Forty Years of the Return of Advertising in China (1979–2019): A Critical Overview

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Abstract

Despite advertising now being ubiquitous in China, the phenomenon is still considered to be relatively new. It was officially reintroduced after the Maoist years, thanks to the economic reforms and opening-up policy initiated by Deng Xiaoping in 1979. Advertising has seen tremendous growth over the past 40 years and is now acknowledged as an indispensable tool in the country’s economic expansion: it fuels domestic consumption and is the main source of income for the national media. In 2011, China became the second biggest advertising market in the world, but the Chinese authorities still have an ambivalent attitude towards it. Although advertising is a key creative industry in China and is strongly supported by the government, through dedicated plans and policies, it tends to be strictly aligned with the Party-State’s political agenda and, as a result, it is heavily regulated and required to help with the construction of a socialist spiritual civilisation. This article provides the first comprehensive and up-to-date critical overview of the 40 years since the return of advertising in China, addressing its history, growth, recent trends and government regulation, as well as the development of its counterpart for the common good – public service advertising.

Contributor Note

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Citation


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Introduction

With an estimated population exceeding 1.4 billion people, one of the world's highest gross domestic products (GDP) and a total land area exceeding 9.6 million square kilometres, the People's Republic of China (henceforth the PRC or China) is the most populous and second largest country and economy in the world. In 2011, China surpassed Japan to become the world's second biggest advertising market after the United States (English.people.cn 2013).

Despite 'commercial advertising' (shangye guanggao  商业广告 or, more simply, guanggao 广告) experiencing tremendous growth over the past 40 years and becoming ubiquitous in China, it has not always been welcomed in a country that still claims to be socialist. This was especially the case immediately after the Chinese Communist Party (CCP) came to power in 1949 and throughout the height of the Cultural Revolution (1966–76). Nonetheless, since its reintroduction as part of Deng Xiaoping's process of reforms and opening up in 1979, advertising has proven to be indispensable to the country's economic growth as it fuels domestic consumption by directing the increased spending power of the 'new' Chinese consumers. At the same time, advertising provides the major source of income for the traditional national media (television, radio, newspapers and magazines), as well as being vital to China's core social-media platforms (Sina Weibo and Tencent WeChat) and e-commerce giants (Alibaba's TMall, Tencent's JD.com).

Nevertheless, in this context, the Chinese government still maintains its ambivalent attitude towards advertising, which is viewed as being linked to the country's complex relations with the West, evoking spectres of the socialist/capitalist ideological divide, and highlighting wealth inequality in a manner that might even lead to social unrest (Yu 1991; Gao 2003). China and advertising seem to be bound up in a ‘love/hate relationship’ (Puppin 2014, 192), which is persistent but also characterised by a series of paradoxes. As a result, in China's big cities, it is quite common to see billboards promoting a luxury lifestyle driven by consumerism [Fig. 1], but also ones advocating the socialist core values that are central to the CCP's political agenda [Fig. 2] or the latest 'clumsy' propaganda slogans [Fig. 3].
History of Chinese advertising (origins–1979)

Advertising in China is a phenomenon that is considered to be ‘both old and new. It is old because it has a very long history; it is new because it did not reappear until the year 1979’ [Cheng 1996, 74].

The history of advertising in the country, as it is presented in official textbooks used in university advertising degree courses – most of which are published in accordance with the Five-Year Plans\(^3\) – usually traces the roots of advertising in China back to the 1950s. However, this approach fails to acknowledge the presence of advertising in China before its official re-emergence in 1979.

Figure 3. ‘Sweep away the black, get rid of the evil’ (saohui chu’er 扫黑除恶), a national campaign launched by the Chinese government in May 2019. ‘Black’ stands for triad gangs and illegal organisations, whilst ‘evil’ refers to nefarious elements in society [Shanghai, Tianping Road, June 2019]. Photo by the author.

It is precisely to compensate for the above concerns of the Chinese authorities that advertising in China is not only officially seen as a tool to promote brands, products and services, but also required to advocate themes of social interest, and to respond to cultural globalisation through the revival and promotion of national culture. This specific task is carried out by ‘public service advertising’ (PSA, gongyi guanggao 公益广告), which developed in China as a socially responsible alternative to its commercial counterpart.

The year 2019 marked the 40th anniversary of the return of commercial advertising to Chinese soil. This resulted in a number of dedicated publications in Chinese,\(^1\) as well as official academic and institutional events in China.\(^2\) This article, in the context of this special themed issue of JOMEC Journal, seeks to fill a gap in the existing literature by providing the first comprehensive and up-to-date critical overview of Chinese advertising and its development over the past four decades, with particular attention paid to its history, growth and recent achievements, governance and regulation, and its counterpart for the common good – public service advertising.

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\(^1\) The magazine China Advertising (Zhongguo guanggao 中国广告), for example, hosted a dedicated anniversary section, which featured articles by and interviews with the most influential advertising academics and practitioners who contributed to the return and development of advertising in China.

\(^2\) On 14 January 2019, the ‘China’s Advertising 40th Anniversary Conference’ (Zhongguo guanggao 40 nian jinian dahui 中国广告40年纪念大会), jointly organised by the China Advertising Association (CAA), the China Advertising Association of Commerce (CAAC) and the China Association of National Advertisers (CANA), was held at the China National Convention Centre in Beijing. The conference was attended by more than 450 delegates from administrative and regulatory bodies, advertising agencies, media outlets, advertisers and advertising academics (Cnad.com 2019).

\(^3\) Since 1953, China has devised Five-Year Plans in order to map the country’s long-term strategies for economic and social development, and to set growth targets for the years to come. ‘Advertising’ was first mentioned in the 10th Five-Year Plan (2001–5), and since then some of the

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of the phenomenon back to ancient China. These first examples of advertising in a loose sense consisted of clan and tribal totems in the mythical early dynasties of Xia and Shang (2070–1046 BC). Advertising continued to develop in Imperial China during the Western Zhou Dynasty (1046–771 BC), when it took the forms of goods displays and street hawking; in the Spring and Autumn Period (771–476 BC), wooden signboards started to appear; during the Tang Dynasty (618–907), popular advertising media included banners, lanterns and signboards; and in the Song Dynasty (960–1279), print advertising began to spread (Zhao 2008).

The first example of print advertising and branding in China dates back to the Northern Song Dynasty (960–1127). It is a copper plaque, promoting sewing needles produced by the Liu family store in Jinan, Shandong province, which was used to print wrappers for their products. On the two sides, the text reads: ‘Recognise the white rabbit outside the entrance’ (Ren menqian bai tu’er wei ji 认门前白兔儿为记), referring to the signboard placed at the entrance to the shop [Fig. 4].

Modern advertising – intended strictly as a paid form of commercial promotion – is believed to have spread since the middle of the 19th century and to be linked to the two Opium Wars (1839–42; 1856–60). This is when the Unequal Treaties imposed a commercial flow of goods and capital to the exclusive advantage of Western powers, whose citizens enjoyed a privileged status and extracted concessions from the Chinese. In those years, foreigners arrived and settled in China with the objective of selling their goods to the local population and tapping into this promising market; they used advertising as a persuasive promotional tool. These first examples of modern adverts appeared in foreign-run newspapers, written in both English and Chinese (Chen 2002).

Another landmark in the history of Chinese advertising was the opening of the first advertising agencies at the beginning of the 20th century. They were concentrated in the main centre of China’s commercial activities – the city of Shanghai. The so-called ‘Big Four’ were the domestically owned China Commercial Advertising Agency and the Consolidated National Advertising Co., the US firm Carl Crow Inc., and the British firm Millington’s Advertising Co. (Xu 1990). In the 1920s and ’30s, advertising witnessed its so-called ‘golden age’ (huangjin shidai 黄金时代), before the revolution. It appeared in a wide variety of media, from newspapers to billboards, from radio to neon signs, and its development was helped by the first wave of consumerism in the country. The most representative forms of advertising at the time were the so-called ‘calendar posters’ (yuefenpai 月份牌), which depicted beautiful Chinese women in Westernised and modern postures (Hestler 2005). This phase in the development of Chinese advertising was interrupted by the outbreak of the Anti-Japanese War (1931–45), and the Civil War (1945–9) between the Communists (led by the CCP) and the Nationalists (led by the Chinese Nationalist Party, Kuomintang, KMT), which sought legitimacy to govern the country (Chen 2002).

Figure 4. China’s first brand, Northern Song Dynasty [source: Huang, Ding and Liu 2006, 91].
Soon after the victory of the CCP and the founding of the PRC on 1 October 1949, advertising in China started to decline. As in every other socialist country, advertising was dismissed as incompatible with socialist ideals and useless in a state-controlled economy, where private enterprises were nationalised and goods rationed. Foreign participation in advertising activities was ended, and the advertising industry soon started to be affected by the ongoing construction of a socialist economy (Cheng 1996). By 1956, the 108 agencies present in Shanghai merged into the state-run Shanghai Advertising Corporation [SAC, Shanghai shi guanggao gongsī 上海市广告公司] (Xu 1990).

During the Cultural Revolution (1966–76), advertising was accused of being the ‘Bible of capitalism’ [ziben zhuyi de Shengyijing 资本主义的生意经] and declined to a low level. It was never officially banned or censored, as demonstrated by commercial adverts for industrial products and raw materials that survived in those years and featured in official textbooks [Sun 2007]. Nonetheless, the mere word ‘advertising’ was taboo: even the SAC changed its name to ‘Shanghai Fine Arts Company’ [Shanghai shi meishu gongsi 上海市美术公司], as if it had to distance itself from a phenomenon considered to be ideologically polluted.

The Chinese national media were requested to act exclusively as the mouthpiece of the Party; they soon became state-owned and started to promote mainly political messages. An example of this phase of closure in the history of Chinese advertising is the spread of ‘propaganda posters’ [xuanchuan hua 宣传画], which promoted exemplary revolutionary models, the Eight Model Dramas and, more importantly, the cult of the Great Helmsman – Mao Zedong (Evans and Donald 1999).

Advertising did not reappear until 1979, when the process of reform and opening up was launched by Deng Xiaoping at the Third Plenum of the 11th Central Committee of the CCP, held in December 1978 [Stross 1990; Cheng 1996]. The so-called Open Door policy set new economic priorities, began to lift trade barriers and even allowed some degree of conspicuous consumption. In this new atmosphere, advertising was recognised as fundamental to promoting China’s economic growth and so was able to thrive. As a result, on 4 January 1979, the Tianjin Daily published the first advertisement after the Cultural Revolution: it was a print advert for a range of locally produced toothpastes [Fig. 5].

Soon afterwards, the famous article ‘Restoring the Name of Advertising’ [Wei guanggao zhengming 为广告正名], written by the former Director of what was originally the SAC, Ding Yunpeng, legitimised the return of advertising in China, listing a series of arguments in its favour (Ding 1979). Among these, the absence of advertising from Chinese television was considered ‘a huge waste’ [hen da langfei 很大浪费] in economic terms. Advertising should not be accused of deceiving or exaggerating; on the contrary, it should be considered a source of ‘knowledge’ [xuewen 学问], capable of promoting commercial exchange and improving business management. The author also highlighted the necessity of putting into practice the famous principle ‘To make foreign things serve China’ [Yang wei Zhongyong 洋为中用], but, at the same time, also of distinguishing between ‘capitalist advertising’ [ziben zhuyi guanggao 资本主义广告] and ‘socialist advertising’ [shehui zhuyi guanggao 社会主义广告]. The latter had to be ideological, truthful and concrete in nature; it had to promote not only goods, but also official political ideology [Gao 2003; Gerth 2013; Puppin 2014].

Soon after the publication of Ding’s article, commercial announcements were broadcast on television and radio and gradually started to promote foreign products. Foreign advertising agencies were readmitted into the country, and the first one was the Japanese firm Dentsu, which opened its representative office in Beijing in 1980 [Liu 2004]. As history
has demonstrated, advertising was back in China to stay.

Growth and Achievements of China’s Advertising Industry (1979–today)

Over the past 40 years, China’s advertising industry has bloomed. Undoubtedly, its growth and the country’s economic miracle are inextricably intertwined. The main conditions that allowed such rapid development include: the liberalisation of trade and increased competition in the marketplace coming from both domestic and international business; the steady increases in disposable income and spending power of the so-called ‘new’ Chinese consumers; the proliferation of e-commerce platforms and shopping opportunities that came with the spread of online and mobile digital media; and government investment in the creative industries sector, to mention but a few.

The development phases of the advertising industry since its return to the Chinese soil can be identified chronologically as follows: phase 1: 1979–91; phase 2: 1992–2001; phase 3: 2002–9; phase 4: 2010–today [Yao and Weng 2019].

Phase 1. The years 1979–91 followed the return of advertising to China, and its initial stage of development. This phase was characterised by decisions taken during the Third Plenum of the Central Committee of the CCP, which marked the beginning of the policy of reform and opening up. In 1979, the annual advertising revenue in China was 10 million yuan, accounting for 0.0025% of GDP; there were ten advertising agencies, and an average of 4,000 people employed in the industry. In 1991, revenue climbed to 3.509 billion yuan, making up 0.162% of GDP; there were 11,769 advertising agencies with 134,506 people working in the industry [Liu 2004]. This phase was marked by significant growth, but also by the poor quality of advertising work, which was mostly informative, used hard-sell strategies and lacked creativity. ‘Domestic advertising agencies’ [bentu guanggao gongsijia 本土广告公司] were either state-owned or collectively owned, such as the aforementioned SAC, the Beijing Advertising Corporation [BAC] and the Guangzhou Advertising Corporation [GAC]. They were eager to learn from the experience of foreign agencies, first and foremost Japanese ones [Li 2016]. In line with the objective of promoting advertising-related knowledge – which became a new priority – the industry magazines China Advertising [Zhongguo guanggao 中国广告] and International Advertising [Guoji guanggao 国际广告] were founded in 1981 and 1985, respectively. The China Advertising Association [CAA, Zhongguo guanggao xiehui 中国广告协会] was established in Beijing in 1983. The same year, advertising began to be taught in Chinese universities. The first undergraduate programme was offered by Xiamen University, followed by the Beijing Broadcasting Institute [today’s Communication University of China, CUC] in 1988, and Shenzhen University in 1989 [Liu 2004].

Phase 2. From 1992 to 2001, Chinese advertising entered a phase of rapid development, which was linked to Deng Xiaoping’s Southern Talks. In his famous tour to China’s Southern provinces in early 1992, he prioritised and promoted the objective of building a ‘socialist market economy’ [shehui zhuyi shichang jingji 社会主义市场经济], which had a positive influence on the spread of advertising, recognising its role as a catalyst for economic development. Media organisations were allowed to be run as ‘business units’ [jingying danwei 经营单位], rather than public units, and became increasingly commercialised, with advertising becoming a valuable source of income for them [Zhao 1998]. Advertising agencies also benefited from the expansion of enterprise autonomy. As anybody with registered capital of 100,000 yuan could start an advertising agency, their number tripled from 1,156 in 1991 to 3,037 in 1992, and tripled again to 11,044 in 1993 [Li 2016]. It is worth highlighting that 1993 became known as ‘China’s advertising year’ [Zhongguo guanggao nian 中国广告年], due to the unprecedented growth of the industry. Revenue hit over 13.4 billion yuan [with an astonishing rise of
97.57% over 1992 alone), advertising units soared to 31,770, and the number of employees reached 311,967 [Liu 2004]. While newspapers were the largest advertising medium in the country throughout the 1980s, they were surpassed by television in 1995.

Phase 3. The years 2002–9 are known as a period of sustained and stable growth. The key event in this phase was China’s entry into the World Trade Organization [WTO] on 11 December 2001. The Chinese government aimed to deregulate the national advertising sector, committing to lift, within four years, restrictions that confined foreign advertising agencies to operating only through joint-ventures [JVs] with a minority share that could not exceed 49%. From March 2004, foreign advertising agencies were allowed to hold a majority share in JVs, as the share ceiling for foreign partners was increased to 70%. The following year, wholly foreign-owned enterprises [WFOEs] were gradually allowed to operate in advertising services [Keane and Spurgeon 2004]. On a practical level, this constituted a big challenge for China, as it meant opening its doors to transnational advertising agencies [TNAAs], which were much bigger, stronger and, therefore, more competitive. While in the 1990s multinational advertising agencies mainly served global clients, in the 2000s they also started to attract domestic clients, by developing localisation strategies [Wang 2008]. The response from Chinese advertising professionals was to position themselves as the best connoisseurs of their own culture and develop a form of ‘creative advertising with Chinese elements’ [Zhongguo yuansu chuanyi guanggao 中国元素创意广告] [Puppin 2014].

Phase 4. After the successful hosting of the Beijing Olympics in 2008 and the Shanghai World Expo in 2010, China’s advertising industry maintained positive stable growth (Table 1).

Table 1: China’s Advertising Industry’s Growth [2010–2019]

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<tbody>
<tr>
<td>2010</td>
<td>2,340.50</td>
<td>14.67%</td>
<td>243,445</td>
<td>1,480,525</td>
</tr>
<tr>
<td>2011</td>
<td>3,125.60</td>
<td>33.54%</td>
<td>296,507</td>
<td>1,673,400</td>
</tr>
<tr>
<td>2012</td>
<td>4,698.00</td>
<td>50.31%</td>
<td>377,778</td>
<td>2,177,840</td>
</tr>
<tr>
<td>2013</td>
<td>5,019.75</td>
<td>6.84%</td>
<td>445,365</td>
<td>2,622,053</td>
</tr>
<tr>
<td>2014</td>
<td>5,605.60</td>
<td>11.67%</td>
<td>543,690</td>
<td>2,717,939</td>
</tr>
<tr>
<td>2015</td>
<td>5,973.41</td>
<td>6.56%</td>
<td>671,893</td>
<td>3,072,542</td>
</tr>
<tr>
<td>2016</td>
<td>6,489.13</td>
<td>6.63%</td>
<td>875,146</td>
<td>3,900,384</td>
</tr>
<tr>
<td>2017</td>
<td>6,896.41</td>
<td>6.28%</td>
<td>1,123,059</td>
<td>4,381,795</td>
</tr>
<tr>
<td>2018</td>
<td>7,991.48</td>
<td>15.88%</td>
<td>1,375,892</td>
<td>5,582,253</td>
</tr>
<tr>
<td>2019</td>
<td>8,674.28</td>
<td>8.54%</td>
<td>1,633,092</td>
<td>5,935,052</td>
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This phase is characterised by significant improvements in the artistic quality and creativity of China’s adworks, which attracted international attention and recognition. In 2008, China was awarded its first Gold Lion at the Cannes Lions International Festival of Creativity, with the outdoor campaign ‘Together in 2008, Impossible is Nothing’ (Yiqi 2008, mei you bu keneng一起2008, 没有不可能), created by TBWA Worldwide Shanghai for Adidas (Fig. 6). To date, most award-winning advertising agencies at Cannes have been TNAAs, which operate in China as either majority stake joint-ventures (JVs) with local agencies, or as wholly-owned agencies (Cheng 2010).

However, efforts to achieve China’s ‘advertising dream’ were far from over. In 2013, just a couple of years after China became the second biggest advertising market in the world, Zhang Mao – Director of the State Administration for Industry and Commerce (SAIC), the authority historically overseeing advertising – gave a speech on the status of the domestic advertising industry. He emphasised the need for China to evolve from being a ‘big advertising country’ (guanggao daguo 广告大国) and become a ‘strong advertising country’ (guanggao qiangguo 广告强国), prioritising quality over size, and he lamented the lack of professionalism and talented practitioners (Gov.cn 2013). Precisely in order to train graduates for the needs of this booming market, China has been providing certification to advertising professionals through a national exam system since 2011. This practice stopped in 2016 (Gov.cn 2016a).

Throughout these years, the government continued to support the advertising industry in a number of ways, as well as setting specific targets in alignment with its Five-Years Plans. In 2012, for the first time, the SAIC issued the ‘Plan for the Development of the Advertising Industry during the ‘12th Five-Year’ Period’ (Guanggao chanye fazhan ‘Shi’er wu’ guihua 广告产业发展十二五规划), covering the years 2011–5. The Plan noted the crucial role played by advertising in the economy and in society, and set the objectives of improving competitiveness, professionalism and internationalisation in the sector. It envisioned the creation of large, medium and small domestic advertising agencies, and began the construction of at least 15 ‘advertising industrial parks’ (guanggao chanye yuanqu 广告产业园区) (Cinc.com.cn 2015). The intention was to foster future domestic leading players with the potential to compete in the global advertising market. In 2016, the SAIC issued the ‘Plan for the Development of the Advertising Industry during the ‘13th Five-Year’ Period’ (Guanggao chanye fazhan ‘Shiisanwu’ guihua 广告产业发展‘十三五’规划), covering the years 2016–20. Among its objectives were: improvements to the services offered by advertising agencies; increasing industry innovation; and the development of advertising education and professionalism (Gov.cn 2016b). It can thus be evinced that the

Sheung Yan (Ma Yan), Chairman of Asia Pacific and Worldwide Creative Councils (JWT Shanghai), became the first Chinese jury president (outdoor category) at Cannes.

Figure 6. One execution of the Adidas advertising campaign that led to China being awarded its first Cannes Lion [source: TheGuardian.com 2008].

4 A couple of years later, in 2011, the campaign ‘Hell and Heaven’ (Diyu yu tiantang 地狱与天堂), created by JWT Shanghai for Samsonite, allowed China to take home its first ever Grand Prix Lion. In 2012, another significant event took place: Lo
national plans of the Chinese government are translated directly into specific plans for advertising.

Looking at advertising media, this phase is characterised by the emergence and dominance of online and mobile technologies, and the consequent decline of traditional media. In 2005, online advertising surpassed magazines in advertising billings, becoming the fastest-growing area (Cheng 2009). Starting from 2011, online advertising has had an average yearly growth of 40%. In 2016, its business volume was bigger than the sum of advertising on the four traditional media, and the following year, by hitting 300 billion yuan, it contributed almost half of the yearly turnover of China’s advertising industry (Yao and Weng 2019).

By June 2019, China’s Internet users numbered 854 million, and the country’s Internet penetration rate increased to 61.2%. Some 847 million Chinese used their mobile phones to surf the Net, making up 99.1% of total Internet users (Cnnic.com 2019). While the portability and the mobility typical of the mobile Internet era contribute to addressing the urban-rural digital gap, Chinese social media are disaggregated and users are not homogeneous.

The West is increasingly familiar with China’s core social media platforms – Weibo, the country’s most popular micro-blogging site, and WeChat, the most popular messaging app (and much more) – but there are actually hundreds, if not thousands, of other apps in the contemporary ecosystem (Graph 1).

Graph 1: 2019 China’s Social Media Landscape.
(Source: Kantar CIC Intelligence 2019).
All-pervasive and increasingly refined mobile technology allowed the blossoming of new apps and platforms, such as TikTok (Douyin 抖音), a short-video streaming platform targeting Generation Z (below 24 years old), and Little Red Book (Xiaohongshu 小红书), China's most trusted shopping platform for luxury items, especially fashion and cosmetics. If brands want their voice to be heard in China's loud social media landscape, they can choose from a wide range of advertising forms: from search engine advertising [whose largest market share is still maintained by Baidu 百度] to sponsored content pushed by Chinese KOLs (Key Opinion Leader); from programmatic advertising [mostly controlled by the top ad networks in China owned by the so-called BAT – Baidu, Alibaba and Tencent] to AI-Generated content, delivered by avatars in the form of partners or celebrities (Kantar CIC Intelligence 2019; De Gennaro 2019). These – and other – advertising forms have entered Chinese people's daily routine and drastically changed the way they live, socialise and consume.

One of the long-standing, ongoing priorities for the Chinese authorities is to strengthen the advertising regulation system, which still fights many cases of false and illegal advertising [more than 41,300 cases were investigated in 2018] and lags far behind the dramatic and rapid changes that have happened in the mediasphere. Advertising regulation needs to be expanded constantly, in order to deal with new issues and challenges, including the increasing number of consumer complaints.

Advertising Regulation

The primary government regulator and administrator of advertising in China has historically been the aforementioned SAIC, which is authorised by the State Council to guide and monitor all advertising agencies, media and advertisers on Chinese soil. The SAIC has legal powers granted by the state, so it drafts and implements regulations but also punishes false and illegal advertising (Gao 2007). It has an Advertising Supervision and Administration Department (Guanggao jiandu guanli si 广告监督管理司), as well as local branches at various administrative levels. The SAIC works alongside other authorities – such as the Ministry of Industry and Information Technology (MIIT), the State Administration of Radio, Film and Television (SARFT), the General Administration of Press and Publication (GAPP), the Ministry of Health (MOH) and the State Food and Drug Administration (SFDA) – to issue rules and policies related to advertising appearing either in specific media outlets, or promoting specific products. The fact that a variety of government agencies hold jurisdiction over advertising makes Chinese advertising regulation extremely extensive and difficult to enforce (Gao and Sion 2009). Since 2018, as part of China's massive government institutional reform, the SAIC's functions have been taken over by the State Administration for Market Regulation (SAMR, or Guojia shichang jiandu guanli zongju 国家市场监督管理总局).

The first advertising regulations in China can be traced back to the early 1980s: these were the ‘Provisional Regulations on the Administration of Advertising' (Guanggao guanli zanxing tiaoli 广告管理暂行条例), which resulted from a process of self-adjustment of legal and administrative systems after the revolutionary years. They were revised and formally adopted in 1988, as the ‘Detailed Implementing Regulations on the Administration of Advertising' (Guanggao

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5 Illegal advertising cases in the food industry reached 3,858, an annual increase of 23.7%; illegal advertising cases on the Internet numbered 23,102, an annual increase of 55%.

Fines totalling 700 million yuan were imposed last year (Xinhuanet.com 2019).
To further strengthen the legislation in the advertising sector, in 1994 the National People’s Congress (NPC) promulgated the ‘Advertising Law of the People’s Republic of China’ (Zhonghua renmin gongheguo guanggao fa 中华人民共和国广告法), effective from 1 February 1995. The 1994 Law, comprising six chapters and 49 articles, represented a milestone in China’s advertising legislation. Nonetheless, it was often integrated with further ‘notices’ (tongzhi 通知), especially as far as the tobacco, alcohol and pharmaceutical industries were concerned (Gao 2007; Gao and Sion 2009).

In the past two decades, the dramatic changes in the media environment, in the advertising industry, as well as among increasingly savvy consumers, in China encouraged practitioners and scholars to call for an update to the 1994 Law, which was finally approved by the 14th Meeting of the Standing Committee of the 12th National People’s Congress on 24 April 2015, and released for implementation from 1 September 2015. The Law was further amended in 2018, but simply to change the name of the SAIC to the SAMR.

The revised Law consists of six chapters and 75 articles. Compared to the original law, it adds 33 articles, revises 37 and deletes three. While it retains an emphasis on the need for advertising to be true, lawful and aligned with the construction of a socialist spiritual civilisation, it imposes much stricter restrictions and controls on advertising, as follows:

- advertising information has to be accurate, clear, understandable; the use of superlatives is prohibited; the use of China’s state symbols (such as the national flag and names of government organs) plus any content that is obscene, superstitious, incites violence, violates the law, threatens public order or harms the public interest is also prohibited;
- advertisements must be clearly and explicitly labelled, and be distinguishable from surrounding content;
- the use of endorsements and testimonials is now prohibited for health-related products/services, and children under the age of ten cannot act as endorsers; the responsibilities and liabilities of endorsers are now clearer and minors are better protected;
- as far as Internet advertising is concerned, advertisers are not allowed to send advertisements via email without permission from the recipients, and email advertisements must include opt-out links; advertisers may not use disruptive tactics to entice users to click on links, either in emails or on webpages; pop-up advertisements must be closable with a single mouse; Internet Service Providers (ISPs) now have the burden of monitoring and shutting down illegal ads on their platforms;
- anyone can file a complaint against a particular advert and, if the authorities responsible for investigating violations of the law reported by third parties fail to do so, they may be punished;
- tobacco and prescription drugs advertising (both online and offline) is prohibited;
- advertisements from businesses operating in certain industries [medical treatments, pharmaceuticals, foods for special medical purposes, medical devices, pesticides, veterinary drugs, dietary supplements etc.] now require specific approval.

The Law also provides a clearer definition of false advertising and lists typical instances.
Last but not least, another novelty is that it includes public service advertising within its sphere of action, encourages related activities to promote the country's socialist core values as well as civilised behaviours, and makes the media responsible for the broadcast of PSAs.

It is worth highlighting that advertising in China is additionally regulated through a self-regulatory system, as exemplified by the ‘Self-regulation of the Advertising Industry’ (Guanggao hangye zilu guize 广告行业自律规则) issued by the CAA in 1994 and amended in 2008. Moreover, there are moral and ethical regulations governing advertising, such as the ‘Code of Ethics in Advertising’ (Guanggao huodong daode guifan 广告活动道德规范) issued by the SAIC in 1997. Lastly, there are also ideological regulations, such as the ‘Self-regulation of Advertising Promoting a Spiritual Civilisation’ (Guanggao xuanchuan jingshen wenming zilu guize 广告宣传精神文明自律规则), which started in the late 1990s.

Public Service Advertising

The origins of Chinese public service advertising are commonly traced back to 1986, when the first TV PSA, ‘Save Water’ (Jieyue yongshui 节约用水), was jointly sponsored by Guiyang Television and the local Office for Water Saving (Gao 1999). A year later, China Central Television (CCTV) launched the daily PSA programme ‘Wide and Spread’ (Guang’er gaozhi 广而告之), in order to promote positive behaviour, improve people's values and morality, and encourage new social trends (Wang and Shu 2000). The programme played such a fundamental role in helping the public recognition of PSAs in China that it can be considered equivalent to the American AdCouncil.

In 1996, the SAIC and the Guidance Commission on Building a Spiritual Civilisation (GCSC, Zhongyang jingshen wenming jianshe zhidao weiyuanhui 生态文明建设指导委员会) launched the first national PSA campaign, ‘China's Good Manners’ (Zhonghua hao fengshang 中华好风尚), which was aimed at revitalising traditional Chinese values (Zhang 2004). It was followed by other monthly thematic PSA campaigns, which are examples of organised, planned and far-reaching activities that marked the development from a ‘spontaneous’ (zifa 自发) phase to a ‘conscious’ (zijue 自觉) phase in Chinese PSAs (Gao 1999).

The birth of PSAs in China met the authorities’ need to counterbalance the excessive ‘material civilisation’ (wuzhi wenming 物质文明) brought about by commercial advertising with the much coveted ‘spiritual civilisation’ (jingshen wenming 精神文明). While the first refers to the accumulation of wealth, the latter refers to a kind of ethical and moral code composed of patriotism, collectivism and socialism, but also family values and professional ethics, as well as revolutionary ideals, good education and a sense of discipline (Lewis 2002; Barme 2013). Throughout the years, the themes of PSAs have broadened, in order to include the following categories: social education (e.g. morality in employment), public service (e.g. AIDS prevention), environmental protection (e.g. conservation of natural resources), charity and aid (e.g. disaster relief), as well as government policies (e.g. fighting corruption) (Zhang 2004). Following President Xi Jinping's call for an ‘ecological civilization construction’ (shengtai wenming jianshe 生态文明建设), environmental protection PSAs have become an increasingly important category, endowed with the duty to stimulate rational and healthy consumption, promote green lifestyles and eco-friendly products (Puppin, 2020).

The persuasive strategies employed by PSAs are much subtler and more symbolic if compared to old-style propaganda, as PSAs usually make extensive use of emotional appeals to gain empathy from the audience (Cheng and Chan 2009). While, in the past, it
was mainly the government that provided the funding for PSA activities in China, nowadays, the resources come from enterprises and media, as well as the government. PSA campaigns are initiated by the Party-State, but their funding, production and broadcast are only made possible through collaborations between media outlets, advertising agencies and enterprises that are given incentives to support PSA activities [Puppin 2009a; Stockmann 2011; Liu and He 2014].

According to the ‘Notice for the Wide Diffusion of Public Service Advertising’ (Guanyu zuohao gongyi guanggao xuanchuan de tongzhi 关于做好公益广告宣传的通知), jointly promulgated by the SAIC and three other departments in 1997, all traditional advertising media must reserve for public service advertising at least 3% of the total annual amount of time/space they allocate to commercial advertising. Quite recently, in 2016, this Notice was superseded by the ‘Provisional Regulations for the Promotion and Administration of Public Service Advertising’ (Gongyi guanggao cujin he guanli zanxing banfa 公益广告促进和管理暂行办法) [Samr. gov.cn 2016]. The latter established that promoting PSA activities falls within the remit of all media. PSAs have to be distinct from commercial advertising and corporate social responsibility (CSR). In the case of a company sponsoring PSAs, neither the name of the product/service nor other detailed information about the company (e.g. address and website) can be displayed. The name and logo of the company cannot occupy more than 1/5 of the layout in print PSAs, or more than 1/5 of the advertising length in radio and audiovisual PSAs. The Regulations also specified clearer administrative duties and stricter controls on PSAs activities. In addition, the aforementioned Law also regulates PSAs, thus confirming the intentions of the Chinese authorities to create a healthy and regulated environment for non-profit advertising.

Beyond a lack of funding, a series of other problems is afflicting PSAs in China. One of them is increasing ‘commercialisation’ (shangye hua 商业化), resulting from companies being able to add their name and logo at the end of PSAs [Puppin 2009b]. Another is the ongoing politicisation of PSAs. In this sense, the most representative example is surely the ‘Eight Honours and Eight Disgraces’ (Barong bachi 八荣八耻) campaign, which was launched in 2006 by former President Hu Jintao in an attempt to establish exemplary models for all Party officials and society as a whole. A more recent example is constituted by the billboards that blanketed the whole country to promote the ‘Chinese dream’ (Zhongguo meng 中国梦), in alignment with current President Xi Jinping’s famous call to implement a great rejuvenation of the Chinese nation under the guidance of the CCP, which was launched in 2013 [Fig. 7].

Figure 7. One of the most iconic billboards promoting the ‘Chinese dream’ campaign [Beijing, side-street in Haidian district, June 2014]. Photo by the author.

The crucial role played by PSAs in China has been recognised and fostered by the authorities in a number of ways. In 2010, for example, the National Innovation and Research Centre for Public Service Advertising (Quanguo gongyi guanggao chuangxin yanjiu jidi 全国公益广告创新研究基地, authorised by the former SAIC) was funded and hosted by the Communication University of China, in Beijing. So far, the Centre has published two volumes of the Yearbook of Chinese Public Service Advertising (Zhongguo gongyi guanggao...
Starting in 2010, the China International Advertising Festival (CIAF, Zhongguo guoji guanggao jie 中国国际广告节) has organised the annual ‘Yellow River Award’ (Huanghe jiang 黄河奖). The latter is exclusively dedicated to PSAs entries and is supported jointly by the CAA and the leading national liquor brand, Moutai (Moutai 茅台).

Since 2013, PSAs started to be broadcast during the CCTV’s Spring Festival Gala, the country’s biggest TV event of the year. In particular, the themes of this new category of PSAs have touched upon the importance of going back home to spend Chinese New Year with the family and, in this way, contributed to the construction of happiness through the revival of Chinese traditional culture and values, as well as a sense of national cultural unity (Puppin 2018).

As a result of increasing competition, there have been noticeable improvements in the quality and creativity of Chinese PSAs (even though there is still a significant gap compared to commercial advertising). In 2013, for example, the TV PSA ‘Takeaway’ (Dabao pian 打包篇), created by Saatchi & Saatchi China for CCTV, was awarded a Bronze Lion at the 60th edition of the Cannes Festival. This first international recognition marked a milestone in the history of Chinese PSAs. The PSA tells the story of an ageing father, who starts suffering from Alzheimer’s. Despite often forgetting things, he still remembers the love he has for his son.

Following the rise of online and social media advertising, there has been a proliferation of digital PSA activities and campaigns. For example, in 2017, Tencent (Tengxun 腾讯) – the tech leader creator of WeChat – launched the online PSA competition ‘Wo shi chuangyi ren 我是创意人’ (literally ‘I am a creative’, but officially translated in English as ‘Create for Good’) as part of its corporate social responsibility plans. This constitutes a representative example of how technology is constantly shaping and improving the ways in which social causes are advertised and promoted in contemporary China.

Conclusions

This article has offered a critical overview of the turbulent history of advertising in China, from its origins to the contemporary era. Despite the phenomenon witnessing its golden age in the 1920s and 1930s, its development suddenly halted during the years of the Cultural Revolution (1966–76), when propaganda took over the national media, in alignment with the political and ideological priorities of that era. The return of advertising in China in 1979 has to be

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6 In 2016, the Yearbook changed its name to the IAI Advertising Works and Marketing Cases Yearbook [IAI guanggao zuopin yu shuzi yingxiao nianjian IAI 广告作品与数字营销年鉴].

7 https://createforgood.qq.com
understood in the renewed context of economic reforms and opening up, which has allowed it to thrive up to now.

Within the last 40 years, older generations of Chinese have again become familiar with the phenomenon of advertising that, previously, they viewed rather suspiciously (as they were told to do so). New generations of young Chinese might not be entirely aware of the ‘case’ that had to be made in order to restore the name of advertising in the 1980s and ‘90s, which today allows them to consume and experience advertising on a daily basis, first and foremost through their smartphones.

The ideological aspects related to the return of advertising in a country like China – a country that still proclaims itself to be socialist – are truly fascinating, and provide an interesting and unique case study in the academic literature looking at advertising in a global context. As this article has demonstrated, the Chinese government still holds an ambivalent attitude towards advertising. On the one hand, it acknowledges its crucial role in economic terms, and therefore supports advertising activities by aligning them with its Five-Year Plans and setting ambiguous objectives, as well as improving existing regulations in order to create a healthy advertising environment – a task that still proves to be challenging in such an ever-changing context. On the other hand, the Chinese government forces advertisers to fulfil the ideological duty of building a socialist spiritual civilisation, and therefore makes them responsible for improving the ‘quality’ [suzhi 素質] of Chinese citizens, forging new exemplary models and revitalising political priorities. As illustrated here, this task usually falls within the remit of public service advertising, which emerged as a socially responsible alternative to its commercial counterpart.

Given the recent rapid growth of advertising on Chinese mobile and social media, and the increasing international recognition of advertising creativity ‘with Chinese characteristics’, it is clear that, as long as advertising is considered a thermometer for economic and social advancement, China will keep investing in it in order to make its ‘advertising dream’ come true.

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