drinking alcohol.

(3) The visualizations of young person.

(4) The actions that have potential risk, such as driving car, boat and airplane etc.

(5) Direct or indirect reveal the unscientific outcomes, such as “eliminate strains and anxiety”, “enhance physical strength”, etc.

(6) Direct or indirect owe the successful events of personal, business, society, etc to alcohol drinking.

(7) The results of assessments for the alcohol commerce or alcohol brands.

The Regulation also point out that all alcohol advertisements on media must not disobey the following regulations:

(1) For TV, it is only allowed to issue at most 2 items of alcohol advertisement on TV during the special time period from 19:00 to 21:00 per channel per day, and at most 10 items per channel per day at rest time period.

(2) For radio, it is only allowed to issue at most 2 items of alcohol advertisement on radio per channel per hour.

(3) For newspaper and magazine, it is only allowed to issue at most 2 items of alcohol advertisement on newspaper or magazine per volume, and the alcohol advertisements are not allowed to appear on the front page of newspaper or the cover of magazine.

If any one of these regulations is disobeyed, it will be punished according to the “China Law of Advertising”.

The above 3 items of regulations has freed of wine and fruit wine from 1<sup>st</sup> Jan 2000.

#### **5. Problems in alcohol advertising on media and public places in China**

Before the Regulation issued, the market of alcohol advertising on media was very disordered in China. Since the Regulation executed from Jan 1996, the appearances of alcohol advertising have changed a lots. Especially, the TV screens are more and more clean than before. However, due to the issue of guideline and policy for alcohol industry, many small-scale alcohol industries with lower quality productions tend towards bankruptcy in the recent years. And the competitions between large-scale alcohol industries become very severity and cruelty. The efficient way to win a victory is to occupy the selling market of alcohol beverage in China, even in the whole world. Consequently, the alcohol advertising is the best tool for this aim. Therefore, even though the Regulation has issued many years, some of alcohol industries still cannot self regulate. There are still many alcohol advertisements displayed on media that disobey the Regulation.

The main problems in alcohol advertising on media and public place are:

(1) The number of items of alcohol advertisements on TV exceeds the limit of 12 items per day per channel in many TV stations. According to the surveillance of 154 TV stations, the average items of displayed on TV has reached to 17.18 items per channel per day, 43.2% beyond the regulated level.

(2) The number of items of alcohol advertisements on TV during the golden time between 19:00 to 21:00 exceeds the limit of 2 items per day per channel in many TV stations. According to the surveillance of 154 TV stations, the average items of displayed on TV during that time period has reached to 2.84 items per channel per day, 42% beyond the regulated level.

(3) There exist some forbidden matters appearing on alcohol advertisement on media, for example, the actions of drinking alcohol on TV; direct or indirect reveal the unscientific outcomes, such as alcohol advertising message “alcohol bring luck”, “alcohol enhance physical strength”, “alcohol bring health”, etc.

(4) Many public place, such as, the body of bus, beside of street, as well as public hall, cinema, sports clubs, bus stops, railway stations, airport, TV tower etc, are frequently used to display alcohol advertisements. The following ads show that the famous gym star, the important public place and the famous landscape take part in an key rules for alcohol ads.

The following alcohol advertisements were displayed on key channels of TV in 2004.

**Fig1. Alcohol advertisements on Channel 1 of CCTV at Aug 2004**



Sponsor of Chinese Olympic Committee ----- “Jinliufu” is luck spirits

**Fig2. Alcohol advertisements on Channel 5 of CCTV at Aug 2004**



Chinese young people drink famous Snow Beer to celebrate the win in Olympic Game

**Fig3. Alcohol advertisements on Channel 1 of Beijing TV at Sept 2004**



Chinese young people drink **Beijing Beer** to celebrate the win in Olympic Game

**Fig4. Alcohol advertisements on Hunan TV at Aug 2004**



Chinese wine "**Shangre-La-Zangmi**" bring loves and felicities

The following alcohol advertisements were displayed on public places in 2004.

**Fig5. Alcohol advertisements displaying on the public place**



Alcohol ad on body of bus



Alcohol ad on Shanghai Hongqiao Airport



Wuhan TV tower (5th high in the Asia)      Alcohol ad is panting on Wuhan TV tower

at Sept. 2004

### Summary

1. Alcohol advertising on media needs further controlling and regulating.
2. Further and deeply study the relationship between alcohol advertising and alcohol consumption, alcohol-related problems are very important for Chinese, and also important for the world, as Chinese occupy about 1/4 of world population.

### Reference

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