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THE MERCHANT'S ADVERTISING PROBLEM

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For a merchant to obtain a wide distribution and place stocks with dealers throughout China is not easy on account of the country being split up into a number of markets which have little or no natural connection with each other, but having obtained a distribution the real difficulty of creating a demand for the goods through advertising is found to be a much more serious problem.

Assuming that Shanghai is selected as the headquarters, it is natural that the first thought is the Shanghai press as the principal advertising medium, but when the matter has been studied and analysed it is found not to be as simple as it appears. The Shanghai publications consist of Chinese, English, French, German, Japanese and Russian language dailies, and also periodicals, yet not one of these journals reach the entire community, and no publication has an effective nation-wide circulation. While it is true that some of the foreign language dailies are read by a fairly large number of Chinese subscribers, their circulation is comparatively small. On the other hand, while the principal Chinese dailies have a larger circulation, it is safe to say that their subscribers are confined almost entirely to Chinese.

The circulation of the foremost Chinese dailies is insignificant in comparison with European and American newspapers, and although they have a circulation of some forty percent outside Shanghai, their advertising value except in the immediate vicinity of Shanghai diminishes to a certain extent away from the metropolis. The largest single circulation is around 150,000 daily.

The slow communications and vast distances in China are the principal reason why there are no newspapers with a really large nation-wide circulation and naturally under these circumstances each city of any size has its own local newspapers. The larger cities such as Tientsin, Peiping and Hankow with international populations follow

the lead of Shanghai and also publish dailies in several languages—Chinese, English, Japanese or Russian.

Shanghai with a population of about 3,500,000 has 36 newspapers with a circulation of roughly 879,100 daily. Tientsin with a population of 1,348,905 has 21 dailies with a circulation of about 415,480.

The circulation of newspapers in China (excluding Manchuria) and Hongkong is given in the *China Publishers Directory** as 1,602,316 in the Chinese language and 86,777 in various foreign languages, as shown below:—

Number of Newspapers	Language	Number of Cities	Reported Circulation	Average Circulation
301	Chinese	77	1,602,316	5341
24	Foreign	8	86,777	3580

The approximate cost of an advertisement 4" x 5" for one insertion in these 325 dailies throughout China would be Ch. \$2,742.50 (U. S. \$825.50).

It is stated by some publishers that the country people often pass a newspaper round to a number of readers, so that the actual number of readers is greater than the subscribed-for circulation. This is probably true but it is counteracted to a small extent by those who subscribe to more than one newspaper. It would appear that to reach a reasonable number of China's 450 million population cannot be accomplished by means of the daily newspapers with their circulation of less than one and three-quarter million.

A study of the periodicals reveals a very similar situation. There are some 120 weekly and monthly magazines of importance which claim a total circulation of two million, the largest single circulation being some 40,000 copies. Many of these publications overlap in their subscribers and it would appear that they circulate mostly to the better class who are also subscribers of newspapers.

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The advertising cost in these magazines is on the average greater than in newspapers and while it is true that some of them do have a circulation outside of the city of publication, very few have a nation-wide distribution.

It will be seen therefore that it is difficult to obtain wide advertising coverage in anything but a small section of China's publications without an enormous advertising budget, and the ideal advertising medium — a publication with a large nation-wide circulation — from the advertising point of view is lacking.

Efforts have been made by some of the leading dailies to increase their circulation, but their circulation figures show practically no change over a period of some years. There appears to be a very fine opportunity to build up considerably increased circulations, which of course would go a long way toward solving the advertisers' problems.

The ideal solution of course would be to produce a cheap periodical within the reach of the masses of an educational type but containing articles of sufficient interest to create a demand that would bring the circulation to several millions. Such a periodical would have the whole-hearted support of advertisers of all nationalities but until such a publication is produced or the circulation of some of the present dailies or periodicals is very considerably increased, the advertiser must be content to do the best with the publications at present available.

The steady increase of literacy among the masses, rapid progress of modern means of communication throughout the country, and the recent wave of publishing activity, augur well for the future of the press in China, and if some of the leading publishers will direct their efforts in the direction of nation-wide circulation, it will help to solve the advertisers' most pressing problem.