

WARC News

Advertisers continue to spend in China

Data sourced from Media/CCTV; additional content by Warc staff,
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BEIJING: **China Central Television**, the state-operated Chinese broadcaster, posted a record 10.96 billion yuan (\$1.6bn; €1.1bn; £965m) in sales during its latest advertising upfront, as marketers attempted to boost their media presence in the country.

According to CCTV's figures, 1,000 organisations attended its auction earlier this week, with the average price of airtime rising by 20% across its 14 channels on an annual basis.

PepsiCo, the food and beverage company, and **Unilever**, the FMCG titan, were among the firms taking part in this process for the first time.

Despite the presence of a wide variety of multinational advertisers, however, it was their domestic counterparts which dominated when it came to total expenditure levels.

Mengniu, the dairy specialist, spent the highest amount overall, on 343 million yuan, including 204 million yuan to sponsor the popular "drama hour" on CCTV in the first half of 2010.

Heilongjiang Feihe Dairy was in second place on this measure, on 311 million yuan, followed by **Gree**, the air conditioner manufacturer, on 303 million yuan, and **Midea**, the consumer electronics giant, on 261 million yuan.

Procter & Gamble, the world's biggest advertiser, was the top-ranked multinational company, with a comparative total of 256 million yuan.

Greg Paull, principal of **R3**, argued "there are still a lot of local clients dominating the auction ... Local marketers still over-index on CCTV as they try to build brand reputation."

GroupM China estimated that brands in the food, beverage, alcohol, insurance and financial services sectors were responsible for some 46.5% of CCTV's revenues in all.

More specifically, the alcoholic drinks category boosted its outlay by 170%, with **Lang Jiu** and **Yang He Jiu** both making some major acquisitions, while the home appliances and auto sectors were up by 70%, and home decoration by 116%.

Bessie Lee, ceo of GroupM China said "we have seen much higher demand and limited supply at the CCTV auction. Even the pre-bidding negotiation with advertisers was more controlled and regulated than previous years as a result of the limited supply."

"Clients showed a more active attitude in the bidding. This in turn has made CCTV rates and coverage

look very competitive and cost-efficient," she added.

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