

**DEPARTMENT OF COMMERCE**

**BUREAU OF FOREIGN AND DOMESTIC COMMERCE**

**JULIUS KLEIN, Director**

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**SPECIAL AGENTS SERIES—No. 209**

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**ADVERTISING METHODS IN JAPAN  
CHINA, AND THE PHILIPPINES**

**BY**

**J. W. SANGER**

**Trade Commissioner**



**PRICE, 25 CENTS**

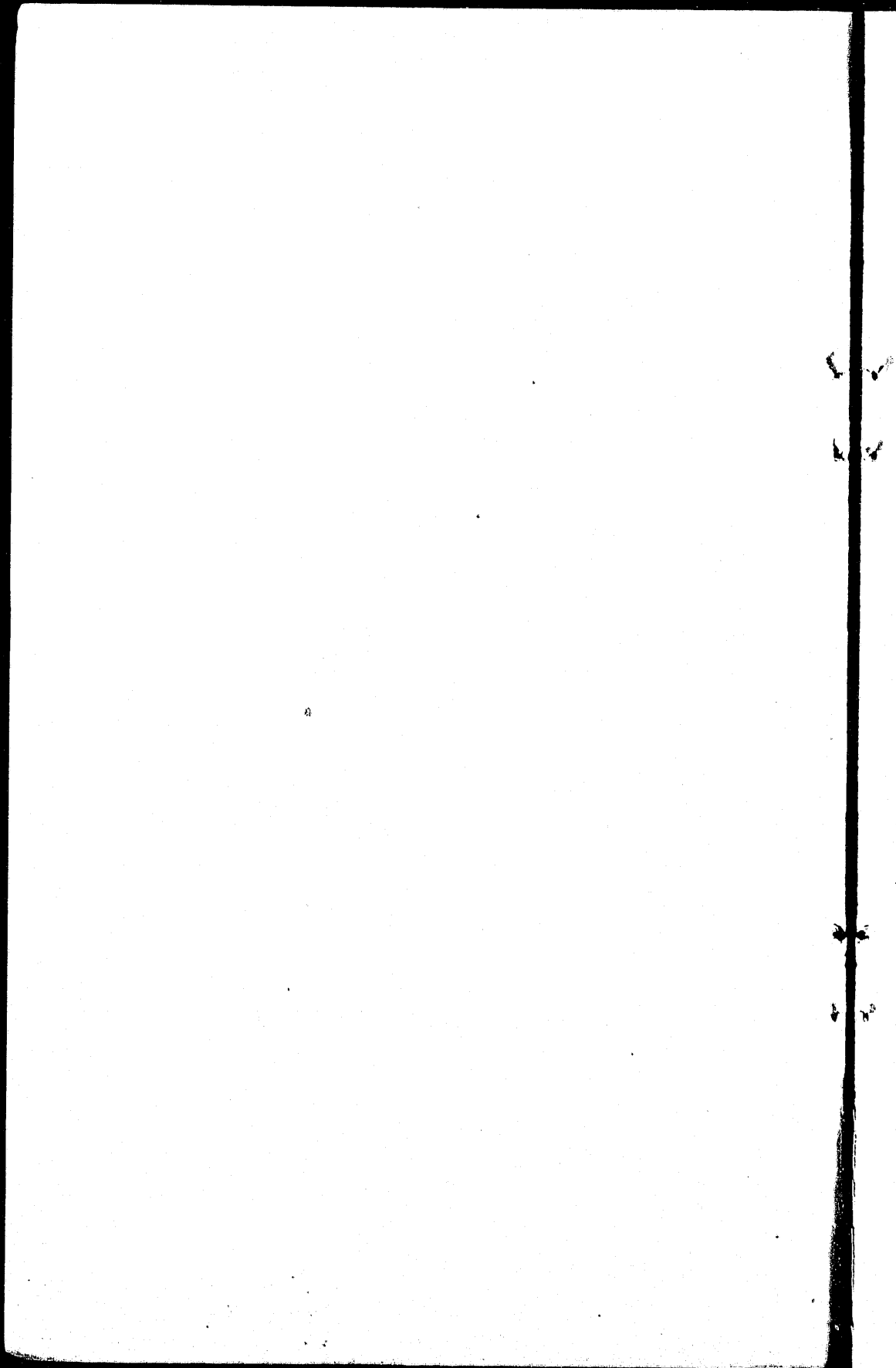
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*Advertising  
China  
Japan  
Philippines*



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## LETTER OF SUBMITTAL.

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DEPARTMENT OF COMMERCE,  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,  
*Washington, D. C., June 25, 1921.*

SIR: There is submitted herewith a report by Trade Commissioner J. W. Sanger on advertising methods in the Far Eastern countries of Japan, China, and the Philippine Islands. It is similar in plan and purpose to Mr. Sanger's previous reports on Latin America, which covered Cuba (Special Agents Series No. 178); Chile, Peru, and Bolivia (Special Agents Series No. 185); and Argentina, Uruguay, and Brazil (Special Agents Series No. 190).

Respectfully,

JULIUS KLEIN,  
*Director.*

TO HON. HERBERT HOOVER,  
*Secretary of Commerce.*

## ADVERTISING METHODS IN JAPAN, CHINA, AND THE PHILIPPINES.

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### FOREWORD.

The following reports are the results of the writer's 18 months' intensive survey of the field of advertising in Japan, China, and the Philippines, one year of which time he spent in those countries gathering facts and impressions on which to base an answer to the question "Can advertising be used in the Far East as a means of helping to sell American goods there; and if so, how?"

With that specialized task in mind, and with the thought of presenting as compact a report as possible, he has endeavored to avoid wandering too far afield except as certain by-paths revealed matters of indirect bearing on the topic, or as they lent interest to it. Other bulletins issued by the Bureau of Foreign and Domestic Commerce have covered the field in a general way or have developed specialized phases of it, and should be referred to in conjunction with this report. The present writer's subject has been advertising, and he has endeavored to concentrate his attention on that. This monograph, therefore, is not a handbook but a study of advertising, which is only one phase of marketing.

If the manufacturer or exporter looking to those countries as a further market for his goods does not find his particular advertising problems mentioned by name or solved in detail in the pages that follow, it is because no such task was attempted.

To emphasize that point: In an hour's walk down Nanking Road in Shanghai, the writer counted more than 100 different articles of American manufacture in the store windows. True, this is the busiest street in China, but there are thousands of streets there and in Japan in which no count was made. Obviously, then, to try to solve one exporter's advertising problem would be to give it "unfair and preferential" treatment as against another's problem which might be no less important. And to attempt to answer all advertising questions—even by grouping merchandise into arbitrary and general classifications—is quite impossible within the scope of this report. Hence it is, more than anything else, a broad survey of advertising conditions as the writer found them during his stay in the Far Eastern countries.

No doubt there may be a publisher here and there who will feel that his newspaper or periodical should have been given more consideration or praise than was accorded it by the writer. To these (if there be such) and to all others who have to do with the business of foreign advertising, the reminder is offered that the only purpose of this report is to serve the prospective American advertiser and not the

publication or other intermediate agency, except in so far as it can assist the advertiser to achieve his end of selling goods, ideas, or service abroad.

It is perhaps just as well now and then to remind ourselves that advertising, in spite of its amazing development and remarkable effectiveness, is not and probably never will become an exact science. It can not be measured or weighed in advance. And so, any divergence of views as to the truth of the writer's statements must be regarded as matters of individual opinion rather than of fact.

It is hoped that this report will be found to cover sufficient ground and with enough detail to present a concrete impression of the countries and their peoples and that it will enable the inquirer to satisfy himself as to the possibility of using advertising there and the methods to be employed.

## JAPAN.

### GENERAL INFORMATION.

#### AREA AND POPULATION.

While the Japanese Empire comprises not only the mainland of Japan but the outlying possessions of Taiwan (Formosa), Chosen (Korea), and southern Sakhalin as well, this report is concerned wholly with the four large islands of Hondo, Kyushu, Shikoku, and Hokkaido, which, with many smaller ones, go to make up Japan proper. Here it is that one finds the principal ports, the densest population, the most advanced development of industries and agriculture, as well as the center of commercial life. On these four islands—particularly on Hondo, where most of the largest cities are situated—the modern development of Japan is to be seen at its best.

The area of Japan proper is about 150,000 square miles, or slightly less than that of the State of California. Into this restricted area—less than 20 per cent of which is said to be arable—is crowded a population of 56,000,000, to which the high birth rate is adding about 700,000 yearly.

The outlying possessions of Korea, Formosa, and southern Sakhalin have a population of approximately 21,000,000.

Despite the rapid growth of industrialism, with its consequent movement of population toward the cities, Japan's activities are still preponderantly agricultural, nearly 60 per cent of the people being farmers with holdings of less than 3 acres per family.

Following are the 14 largest cities in Japan:

Population.		Population.	
Tokio.....	2, 173, 162	Hiroshima.....	106, 504
Osaka.....	1, 252, 972	Hakkodate.....	144, 740
Kobe.....	608, 628	Kanazawa.....	129, 320
Kyoto.....	591, 305	Kure.....	130, 354
Nagoya.....	429, 990	Sendai.....	118, 978
Yokohama.....	422, 942	Otaru.....	108, 113
Nagasaki.....	176, 554	Sapporo.....	102, 571

As an offset against this number of large cities in a country that is still primarily agricultural is the fact that at least 60 per cent of the people are still to be found in towns of less than 10,000 population.

Aside from the 13,000 Chinese in Japan, there are comparatively few foreigners. There are 2,314 Britons, 1,904 Americans, 1,150 Russians, 583 Germans, and 440 French, with a lesser sprinkling of other Europeans.

#### PRINCIPAL BUSINESS CENTERS.

Tokyo, the capital, with its population of more than 2,000,000, is the largest city in Japan and, with Yokohama as its port, serves as the most important distributing center in the northern part of the country. It lies on the same arm of the sea as Yokohama (18 miles

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FIG. 1.—POPULAR SHOPPING STREET IN TOKYO.

distant), but the shallowness of the water prevents ocean steamers from coming directly to the capital. Yokohama, the first of the 35 treaty ports to be opened to foreign commerce, remains to-day the principal port of entry for imports from the United States. Cargo between these two cities is handled both by junk and by rail, and excellent electric tramway and steam-railway service affords rapid passenger transportation between these two important centers.

Tokyo is not only an important distributing center but is an industrial city as well, not only for large-scale production but for household and small-shop industry. To the American or European eye it seems less Japanese in appearance than any other city in Japan (with the possible exception of the limited "foreign settlements" in Yokohama and Kobe) and, particularly in its newer sections, takes on an almost foreign aspect, because of the number of modern business buildings that have been erected in recent years.

The harbor of Yokohama is modern and up-to-date in every respect; through it passes more than one-third of Japan's entire foreign commerce, and the largest of ocean-going liners can tie up at its excellent docks. By reason of its position as a seaport and its greater importance than Tokyo as a point of departure for exports for abroad, the foreign banks, steamship lines, and business houses have their principal offices in Yokohama. However, there is an increasing tendency on the part of foreign firms, particularly those whose principal business is imports, to have their main office in Tokyo, with possibly a branch in Yokohama.

Osaka, with its population of a million and a quarter, is the most important distributing center for the southern part of Japan. Like Tokyo, Osaka lies on an undredged arm of the sea, and while it carries on interisland traffic, its foreign commerce is served by the port of Kobe, just as Yokohama serves Tokyo. Osaka is the most important industrial city in the Empire and is popularly called "the Pittsburgh of Japan." Of all the large commercial centers that have been mentioned, Osaka is the one that remains strikingly Japanese in appearance, with scarcely a touch of foreign influence. Kobe, its port, vies with Yokohama for leadership, and indeed exceeds it in actual tonnage handled, much of which, however, is transshipped at this point to Korea, Vladivostok, and China, and, to a less extent, to other places in the Orient. Many of the complaints of American importers in Shanghai have dealt with cargo transshipped at Kobe.

Other important commercial centers are Kyoto (population 591,000), the old capital of Japan, lying 27 miles from Osaka; Nagoya, a city of nearly half a million people, situated midway between Yokohama and Kobe; Nagasaki, lying almost at the extreme tip of Japan proper, and chiefly important as the great coaling station of the Orient.

#### TRANSPORTATION.

Under normal conditions, Japan is fairly well supplied with transportation facilities, both to the main islands and to the outlying possessions. Of approximately 8,000 miles of railways in operation during 1920 in Japan proper, about 75 per cent were Government-owned. In connection with this railway system there are also Government-supervised ferry steamers connecting the various rail terminals of the different islands. In addition there are also steamers

and sailing vessels that operate between the different ports of Japan. Only Japanese-registered vessels are permitted to carry passengers between Japanese home ports.

However, a fact that is more interesting and significant than the domestic transportation facilities is that Japan, through its own merchant marine, now touches every important port in the world, having achieved this enviable position in the last decade largely through individual enterprise supported by Government subsidies and cheap labor.

#### LANGUAGE, CURRENCY, WEIGHTS, AND MEASURES.

The Japanese language has no alphabet, but consists of many thousands of signs, expressed in writing by means of ideographs, or, as they are more commonly called, characters. Each one of these ideographs or characters expresses not a letter, as is commonly supposed, but a sound, a syllable, or even an entire word. The spoken language is distinct from the written language, and while many foreigners speak Japanese quite fluently (and it is helpful when traveling in Japan to have at least a rudimentary knowledge of it) very few of them ever learn to read more than a smattering of it, and practically none ever learn or even attempt to write it. In illustrations and in later chapters we shall show the obstacles that it opposes to the free or even easy rendering of American advertising ideas and the almost insuperable difficulties that it puts in the way of placing our advertising except through some agency located in Japan.

Japanese currency is based on the gold standard, the unit being the gold yen, worth \$0.498 United States currency. Further subdivisions are the sen, equaling one one-hundredth of the yen, and the rin, equaling one-tenth of the sen. Paper notes are issued by the Bank of Japan.

The post office and the telephone and telegraph services are all owned and operated by the Government, and their branches and stations are to be found in all parts of the Empire.

In passing it may be observed that not only in these functions but in many others relating to the commerce and industry of the country the Government maintains a notably benevolent and protective attitude. In the opinion of most observers this tendency will increase rather than diminish, with a consequent centralization of "big business," not perhaps governmentally operated, but at least governmentally influenced and encouraged.

Weights used in Japan are:

- 1 picul=133½ pounds.
- 1 kwan=8.26733 pounds.
- 1 kin=1½ pounds.
- 1 momme=0.008267 pound.

#### RESOURCES AND INDUSTRIES.

It has already been observed that in spite of the extremely limited amount of land available for cultivation, Japan's chief activity is still agricultural. Yet, with the exception of the grain and dairy-products lands of the northern island (Hokkaido), where the holdings rise to 7½ acres per family, the farming communities with less than 3 acres per family (which is the average throughout Japan) are



gardeners rather than farmers, as Americans understand the term. Those who have seen the intensive gardening of the Japanese farmers in many parts of California will have an adequate picture of farm life as they carry it on in their own country, except that there their holdings are even less. Rice is still the principal crop, yet, in spite of its intensive cultivation, so great has been the growth in population that rice must be imported from abroad. Barley is the next largest crop, and is used not only as a food but in the brewing of beer, in which Japan has built up a large oversea trade since 1914. Other large crops are rye, wheat, millet, soya beans, etc. Silk and tea are the country's two most important products for export, and, indeed, it may be said that the condition of Japan's silk market is the single best index to the prosperity of the country.

Mining is carried on to a considerable extent, Japan being notably rich in copper deposits. Sufficient soft coal is mined for home use, with a limited amount for export, but the country is wholly dependent upon foreign countries for hard coal for industrial purposes; the lack of this basic necessity is being somewhat overcome through the rapid development of hydroelectric power. In iron ore Japan is notably weak.

The reason for the tide of Japanese emigration to less crowded countries and of the desire for expansion is largely to be found in the absence in Japan of essential raw materials (such as iron ores, cotton, leather, rubber, etc.) and in the growing population, which has so overflowed the land that basic foods must now be imported.

Yet the scarcity of essential raw materials, the crowded farming population, and the immense production in home and small-shop handicrafts should not blind one to the present remarkable development of large manufacturing establishments and the certainty that this development is increasing. Industrially speaking, the most striking and significant change that has taken place in Japan in the last decade has been this transition from household and home-craft industry on a very small scale to that of large-scale production. With this change to industrial life has come a rapid rise in wages, and while this "boom" period of prosperity suffered a serious, though probably temporary, setback from the panic and financial depression that overtook Japan in the middle and later part of 1920, the prosperity for wage earners was, in any case, more apparent than real. Nowhere in the United States or western Europe did the rise in the cost of living show so high a percentage of increase as in Japan. When the writer passed through Japan on a return trip in the autumn of 1920, skilled laborers, such as carpenters, were receiving \$1.50 (United States currency) per day, and common laborers \$1 per day. The following table gives a comparative statement of wages in 1914 and 1917:

Classes of labor.	1914	1917	Classes of labor.	1914	1917
	Cents per day.	Cents per day.		Cents per day.	Cents per day.
Tailors.....	42	49	Cabinetmakers.....	40	44
Shoemakers.....	36	45	Gardeners.....	42	48
Carpenters.....	43	48	Paper makers.....	23	28
Plasterers.....	44	48	Printers.....	28	30
Bricklayers.....	53	61	Day laborers.....	28	35
Shipbuilders.....	46	60			



FIG. 2.—CHARACTERISTIC DRY-GOODS STORE IN JAPAN.



FIG. 3.—CHINA AND POTTERY SHOP IN JAPAN.

In explanation of the slight variation between the wages for skilled and for unskilled labor it may be well to call attention to the fact that for many years previous to the war the wages of even skilled Japanese workmen were so close to the edge of bare subsistence that common labor could not be paid much less and survive.

It may be noted, furthermore, that while even approximate figures as to the relative efficiency of Japanese as compared with American labor are not obtainable, and that while comparatively cheap labor gives Japan somewhat of an advantage over certain European and even more so over American manufacturers, the advantage is more apparent than real. For while the Japanese works long hours for low wages the industrial population has been largely recruited from those accustomed to the slow and patient devotion to the minute and unhurried details of home handicrafts. The result of this has been that there is no tradition of industrialism, nor the formation of any great group of the people who are skilled through long practice in its wholly different requirements. Furthermore, in the opinion of careful observers, the percentage cost of the labor turnover is much greater than with us. Added to that is the fact that neither temperament nor apparent necessity has inclined the Japanese employer to accurate methods of cost keeping. Indeed, in many large plants that the writer visited there was only the most vague knowledge of these modern scientific methods, and even when the theoretical principles were known it was difficult to find anyone with sufficient knowledge to apply them to the specific case in mind.

Yet, with all these facts before us, there can be no doubt that the future development of Japan must be industrial. And, as with all industrial beginnings, the logical market is first at home and then abroad. Thus, within certain limits one may say that the future will find Japan importing chiefly (1) such raw materials as are not found in the country and (2) industrial machinery of all kinds required in a system rapidly changing from handicrafts to large-scale production.

Following is a statement of Japanese imports and exports (figures being in United States currency):

Years	Exports.		Imports.	
	Total to all countries.	Share of United States.	Total from all countries.	Share of United States.
1913.....	\$428,457,000	<i>Per cent.</i> 21	\$363,765,000	<i>Per cent.</i> 11
1919.....	1,049,436,000	39	1,086,656,000	34

The actual increase in both imports and exports is more apparent than real, representing inflated "war" values without a corresponding increase in quantity. However, this is true of all figures since 1914, and it is impossible at this time to estimate even approximately, on the basis of pre-war figures, what actual bona fide increase has taken place. However, the percentage of United States trade with Japan holds true, and it is presented here as giving a fairer impression of our trade relations.

As throwing further light on these figures, it is interesting to note not only that Japan is at present our best customer in the Far East but also that the United States is, and has been for a long time, Japan's single best customer throughout the world, no other country buying from Japan as much as we do.

Let us take a look at Japan's foreign trade from two angles—(1) for an examination of the massed figures—imports and exports—as indicating the productive activity and purchasing power of the country, as to both size and character; (2) for an appraisal of its purchases of goods capable of being effectively advertised.

(1) Formerly Japan's chief imports from all countries were manufactured goods, whereas to-day 90 per cent of them are raw materials or partly manufactured goods; the principal exports, on the other hand, have always been manufactured and semimanufactured goods. Thus we see that while the bulk of the population is still agricultural, this shift in the nature of the foreign trade, particularly imports, emphasizes the changing character of the national life and clearly marks Japan's future course as being steadily toward large industrial production. And thus, while the farmers will not occupy less land, the increasing industrial population of the cities will be largely recruited from the country districts; purchases of raw materials and partly manufactured goods, as well as of industrial machinery, will steadily increase, with a probably corresponding decrease in manufactured products suitable for advertisement.

On the other hand, it must also be said that while Japan's increasing industrial activities are being paralleled somewhat by the growth of its own national advertising of its own products and while the appeal of home products will always have first call, other factors are in evidence and may tend to increase rather than decrease the country's purchases of foreign advertisable merchandise. Among these may be mentioned the encouragement by Japanese leaders of the adoption and wider use of foreign (American-European) foods, clothing, housing, and everything that affects the intimate life of the people; an increase in earning power as a result of greater industrial activity; a marked tendency to buy things made abroad just because they are "foreign"; inferiority, on the whole, of Japanese-made goods such as clothing, toilet preparations, etc.

Taking the total imports as a basis for estimating comparative purchasing power, one finds that Japan's per capita imports for a pre-war year like 1913 were \$6.60. The corresponding per capita imports for the United States were \$18.13 for 1913. Thus, we see that, so far as imports are a guide, Japan has, in round figures, about one-third the per capita buying power of the United States.<sup>1</sup>

(2) A closer examination, however, reveals the fact that less than 10 per cent of Japan's purchases abroad were of completely manufactured goods, and that a large share of even this 10 per cent was industrial machinery, and as such not easily susceptible of effective advertising because of the character of the product and the absence of effective Japanese publications for reaching or influencing prospective Japanese buyers. Yet even after one discounts the fact (a)

<sup>1</sup> Japan's purchasing power is much higher than that of other Asiatic countries. For example, in 1913 the per capita imports for British India were \$1.53 and for China \$1.06. The per capita imports of leading Latin American countries for the same year were: Mexico, \$6.46; Cuba, \$56.25; Argentina, \$50.75; Brazil, \$12.88.

that only 10 per cent of Japan's imports are even remotely affected by advertising,<sup>2</sup> (b) that it is rapidly changing to a country making its own goods, and (c) that the figures are somewhat misleading because of inflated war values, the balance of Japan's imports remaining for advertising consideration is well worth careful appraisal. Of that we shall speak in detail further along, discussing at length the factors, both favorable and otherwise, that may affect American advertised goods in Japan.

#### A BIRD'S-EYE VIEW OF JAPANESE ADVERTISING.

Depending on the viewpoint of the inquirer, one can answer either "Yes" or "No" to the question, "Is Japanese advertising and merchandising modern?" If the questioner has in mind only the American 1920 standard, then Japanese practice is several decades behind us. If, on the other hand, some sort of an average standard of the rest of the civilized business world is the comparison in mind, then Japan measures up amazingly well. Speaking from the advertising standpoint, both as to the mediums available and the methods of using them, Japan is immeasurably ahead of any other Asiatic country and would compare favorably not only with a leading South American country like Argentina,<sup>3</sup> but with most of the advanced countries of western Europe as well.

The country can boast of many daily newspapers, of which about 200 are of some importance. Approximately 1,500 magazines are issued in Tokyo, and, while most of them are negligible, the better ones cover the entire field of human interest, ranging down from serious reviews to comics. There are the crude beginnings of outdoor advertising—mostly posters in railway stations and signs on telegraph poles. There is some street-car advertising, not well organized or executed, but at least making a start. There are a good many electric signs. There are excellent printing and lithographing establishments. There are many advertising agencies, mostly Japanese, operating largely on a brokerage basis; while paying scant attention to "service" they have at least broken the ground. And there are a considerable number of Japanese advertisers whose appropriations reach rather imposing figures. Above all other considerations, there is a general consciousness of advertising, by and large, and it is a distinct factor in Japanese business to-day. Though it is often mawkish or badly done, and is unorganized for the most part, the Japanese have passed beyond the "patent-medicine" stage in advertising practice.

The largest single advertiser, when all mediums are taken into consideration, is a manufacturer of a sort of pellet called "Jintan," which would seem to correspond in its use somewhat to our chewing gum. The largest single advertiser (and probably group of adver-

<sup>2</sup> While it is unsafe to attempt to fix precisely the line beyond which advertising is not effective, it is assumed here and throughout this report that it can not be used to further the sale of raw cotton or partly manufactured iron and steel products (which go to make up the largest portion of Japan's purchases abroad), but that the main factors affecting the sale of such products must necessarily be price, quality, deliveries, credit terms, and similar factors.

<sup>3</sup> Compare the writer's three reports on advertising in Latin America, particularly "Advertising Methods in Argentina, Uruguay, and Brazil" (Special Agents Series No. 190), published by the Bureau of Foreign and Domestic Commerce, Washington, and obtainable for 30 cents from the district or cooperative offices of the Bureau or from the Superintendent of Documents, Government Printing Office, Washington, D. C.

tisers also) in newspapers and magazines is a manufacturer of toilet goods.

As showing the kind and quantity of Japanese newspaper advertising, the following statement, prepared by a very large Osaka daily at the writer's suggestion, is interesting, the figures at the right indicating lines (nine to an inch) of display advertising carried by this one newspaper during January, 1920:

Toilet goods .....	52, 669	Foods .....	9, 334
Patent medicines.....	72, 617	Machinery.....	8, 576
Books and magazines.....	41, 231	Clothing.....	3, 300
Financial statements .....	2, 690	Stocks and bonds.....	19, 326
Hospitals.....	2, 697	Government notices .....	7, 467
Shipping notices .....	9, 413	Miscellaneous.....	37, 948
Death notices.....	5, 306		
Stocks and promotion.....	66, 451	Total.....	351, 520
Liquors and soft drinks.....	12, 394		

A surprisingly large group of advertisers in newspapers are book and magazine publishers, not only on account of the widespread literacy (it is estimated that only 10 per cent of the people are illiterate), but also because of the eagerness and avidity with which the people at large have in recent years taken to reading. In this connection it is interesting to note, since universal compulsory education became a fact in Japan, that all students are compelled to learn to read English. Unfortunately, they are not taught to speak it even as well as they read it; the teachers themselves are Japanese, and they, like the rest of their countrymen, show no great facility in pronouncing the English language. With these facts in mind, one's surprise is lessened upon finding few Japanese, among the masses of the people, who even attempt to speak English.

#### ADVENT OF FIXED PRICES.

Until very recent times no retail store in Japan made more than a pretense of being "one price." And while to-day the stores and shops with which the casual traveler and tourist comes in contact quote prices varying with the day of the week, the condition of trade, or the appearance of the customer, an entirely new factor has come in that promises to revolutionize completely these ancient habits of haggling over the smallest purchase. And that new factor in Japanese merchandising is the department store where every article has a price tag and where the price is maintained. The ablest Japanese merchants are behind these stores, and from the very start they have been successful. The Japanese woman shopper is just as keen a judge of values as is her American sister, and obviously these department stores could have succeeded only by meeting or bettering prices to be found elsewhere.

Strangely enough, and in striking contrast with the Anglo-Saxon custom, the Japanese department stores seldom advertise in the daily papers—at least not to the extent of more than an occasional few inches. Also, they open at 7 in the morning and close at 9 at night, including Sunday. The fixed-price policy of these department stores is a leaven that will gradually transform the retail buying habits of the people, although so far such stores are to be found only in the largest cities, such as Tokyo, Osaka, Kyoto, etc. The people of the smaller cities and towns are wholly untouched by this

or any other foreign influence, and, being still oriental to the core, consider bartering an essential part of all purchases. Yet even here an exception must be noted, because such things as packaged foods, cigarettes, and similar articles, to which the Japanese are taking very readily and which are susceptible to packaging, trade-marking, easy identification, and advertising, will naturally and gradually tend to make haggling the exception and fixed and known prices the rule.

#### SMALL AMOUNT OF AMERICAN ADVERTISING.

As might be expected, very little American or other foreign advertising appears in Japanese newspapers or periodicals; during the war, however, a considerable amount of it appeared in the English-language press (American or British owned) of Tokyo and Kobe. But even in these English-language papers the bulk of the advertising space is used by local Japanese manufacturers and retailers. By and large, a great variety of American products, ranging from chewing gum to automobiles, have been advertised in both the foreign and the vernacular papers of Japan, yet no outstanding success attributable in great part to advertising has been observed. On the other hand, many native products, with national distribution throughout Japan, owe their basic success to generous and judicious advertising.

#### NEWSPAPERS AND MAGAZINES.

##### GENERAL REVIEW.

Let us first look at the newspapers and magazines in a general way, though with particular reference to their location, appearance, character, and influence.

The only foreign-language publications issued in Japan are in English, there being half a dozen dailies (and several magazines) appearing in that language. Issued under American or British ownership, these newspapers are obviously intended largely, though not entirely, for the Americans and Britons residing in Japan. Later on we shall speak at greater length of these publications. At this point—and, indeed, throughout this report—we are concerned almost wholly with the Japanese people as affording a market for goods, with Japanese methods, and, therefore, with Japanese publications as a means to that end. So, then, let us first take a broad survey of the general field of Japanese newspapers and magazines, reserving detailed analysis of individual publications for a later chapter.

Both newspapers and magazines suffer so much from "infant mortality" in Japan that no one can say with certainty just how many there are; in round numbers there are about 900 daily newspapers and 1,500 magazines of all kinds. Of these 900 dailies there are a dozen or more of outstanding importance, with circulations ranging from 100,000 to 500,000; there are 30 or 40 of considerable though lesser importance, and possibly 200 at the very outside that might be useful in the most intensive campaigns. Because of the size and shape of Japan and its fairly good transportation facilities, nearly all the most important dailies have almost national circulation. The leading ones are usually morning papers of 8 to 12 pages, some with afternoon editions of 4 pages; they cost 2 to 4 sen per copy (1 to 2 cents United States currency).



Contrary to a common belief, they are not generally subsidized by the different political parties, but, rather, their political affiliations and support depend upon each individual publisher's own political leanings. They are under strict censorship as to the kind of news that may be published; the rule "For the good of the Empire" is interpreted and enforced as the authorities see fit. A "dummy" editor with no other important work to do is held in readiness by many newspapers and is fined or imprisoned in lieu of the actual offender. There are no records obtainable since 1914, when 453 suppressions occurred on charges relating to indiscreet news published with reference to political, diplomatic, or military matters.

There are two outstanding newspaper publication centers—(1) Tokyo, whose dailies circulate widely to the west and north and as far south as Nagoya, and (2) Osaka, whose newspapers have the largest circulations and are to be found as far north as Nagoya, but are concentrated particularly throughout the densely populated south and southwest of Japan. Some of these papers have as many as 12 separate editions daily (besides their own city editions), each intended for a distant city or district. In addition to these Tokyo and Osaka dailies, there are a number of important provincial newspapers with large circulations; each city or important town also has its own dailies. The almost dominating influence of the Tokyo and Osaka papers is stressed here because of the unique position they occupy. They are less local and more seminationals in character. Also, they and other newspapers are far more widely read by all classes than the magazines, which, while numerous, are a poor second to the dailies in both circulation and reader influence.

The Japanese newspapers range far afield in the scope of their interest. Nearly all of them run serial stories or magazine pages; many have a woman's page, a children's page, and chats with readers on simple topics of homely interest. The better dailies have correspondents stationed abroad and print foreign cables relating to international matters; they carry also national and local news, literary and dramatic criticism; also, possibly for circulation purposes, they show no hesitancy about "playing up" crimes, catastrophes, and scandals.

The leading ones seldom print advertising on the front or on the editorial page, but all the other pages carry it, the tendency being to run slightly more to solid pages of advertising than is the case in the United States. Illustrations are freely used in the display copy, which usually divides honors about equally with news space. Classified advertising is used comparatively little, usually taking only two or three columns. Columns run from right to left across the page and not down, as with us; also, the reading is from right to left, and the first page would be our back page.

The usual width of columns is 10 ems (one important paper is narrowed to 8½ ems), and there are usually 12 columns to the page. To issue an 8 or 12 page daily paper in Japan seems a distinct achievement when one remembers that every line must be set by hand, no typesetting machines being possible, because of the absence of an alphabet, which is replaced by thousands of ideographs or signs, each one expressing a word, sound, or syllable.

The writer spent several days in the most modern newspaper plant in Japan studying at first hand the equipment and the mechanical

and other problems. Instead of one Hoe or Goss press, 12 Marinoni presses were used, each with a capacity of 28,000 eight-page papers per hour. In the composing room were 150 compositors facing a huge room full of type cases, of which there were 15 different sizes of characters (types) and from 6,000 to 9,000 of each size.

There is a slender form of organization among 14 Tokyo publishers, but no organization of newspaper or other publication interests aside from that. There is no such thing as the Audit Bureau of Circulations, which has so simplified and standardized space buying in the United States; no publisher in Japan has even so much as thought that anything more than "claimed" circulation statements were necessary. Only one publisher has even gone so far as to prepare simple graphic charts of his circulation and lines of advertising, showing how they paralleled the growing population. The writer interviewed every newspaper of consequence in Japan, and with scarcely an exception, and regardless of whether they were big or little—whether the circulation was 20,000 or 500,000—each one claimed "the largest circulation in Japan." Strangely enough, no "quality" claims were ever advanced, even when the character and contents of the paper clearly indicated an appeal solely to a limited class.

All the papers issue rate cards (sometimes a special one in English), but the printed prices are little more than a starting point from which to obtain discounts, since not one of the papers makes more than a polite pretense of maintaining rates. Sometimes a Japanese advertising agency will underbid a publisher on his own paper, and the publisher will turn around and undercut the agency, in spite of the fact that, by and large, these advertising agencies place several million dollars' worth of space yearly in Japanese dailies. A leading publisher whose newspaper has an actual circulation of about 500,000 daily quoted the writer a rate of 1.10 yen (about 55 cents United States currency) per line.<sup>4</sup> He then explained that large advertisers and advertising agencies could get a discount of 20 to 30 per cent less than that quotation. Taking him as representative of the present highest development of space selling in Japan, we readily see that advertising space is regarded purely as a variable commodity, and as such subject to wide price fluctuations from day to day. For that reason no attempt will be made in this report to present any other than approximate space quotations, as they would only needlessly mislead the reader. Suffice it to say, however, that the above instance occurred with a daily whose circulation and price per line are not exceeded by any in Japan. So for all practical purposes the reader may bear in mind that 9.90 yen (about \$4.45) per column inch would be a top price for space in a leading Japanese newspaper, with the advertising agency differential included.

There is an amazing and imposing array of magazines published in Japan; with scarcely an exception they are issued in Tokyo and from there reach out all over the country, so that the best of them

<sup>4</sup> In this particular daily there are 9 lines to the inch; in other dailies there are 10 or more, even up to 14, all depending on the particular size of character (type) that each publisher chooses as his basic standard. For general purposes, and unless otherwise specified, the reader is fairly safe in assuming that an important Japanese paper has either 9 or 10 advertising lines to the inch.

have genuine national circulation. They range in price from 10 sen to about 1 yen (5 to 50 cents). Even more than in the case of the newspapers is the tenure of their lives uncertain. The prosperity of the war period brought their number up to about 1,800 (nearly all published monthly), but their present number is probably 1,500 or even less. There is scarcely a field of human interest that they fail to touch, ranging from children's comics to serious reviews. They seem to specialize more than American magazines do, very few of them attempting to cover a very broad field. For that reason their circulations are more restricted than those of the dailies, so that readers are compelled to buy three or more magazines to get as much as one American magazine would give them. It is doubtful whether any one of them has passed the 200,000 mark in circulation; very few reach 100,000 or even 50,000, and there are scores of successful ones of popular though restricted appeal with circulations of 10,000 or even less.

No magazine publisher has succeeded in building up a permanently successful subscription list, but depends almost wholly on street sales. As a result of this and the custom of paying all salaries and wages monthly, there is the enlivening spectacle of a thousand or more different magazines suddenly appearing on news stands and in the hands of newsboys within a few days of each other. Magazine publishers believe that only about the 1st of the month have people enough money to indulge in such luxuries as periodicals, and that the publisher who sends his stock to the news stands a few days late gets only the "tag end" of the sales. Thus the circulation of popular 10 and 20 sen (5 and 10 cent) magazines goes through wild fluctuations, which condition is, however, avoided in many cases where a large number are issued by one publishing house not dependent on the uncertainties of the job printer. Of course, the substantial periodicals which have built up a loyal following through the years are by no means so awkwardly placed as one might think from the foregoing account.

There can be little question as to the decidedly secondary advertising position held by the magazines when compared with the daily newspapers. Practically all Japanese advertisers, whether their product be patent medicines or books, give the newspapers first place, supplementing them with a carefully selected list of magazines.

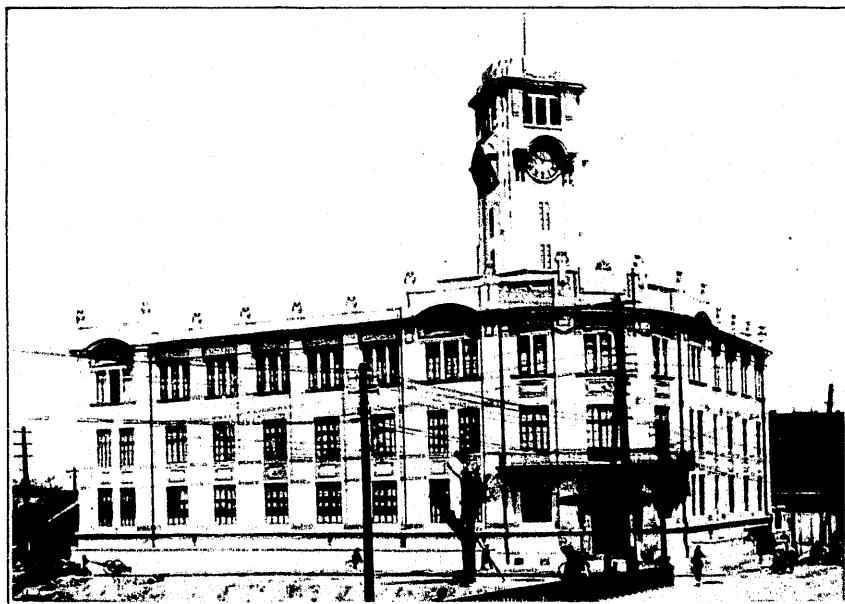
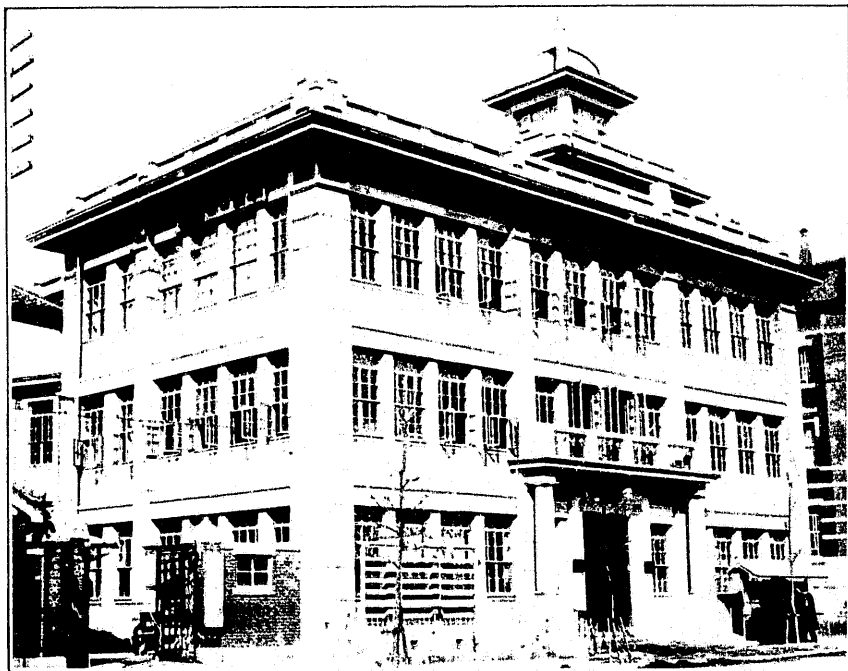
#### ANALYSIS OF IMPORTANT JAPANESE NEWSPAPERS.

After careful consideration, the writer has selected a list of 18 newspapers that, by reason of their dominating circulation, concentrated influence, or special appeal, are entitled to particular attention. (A more complete list of the publications of Japan will be found in the appendix at the end of this report.) They are as follows:



FIG. 4.—STREET IN YOKOHAMA.

Typical of 95 per cent of the thoroughfares and stores of Japan.



FIGS. 5 AND 6.—TWO MODERN NEWSPAPER PLANTS RECENTLY ERECTED IN JAPAN.

Above: Tokyo Nichi Nichi. Below: Osaka Asahi.

Name of newspaper.	City.	Approximate circulation. <sup>a</sup>	General comments.
Jiji Shimpō b.....	Tokyo.....	175,000	Conservative; high-class; for business men.
Tokyo Asahi b.....	do.....	275,000	Liberal; constructive. Best classes read it.
Tokyo Nichi Nichi b.....	do.....	200,000	Enterprising, progressive; popular but never "yellow." In class below Asahi.
Yomiuri.....	do.....	125,000	Literary home paper; woman's page; read mainly by educated students and younger people.
Chugai Shogyo.....	do.....	50,000	Commercial.
Kokumin.....	do.....	200,000	Rather sensational; runs prize and baby contests for circulation.
Hochi.....	do.....	275,000	Largest of "yellow" dailies. Makes wide popular appeal.
Yorodzu Choho.....	do.....	150,000	Sensational.
Yamato.....	do.....	75,000	Sensational; read mainly by sporting classes and in tea houses.
Chuwo.....	do.....	60,000	Organ of present Government party in power. Comparatively unimportant.
Maiyu.....	do.....	80,000	Features social chat and personal stories.
Miyako.....	do.....	60,000	Same as above.
Tokyo Mai Nichi.....	do.....	30,000	Oldest daily; very restricted influence; not to be confused with Osaka Mai Nichi.
Osaka Asahi c.....	Osaka.....	550,000	Same class as Tokyo Asahi. Largest circulation, of best class.
Osaka Mai Nichi c.....	do.....	500,000	Same class as Tokyo Nichi Nichi. Large circulation, of good class.
Osaka Jiji Shimpō c.....	do.....	150,000	Same as Tokyo Jiji Shimpō.
Shinichi.....	Nagoya.....	140,000	One of the two most important dailies aside from those of Tokyo and Osaka.
Fukuoka Nichi Nichi.....	Fukuoka.....	140,000	Do.

<sup>a</sup> These circulation estimates are the result of the writer's personal inquiries; in a few instances they agree approximately with the publisher's claimed statements, while in other instances there is considerable variation between the publishers' figures and the estimates given here. No hard and fast rule was followed in arriving at these conclusions. No publisher would permit even a cursory examination of his books or give any information as to the source of his newsprint, which is all made in Japan. In a general way it may be said that the writer's final circulation estimates as given here were based on a compromise between the publishers' own figures and the opinions of competitive publishers, advertisers, and advertising agencies, modified also by the methods of securing circulation, by the character of the daily itself, and other factors.

<sup>b</sup> These three, the most important papers in Tokyo, also publish large editions in Osaka.

<sup>c</sup> These three, the most important papers in Osaka, also publish large editions in Tokyo.

Speaking quite generally, it may be said that the advertising rates of these dailies per column inch would range between 5 and 10 yen (about \$2.50 to \$5); the price would be determined not merely by the class and size of the circulation, but to an even greater extent by the amount of space used and whether it was contracted for directly with the publisher or through an advertising agency. Mention has already been made of the fact that the advertising agency differential is not respected or protected by the publisher. Not only are 20 or even 30 per cent less than rate-card discounts given to large Japanese advertisers, but, as one of the largest of the publishers told the writer, "we are desirous of more foreign advertising and are ready to grant very special concessions to American advertisers." These dailies are in no immediate need of advertising (during 1920 many of them were refusing hundreds of inches daily because of lack of space), but they are enterprising "business getters" and are looking forward to the future, not only at home but abroad. The writer frequently urged upon many of them the wisdom of having their circulations audited,<sup>5</sup> if only as a common-sense business pro-

<sup>5</sup> It is only fair to state here that in no country except the United States are publication circulations audited and certified to in a thoroughgoing, scientific, dependable way. The Audit Bureau of Circulations, of Chicago, which carries on this work, is a non-profit organization composed of and wholly supported by subscriptions levied on its membership of publishers, advertisers, and advertising agencies for the purpose of examining, verifying, and publishing (privately) the exact circulations of its own publisher members. Even in England, which probably ranks second to the United States in quantity and quality of advertising, the idea of audited circulations is just beginning to be agitated. There, as in America, it is the advertiser who is leading the way and, through the pressure of his indispensable appropriations, is forcing the reluctant publisher to see the absurdity of present-day methods, which are harmful and costly to advertiser and honest publisher alike.

ceeding, but so remote is this idea from the thinking of even progressive Japanese that only the insistent pressure of large advertisers, threatening the security of the publisher's revenue, will bring about this saner method.

Referring to the foregoing table we find that 12 out of 18 of these dailies have circulations of 100,000 or more and that two of them (both in Osaka) touch the half-million mark; also, that all save two are published in either Tokyo or Osaka. To give point to this Tokyo-Osaka dominance, and to make the circulation areas more graphic, let the reader draw an imaginary line due east and west through the city of Nagoya, which lies about midway in Japan. North of that imaginary line will be found practically all of the circulation and influence of the Tokyo dailies; within this district there is a larger per capita purchasing power than is to be found in the south of Japan. Now, south of that imaginary line is substantially all of the circulation influence of the Osaka newspapers, and within this district will be found a denser population, less per capita wealth, but more gross purchasing power. As a secondary issue, due to the traditional dominance of the capital, the Tokyo dailies are found scattered in greater numbers in the "Osaka district" than are the Osaka papers in the "Tokyo district." And, of course, in an intensive and more locally concentrated campaign it would be necessary to include important provincial dailies. Also, the magazines, particularly the women's magazines and serious reviews for men (which will be discussed later), should be given consideration where the particular case warrants it, where specialized circulation is sought, or where the meagerness of the appropriation forbids the general or generous use of newspapers. However, for the present purpose, the general Tokyo-Osaka outline given above will serve.

To enlarge on this point a little further, let us take a hypothetical advertising problem. Let us assume that we are selling an American product in Japan, that a fair distribution has been secured (in the case of, say, a soap), or that good selling agencies have been appointed at strategic points (for, say, a higher-grade article, such as an automobile). If only one district is to be advertised to at first, it should be that of Tokyo, where "foreign" ideas and goods find the readiest appreciation and acceptance. There the advertiser will find any number of both high-class and popular dailies (see p. 21) to choose from, and he will buy space on the basis of their influence, character of readers, and cost per inch per thousand circulation. Even Japanese in very moderate circumstances buy two, three, or even more papers every day, so that there is a surprising duplication of circulation in each "district." Therefore, it would be well for the advertiser to choose one, or at most two, Tokyo dailies most carefully and concentrate in them, rather than to spread thinly over a large circulation which carries the partial burden of duplication. Following our initial undertaking in Tokyo, and assuming again that we have secured distribution or agents in Osaka, let us then follow quickly with our advertising in the Osaka dailies, of which, as we have seen, three dominate, and indeed almost wholly control, the field.

At the risk of generalizing and of being taken too literally, one may present the following very rough parallel of New York dailies as compared with some Japanese dailies, in order to assist the American advertiser:

American.	Japanese.
New York Times-----	Asahi (Tokyo and Osaka).
New York Evening Post-----	Jiji Shimpō (Tokyo and Osaka).
New York World-----	Nichi Nichi (Tokyo) and Mai Nichi (Osaka).
New York American-----	Hochi (Tokyo) and, to a less extent, Kokumin (Tokyo).
New York Globe-----	Yomiuri (Tokyo).
Journal of Commerce-----	Chugai Shogyō (Tokyo).

## IMPORTANT JAPANESE MAGAZINES.

Mention has been made of the large number of Japanese magazines<sup>a</sup> and of the wide range of interests that they touch. There are trade journals; there are political and financial reviews, and still other periodicals dealing with education, literature, fine arts, fiction, science, and every subject of general interest. There are also a growing number of women's publications and children's magazines, some of them with imposing circulations.

Among the more important ones are:

*Fujin Sekai* ("Women's World"), Tokyo.—High-class monthly magazine for women. Contents are stories, general articles, and household advice. Uses news-print paper of varying grades throughout, as is customary in most Japanese magazines. Advertisements throughout are entirely of Japanese products, mostly books, magazines, toilet goods, and medicines. Two toilet-goods manufacturers each use a 4-page advertisement. Circulation (about 175,000) is the largest of any woman's publication in Japan. Price, 40 sen (about 20 cents) per copy.

*Kodan Club*, Tokyo.—Popular and somewhat spicy stories; features pictures of geisha girls and actors, as well as motion-picture illustrations. Circulation, about 60,000 monthly. Price, 60 sen (about 30 cents) per copy.

*Jitsugyo-no-Nihon* ("Industrial Japan"), Tokyo.—High-class trade and commercial monthly, featuring particularly the growing manufacturing activities of Japan. Circulation, about 50,000. Price, 25 sen (about 12½ cents) per copy.

*Taiyo* ("Sun"), Tokyo.—A sort of cross between a popularized Atlantic Monthly and a Review of Reviews; devoted mostly to politics and science. Popular with the educated, conservative class of readers. Circulation about 50,000. Price, 50 sen (about 25 cents) per copy.

*Chuwa Koran*, Tokyo.—Very similar to the *Taiyo* described above, but more democratic and modernized—at times almost radical. Popular with the educated, liberal-thinking, younger Japanese. Circulation about 40,000. Price, 50 sen (about 25 cents) per copy.

*Nihon-oyobi-Nihonjin* ("Japan and the Japanese"), Tokyo.—One of the oldest publications; stands for Japanese nationalism and its former ideas, as against the inroads of western ideas and progress; very influential with older men and younger ultraconservatives. Circulation about 15,000. Price, 30 sen (about 15 cents) per copy.

While it is true that every periodical of consequence in Japan has what may be called a national circulation, yet there is nothing comparable to our Saturday Evening Post, Literary Digest, American Magazine, or others, either in circulation, range of articles or stories, or general popular appeal. Each Japanese magazine makes more of a specialized appeal, so that, broadly speaking, the advertiser buying periodical space would have to use, say, the heavy monthly review to reach the more substantial men, the lighter fiction and similar publications to reach the average run of younger men, and the women's publications to reach the housewife. No such sharp cleavage of readers is found in American periodicals, particularly not in our more popular weeklies.

<sup>a</sup> See Appendix for list of periodicals published in Japan.



At this point it may be well to call attention to the fact that, while the status of Japanese women is steadily improving, their position is still decidedly inferior to that of men in every way; they are not as well educated, and they are not, in any proper sense of the word, the newspaper readers that American women are. Possibly that is the reason why Japanese department stores do not advertise in the dailies so much as they do in the women's magazines. On the other hand, mention should also be made of the fact that the largest single Japanese advertiser of tooth powder divides his large appropriation as follows: Fifty per cent newspapers, 25 per cent magazines, and 25 per cent posters, street cars, and sampling. He bases his choice on the assumption that, while women comprise his largest class of customers, their number is not much in excess of the men.

And so, while it is not possible to reach any hard and fast conclusions regarding the relative advertising merits of newspapers versus magazines in Japan, it is certain that the experience of all advertisers and careful observers lends the weight of support far more to the dailies than to the monthlies, aside from very special cases.

A comparison of relative costs on a per-inch, per-1,000-circulation basis may assist some advertisers in reaching a decision. Taking a high-class daily with a large circulation, such as the *Asahi*, for example, and comparing it with a high-class women's publication, such as *Fujin Sekai*, one finds that the latter costs approximately 2 cents per inch per 1,000 circulation, as against slightly less than one-half that amount for the newspaper.

#### ENGLISH-LANGUAGE PUBLICATIONS.

The only foreign-language publications in Japan that merit advertising consideration are printed in English. Heading the list of newspapers are the *Japan Advertiser*, an American-owned, 10-page morning daily published in Tokyo, and the *Japan Chronicle*, an 8-page, British-owned morning daily issued in Kobe. They are published primarily for their own nationals residing in Japan; they represent excellently, on a small scale, the practices of American and British journalism. The *Advertiser* has the familiar, clean-cut, inviting make-up that characterizes the best of American newspapers; it is enterprising, but never sensational, and is the best example of American journalism in the Orient. During the war, its circulation mounted to 4,800 copies daily, going mostly to American readers in and near Japan. It has a good many Japanese readers, particularly students.

The *Chronicle*, characteristically British, is scarcely less notable than its more enterprising American rival. While its circulation probably does not much exceed 1,000, it is thoroughly "gilt edge." It claims that it solicits neither subscriptions nor advertising, and while its "take-it-or-leave-it" attitude has somewhat restricted its field of usefulness, that loss has perhaps been compensated for by an intensive influence. Its make-up follows the English and European pattern, and its readers are almost wholly found among the British residing in Japan. It was established more than 50 years ago, at a time when news was of less importance than editorials, and the trenchant pen of its founder accounts, more than anything else, for the hold it still retains on its limited reading public. With it, and

with the possible addition of the Japan Gazette (British-owned daily), of Yokohama, the British public of Japan could all be reached, just as the Advertiser would entirely cover the American market of Japan.

Other English-language dailies are the Japan Times and Mail, Tokyo; the Kobe Herald, Kobe; and the Nagasaki Press, Nagasaki. Also in Seoul, the capital of Korea (Chosen), there is the Seoul Press, generally regarded as speaking for the Japanese Government in that territory.

The English-language monthlies are:<sup>7</sup>

*The Trans-Pacific (American)*, Tokyo.—Popular, economic, and trade review; illustrated, printed on heavy coated paper; the finest-appearing American publication of its kind issued outside of the United States; same publisher as the daily Japan Advertiser.

*Eastern Commerce (British)*, Yokohama.—Well-established monthly trade review.

*World Salesman*, Yokohama.—Trade and commercial review.

*Asian Review*, Tokyo.—Japanese owned and edited, but printed in English; established in 1920; review of international affairs, including politics and commerce from a Japanese viewpoint; believed to be semi-official.

*Japan Magazine*, Tokyo.—Japanese owned, British edited. Devoted to arts, literature, and similar topics.

#### LANGUAGE, TRANSLATIONS, AND "COPY."

The Japanese language is, and will always remain, a closed book to Americans and other foreigners. It is true that one may pick up a smattering of it in a few months and that after years of residence in the country may learn to speak it with some degree of facility; but the foreigner almost never learns to read or write it. There are really two Japanese languages, one written and the other spoken; it is the written language that concerns us here.<sup>8</sup> It is nothing more nor less than picture writing, consisting of tens of thousands of ideograms or characters; to read it well, 4,000 of these characters must be known, but 2,000 will suffice for getting the sense of newspapers. What one may call the wholly different flavor and approach of the Japanese language may be partially instanced by the following English phrases with their literal Japanese equivalents: "How far are you going?" becomes "Where till honorable exit to becomes?" and "What is this called in Japanese?" appears as "This thing, as for, Japan language by, what that say?"

In passing, mention may also be made of the fact that while many Japanese have a slight reading knowledge of English because of its compulsory study in the schools, few of them, aside from those in constant contact with foreigners, ever learn to speak it. Of the scores of Japanese publishers, advertising and business managers, and others whom the writer met, not more than five or six, who had traveled in America or Europe, even attempted to speak it. Outside of the foreign hotels, or the shops frequented by tourists, the traveler

<sup>7</sup> See section on "Export trade journals" (p. 33). Also see Appendix for list of publications in Japan.

<sup>8</sup> Many advanced Japanese are urging the adoption of Romaji, or the Romanization of the Japanese language; this would give it an alphabet corresponding somewhat to our own and would not only assist the Japanese in mastering the complexities of their own language more quickly but would also make possible a reading knowledge of it by foreigners. Yet despite this agitation which has been going on in Japan for several decades in favor of Romaji the movement makes little actual progress even among the educated people, and it is not thought that more than a few thousand out of the 56,000,000 can read it.

will find that the English language as a practical spoken entity does not exist in Japan. Nor is "pidgin English"—that patois of the China coast—understood in Japan any more than it would be in New York.

The matter of translations, copy, and illustrations may be considered together, for the reason that, whether the general character of copy and illustrations to be used is or is not indicated by the American advertiser, by the time they are transmuted into a picture

language like the Japanese, the particular idea that the advertiser may have had in mind has been wholly changed. Even if he could read it, it would be unrecognizable, though perhaps all the better as an advertising appeal.

There are no so-called "schools" of copy, or advocates of one kind of copy as against another kind, in Japan. Few of the advertisers there have developed beyond the idea of either a plain statement of fact, a picture reinforced with a few words of copy, or, what is a later development and a present-day tendency, a somewhat fantastic and exaggerated appeal both in illustration and copy.

#### IMPORTANCE OF GETTING THE JAPANESE VIEWPOINT.

The writer feels that any detailed discussions of copy would be largely futile, because no technical questions of fact are involved, but only human nature, and in this case Japanese human nature. So the problem, after all, is in knowing what the Japanese are, how they live, what they think, and in what ways they are different from ourselves.

The physical aspect of their lives, as we shall presently see, is in

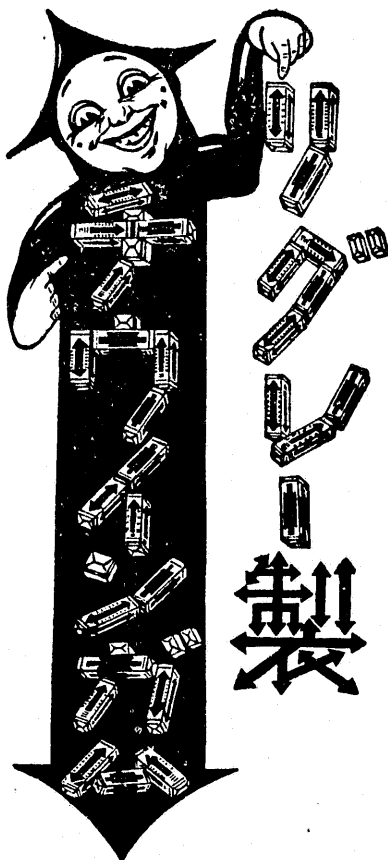


FIG. 7.—Familiar American product as its advertisements appear in the Japanese dailies. The name is spelled, in Japanese, with packages.

sharp contrast to our own, but it is in their viewpoint and their manner of thinking (which are less tangible and more elusive factors than differences of food, clothing, or housing) that the most puzzling unlikeness to ourselves appears. In that the Japanese are still orientals—modified, it is true, but still actuated by the mental outlook of Asia, which, starting its thinking at a different point, travels along different paths and arrives at different conclusions from our own. They are always cautious to an extreme, never under any circumstances hasty in word or action. Seldom does one hear an angry verbal battle take place, no matter what the provocation.

Though it may be beyond the scope of this report to discuss this subject exhaustively, a few hints as to the things we have in common with the Japanese and the dissimilarity between us may prove helpful and interesting. So many popular writers and speakers on export topics these days indulge in such loose, meaningless, and mischievous statements as "Doing business in Tokyo is no different from doing business in San Francisco" that the public is either confused or unduly optimistic. What they mean is that the Japanese business man buys and sells goods for profit; that he eats food, wears clothes, lives in a house, goes to the theater, and so on. So he does; but he conducts business along quite dissimilar lines (particularly the retailer), and his food, clothes, house, theater, etc., are wholly unlike ours. Also hundreds of the customs of his daily life are exactly the opposite of ours, and many of his daily habits are quite beyond our ken, just as ours are beyond his.

Let us instance an average well-to-do, middle-class Japanese who has not traveled abroad. In probably nine cases out of ten he wears Japanese clothes; or, if he does wear foreign clothes, wears them only occasionally. He does not shake hands with you, but bows stiffly from the waist, as is his custom; he does not offer you his cigarettes for fear you may prefer your own brand, and lest you accept his out of courtesy. His office is sometimes semiforeign to the extent that it has a hard floor of either cement, stone, or wood instead of the characteristic mats, and that he uses desk and chairs for the easier transaction of business instead of sitting on a cushion on the floor, as he does at home. If it is winter, the only means of heating is a huge bowl of charcoal embers, which is carried from place to place in the office as needed, and over which one can warm only the hands; no furnace or stove is possible, since there are no chimneys to carry away the smoke. Again, in nine cases out of ten he doesn't speak English (nor any other foreign tongue), though he probably reads it in a fashion. He travels between home and office in a jinrikisha or in an electric street car.

His home, whether it be of 4 rooms or 10 (apartments are unknown in Japan), is bare of everything that we associate with one's living quarters. The walls are literally sliding screens, built on a framework of unstained polished wood covered with rice paper. Semi-transparent during the day, they are protected at night, if need be, by heavy wooden shutters. The house covers the ground floor only, similar to a bungalow. At the door shoes or Japanese wooden "getas" are removed, because the floors are covered with finely woven and padded matting. Inside all the rooms look practically alike, being bare of furniture of any description with the exception of a chest of drawers for clothing. A cushion on the floor provides a seat before tiny individual tables which are brought out at meal times. The basis of the meal is rice, with a small amount of meat and vegetables. A peculiar Japanese pickle is always eaten, and to some extent fresh fruit, such as apples or oranges. No desserts or sweets, as we understand them, are eaten. Chop sticks serve in lieu of knives and forks; there is no tablecloth; instead of napkins hot towels (quite unlike our towels) are passed around at intervals. The cooking and heating arrangements are merely bowls (hibachis) of glowing charcoal embers, which can be carried from room to room. If the house, which is always spotlessly clean, is one of four rooms or more, it probably

has toilet and bath accommodations (although millions of people patronize public bathhouses daily) which are wholly Japanese in character. The bathtub is of polished wood divided into two compartments—one for the bather and the other for the stove that heats the bath water.

And so on indefinitely. The instances cited are sufficient to indicate that while the Japanese does many of the same things that we do, he does them quite differently.

Let us look at him from still another angle. To us the music that he likes has neither harmony nor melody; the human figures in his art are stiff and the pictures lack perspective; his literature is uninteresting. But they are his; his people have developed them, and they have in turn been developed by them. His national sport of wrestling does not appeal particularly to even a sport-loving occidental; his theaters are unique as a one-time study, but do not tempt an adult American to a second visit. In brief, he lives and thinks on as nearly a reverse scale from ours as is possible.

The foregoing is not an extreme case, but represents a fair average of 95 per cent or more of the men. The women are even more Japanese through their almost total lack of contact with any semblance of western influence.

Modifying influences are creeping in; there can be no doubt of that. Japanese history is a continuous record of adaptation, and no people are as ready as they are to accept and use things of proven worth. We have seen that Japan is fast becoming industrialized. On the Hokkaido wheat ranches one sees American farm machinery, the same as in our Middle West. In Tokyo one finds new buildings built on occidental lines, and where the Japanese are laying out new cities not a vestige of oriental influence is to be seen. Government officials and employees are not permitted to wear kimonos in public, but must don European dress. Shoes are to some extent replacing "getas" among the men, even though the wearer still clings to a kimono. Restaurants where both food and service are "foreign" are appearing on all sides, and many of the railway dining cars refuse to serve Japanese food any longer. These and many other influences are at work and are gradually making over the country into a sort of occidentalized Japan. So while we can not accept the vague generalization that "Japan is more or less like the rest of the world," we do know that its habits and customs are slowly taking on something of the color of ours.

In the marketing or advertising of American goods in Japan, after one is fairly well satisfied that there is a market there, the thing to do is: Get the Japanese viewpoint. Without that your distribution will be spotty, your knowledge of your competitors' goods, prices, distribution, etc., will be most incomplete, and your advertising will "miss fire."

Are Japanese copy writers available? Yes; plenty of them, either in the employ of advertisers who may act as your distributing agents or in any one of the numerous advertising agencies in Japan.<sup>9</sup>

#### ABSENCE OF FREE PUBLICITY.

The Japanese newspapers have, fortunately, escaped the bane of the "free publicity" evil, even though they print "write ups" thinly

<sup>9</sup> For further information, see section on "Advertising agencies."

disguised as news but paid for as advertising. Now and then a daily, lured on by the promise and hope of paid-for advertising contracts to follow, will succumb to the temptation and donate free space on an "inch-for-inch" basis, but Japanese journalists for the most part—and the better class newspapers—are not victims of this deplorable habit. Possibly the reason is found in the limited number of pages that a Japanese daily can put in type, but, whatever the reason, the evil has not found root in the country despite the fact that Japanese newspapers, whether judged by advertising, editorials, or news standards, compare most unfavorably on the whole with American dailies.

#### ENGRAVINGS AND MATRICES.

So far as importing restrictions may be concerned, the sending of engravings and matrices from America to Japan will not interest the advertiser, because the language obstacles will prevent him from having his illustrations, engravings, or mats made, or his type matter set, in the United States. All such work will have to be done in Japan, except when it is to be used in the English-language newspapers, to which mats, stereos, or other plates may be sent.

#### CUSTOMS LAWS GOVERNING ADVERTISING MATTER.

Customs laws governing the importation of advertising matter are strictly enforced. Catalogues and circulars in black and white are admitted without duty. Duty is charged on catalogues printed in colors and on colored window cards and posters. Advertising matter may be sent in packing cases containing goods, but in each case the fact that the literature is included must be noted on the invoice. Lithographs, if in colors, are dutiable, as are also pictures.

#### IMPRACTICABILITY OF QUESTIONNAIRES.<sup>10</sup>

Many American advertisers and advertising agencies repose an almost childlike confidence in lengthy questionnaires which they send to the Japanese publisher. They should not expect to receive answers, for the following reasons: Japanese publishers do not ordinarily read English; if they did, they would not understand the questions asked nor the reasons for them; they are not accustomed to receive advertising from foreign countries and do not understand how it can be placed in that way.

To show the impracticability of the questionnaire as a means of obtaining this information, the following instance may serve. Before beginning his rounds of calls on Japanese publishers in their own offices, the writer prepared a very simple list of printed questions and, when necessary, had them translated into Japanese. He left one with each publisher, explaining personally just what the information was and why he wanted it, and requested that ample time be taken to fill it out (in Japanese, if necessary), and that he would call for it or that it could be mailed to him before he left the city. Of scores of publishers thus approached, only four complied, and many of their answers showed clearly that, though they tried to answer these very

<sup>10</sup> The writer discusses this general subject of questionnaires at considerable length in a former Bureau bulletin, "Advertising Methods in Argentina, Uruguay, and Brazil" (Special Agents Series No. 190, price 50 cents).

simple questions, they had not even caught the purport of ones such as, "Of your total circulation, what percentages are sold on the streets, delivered to homes or offices, and sent to near-by towns?" Those who attempted but failed to answer these questions were intelligent men; they simply failed to grasp the idea that the writer had in mind, even though they understood the separate words of the question.

Questionnaires received from American advertisers are usually put in the wastebasket; occasionally they are turned over to advertising agencies in Japan for reply.

#### ADVERTISING AGENCIES IN JAPAN.

There are many advertising agencies in Japan, but none that are in a position to render the prospective American advertiser a service of any particular value. They may be divided into two groups—(1) those owned or directed by foreigners and (2) those owned solely by Japanese. The first group consists of three agencies, as follows:

(a) The oldest foreign advertising agency in Japan, established in Kobe about 1900. Owner and principal is British, assisted by a Japanese staff. Writes and places nearly all the British advertising appearing in Japan; has a few American accounts. Has no knowledge of American customs, having been trained in London. Seems very reliable and might be helpful to American advertisers seeking assistance in their Japanese campaigns.

(b) Established about 1918. Ownership is divided equally between a London advertising agency, a Chicago advertising agency, and the British resident manager in Tokyo. The latter is also the manager of the semiofficial Japanese news agency. He also conducts a commercial reporting service and issues an English-language daily newspaper in Tokyo. Staff consists of an American and two Japanese, one of whom has had a considerable experience in the service of Japanese advertisers. Seems to have an extensive acquaintance with Japanese publications and their rates.

(c) Established 1919 by a Japanese who has spent most of his life in the Hawaiian Islands and the United States. Has a variety of other business interests, chiefly importing and exporting, so that this advertising agency, in which a former American newspaper man has recently acquired an interest, is not a main issue as yet. While honestly and actively conducted, this agency does not yet give promise of developing anything that will help American advertisers.

The second group, all owned by Japanese, not one of whom speaks a word of English, consists of 50 or more agencies. Because of the prevailing condition of advertising practice in Japan, all these agencies are "brokers" for one or more publications. As with the publishers, so with these agencies, there is no pretense that fixed or uniform rates are maintained. They either buy a special "job lot" of space from a publisher and then peddle it out for what it will bring or, in other cases, have a contract and net rate for space, and, in selling it, add as much commission as the occasion warrants. They do not pretend to know the exact circulation of any publication, nor do the larger Japanese advertisers use them for planning their advertising or for placing it, except in the smaller towns. These agencies usually have a printed rate card giving a list of the more important newspapers and magazines, with each publisher's claimed circulation and rates, and from these printed rates they offer varying discounts of 20 per cent or more. An interesting side issue to this is the custom of publishers issuing two separate rate cards, one for advertisers and the other for advertising agencies.

Many of these agencies are merely the outgrowth of news agencies, and even to-day some of the larger ones take a portion of their payment for news service in advertising space. Only 7 of the 50 place sufficient business with publishers (or deposit security with them) to receive any general form of recognition. The largest of them claims to place \$1,000,000 worth of space with Japanese publishers annually. Curiously enough, one advertiser may employ several agencies, not for any service they render but merely to place his business in the publication with which the agency has the "lowest price" arrangement.

The only sign of the times indicating that everybody is not satisfied with this condition is in Osaka, where an organization of advertising agents called Suiyokwai ("Wednesday Club") is endeavoring to persuade publishers not to accept business from any of their members who cut prices below a certain rate agreed upon. It is at least a straw showing which way the wind is blowing, and while no practical step in advance may come of it, it holds out some hope of better things in the future.

More than anything else, it is this absence of competent agency service that is delaying American advertising in Japanese publications. The prospective advertiser hesitates, and rightly, because he does not know where to find helpful, unbiased advice. The barrier of language, to say nothing of other obstacles, stands between him and the Japanese advertising agency which might act as a medium. He can not send his advertising directly from his United States office to the Japanese publisher, for innumerable reasons which have already been given. Consequently he avoids the use of what might otherwise be a distinct help to him in breaking down sales resistance, or, if he does decide to "try out the papers," he leaves the matter in the hands of his sales representatives in Japan. And who are they? Either Japanese without any knowledge of advertising, or Americans (excellent salesmen, perhaps) whose acquaintance with the intricacies and pitfalls of advertising is limited to what they read of it in America's most popular weekly. And when it is all over and the space bills are paid, the manufacturer will announce "Never again."

Of course, an ideal solution would be an American advertising agency, say, in Tokyo. But at present this would be a patriotic sacrifice rather than a profitable business venture, for there is not enough American advertising being placed in Japan, or in immediate prospect, to justify the establishment of an agency that would first have to spend money to get the facts and then render service.

The probable outcome will be that things will run along much as they are, in a hit-and-miss fashion, until a group of American manufacturers—not necessarily in similar lines, but with advertiseable goods—decide, in connection with their marketing of goods in Japan, to solve the advertising phase of the problem as a group. They will probably advertise individually just as they do at home, but they will pool their appropriations for investigation to begin with, and, so to speak, start their own advertising agency right in Japan. So far, most of the American advertisers have "just taken a flier" for a short time and then stopped, while the few large ones have so miscalculated either the size and difficulties or the direction of the mar-



ket as to get meager results from large expenditures. This new group suggested above may organize their advertising, just as they have their other marketing efforts, along the general lines of a "Webb" company. Or (since no single one of them could afford it) a group of American advertising agencies may pool their interests for the common good and do something of the sort. But that seems less probable, as they have shown less real pioneering spirit abroad than have the manufacturers.

Until some change of this kind is brought about, the effective use of advertising in Japan, as a means either of introducing new goods or of broadening markets for established lines, will remain largely a mystery and a hope rather than a practical accomplishment.

#### CATALOGUES AND DIRECT-BY-MAIL METHODS.

In discussing the use of catalogues and "direct-by-mail" advertising in Japan, one is again brought sharply in contact with the barrier of language and the obstacles it opposes. Printed matter in English is, of course, of value in reaching the American or British importing houses in the large port cities and, to some extent (by the insertion of Japanese weights, measures, currency, and other localized information), the large Japanese traders who may have English-reading employees. But these two classes represent only a negligible percentage of both the trading and consuming public which the advertiser may wish to reach and which reads and speaks only Japanese. So, preferably—and if the market at all justifies such an expense—a special catalogue, booklet, or other printed announcement should be in Japanese. It is doubtful whether it could be written or produced in the United States; but even if it could, it would probably be subject to the customs tariff<sup>11</sup> upon arrival in Japan. All in all, it would probably be better to have it produced entirely in Japan, where good printing may be had. Line cuts should be used whenever possible, as Japanese printers are not skillful in the handling of half-tones. There is no objection to printing the American name plate or trademark side by side with the Japanese trade-mark that the advertiser may adopt, but both should be registered.<sup>12</sup>

The Japanese themselves use catalogues and other sales-promotion literature to some extent, but neither they nor any other peoples use it so lavishly or place so much dependence on it as do Americans. The writer's opinion is that we are strongly inclined to overemphasize the effectiveness of it and place on it a burden out of all proportion to its proper function in the American scheme of foreign selling. As a result of the "seller's market" that the war produced and that continued as an aftermath until 1920, all forms of printed matter sent abroad became doubly effective. But under normal conditions, with the buyer and not the seller in the saddle, and with the free and full functioning of competition to be met, the catalogue should not be expected to be more than a general assistance to the salesman himself. It can not possibly perform the same function as the salesman on the ground showing the actual goods, yet that is just what is often expected of it. But whether the task of the catalogue is to arouse interest or to stimulate inquiries from importing jobbers and dealers, let it be as complete as it is possible to make it; in the absence of a

<sup>11</sup> See section on "Import duty."

<sup>12</sup> See section on "Trade-marks."

salesman it is the manufacturer's only representative, and the inquirer should be able to find in it the answer to every legitimate question that he may wish to ask.<sup>13</sup>

### EXPORT TRADE JOURNALS.

Aside from a brief reference in the section on "Catalogues," we have been concerned thus far wholly with advertising to the consumer. That the trade channels of importer, jobber, and dealer (which are sometimes combined in one house) must be reached first is obvious. How, then, if at all, can trade-journal advertising be used to round out these essential links in the merchandising chain?

Roughly speaking, we may subdivide such publications into three groups: (1) Those in the Japanese language, issued in Japan, and aimed at one trade or a group of similar trades; (2) those in the English language, issued in Japan, circulating throughout the Orient and therefore having a small portion of their readers among both the foreign and Japanese merchants in Japan; (3) those in the English language, issued in the United States, circulating throughout the world wherever English is read, and with a very small circulation in Japan. In group 1 are a few negligible trade papers specializing in their appeal in a very restricted way to druggists or to the leather, rubber, or other industries. In group 2 there are others (several, in particular, are of considerable importance) that appeal in a broader way to technical men and present articles or information of general interest on matters of trade, economics, finance, etc., relative to the Far East; while they have the slight advantage in Japanese influence of being locally published, their circulation is spread all over Asia and therefore could not be considered in any concentrated marketing-advertising plan aimed solely at Japan. In this respect they are less valuable than the industrial publications mentioned in group 1. Passing to group 3, we find even less circulation in Japan because the journals are published abroad, but they possess a distinct advantage when they are technical journals specializing in their appeal, say, to electrical or civil engineers and those of like professions.

Thus, briefly, one finds a situation something like this: The trade publications in Japanese are not regarded highly because they are not well edited, and the publications in English, while well written, do not reach the buyers, either because the latter can not understand English or because they cover too much ground thinly and do not talk to the individual in terms of his own trade or profession. Speaking quite generally, it is the writer's opinion that to reach, say, a professional group like Japanese engineers, the English-language technical periodical published in America would be the best, as the Japanese readers in this case would nearly all be able to understand English.<sup>14</sup> Secondly, the Japanese-language periodicals referred to above might be added in reaching Japanese-trained engineers.

<sup>13</sup> For making up a mailing list or for general commercial reference purposes the reader may be interested in consulting the Japan Directory (published by the Japan Gazette Co., Ltd., Yokohama), a copy of which is on file in the Bureau of Foreign and Domestic Commerce.

<sup>14</sup> Obviously the advertiser is not seeking to sell equipment to Japan only, but to other countries whose engineers read English; so there would be no "waste circulation" under such circumstances.

So large a percentage of Japan's imports of manufactured goods consist of factory and similar equipment that the importance of reaching the factory buyers should not be underestimated.

There can be no question of the important part played by export trade journals during the war period. Buyers all over the world found their accustomed sources of supply shut off and, through the medium of these journals, discovered a means of establishing new connections. In this way these trade journals performed an invaluable service for American trade abroad, and, incidentally, reaped a harvest for themselves. And, while every encouragement should be extended to them for their educational work in broadening the knowledge of "things American" in foreign countries, it is doubtful whether they can "keep up the pace" so far as bringing results to American advertisers is concerned.

It should hardly be necessary to remind the reader that magazines in Spanish are of no value whatever in Japan. So effective has been the "learn-Spanish" campaign in the United States that some Americans, none too well informed, have evidently concluded that it is a universal mode of communication outside of English-speaking countries, and have consequently had their "foreign" catalogues printed in Spanish, and have looked for business from Japan and the Orient as a result of advertising in export-trade journals printed in Spanish.

In buying space in English-language trade journals printed in the United States the advertiser should ask and the export-trade paper should be able and willing to answer satisfactorily questions like the following:

What is your total circulation each issue?

What is your total circulation in Japan (or each country in the Far East)?

How is it secured?

What is the type of your readers?

Is your circulation certified by the Audit Bureau of Circulations?

Are your papers sent out in bulk or are they wrapped, stamped, and individually addressed?

Are your editorials and news articles merely compiled from doubtful sources or written by men who know the country and your type of readers?

Do you permit "write ups" in your reading pages?

Many of the leading export papers supply their advertisers with certain other sales assistance, for which no charge is made. Among these services may be mentioned that of translating letters received by or sent by the advertiser. They also furnish certain trade information concerning credits, names of prospective buyers, or possible agencies, etc. Obviously such information can not be exclusive with any one advertiser, but is rendered alike to all advertisers.

No section of the publishing field is so susceptible to questionable or even fraudulent schemes as that of the so-called export-trade papers. The war period saw the birth of many that were based on no further legitimate claims to a place in the field than that afforded by "scissors and paste pot" and an unscrupulous publisher. Some of them were short-lived, but others still survive. The glamour of strange countries, the general ignorance concerning them, and

the almost universal confidence in advertising as a factor in promoting sales make easy the way of the glib solicitor who, while knowing very little of the field that he holds out temptingly under the glittering generality of "immense foreign-sales opportunities," at least seems to know more about it than the prospective advertiser. The advertiser, shrewd enough to know that advertising is an indispensable part of his domestic merchandising plan when coordinated with a fundamentally intelligent sales policy, apparently disregards these basic considerations when once he begins to cast his sales vision beyond the borders of the United States. Basically domestic and foreign merchandising are governed by the same laws. Advertising, particularly advertising in trade papers, is no more a "cure all" abroad than it is at home. There is a tendency on the part of some publishers to overstate the advantages to be derived from advertising in their papers; but the more farsighted, well-established publishers of export-trade papers are aware of this tendency, and their more conservative attitude in frankly stating the merits and the limitations of their papers in reaching foreign prospects will help to minimize the "overselling" claims to which the whole field unfortunately has been subjected.

#### MOTION PICTURES IN ADVERTISING.

Although motion pictures have not attained the widespread popularity that they have achieved in the United States, many "movie" theaters are to be found in all the large cities of Japan. Some American films are to be seen, but most of them are of Japanese manufacture, of the "blood-and-thunder" kind. We are speaking here not of the few theaters showing films catering entirely to Americans and other foreigners, but of the native films and theaters appealing solely to the popular taste of the Japanese.

A few Japanese advertisers use films and slides for advertising purposes; their method is usually to hire a small theater, distribute free tickets, and then either show a story film into which is interwoven references to their product or, more commonly, show a straight story film and, between reels, throw colored slides on the screen showing their product. However, the difficulties in the way of the effective use of motion pictures by American advertisers are so many and will so readily suggest themselves to the reader that it is extremely doubtful whether this method of reaching the people can be turned to good account. To be properly effective, a special story, devised solely for Japanese tastes, would have to be filmed, titles would have to be in Japanese ideographs, and the machinery for distribution through film exchanges and exhibitors would have to be created. All in all, we may consider that, for the present at least, we shall have to eliminate the motion picture as a practical advertising medium for popular use in Japan.

On the other hand, the industrial film, for special audiences of technically trained men or for those interested in methods of manufacturing or in construction problems, could be used just as it is made in the United States. What the writer has in mind is something that could be shown by or through the salesman or by the local sales agency in Japan. With Japan undergoing an industrial transforma-

tion, and constituting also a potential market for all kinds of machinery and similar equipment that it can not make itself, there would seem to be a fertile field there for exploitation on the part of American manufacturers and an opportunity to show the practical workings of their equipment through the medium of industrial motion pictures. It is doubtful whether any change of Japanese titles would be necessary, the picture carrying the story and the indicated titles in English being quite sufficient to be understood by such picked audiences.

#### STREET-CAR ADVERTISING.

Electric street cars, or "trams," as they are called, are to be found in all the important centers of Japan, and in cities such as Tokyo (where there are 1,400 cars claiming to carry about 800,000 passengers daily) advertising cards are placed on the inside of the cars, as in American cities. However, the lack of spaces of uniform size, the extreme uncertainty as to prices, the absence of any efficient system for the insertion and checking of cards as ordered, and the unsightly and slovenly appearance of the cards are, among other objections, the factors that would eliminate any consideration of this medium on the part of prospective American advertisers.

#### OUTDOOR ADVERTISING.

Aside from startling displays of painted signboards to be seen in the large Osaka and in some of the smaller railway stations, together with the innumerable small posters hung or fastened on telegraph and telephone posts, there is no development of outdoor advertising in Japan. In the southern part near Osaka, "Jintan," the largest advertiser, has made some special arrangements of its own for the erection of billboards along the railways. Also, at one time there were a great many painted signs along the railway between Tokyo and Yokohama, but the Government, which exercises a strict supervision in both this and many other matters, ordered them removed on the ground that "they spoiled the scenery." In Tokyo and other cities where there are fences erected around buildings in course of construction temporary advertising signs are painted. The 200,000 telephone and telegraph posts belonging to the Japanese Government have recently been leased for 400,000 yen (about \$200,000) yearly, and advertising signs of all sizes, shapes, and colors are to be seen on them. However, the only Japanese advertiser that has really made an effective use of signboards is the maker of "Jintan." This advertiser, seizing upon the absence throughout Japanese cities of street signs marking the names of streets, undertook, with the permission of the city authorities and the individual property owners, to remedy this defect himself. Losing one's way in Tokyo, which covers more than 200 square miles, is a daily experience even for those who were born there, and to find the way about one is dependent wholly on the "Jintan" street signs, every one of which, in addition to the name of the street, carries the familiar trade-mark.

There is no one organization rendering a selling or other service for Japanese outdoor advertising, and unless the American advertiser undertook to enter into negotiations with a great many people

Nearly three-fourths is display advertising, and the remainder is news. The large, highly decorated advertisement in the lower corner is for stockings; the one showing the heads of two women is for a tonic.

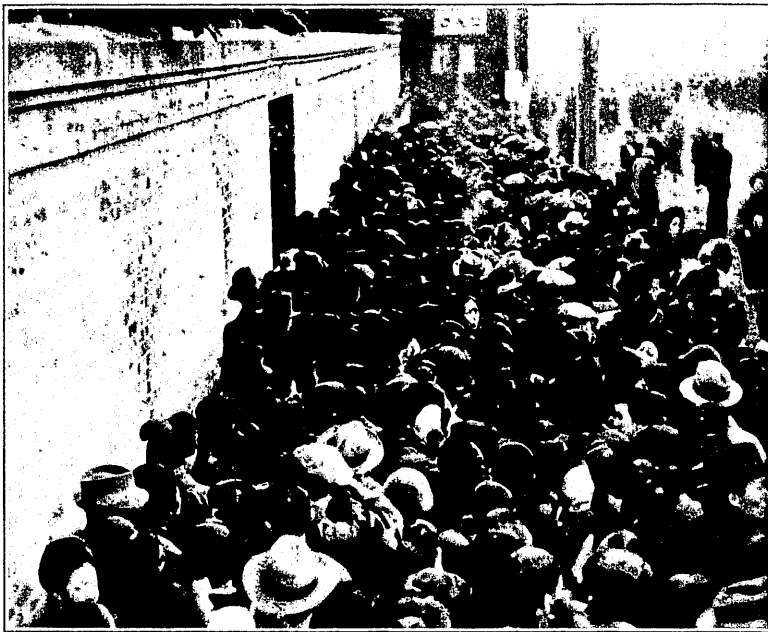


FIG. 9.—CROWD WAITING FOR THE DOORS OF TOKYO'S LARGEST DEPARTMENT STORE TO OPEN.

It has advertised "reduced prices on fall and winter materials for kimonos."



FIG. 10.—SPECIAL GATE AND ELECTRICAL DISPLAY ERECTED AT THE KURUME EXHIBITION IN JAPAN AS AN ADVERTISEMENT FOR "JINTAN."

(in some instances he would have to secure the space itself through the property owner) this method of advertising would be closed. Obviously such arrangements could not be conducted from a distance, and these difficulties, together with the general confusion and the questionable efficiency of its use in its present chaotic state of development, would close this channel of advertising to any but Japanese who are on the ground and fully acquainted with all the circumstances.

### ELECTRIC SIGNS.

In Tokyo, Osaka, Kyoto, and other large cities are to be seen a good many electric signs—none of them very elaborate when measured by the advanced American standard, but surprisingly intricate and interesting when one remembers how recently Japan has begun to develop this field.

The largest electric sign is that of a well-known brand of Japanese tooth powder; it contains 800 lamps; it cost 20,000 yen (about \$10,000) to erect, and the maintenance charge is 300 yen (about \$150) per month.

Through its Japanese affiliations an American corporation is said to own 40 per cent of the stock in the largest electric-sign company in Tokyo, with a branch in Osaka. This Tokyo company and its Osaka branch are both under Japanese management, and they contract for, erect, and maintain illuminated signs in the principal cities in Japan. The cost of current averages about 10 sen (about 5 cents) per kilowatt hour; there is no municipal or other tax imposed, but a police permit must be obtained for the erection of the sign.

### HELPING THE DEALER.

Rendering such supplemental assistance to the dealer as might be provided by sample packages, window-display material, or even practical store demonstrations has received scant attention from the Japanese manufacturers. It is true that some of the toilet-goods manufacturers mail samples of their goods directly to the homes, or even distribute samples to patrons of theaters or at other places of popular assemblage. It is not practicable to sample through dealers or sampling crews; the former will sell the packages, and in the latter case they will never get beyond the servants. (Families even in moderate circumstances, with an income of, say, \$100 per month, employ at least one servant.) However, in general the idea of definitely assisting the retailer to move goods off his shelves has scarcely even made a start in Japan. Aside from a few large department stores, fully 98 per cent of the retail outlets of Japan are tiny shops, conducted in many cases by the women and children of the family. The construction of these shops (we are again excepting the department stores, with their excellent window displays of merchandise) is such that they are practically without windows, so that the "speeding up" of sales, the demonstration of goods, or the attractive trimming of windows is quite out of the question, nor is there any prospect of a change taking place in which such stimulating methods as these will be used.

Attention has already been called to the meager use of advertising on the part of Japanese retail merchants, the reason for which is



possibly to be found not only in the fact that the large Japanese newspapers have national rather than localized circulations, but also in the perfect satisfaction which the merchant feels in selling merely to a limited number of people whom he personally knows, and in the absence of any ambitious plans for extending his business beyond its ordinary and accustomed channels.

In the larger department stores in Tokyo and elsewhere, the writer has seen some very interesting examples of window displays; inside the store there are modern show cases and excellent displays of Japanese as well as American and British goods. These stores are a great rallying point for both the better-class and the middle-class Japanese shoppers, most of whom are women; and not the least of their attractions (after the surprise of checking one's shoes or donning shoe coverings at the door) are their modern improvements such as elevators and even escalators, as well as tea rooms, in addition to separate smoking rooms for both men and women.

### TRADE-MARKS.

#### LEGAL REQUIREMENTS.<sup>15</sup>

The trade-mark situation in Japan has been a source of much annoyance to many American manufacturers. Standard American goods have been reproduced locally and, bearing the United States trade-mark, have been sold by Japanese manufacturers both at home and abroad as "American-made goods." But it is only fair to state here that in many instances these conditions are due to carelessness on the part of American manufacturers in neglecting to protect their rights under the provisions of the Japanese law.

The international agreement regarding trade-marks, to which Japan is a signatory, provides that a citizen of any country is to have a priority of four months after the date of application for trade-marks in his own country in which to file application in other countries subscribing to the agreement. Many American manufacturers have failed to observe the rule and later have learned that some one else has used their trade-mark on goods in Japan.

Another feature of Japanese trade-marks, as well as patents, is that anything is considered to be "not new" if it has been publicly known or publicly used prior to the application, or if it has been described in publications distributed in the Empire prior to the application "to such an extent that the description can easily be put into practice."

The situation therefore suggests that American manufacturers should protect themselves in Japan as promptly as possible. The requirements are that the application must be translated into Japanese and that a foreigner not resident in Japan must employ an agent, resident legally in Japan, to apply for registration, in connection with which certificates of nationality must be presented. Trade-marks are registered for a term of 20 years, and the registration is renewable. The application fee is 3 yen (about \$1.50) and the registration fee is 20 yen (about \$10), payable at once.

<sup>15</sup> For further information regarding the Japanese law the reader is referred to "Pointers on Japanese Trade-Marks," by J. E. de Becker, legal adviser to the Yokohama & Tokyo Foreign Board of Trade; published by Kelly & Walsh (Ltd.), Yokohama; price, 5 yen (\$2.50). A copy is on file in the Bureau of Foreign and Domestic Commerce and may be examined by interested persons upon referring to file No. 45928.

Classed as unregistrable are trade-marks similar to the imperial chrysanthemum crest, the national flag, or the insignia of the Red Cross. The same applies to trade-marks that are identical with or similar to goods already registered or intended to be applied to identical goods and to marks that have lost validity not more than one year before. Trade-marks may be canceled when, without proper reasons, the owner of a trade-mark right has failed to use his trade-mark within the Empire for more than one year from the date of registration or has discontinued the use thereof for more than three years.

#### DANGERS OF REGISTRATION IN NAME OF AGENT.

An embarrassing situation may arise when a mark is registered in the name of the local agent of the American manufacturer or exporter. As long as the exclusive agency continues there are usually no difficulties, but, should the principal desire to make a change in the agency arrangements, he may find that the agent has it in his power to prevent the importation of the trade-marked goods except when consigned to him or under such terms as he may dictate. This danger was emphasized during the war by the experience of some exporters with agents of enemy nationality. The placing of the name of the agent on the enemy-trading list resulted in a suspension of shipments to the former agent, while the control of the trade-mark through registration in the name of the agent prevented shipments from being made to any other except under a different mark.

The following recommendations sum up these two phases of the question:

- (1) Register your trade-mark in your own name in Japan and every country where your goods may have even a future market.
- (2) Register before—and long before—not after you begin exporting.

#### THE TRADE-MARK AS AN ADVERTISING ASSET.

A suitable and striking trade-mark is of even more importance in Japan than in the United States, and, as was previously stated, registration is absolutely necessary if the manufacturer wishes to retain possession of it. The greater importance of an effective trade-mark becomes evident from the fact that, though there is a high degree of literacy in Japan, the people are less sophisticated than Americans and are more readily appealed to by means of a strong, bold trade-mark in any of the primary colors. The better classes are voracious newspaper readers, and their eyes can be more readily caught "on the run" with this same design in a black-and-white newspaper advertisement or in colors on label, package, or poster.

The design should be simple and strong, and if it is in colors they should be bold. Also, the advertiser should remember that the Japanese language does not consist of letters as does the English language, but of idiograms, which are in effect pictures intended for the eye, and that it is not so important in devising a trade-mark to have it translate or parallel the English equivalent as it is to have it descriptive of something pleasing to the eye with agreeable associations and easily comprehended by even a Japanese child. If the trade-mark is to include a pictorial representation of any sort—whether it be a flower, animal, human figure, or what not—the greatest care

should be exercised to see that it does not symbolize anything with an offensive, unfamiliar, or misleading meaning. There are certain colors and even animals in Japan that have meanings, or at least suggestions, quite the contrary of our own; white, for example, is the color of mourning. Only a Japanese thoroughly versed in the religious, social, and business customs of his country could advise an American advertiser about to embark upon the important venture of adopting a Japanese trade-mark, and enable him to choose one that is not only safe, but effective as well.

#### SUMMARY AND GENERAL RECOMMENDATIONS.

In making an advertising survey of Japan, or, indeed, of any other country, we Americans are apt to forget that nowhere outside of the United States has there been such a widespread and effective use and acceptance of advertising as in our own country; nowhere else has there been the combination of the factors of (1) a huge population, (2) eager, growing minds open to new ideas, (3) a high stage of literacy and purchasing power, (4) a highly developed organization sense, and (5) rapid transportation facilities—such as made possible our extraordinary development and organization of newspapers, magazines, and other advertising mediums. Other nations have developed one or another of these qualities, but none have intensified or combined them as we have. Yet none of these things sprang full-fledged into being, but were the result of growth, and in getting a proper perspective on other countries whose advertising advantages have not equaled our own, it is well to bear in mind our own near advertising past and its abuses.

Before summarizing the advertising situation in Japan or making any general recommendations regarding it, it would perhaps be well to remind ourselves that advertising is, after all, only one angle of the problem of distribution, and that in Japan, even more than in the United States, the broader aspects of distribution should be considered first. And so, while this report is not concerned with credits, packing, shipping, and other important considerations, it can properly touch on the broader groundwork of distribution, of which advertising is one phase.

Viewing distribution, then, as the most important consideration and advertising as only a single angle of it, how is the American exporting manufacturer to go about getting it? If his business warrants it, his best outlet is, of course, a selling branch in Japan under the direction of an American acquainted with his business and the local field, with native salesmen under him. Not very many American manufacturers have branch offices in Japan, and only a prospect of sales in considerable volume would justify so ambitious a plan. Next in order, and in the absence of a factory branch, would come the securing of local sales agencies, which can be appointed either by the factory representative after a personal inspection or through correspondence from the United States. It is obviously better that this selling arrangement be made through the factory representative, since only by a man on the ground, with all the facts before him, can the entire sales situation be gauged to the best advantage. If, however, this selling arrangement is consummated by correspondence, all possible care should be taken to secure a representation that will

actively sell goods and not merely act as a nominal selling agency. But whatever the methods of appointment, let it be an American representation, not Japanese or European. Only the securing of American representation<sup>16</sup> will assure the best results. The principal considerations that should determine the choice of this agency should be, first of all, its standing among the Japanese trade, and, second, its willingness and ability to "push" the line. Of course, all capable sales agencies understand that they can not use American "ginger-up" methods among the Japanese; that beyond a certain point the latter can not be hurried to a decision. They wisely adapt themselves to their customers' outlook, knowing full well that to the Japanese the giving of an order means, as likely as not, not merely that they have bought a bill of goods but that they have entered into a new business relationship.

Therefore the right sales representation in Japan means, more than any other one element, the success of the venture, and the wrong choice means failure, regardless, one is tempted to say, of the relative merits of the goods themselves. This is not a general statement applying equally well to selling in the United States, but must be strongly emphasized in relation to Japanese merchants, who have always been accustomed to doing business face to face and buying only from those in whom personally they have full confidence and with whom preferably they have more than merely a business relationship. We have already spoken of this sales agency being under American direction, and while some of its salesmen will also be Americans, others will be Japanese, as is proper. Now the American factory representative can work with and through them, frequently making a round of calls with them, not only to understand their methods (perhaps now and then suggesting better ones) but also to keep in closer contact with actual working conditions in the sales field. He may, or may not, actually sell goods himself, but he will in effect be the sales manager in Japan in so far as he can learn to meet the requirements of the local situation.

How can advertising enter into this stage of sales promotion? It can be used in this way: Through trade journals in the Japanese or the English language,<sup>17</sup> or both, it can put the manufacturer in contact with inquirers who may later be developed into general selling representatives; or it may bring inquiries from jobbers and dealers. It can pave the way by acquainting the trade with the article in question, thereby reducing, if not breaking down, sales resistance. It seems likely that the use of advertising in export trade journals will be of greater importance to the manufacturer who can not have, or who does not expect, a sufficient volume of sales justifying him in sending a factory representative to Japan either for direct selling to the trade or for appointing sales agencies there. Such a manufacturer has greater need of some such means of first getting in touch with Japanese sales outlets—the standing of which he can check through American banks with branches in Japan—than has the larger manufacturer with a Japanese branch or with

<sup>16</sup> A list of responsible American importing houses and other sales representatives in Japan may be obtained from the Bureau of Foreign and Domestic Commerce (file No. FE-11012a); also information concerning the American banks with branches in Japan, from which credit data and advice regarding the best sales representation may be secured. (There are no organizations in Japan corresponding to Dun or Bradstreet.)

<sup>17</sup> See section on "Export trade journals."

active sales representation already established in the country. Even in the latter case (and depending upon the article to be sold, and therefore the range and kind of trade distribution desired), trade-journal advertising may be found useful, though not so necessary as with the small manufacturer.

But whether the outlook for sales be large or small, and regardless of the form of representation to be chosen, the manufacturer will do well to consult with the American banks that have branches in Japan before he decides on his sales representation. The managers of these bank branches express their entire willingness to assist the exporting manufacturer with detailed advice as to his best course in choosing sales agencies in Japan, with particular reference not merely to the credit standing of the latter, but also to their sales ability along the individual line of the goods to be sold. In conversation with the writer they agreed that frequently the importing house or sales agency that might rate "A1" might also be the worst sales outlet for a particular product, by reason of competing lines that it handles, by a tendency to take on additional lines only with the purpose of "pigeonholing" them, through inactive handling of new lines, through stressing the importance of old and established lines, or for other reasons. So much for this brief summary of agency representatives and advertising to the trade.

As to consumer advertising, it has been seen that Japan's imports per capita, which in 1913 were \$6.60 (of which about 11 per cent came from the United States), rose in 1919 to \$19.39, of which about 34 per cent were American products. But attention has also been called to the fact that more than 90 per cent of these purchases were not merchandise susceptible of advertising, but raw materials and semimanufactured goods on which advertising can have no perceptible effect. Also, it has been seen that certain popular mediums, such as outdoor and street-car advertising, as well as motion pictures, are closed avenues for reaching the people, and that "helping the dealer" is an undeveloped practice offering no encouragement. It has been indicated that the use of catalogues and direct-by-mail methods are complicated by many difficulties. It has been shown that, above all else, so far as the mechanism of advertising is concerned, the most serious dearth was that of capable advertising agencies that might act as intermediaries between the American advertiser and the mediums such as the newspapers and magazines, which are read by millions of Japanese of all classes and which play so important a part in their lives. As against these obstacles or disadvantages which have just been enumerated, there is the outstanding advantage of the popular and widely read Japanese newspapers and magazines, which, with all their uncertain circulations and rates, are still an open and accessible channel for reaching all classes of Japanese. The details of these publications, together with the difficulties and methods of using their columns, are discussed elsewhere at length in this report.

Seemingly, the greatest barrier to free advertising intercourse with Japan is that of language, yet actually that is not so. The most nearly insuperable difficulty is divergence of viewpoint, of which language is after all only a sort of superficial indication. When we acquire the ability to write advertising from the angle of the Japanese consumers, we will have made our selling messages in print the

single most potent force for increased business with Japan, instead of being, as they are to-day, of negligible consequence. Always in our personal selling the language will be a barrier and will prevent us from reaching a hundredth part of the potential customers. It is only through advertising with a Japanese viewpoint that we can talk to millions instead of the thousands that we reach to-day. And these millions—despite their literacy, which is the highest in Asia, and despite the fact that many of them are giving the lie to the old saying "The East changes not"—are, as a nation, still oriental to the core.

There are already indications that, with its amazing commercial development and other material accomplishments, Japan is developing its own advertising men. Those whom the writer met (they were usually in the employ of Japanese advertisers) quite frankly avowed that they had adapted "American ideas" as a basis for their copy. As Japanese they knew the overwhelming importance of pictures in all advertising aimed at a popular following; they knew the necessity for skillfully estimating the wants or desires of the people or of showing simply and pictorially the utility and satisfaction in the use of some strange article, which, while new to the Japanese, might be an everyday commonplace with Americans.

As to Japan's future purchases from us: It seems more than probable that they will consist to an increasing extent of raw materials and machinery, with the more readily advertiseable merchandise taking a decidedly secondary place. Also, there will be small place for a wide range of easily advertised articles such as foods, clothing, and articles for personal or household use. Not that, within the restrictions imposed by a difference of customs and habits, Japan would not use such goods, but because things that to us are cheap would, in Japan, on account of protective tariffs and a lower scale of living, become almost luxuries, and could not compete with the homemade articles. There are in Japan, of course, as in America, a large number of people to whom "imported" is a fetish, and to them, of course, price is a secondary consideration.

In conclusion let this suggestion be offered: Advertising is not the quick and easy road to success in Japan or any other foreign country, as many experimenters have found to their sorrow. Neither advertising nor any one factor alone will sell goods, nor is there a magic wand of any kind that the American exporting manufacturer can wave over Japan and the Far East and achieve successful results. Instead there will be required the same careful consideration and attention to the practices of sound merchandising that have been successful at home, together with special and detailed adaptation to Japan as demanded by its different customs, habits, language, and other basic considerations.

## CHINA.

### GENERAL INFORMATION.

#### AREA, POPULATION, AND CLIMATE.

The Republic of China, including its dependencies of Manchuria, Mongolia, and Tibet, covers an area of more than 4,300,000 square miles, being considerably larger than the entire continental United States. More than 50 different peoples and tribes, with a total estimated population of 400,000,000, live in this vast stretch of country, but China proper (excluding Manchuria, Mongolia, and Tibet), while comprising only about one-third of this area, contains more than nine-tenths of the population. Going further, we find that even in China proper (by which is meant its 18 Provinces) more than three-fourths of the people live in one-third of the area. No reliable land survey or census figures are available from governmental or other sources, nor do any two estimates more than approximately agree as to China's population, but we may accept the above estimates as being sufficiently correct for our purpose.

Owing to the scarcity of railways, the absence of roads, and the custom of succeeding generations of Chinese remaining on the same land for as long as a thousand years, one finds curious contrasts of population concentration in different parts of the country. Along the delta of the Pearl River at Canton and from Shanghai up the Yangtze River for a hundred miles, as well as along the canals that lead to these rivers, there are crowded so many tens of millions of people that one is astonished at the dense crowds and teeming habitations; there the population per square mile is not exceeded in any country in the world. Far back in the interior away from rivers and convenient waterways, and particularly in Mongolia, the population is very scanty, not only because of the disinclination of the people to leave their ancestral homes, but, as was mentioned above, by reason of the absence of adequate transportation facilities and, what is worse, the total lack of roads. In thousands of miles of Chinese territory, footpaths are the only means of connection between towns, and, save in North China, horse or mule vehicles of any sort are never seen.

Obviously, in so vast a country the variety of climate is also extreme, ranging from the biting cold of the semiarid northern plains to the semitropical southern country. For commercial purposes the country may be considered as being divided into three parts, with the northern section tributary to cities like Peking and Tientsin, the southern part to the cities of Hongkong and Canton, and the central and most important part centering in Shanghai, the metropolis of China. It is in these and other treaty ports that the majority of the 25,000 Americans, British, French, and other foreigners are to be found.

## RESOURCES AND INDUSTRIES.

In sharp contrast to the hugeness of China's area and population are the small units into which its activities are divided. Probably 80 per cent of its people are farmers, cultivating no more than an acre of ground each; its merchants conduct small shops that are little more than "holes in the wall"; its artisans, regardless of their particular handicraft, do their work with minute care while housed in tiny "cubby-holes" that serve as both houses and shops.

Yet, though these farmers possess no modern implements and the handicrafts are patiently wrought out with crude homemade tools, China is on the eve of what promises to be an amazing industrial awakening. Under its soil lie unlimited quantities of those basic industrial necessities, iron and coal; varying estimates regarding the quantities available have been made, but the practical fact stands out that the country is mining annually about 30,000,000 tons of coal and is producing more than 500,000 tons of pig iron every year. It is probably the stupendous size of China and the fact that the vast proportion of its people are still small farmers, small artisans, or small merchants, that blinds us to this change that it is undergoing. There are in China 45 cotton mills with 1,500,000 spindles, and among other manufacturing industries that are becoming important in its modern industrial growth may be mentioned soap and candle factories, factories for the preparation of egg products, knitting mills, canneries, cement and brick works, chemical works, electric-light plants, glass and porcelain works, cold-storage plants, tanneries, oil mills, paper mills, printing and lithographic works, railway shops, rice hulling and cleaning mills, silk filatures, silk mills, sugar refineries, tobacco factories, waterworks, and woolen factories. Yet, with all this, less than one-half of 1 per cent of the people are engaged in industry on more than a small-shop scale, and even with a rapid speeding up of industrial life, it will be many decades before China is able to supply more than a small fraction of its own needs in manufactured goods. So, viewing China to-day and for years to come, we may think of it here and for our purpose as a country primarily of farmers and secondarily of small merchants and small home-craft workers.

## IMPORTS AND EXPORTS.

Of all the countries of the Orient, China is the second largest purchaser of American products, being surpassed in that respect only by Japan.

In the total foreign trade (imports and exports) of China, which in 1919 amounted in round figures to \$1,750,000,000 United States currency, Japan led with 37 per cent, Great Britain (including Hongkong) came second with 32 per cent, while the United States was third with 16½ per cent. The American share is, in reality, somewhat larger than it appears to be, because a considerable amount of goods shipped from or through Hongkong, Japan, and Canada is actually American merchandise but is not credited to that source. Mention should also be made of the fact that this 16½ per cent for the United States represents an enormous increase in actual volume over former years, and in percentage alone represents a doubling since 1913. The bulk of this increase doubtless was gained from Ger-



many—Japan and the United States having secured nearly all of this business. Also, while both Japan and Great Britain lead America in China's foreign trade, the United States is first in the number of lines and the diversity of products. But what is even more encouraging is that for the first time the United States leads in the foreign trade of Shanghai, the significance of this being better understood when one is reminded that through Shanghai passes 40 per cent of China's entire foreign trade. There are many reasons for this creditable showing, but probably the most important one is that the United States is now conducting its trade with China directly through the agencies of its own shipping and banking, and through the 300 American firms directly established in the field.

China's principal imports are cotton goods and cotton, metal products, machinery, electrical equipment, railway materials, kerosene, lumber, sugar, marine products, dyes, tobacco, matches, leather, hardware, and building materials. Its principal exports are silk, beans, tea, vegetable oils, hides and skins, wool, tallow, minerals, eggs and egg products, wood oil, short-staple cotton, and bristles.

#### LANGUAGE.

There are really two distinct languages in China, the written and the spoken. The written language, because of the almost universal illiteracy of the people, is read by less than 10 per cent; but at least it is uniform, being written in the colloquial style for the common people and in the literary style for the educated class. There is, however, no common spoken language, but, instead, a score or more of dialects varying so widely that frequently two Chinese from different parts of the country can not understand each other's speech. So, for all practical considerations, they are not dialects but different languages. The only thing approaching a common tongue in China is the Mandarin dialect, which is spoken by more than half of the people.

Even this brief outline tells only half the truth about the unwieldy nature of the language. For example: In the Pekingese official dialect there are 420 monosyllables, each one of which has 105 different meanings which are determined by a slight difference in pronunciation or by the association of one word with the word next to it. Thus we have here the bewildering complexities of 44,000 or more words, each of which when written has a distinct ideograph.<sup>1</sup> To master the language one has to learn what are, in effect, 44,000 written symbols, instead of, as in English, 26 letters. A minimum of about 3,000 of these ideographs or characters is necessary in order to read newspapers intelligently, and a very well-educated Chinese is able to read and write about 20,000 of them.

Many attempts at reforming the language have been made, but without much promise of success until recently when the new phonetic alphabet of 39 characters (with official support and taught in the schools) made its appearance. Even newspapers are being printed in it, and it is hoped that in time it will place reading and writing within the reach of all the Chinese, just as the adoption

<sup>1</sup> The Chinese language has no alphabet, but consists of many thousands of ideographs, or "characters," as they are called, each one of which represents a picture, sound, or syllable.

of the 54-letter alphabet has put education within the reach of the majority of the Japanese people.

However, so far as the American advertiser's translation is concerned, these difficulties need not concern him, since the task of putting his English message into Chinese will be undertaken by native copy writers, as we shall see in a later chapter. The difficulties of the language and the changes it is undergoing are mentioned here as matters of general interest, and to give the advertiser an idea of the reason for the general illiteracy of the Chinese people, burdened as they are with a language the reading of which, with any degree of ease, is quite beyond the hope of any except a very few.

#### CURRENCY AND BANKING.

Because of the widespread interest in, but general ignorance of, the subject of Chinese currency, a broad outline of the topic at this point may be interesting and helpful. Yet despite the fact that this currency is the most chaotic mixture of unrelated mediums of exchange that has ever existed in any one country, it need not greatly discourage and certainly need not deter the American exporter in undertaking to do business with China, since his financial transactions will be handled through importers and American banks in China.

There is, first of all, the "cash," a small copper coin which is the common medium of exchange for the everyday transactions of the common people; it has a hole punched in the center through which a string is passed in lots of one hundred or more. It takes about 2,000 of these battered disks, some of which have been used for a thousand years or more, to equal an American dollar; they represent such infinitesimal values that they are not used in any foreign trade transactions, nor, indeed, do Americans or other foreigners ever use them for any purpose. There is also the "copper," of which there are from 140 to 170 to the "Mex." dollar, depending upon the day's rate of exchange and the city in which the exchange is made; labor in Shanghai and some other cities is paid in these coppers, but this coin does not enter into our consideration.

Then comes the greatest complication of all, taels versus dollars. The tael, in which all foreign and large local financial transactions are calculated, is not a coin at all, but an ounce of silver, 50 of which are made into a lump which is stamped by the agency that issues it. Nor is there uniformity in the value of the taels of different Chinese cities, each one varying from the others, according to the fineness of the silver used. Thus a Shanghai tael has a value different from that of a Hankow tael. If one bank owes another \$10,000, it can not pay in dollars but in taels, and these stamped lumps of silver are dragged through the streets in wheelbarrows. Sixteen different Chinese cities have taels named after them, and no two kinds of taels have the same value.

We now come to the dollar, commonly called "Mex.," which is the currency used locally by foreigners in China. There are many kinds of dollars, such as the Hongkong, Mexican, Yuan, Peiyang, and others, and these have not the same value. Thus, if one starts out with, say, 100 Hongkong dollars and does not spend them but merely exchanges them from one local currency to another in going from city

to city, the exchange which each native banker or money changer charges will entirely consume the original amount. However, for all practical purposes, either the Yuan or the Mexican dollar is worth a full dollar in nearly every large place where the traveler is likely to go; however, not many undertake to carry the burden of several thousand of these silver dollars in their travels from city to city. There are also smaller silver coins, nominally 10 and 20 cent pieces, though actually their value varies from day to day with the price of silver. Thus one may receive 11 or 12 ten-cent pieces in exchange for a dollar, and, also, in return for each 10-cent piece may receive 11 or 12 copper cents.

Silver is the basis of all currency computations in China. Nor are there any bank notes except the depreciated ones issued by Chinese banks and the ones issued by American, British, French, and other foreign banks and accepted at par in all cities in China where such banks have branches.

To give the reader an idea of the relative values of the tael as compared with the dollar, mention may be made that the Yuan dollar is worth about two-thirds of a Haikwan tael.

Normally, a dollar in China could be bought for \$0.43 in United States money, but so tremendous were the fluctuations and rise in the price of silver during the war that at one time it cost \$1.30 United States currency to buy a Chinese dollar—this representing three times the normal value.

It would be well to bear in mind also that the dollar in China is always written with the mark "\$" before it, the same as in United States currency.

As has been pointed out at the beginning of this chapter, all these apparently inextricable mazes of the Chinese monetary system need not deter prospective exporters from entering the field, as the matter of exchange and payment is conveniently computed and made by the importer or American branch bank in China.

There are many hundreds of native banks in China, but the scope of their operations is generally so limited and their methods are so primitive that their service is entirely restricted to financing small local enterprises and to money lending on a small scale; they also act as money changers.

However, even in Chinese banking circles some very interesting developments are taking place, and an increasing number of these banks are now financing enterprises of no mean proportions. Also, during 1920 Chinese and American financial interests combined to form what promises to develop into an important link in the trade chain between the two countries, and the banks which they opened in Shanghai and Tientsin met with encouraging success from the very start.

In addition to this Chinese-American establishment, many powerful American banks have large branches in all the important Chinese cities, as have also the British, French, Japanese, and other financial interests, and it is through these well-known banks that practically all the American and other foreign-trade exchange operations with China are carried on.

#### TRANSPORTATION.

The greatest single hindrance to China's commercial advancement is its lack of means of communication, particularly transportation.

Its railway mileage is only 6,500 (as compared with 265,000 miles in the United States), and even Canton is not yet connected with Peking by rail. In all of China there are only a few hundred miles of highways or roads, so that, aside from these and the streets in the foreign settlements in a few of the cities, animal-drawn vehicles are never seen. Coolies pulling carts or pushing wheelbarrows, or with loads suspended from poles on their shoulders, are the commonest methods of transporting goods in China. Yet, despite unlimited supplies of this man labor, which is the cheapest in the world, the cost of transportation is from 10 to 20 times as high in China as it is in the United States.

Ponies, mules, and camels are employed as pack animals in the extreme north. Canals, which crisscross the country like a network in some places, provide an important means of communication, yet in many places these have been permitted to become silted up; even the Grand Canal, running straight through the heart of China for 900 miles, has been neglected; formerly the tribute fleet of 4,000 boats laden with rice for Peking made its way to the capital through this canal, which is now being dredged and improved by American engineers.

There can be little doubt that the greatest single need of China to-day is improved transportation facilities, both railways and roads. In the encouragement to build them, China possesses one great advantage over the United States, where railways preceded population and, indeed, were constructed to open up new territory and attract people to it. In China, on the other hand, in tens of thousands of square miles, where railways are a crying need, some places have a population of nearly 1,000 to the square mile. They are completely shut off from the world; their wheat, coal, and other products are practically valueless to them, and, receiving nothing for these, they can buy no foreign products in return.

The construction of adequate railways and the unifying of its chaotic currency system are China's two most pressing needs, and a most hopeful indication of the recognition of this fact is seen in the organization in 1920 of the Consortium of American, British, French, and Japanese bankers, with these two projects as their primary consideration.

#### CUSTOMS TARIFF AND "LIKIN."

There is no prohibitive tariff standing in the way of the exporter who does business with China, nor is there any preferential treatment accorded one nation as against another. Imports into China from all countries are treated on the same basis, paying 5 per cent ad valorem, plus 2½ per cent if intended for nontreaty ports in the interior.

Exports from China pay the same duty as imports, which fact is merely mentioned in passing as of general interest but with no direct bearing on our subject.

Another much-discussed matter of general interest that is but vaguely understood is "likin." In brief it means that China is divided into scores of zones cut off by tariffs, and its effect is to penalize Chinese products as they pass from one city or Province to another. For example: Yalu lumber, cut on Chinese territory, pays

duty five times, amounting to 20 per cent of the market value, before it can enter Peking. Incredible as it may seem, China thus discriminates against its own native products.

#### MANNER OF CONDUCTING BUSINESS.

The distinctive features that characterize Chinese trade are (1) the import (and export) houses called "hongs," (2) the comprador, and (3) the Chinese merchant. Let us consider each of these as briefly as the importance of the subject will permit.

The importing house (we are not concerned here with exports from China) may, so far as its importing and selling are concerned, buy for its own account or act merely as a selling agent.

Through these houses, or hongs, are imported practically all of the foreign goods that reach China. They are principally American, British, or Japanese, the Chinese merchant as a rule not having developed to the point where he does business directly with foreign countries on a large scale; in this respect he is unlike the Japanese, who is inclined to purchase directly on his own account.

The Chinese seems quite content to buy of these hongs through the latter's Chinese comprador, of which important individual we shall speak later.

Now and then one sees an American salesman, accompanied by an interpreter, calling directly on the native trade with the purpose of getting in touch with actual conditions or of satisfying himself that no important avenues for sales are being neglected. In the last analysis, however, such business must pass through the hong that acts as his importing or selling agent, unless his firm establishes a branch office.

Outside of Shanghai and other large cities, there are comparatively few foreign (American or European) retail stores, and these are devoted to clothing, jewelry, or drugs; the bulk of the retail merchants are Chinese, not merely because they are natural and skillful traders, but because their customers are nearly all Chinese.

Thus far we have spoken only of import houses selling a variety of lines. In the event that the American exporting manufacturer has a branch office in China, it is, broadly speaking, only an import house specializing on the sale of one line of goods. Instead of representing and selling 50 different kinds, it sells one kind. Or, in the case of a cooperating branch office representing a number of American manufacturers, it sells their goods exclusively without division of interest. Obviously, the branch office (and, after that, the cooperative office engaged in selling similar and related but noncompeting lines) is the way to get the best results. Naturally, such offices will be in charge of American factory representatives. If the prospective business will not justify such concentrated representation, the next (and indeed the only) channel open is that of the hong or import house described above, which will either buy on its own account, as the needs arise, or act as the selling representative of the manufacturer.

Whatever the decision of the manufacturer, his selling representation in China should be American. If he is going to conduct his distribution through an importing house, say, in Shanghai, it would be well for him to send a capable factory representative there and let him choose the agency right on the ground. Whether he does this or



FIG. 11.—NEW TYPE OF MODERN ARCHITECTURE USED BY CHINESE SHOPS IN LARGE CITIES.



FIG. 12.—SMALL CHINESE SHOP OF THE BETTER CLASS.



FIG. 13.—CHINESE STORE IN SHANGHAI.

This is typical of thousands of native shops.



FIG. 14.—CHINAWARE MERCHANT, PEKING.

not, the American banks with branches in the principal Chinese treaty ports can and are willing to render invaluable assistance by giving specialized advice as to the best outlet; frequently a small but active agency is better than a large one. Above all, the manufacturer should not go at this matter helter-skelter as so many have done during the "rush" years of the war. Let him remember that China is a vast country, and that he should have representation not merely in Shanghai, but also in Tientsin (for the north) and in Hongkong or Canton (for the south). If possible, let his own factory representative visit and work with these agencies at frequent intervals, and not be content with merely appointing them and then trusting to their activities.

While the writer was in Shanghai, a friend of his there received a request from a small oil company in California, which referred him to "its representative." Upon investigation, the representative in question turned out to be a school-teacher living in an inconspicuous boarding house. He knew nothing either about oil or the Chinese market, but had requested and received the "representation" without any inquiry from the manufacturer as to his fitness.

Another example will emphasize the importance of having only Americans representing United States enterprises in China. A large American oil company, seeking to enter the field quickly, selected as its selling agent in China one of the largest non-American houses there. All went well until the Chinese boycott against business of this particular foreign nationality began, and within a month not a dollar's worth of this American oil was being sold. Realizing the mistaken selling policy, this American company opened its own branches and is slowly recovering the business that was taken away from it almost overnight.

The comprador performs a unique function in Chinese trade, and few importing or branch houses have been able to dispense entirely with his services. He is, in effect, a go-between who is so thoroughly in touch with Chinese buyers that he acts not only as a sort of sales manager but is the salesman himself; he usually receives a salary plus a small commission. But he is more than a salesman; he is credit man as well and guarantees the accounts of his Chinese customers, so that if any of them neglect to meet their obligations, he makes good their failures. Thus the comprador acts as an invaluable point of contact between the East and the West; he is interpreter, salesman, and credit man all in one. He is bonded (as is also the "shroff" or cashier whom he employs), yet so strong is the tradition of personal honor and pride with him and so profitable are his business dealings that the bond is the least of the obligations that hold him. Seldom does one repudiate his agreements, and rare indeed are the compradors who have fled leaving the importer to "hold the bag." There have been many protests against the extravagances and uncertainties of this system; many have protested against its costs due to extortionate commissions exacted; others have objected to it on the ground that it gave the comprador the "whiphand" over the importer, since only he dealt with the Chinese merchant and he could—and sometimes did—engage to act as comprador for a rival importer. Also, compradors have been known to band together to control the market. Yet granting all this, the fact remains that this system will continue



to be used in China until such time as the foreign importer is as closely in touch with prospective buyers as the comprador, can sell to them as effectively, and has as complete credit information.

Two of the largest American selling organizations in China—one specializing in the marketing of cigarettes and the other in kerosene—have entirely eliminated the comprador. But they have been in the field many years and have their own American representatives who can deal directly with the Chinese because they speak the language and know the customs of the country. These two companies require their Chinese agents (who carry stock and are really jobbers) to post a cash bond and title deeds. These Chinese agents have their own salesmen who visit and sell to the small Chinese shops scattered all over the country. Foreign (American) salesmen are prohibited by law from selling to Chinese dealers outside of treaty-port cities, but avoid a direct infringement of the law by visiting the dealers in company with the Chinese agents' salesmen.

Other large American houses have also relegated the comprador to a less important position and deal directly with the Chinese merchant, accepting as security, in the absence of reliable credit information, a deposit or "bargain money," as it is called, to guarantee the contract.

Thus we see that the importer or sales agent in China escapes from dependence on the comprador just in proportion as he learns the language and customs and consequently the sales possibilities and credit limitations of the Chinese merchants.

Also, the dependence on the comprador will gradually lessen as advertising mediums such as Chinese trade journals reach out to the thousands of small merchants. But with the present development of advertising in China, that is a long look ahead.

The Chinese merchant is the final channel through which all foreign merchandise reaches the Chinese consumers. Aside from a comparatively few European or American stores in Shanghai or Hongkong, all the retail outlets, both in the big cities and in the small towns, are in the hands of Chinese merchants. They buy from samples or even from catalogues if the goods are well known to them, but, being canny and even suspicious, they prefer to see the goods themselves. Most of their stores are very small, being hardly more than "one-man" shops; the merchants are not progressive, and make no attempt to create a demand or to stimulate trade. They follow the well-worn grooves made by the customs of the generations that have preceded them, and nothing outside of a direct demand from their customers for a new article could persuade them to stock it. True to their traditions, they will buy whatever promises to turn them a profit, regardless of whether it is of Chinese, European, or American make. It is to these merchants that the compradores sell the foreign goods. There are, of course, the Chinese-owned and managed department stores at Canton, Hongkong, and Shanghai; these stores, strange to say, are not the result of a slow growth, but are such an amazing leap forward that they can be comprehended only by one who has seen them and compared them with the bazaars and small shops that surround them. Some of them are 10 stories in height, and cover more than half a block. They have attractive plate-glass windows, broad aisles, inviting displays of

goods, elevators, and even roof gardens containing tea rooms and motion-picture theaters. Some of them deliver goods by motor truck, which is as surprising in China as would have been department-store deliveries by airplane in the United States in 1910. Also, all their goods bear price tags, and the prices are maintained. Knowing that no oriental likes to be deprived of the pleasure of haggling over a price, regardless of the amount he may save, the writer asked the Chinese manager of a Hongkong department store whether there were not some occasions when the tagged prices were discounted; to which he replied that very old and very important customers sometimes got a 5 per cent rebate on their purchases if they applied to him in person. From which one may safely infer that fixed prices have at least made a start in China.

#### PRINCIPAL BUSINESS CENTERS.

First of all, the reader must be reminded that, even if they wished to do so, Americans and other foreigners are not free to carry on business outside of the 48 "treaty ports" where special trading privileges have been granted them.

China covers a vast area, but, so far as the American exporter is concerned, there are only three distinct trading zones—the south, with either Canton or Hongkong as the focal point; the north, with Tientsin (the port for Peking) as the trade center; and, for central China, Shanghai, through which passes 40 per cent of the entire foreign trade of the country. Dairen, a free port lying at the tip end of Manchuria, has become very important since 1915; it is, however, leased Japanese territory and, as a result of the extreme activity on their part, it is economically and commercially dominated by the Japanese, and as such is more a part of Japan than of China.

Ports such as Amoy, Swatow, Chefoo, and others specialize particularly in exporting native Chinese products, and comparatively few foreigners have permanent business or residence quarters there. It is with Canton,<sup>2</sup> Tientsin, Hankow (600 miles up the Yangtze River from Shanghai), and particularly Shanghai, the commercial metropolis of China, that the American exporter is concerned. Strange as it may seem, Canton, Tientsin, and Shanghai have no deep-sea harbors at all, but all lie up muddy, winding, and shallow rivers, these positions having originally been selected by the Chinese as a protection against attack by roving pirates. With care, the river leading to Shanghai (population 1,500,000) is navigable by ocean-going liners except those of the largest size—these latter anchoring at Woosung, whence their cargo is lightered up the remaining 14 miles to Shanghai. Canton (population 2,000,000) can not be reached by steamers of more than 10-foot draft. Tientsin (popu-

<sup>2</sup> Hongkong, a British Crown colony, is an island lying within sight of the coast of China and only 70 miles from Canton, and is the most important transshipment point for goods destined for the interior of South China. Aside from Tsingtau and Dairen (both of which are held by the Japanese), it is the only deep-sea harbor on the China coast, and both importers and exporters usually have their principal office for South China in Hongkong, with possibly a branch in Canton. Hongkong is a free port, and goods shipped from there into China pay the same import duty as though they came from a foreign country. Politically Hongkong is, of course, British, but commercially it is not only a part of China but dominates all the southern part of the country. Thirty per cent of the entire foreign trade of China passes through it, this volume of business being exceeded only by Shanghai. In very few discussions of China is this important point properly emphasized, possibly because of the stressing of the technical niceties of the case to the disadvantage of the practical facts involved.

lation 1,000,000) is icebound two months of the year, and even during the favorable seasons, and at high tide, vessels drawing more than 14 feet can not cross Taku bar.<sup>3</sup> Three hours by rail from Tientsin is Peking, the capital of China; it has changed but little since it was founded in 1121 B. C. and, save in its superficial aspects, is wholly untouched by foreign influences; it has only two kinds of business, Government and retail, and as a trade center for the average importer is of negligible importance.

Viewed from almost any angle, Shanghai is the most important city in China, its commercial preeminence being chiefly due to the fact that it lies at the mouth of the Yangtze River, the valley of which contains a population of approximately 200,000,000, which is half of the entire population of the country. Through this city passes 40 per cent of the entire foreign trade of the country, and in it are found the chief importing and advertising activities of China.

Shanghai, like many other Chinese treaty ports, really consists of two cities—the native and the foreign. The native city, with its population of more than 1,000,000, has the narrow, crooked streets, the bazaar-like shops, the good-natured and noisy populace, as well as the general disorder (though less of the uncleanness) that characterize all Chinese cities. The foreign city, on the other hand, is that curious anomaly found only in China, in which foreigners desiring to establish permanent places for trading purposes, yet finding China unable to protect them, demanded and received the right to build their own cities on Chinese territory. In cities like Tientsin, Hankow, and others, the principal European nations as well as the Japanese have, in this way, built their own settlements or “concessions,” as they are called; each concession is ruled and policed by its own nationals, so that as one rides through a mile or so of the streets the only indication showing whether one is in British, Russian, or Japanese territory (and formerly, also, German and Austrian territory) is the uniform of the police or soldiers along the way. In these concessions the various nationals have their offices, warehouses, and residences. In Shanghai, however, there is not this bewildering array of individual concessions, the foreign city there consisting of the International Settlement—in which are found the British, Americans, Japanese, and others—and the French Settlement. In these two settlements the foreigners in Shanghai have built their business houses and homes, so that aside from the population, which is still mostly Chinese, they have all the appearances of being European. What with broad, well-paved streets, modern office buildings, tram cars, thousands of automobiles, and other conveniences demanded by the Americans and Europeans, one might forget that one was in China were it not for the streams of Chinese who do business or seek protection there and the half-naked, patient coolies who by thousands push their cumbrous wheelbarrows, or pull heavy carts, or in other ways perform the labor required.

More than 2,000 Americans live in Shanghai, and about 150 American firms maintain their principal offices there; the leading English-language publications are issued there, as well as the most important

<sup>3</sup> As an instance of the high cost of coastwise shipping in China this fact speaks for itself: that the cost of cargo space in steamers between Shanghai and Tientsin nearly equals the freight charges all the way from either San Francisco or London to Shanghai.

Chinese newspapers. There are centralized also the offices of the important advertisers.

So far as it can be done at all, selling and advertising for the richest part of China can be conducted from Shanghai. Following it, though of much less importance, is Hongkong, which is not only British in ownership but in the direction of most of its importing and exporting activities. Aside from banks and three large selling organizations there—only one of which is a general importing house—American interests have made little headway in Hongkong, most of this business passing through British hands. There is no railway communication between Hongkong and Shanghai; travel by sea takes from two to three days. Tientsin is the chief trade center for North China, and import houses usually have a branch office there, or, in the absence of sufficient business to justify it, use their principal office in Shanghai as the point from which to cover North China. Because of the comparative nearness and the railway communications between the two cities, advertising for Tientsin may be handled from Shanghai. Hankow, the fourth business center, is 600 miles up the Yangtze River from Shanghai; there is no railway between these two cities, but excellent river steamers make the up-trip in  $3\frac{1}{2}$  days. Hankow is the chief industrial city of China as well as a busy exporting center for the products of a vast and undeveloped hinterland; its importing activities, however, are not nearly so important; and, from an advertising viewpoint, it may be considered a part of the district centering in Shanghai.

#### TWO MARKETS, FOREIGN AND NATIVE.

It was the Chinese who gave the first New England merchants the name of "Yankee," which means "foreign men."

Let us look at these people a little more closely for a moment and try to visualize their civilization, so that we may the better appraise them and the market they afford for foreign goods.

First of all, there is no such thing as caste in China, in either a broad or a narrow sense. They are essentially a businesslike people in their practical, material outlook; they have a keen sense of humor and are even inclined to jest under difficulties; they have an inordinate curiosity and love of gossip and, with all the poverty of the lives of most of them, believe that they can become rich by their own efforts.

Further along in this report, in the chapters dealing with copy and the bearing that Chinese superstitions, customs, and habits have in the gauging of the advertising appeal, we shall have occasion to speak at some length of the curious twists many of their beliefs take and, in doing so, shall try to show the striking contrasts they present to ourselves.

Let us now get clearly in mind the classes that form the buying public in China. We may conveniently divide it into two groups—(1) the 150,000 foreigners, or, excluding the Russians and Japanese, the 25,000 Europeans and Americans; (2) the 400,000,000 Chinese themselves. With the first group we are but little concerned, for, despite their high average purchasing power, they represent so infinitesimal a portion of the market as to be negligible. With the second group, however, we are concerned; roughly speaking, we may divide

them into three classes: (a) The mandarins, the officials, and in general the governing classes; they can be numbered by tens of thousands, perhaps, and, while comparatively few in number, have great wealth and tremendous buying power. (b) The merchants, business men, teachers, professional men, etc.; much greater in number than the class above, they have, of course, less purchasing power per capita, but are probably the single most influential class, both for their own purchases and the ones they influence. These two classes comprise the literates. (c) The farmers and particularly the millions of coolies, who, living on the bare edge of existence, have so little purchasing power per capita that it can hardly be measured, yet who in the aggregate hold the purse strings of China in their hands; they are almost wholly illiterate and comprise that 90 per cent or more of Chinese who can not read or write. This classification represents, of course, quite general subdivisions, which may overlap at the edges, but, for getting a bird's-eye view of the social and economic status of the Chinese people, it will serve.

#### LITERACY AND PURCHASING POWER.

Why is it that, despite its widespread illiteracy and low per capita imports,<sup>4</sup> China still attracts the foreign trader? Why is it that he tempts himself with hypothetical and at times amusing surmises, such as "if only 25 per cent of the Chinese could be persuaded to wear shoes," or "if only each of the 400,000,000 would buy one stick of chewing gum?" The reason why the prospect of selling goods to China provokes such queries is because even the slightest modification in the prevailing mode of life is capable of creating an enormous market, and, with the entire social structure in a state of flux and progress, trade possibilities are limitless. It is true that the coolie who earns 20 to 30 cents a day complains not of the high cost of living but that "rice is dear," for the reason that rice is almost the only thing that he buys every day and he measures all costs by what is most familiar to him. Yet that same coolie is buying cigarettes made from American tobacco, and he is buying American kerosene—things unknown to him 20 years ago—simply because they have appealed to his taste or his need, and because they have been presented to him attractively, in small packages, within his means, and their "chops" (trade-marks) have been made known to him through advertising. There are hundreds of items such as these whose sales can be expanded indefinitely within the space of a few years as China's industrial life grows, simply because people are there to produce or consume in unlimited quantities.

It is true that less than 10 per cent of the Chinese are literate, and that only 1 per cent of them are enrolled in schools, as compared with 20 per cent in the United States. But even the illiterate coolie can read a few characters on a shop front or label and has been taught to buy his oil and cigarettes by advertised trade-marks, and the 1 per cent of Chinese in schools means that 4,000,000 children are re-

<sup>4</sup>As indicating the low average of China's purchasing power for foreign goods, in contrast with other countries of the Far East, the per capita imports for the prewar year of 1913 were: China, \$1.06; India, \$1.53; Japan, \$6.60. Even in 1918, when exchange was on an unusually favorable basis for imports into China, its per capita purchases from abroad rose to only \$1.75.

ceiving a rudimentary education such as very few Chinese children enjoyed a few years ago.

This buying power of 400,000,000 people, huge in the aggregate yet low in its present per capita amount, awaits the stimulus of transportation and industrialism—the factors that brought Japan forward in a few years from medievalism to modernity. We have already pointed to the industrial awakening that China is just beginning to experience, which will enable the country to sell the products of its soil and labor and, correspondingly, to buy the foreign goods that its people can be taught to want, but at present can not afford to purchase.

#### A BIRD'S-EYE VIEW OF CHINESE ADVERTISING.

In walking through almost any Chinese city, one's first impression is that it is a huge bazaar with the outstanding features of banners, flags, and signs, and that the buildings are of quite secondary importance. One suspects, too—and closer inspection confirms the suspicion—that these thousands of highly decorated flags and banners carry advertisements of one kind or another. And so they do, even if no more than the name of the shop. Gaudily colored posters, consisting of a simple picture and a few Chinese characters, cover walls and fences, and indeed are found in every place where "sniping" can be done. Posters of one kind or another constitute the single most wisely used and most important advertising medium in China. It is with primitive, easy-to-understand methods such as these, as well as with parades and gifts of puzzles, calendars, or kites, all bearing advertisements, that the advertiser reaches the common people of China. Even some of the junks and sampans on the Yangtze River have advertisements painted on their sails. The ancient custom of itinerant story tellers going from place to place still obtains here, and they, instead of the "movies," furnish the only relief from a humdrum life that the country people know. But even these storytellers have been turned to advantage by the advertisers, and many of them may be heard weaving into their tales the stories of new brands of cigarettes or kerosene or whatever the advertiser has paid them to tell about.

The American who wants to reach the masses of China with his product must completely readjust his entire idea of what advertising is, since the crude poster and still cruder "ballyhoo" methods (all of which will be discussed in detail in other sections of this book) must form the backbone of his campaigns.

For selling higher-class articles, there are of course other means to be used in conjunction with or separate from these outdoor methods. There are, for example, the mails, which are invaluable as a means of reaching those who can read; they are particularly important because any written message is regarded as almost sacred by the Chinese and is never thrown away.

As to publications: Ten years ago there were a scant handful, despite the invention and use of movable types in China 500 years before their invention in Europe. To-day there are some 400 publications of one kind or another. They include certain dailies and weeklies in the English language, published by British or American interests and intended almost wholly for the European and American

residents and for the comparatively few Chinese who prefer to get their news in a foreign language. Most of these 400 publications are, however, Chinese dailies. They come and go with startling frequency, and while many of them are little more than political organs of ambitious Chinese politicians (and as such lead a precarious life), there are a good many excellent ones. The best of these vernacular dailies, some of which were established 30 years or more ago, are published in Shanghai, and the leaders each have bona fide circulations in excess of the total of all the English-language dailies in China. A few of the English-language and a score or more of the Chinese-language publications are under Japanese control or direction.

Advertising is not nearly so well organized in China as it is in Japan, and with its present development it would be impossible to arrange for it or place it from the United States except through some kind of intermediary in China. There are a number of advertising agencies there, both Chinese and foreign; one particularly capable agency under American direction is located in Shanghai.

Before the war the Germans and Japanese were the most aggressive advertisers in China. Indeed, the Germans continued their general publicity efforts (despite the fact that they had no goods to sell) until 1917, when the Chinese Government ordered them stopped; the Japanese were extremely active with both newspaper and poster advertising until the boycott of May, 1919, closed all Chinese publication channels to them. The British have never done much advertising to the Chinese consumer, and the French have done even less. American advertising until very recently was largely limited to the efforts of a few houses with active sales organizations in the field, which were supported by consumer advertising; during 1919 and 1920 a considerable number of new American advertisers began modest campaigns on a "try-out" basis.

The largest single advertiser in China is the British-American Tobacco Co., known familiarly as the "B. A. T." Under British management, its advertising is in the hands of Americans; its yearly publicity and sales-promotion expenditures reach about \$1,800,000 Mex., of which less than 10 per cent is expended in newspapers and other publications, the remainder being devoted to posters, calendars, premiums, displays for dealers, etc. They have their own poster plant, and outdoor advertising constitutes the backbone of their appeal to the Chinese masses. They make and sell but one product—cigarettes—and, as regards the marketing of one article, their large and efficient publicity department in Shanghai is better acquainted with the avenues and uses of advertising than any organization in China. A few of the large general import houses in Shanghai have their own advertising departments, but no one of them seems to have delved deeply into the problem of using advertising as a means of reaching China "from top to bottom" with a variety of products.

## NEWSPAPERS AND OTHER PUBLICATIONS.

### GENERAL REVIEW.

Mention has already been made that there are some 400 publications of all kinds in China; these include dailies, weeklies, monthlies, and

even occasional pamphlets in Chinese, English, French, Japanese, Russian, and other languages. At the very outside not more than 10 per cent of them are worth our consideration, and they are printed in either Chinese or English; the best of them are published in Shanghai, those of lesser importance in Tientsin and Canton, and the still smaller ones in other cities. Roughly speaking, we may divide these publications (possibly 40 in number) into three general groups for further consideration—(1) leading Chinese newspapers with circulations of 10,000 to 30,000; (2) secondary Chinese newspapers; (3) English-language publications.

#### CHINESE NEWSPAPERS AT CLOSE RANGE.

Aside from a few vernacular papers in Shanghai and Hongkong, the entire Chinese press has grown up since the fall of the Manchus in 1911. With that fact in mind and the further fact that China has not enjoyed the benefits of a stabilized government, it is not surprising that its political chaos is reflected in the newspapers. Without any tradition of journalism (there are no trained Chinese journalists) and with an innate penchant for politics, it is not strange that the Chinese in these few years have developed newspapers that are, with scarcely an exception, wholly political. Without capable business management and depending for their support not upon advertising and subscription revenue but upon political subsidies, they not only lead a precarious existence, coming and going almost overnight, but are subjected to the whims of opposing political parties, leading to frequent suppressions. We are speaking here not of the few very excellent Chinese papers that are creditable in almost every way, but of the rank and file of the overwhelming majority of them. So intertwined are they with the curious political complexities of the country that it is difficult to describe them apart from these connections. A very few hundred dollars can start a paper in China, and as a consequence every political aspirant and everyone with a grudge either buys an existing daily or starts one. Every organization and every guild in China has one, even the Beggars' Guild in Canton being represented in the publishing field. So well recognized is this tendency that the announcement of a certain treaty-port daily that "Our subsidy from —— having ceased, we will henceforth be an independent organ" caused no more than a temporary surprise.

Another unfortunate development that is possibly inseparable from these early stages of Chinese newspaperdom is the habit of registering their publications with a foreign consulate. A word on this subject may not be amiss at this point, particularly since the nominal or claimed ownership of so many newspapers in China is often merely a cloak to disguise their real identity, or serves as a means of placing them outside the reach of the law which Chinese politicians invoke to silence opposition papers. Stated as briefly as possible, the method and meaning of registration with foreign consulates on the part of Chinese publishers is this: The foreign consuls in China permit a publisher to register his publication with them as though it were the bona-fide property of one of their own nationals; the publisher's purpose in doing this is to place himself under the extraterritorial protection enjoyed by the foreigner, and thus avoid



suppression by or annoyance from his own countrymen. Having thus placed himself under what really becomes a sort of obligation, the publisher not infrequently modifies materially his editorial policy and, to discharge his obligation, defends or indirectly favors the particular interests of the country in whose consulate his property is registered. The American and British consulates require indisputable proof that 51 per cent or more of the actual ownership of the publication seeking protection is held by American or British subjects, and thus lessen the likelihood of abuse. Other foreign consuls are not so strict in their interpretations, one nationality in particular being very liberal in the protection extended to Chinese publishers seeking registration. It is therefore important for the prospective American advertiser to satisfy himself as to the actual ownership of a Chinese newspaper before selecting it to carry his advertising message.

With this background, which will indicate something of the struggle that the newspapers in China are undergoing in an effort to gain a foothold, let us consider such phases of them as have particular reference to advertising.

We have already said that Shanghai is the commercial metropolis of China. Nothing could more clearly demonstrate that fact than its Chinese newspapers, which are by far the best in the country. Shanghai's three leading papers, which are the Shun Pao, the Sin Wan Pao, and the Shih Pao, each have daily circulations of some 30,000 (which actually means ten or twenty times as many readers, as we shall presently explain), whereas it is doubtful whether Canton, Tientsin, or Peking, with their 30 dailies each, can boast of more than one or two apiece with circulation reaching 10,000. In all of these cities, even including Shanghai, the common run of dailies seldom reach a circulation of more than 3,000, and not infrequently they have even less. Peking, for example, with 30 dailies, more or less (they are continually coming and going), has about six newspaper presses for printing them.

We have said that not more than 10 per cent of the 400 publications of China could be of the remotest interest to American advertisers. The only exception to this would be the patent-medicine advertisers; a number of these use as many as 100 vernacular papers, the space of which they buy at very low rates. But for the average advertiser, 30 Chinese papers would cover the field generously.

In other sections of this report we have discussed the language difficulties of China, calling attention to the fact that while the spoken and written tongues are quite separate and distinct, at least the written language is uniform throughout the country and can be read by all who are literate. The so-called "literary" written language is the one in which nearly all newspapers and other printing appear. On the other hand, there is coming into very recent use what is now called the "colloquial newspaper," which, as its name implies, is printed in the every-day speech of the common people. So popular has it become that a score or more of the smaller dailies are now using it, and, with its wider appeal to the people at large, it bids fair to become the means whereby the newspapers may vastly widen the field of their appeal and thereby increase their value as advertising mediums. It is true that most of these "col-



FIG. 15.—A "JINTAN" ADVERTISING PROCESSION IN DAIREN, MANCHURIA.

[illegible]

**研究術幻**

第一、二、三、四、五、六、七、八、九、十、十一、十二、十三、十四、十五、十六、十七、十八、十九、二十、二十一、二十二、二十三、二十四、二十五、二十六、二十七、二十八、二十九、三十、三十一、三十二、三十三、三十四、三十五、三十六、三十七、三十八、三十九、四十、四十一、四十二、四十三、四十四、四十五、四十六、四十七、四十八、四十九、五十、五十一、五十二、五十三、五十四、五十五、五十六、五十七、五十八、五十九、六十、六十一、六十二、六十三、六十四、六十五、六十六、六十七、六十八、六十九、七十、七十一、七十二、七十三、七十四、七十五、七十六、七十七、七十八、七十九、八十、八十一、八十二、八十三、八十四、八十五、八十六、八十七、八十八、八十九、九十、九十一、九十二、九十三、九十四、九十五、九十六、九十七、九十八、九十九、一百。

本會特設在廣州大新公司對面，凡欲參加者請向該處接洽。本會宗旨在於推廣科學知識，提高國民素質，促進社會進步。凡有志於此者，無不踴躍參加。本會現已籌備就緒，即將舉行各項活動。屆時歡迎各界人士蒞臨指導。本會地址：廣州大新公司對面。電話：XXXXXX。本會負責人：XXX。

**徵格**

本會為擴大宣傳，特設徵格一欄。凡有關於科學技術之文章、圖片等，均可寄交本會。經本會審核後，將刊登於報端。本會對於優秀稿件，將給予適當獎勵。凡有意投稿者，請將稿件寄至：廣州大新公司對面。本會收稿人：XXX。

**廣告**

本會為支持地方經濟發展，特設廣告一欄。凡有商業機構或個人，欲在本報刊登廣告者，請向本會接洽。本會將根據廣告內容及篇幅，給予合理報價。凡有意刊登廣告者，請與本會聯繫。本會地址：廣州大新公司對面。電話：XXXXXX。本會負責人：XXX。



頭不痛了

此藥專治頭痛、牙痛、感冒、發熱、咳嗽、氣喘、肚痛、泄瀉、嘔吐、霍亂、痧症、小兒驚風、婦人產後、一切雜症、無不立效。每盒售價大洋一角。上海英大馬路中法大藥房經售。



煙香之最著名

最著名之香煙

煙香之最著名



煙香之最著名

**上海**

# 保喉防疫糖片

大氣乾燥實為天化喉症之引障天尤預防之法在法惟賴此項糖片於口中含之即可免發生疾病及亦可指以消滅流行病不為虎營尤為必需之品


每大瓶 壹元  
每中瓶 五角五分

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重慶市四十四號  
**科發藥房**  
總發行所：重慶市打鐵街  
分發行所：  
司公鏡眼益精

通公限有

上海



本行專辦各國名廠眼鏡，精工配製，品質優良，價格低廉。歡迎各界光臨選購。

地址：重慶市中區打鐵街

**保書証出版版索即索**

凡欲購者請向本館或各埠分館函購可也

**保書証出版版索即索**

凡欲購者請向本館或各埠分館函購可也



上海盤龍街太平

本館新出各種新書，如：  
 1. 保書証出版版索即索  
 2. 保書証出版版索即索  
 3. 保書証出版版索即索  
 4. 保書証出版版索即索  
 5. 保書証出版版索即索  
 6. 保書証出版版索即索  
 7. 保書証出版版索即索  
 8. 保書証出版版索即索  
 9. 保書証出版版索即索  
 10. 保書証出版版索即索

**保書証出版版索即索**

凡欲購者請向本館或各埠分館函購可也

本公司製造自來火  
管於各處華人房屋  
之內一切裝設概不  
收取故點自來火爲  
上海最省檢費廉之  
便如欲詢問一切詳  
細請 駕臨西鐵路  
五號本公司寫字間  
接洽可也

Practically this entire page is of advertisements for patent medicines, this class of advertising being the chief source of revenue for the Chinese publisher.

loquial newspapers" are only one-quarter the size of the ordinary daily and consist of only one sheet folded twice, making them look more like handbills than newspapers. But in judging these, as well as all other advertising developments in China, the prospective advertiser must not carry his American standards with him but must take the existing means and methods and adapt them to his use.

#### CHINESE RESPECT FOR THE PRINTED WORD.

There is another side of the Chinese newspaper that can scarcely be overemphasized as an offset against its many faults as an advertising medium; that is the extraordinary appeal that all forms of writing and printing have to all classes of Chinese. The years of effort required to master the language and the consequent illiteracy of the bulk of the people have resulted in this natural reaction, that those who can read have a deep-seated and unconscious respect for that which cost them so much labor, and those who can read but little, if at all, view with profound respect (amounting almost to reverence) not merely a newspaper, but a handbill or even a label off a bottle or anything carrying the magic of words. Thus no piece of printed matter is ever thrown away, and newspapers are passed on from reader to reader—selling for a trifle less at each transfer—until, too ragged to be longer legible, they are carefully burnt. For that reason, a newspaper with a circulation of 30,000, which is the largest in China, has a reading public out of all proportion to its nominal circulation. News that is a day or a week old is just as interesting to the average Chinese as are our morning paper's cables and telegrams that we scan so eagerly. Furthermore, advertising to the Chinese is always news, and as such is read just as avidly as the text matter. Newspapers, as a means of getting in touch with life outside his village or country, are so new a thing to the Chinese (we must remember that his newspapers have nearly all grown up since 1911) and the printed word is so nearly sacred in his viewpoint, that if the message is simple enough, and tells him of something he wants and can afford to buy, nothing can keep him from buying it if the advertiser's distribution is as effective as his advertising.

#### SPACE MEASURED IN SQUARE INCHES, NOT LINES.

The American measure of advertising space is the column line, but that is impossible in Chinese publications, because of their variation in both length and depth and the further fact that there is no uniformity in the line measurements of the various dailies. Consequently, in this report all space measurements have been reduced to square inches unless otherwise stated. Chinese newspaper pages average about 13 by 18 linear inches, and it is advisable to use space in some fraction of this size, such as one-quarter page of 9 by 6½ linear inches, or one-eighth page of 4½ by 6½ or 9 by 3½ linear inches.

#### CHINESE PERIODICALS AND TRADE PAPERS.

There are a few class periodicals and trade papers issued in Chinese, but thus far they have scarcely reached the stage where they are entitled to serious consideration or even mention by name. The

country is keenly in need of trade papers as a means of reaching the merchants, and an encouraging start has been made by the Trade Journals Publishing Co. (American), of Shanghai, which during 1920 brought out two such publications, namely, the Chinese Druggist and the Chinese Engineer and Contractor. A publication known as Industrial China, about which many advertisers have made inquiries, is not published in China, nor is it even known by name there.

#### ADVERTISING RATES IN CHINESE NEWSPAPERS.

In consequence of the poor business management and the conduct of newspapers as political rather than business enterprises, there are no fixed rates for advertising space. Experienced space buyers for patent-medicine concerns pronounce it to be very cheap, and the fact that some of them use eighth or quarter pages daily in a large list of papers seems to support their statement. Space in these smaller papers can be bought for as little as 1 cent per square inch, or one may pay 50 cents for the same space, all depending on the needs and attitude of the publisher and the bargaining skill of the buyer. The better papers have more nearly stable rates, but even in these a considerable fluctuation occurs. Also, the element of the exchange rate plays a considerable part; the Chinese dollar, nominally worth about \$0.43, rose to \$1.30 during 1919. This was, of course, exceptional, but just such contingencies must be taken into consideration in the establishing of advertising relations with China.

From what has been said, the reader will readily understand the futility of attempting to present in this report even an approximate list of Chinese newspapers with their advertising rates. To-day's list of publications would be incorrect to-morrow; nor does any newspaper make more than a pretense of maintaining uniform rates. However, as a general guide to the advertiser, there is offered below a limited list of the leading Chinese newspapers, together with the display advertising rates that can be secured in them through a certain reputable American advertising agency in Shanghai; prices are in United States currency:

#### Shanghai:

Shun Pao (circulation about 30,000)-----square inch per insertion--	\$0.30
Sin Wan Pao (about 30,000)-----do-----	.30
Shih Pao, or "Eastern Times," (about 25,000)-----do-----	.20
Hsin Shun Pao (about 15,000)-----do-----	.15

#### Peking:

Social Welfare (I Shih Pao)-----quarter page daily for one month--	140.00
Peking Jih Pao-----do-----	200.00

#### Tientsin:

Social Welfare (I Shih Pao)-----do-----	140.00
Ta Kung Pao-----do-----	87.00

#### Hankow:

Ku Min Hsin Pao-----do-----	50.00
Hankow Times-----do-----	45.00

Nanking: Nan Fon Jih Pao-----do----- 35.00

Changsha: Hunan Jih Pao-----do----- 40.00

#### Canton:

Sung Pao-----do-----	68.00
Sun Pao-----do-----	45.00
Seventy-Two Guilds Press-----do-----	50.00

#### Hongkong:

Chinese Commercial News-----do-----	140.00
Wah Tse Pao-----do-----	110.00

Foochow: Fukien Daily News.....	quarter page daily for one month...	\$35.00
Amoy: Kiang Sheng Jih Pao.....	do.....	35.00
Swatow: Ta Ling Tung Pao.....	do.....	35.00
Tsinan: Great Democrat.....	do.....	45.00
Hangchow: Chekiang Jih Pao.....	do.....	60.00
Soochow: Soochow Jih Pao.....	do.....	35.00
Ningpo: Ningpo Jih Pao.....	do.....	42.00

#### ENGLISH-LANGUAGE AND OTHER FOREIGN PUBLICATIONS.

Like the Chinese press, the foreign-language press centers principally in Shanghai, as covering Central China, and, secondarily, in Hongkong for the south and Tientsin for the north. The Japanese and Russians publish a few papers for their own nationals, and the French issue *L'Écho de Chine* in Shanghai and *L'Écho de Tientsin* in Tientsin. It is, however, the English newspapers and periodicals, mostly under British ownership, that command the only important share of attention in the foreign-press field. With regard to all these publications, but particularly with reference to those printed in English, some general indication should be made concerning their scope and the use to which their advertising columns can be put.

The statement that "English is the second language of China" should not be taken too literally. Chinese who have been educated abroad do speak it, and those living and doing business in treaty ports like Shanghai, where they come in close contact with British and Americans, show a much greater facility than do the Japanese in acquiring a command of English. Also, the missionary schools, which have been established for decades, teach English, so that, all in all, there is a surprising number of Chinese who have never been out of China yet speak English fluently. And yet it is quite certain that less than 1 per cent (an influential 1 per cent, it is true) have any knowledge of English. If one bears this in mind, the absurdity of trying to reach the masses, or even the Chinese merchants, through a foreign language becomes evident. For reaching the British, Americans, and other English-speaking foreigners, who number perhaps 25,000, as well as the limited number of educated Chinese who prefer to read English, the foreign-language press undoubtedly can be used to good advantage. Or, in marketing special products such as engineering and construction materials, the foreign press plays an important part because the purchase of such equipment is largely in the hands of foreigners.

Another pitfall that the American advertiser who is at a distance may well guard against, both before and after he selects his selling representation in China, is the habit that some selling agencies have of using advertising to mislead him, or of wasting it by using it in the wrong places. For example: Some importing houses in Shanghai receive as part payment for their services from foreign exporters, a fixed sum to be expended for advertising; not infrequently they take all these appropriations, lump them together, and run full pages in the English-language papers and then send copies of this advertising to other exporters whom they wish to represent, calling attention to "the clippings of big-space advertising inclosed." In many cases, only a small proportion of these advertising appropriations should have been expended in the foreign press,

but rather should have gone into the Chinese press, or at least through some channel that would have given greater promise of reaching the Chinese merchants or consumers. Foreign sales agencies have even been known to request and receive from publishers in China two advertising bills, the larger of which is sent to the American manufacturer, while the smaller one is retained by the agent, this securing for him a rebate amounting sometimes to half of the sum appearing on the manufacturer's bill.

Another abuse, to which the ignorance of the American advertiser lays him open, occurs when he appoints as a representative anyone who is other than an American. Regardless of the nationality of such representation, it is only reasonable to suppose that, if an advertising expenditure is authorized by the American manufacturer, it will be spent in publications with which the representative in China is best acquainted. It is quite certain that the mediums chosen will not be American (we are supposing that the selling agency is not American) but, what is a more serious matter, they may even be those that are indirectly or even openly anti-American. Working at long distance, and trusting, as the exporter must, to the judgment and integrity of his selling agency in China, his only safety lies in selecting capable American representatives and in exacting from them some reasonable assurance, not merely that the advertising money furnished by the manufacturer is not being spent in anti-American publications, but that it is really being used to promote sales along intelligent advertising lines.

Before passing on to a detailed consideration of the English-language papers, perhaps a general account of their appearance, character, and influence may advantageously be given. Those under British ownership carry nothing but advertising on the first two or three pages, followed by several pages of solid news and "leaders" (editorials), these being followed in turn by more pages of solid advertising. This advertising—except that of American goods—is frequently little more than a bare statement, this tradition dating from the days of early British trading in China, when the mere plain announcement of the "arrival of cargo of cotton goods per steamship ———" was sufficient for the purpose. The news, too, is briefly told and without guiding headlines to attract the reader; news of world-wide importance appears in the terse language of a visiting card, just as the cable brings it in and without any attempt at editing or rewriting. It is all very staid and austere and appears dull at first glance; only upon closer examination does the influence of such dailies become apparent. The American dailies (there are only two in China), on the other hand, are more enterprising, carry comic strips and feature stories, present the news attractively with characteristic headlines, and are, all in all, more interesting in appearance. Yet it is doubtful whether they wield the influence of their older and less progressive British rivals, which, beginning many years ago, set and fixed the standard.

Following is a brief review of these English-language periodicals, arranged by cities:

#### SHANGHAI.

The North China Daily News (British) has a circulation of about 3,500 daily. Its display advertising rates are from \$0.22 to \$1.20 (United States currency)

per column inch. It is the oldest, most important, and most influential English-language newspaper in Shanghai, and should be included and put first in any campaign directed to British, Americans, or other foreigners in and near Shanghai. The weekly edition, the North China Herald, with about the same circulation and rates, is also widely read.

The China Press was formerly American-owned but was recently purchased by British interests. It is newsy, enterprising, and widely read by Americans in Shanghai and vicinity. Its physical appearance remains the same as when it was American-owned, and no change in its editorial policy is apparent as yet in consequence of its control by British interests. It has, however, never occupied nearly so prominent a place or exercised so much influence as the North China Daily News (see above) among English-speaking residents of Shanghai and the Yangtze Valley region. Its daily circulation is about 4,500; its display advertising rates are \$0.21 to \$0.45 "Mex." per column inch.

The Shanghai Gazette, a daily, is nominally under joint Chinese-American management. This is a new daily which has adopted an old name; it is not important as yet.

The Shanghai Times and the Shanghai Mercury were both formerly British dailies, and by many are still supposed to be such; however, both their editorial and news contents, particularly in a crisis, are strongly pro-Japanese. The latter of these two papers has a Japanese editor and manager, and it also publishes a weekly called "The Celestial Empire."

Millard's Review of the Far East (American) is the only weekly paper of any consequence in Shanghai. Its attitude is aggressively American; it is one of the most widely read English-language publications in China and has a considerable circulation among the Chinese. It should be included in any campaign directed at Americans and other English-speaking foreigners. Its circulation in China is about 5,000.

China and Far East Finance and Commerce is a new financial weekly about which no opinion is ventured until it has more firmly established itself.

The Far Eastern Review is an old and widely read monthly devoted to engineering, financial, and commercial subjects. Its editorial policy has recently undergone a marked modification.

There are a number of other weeklies and monthlies of so little consequence that no mention need be made of them here.

#### TIENTSIN.

The Peking and Tientsin Times (British), with a circulation of about 1,000 daily, is the most influential English-language daily in North China and should head the list of English dailies in any campaign directed at the foreign element in Tientsin and Peking.

The North China Star (American) is aggressive, newsy, and enterprising. Its circulation of about 2,500 daily is much larger than that of its British rival (see above), but it is, apparently, not so influential.

There is also North China Commerce, an English weekly. It was established in 1920, and has not found a place for itself as yet.

#### HONGKONG.

In Hongkong there are four English dailies, the morning ones being the South China Morning Post and the Hongkong Daily Press (has weekly edition also), and the evening ones the Hongkong Telegraph and the China Mail (has weekly edition also). All of them are British owned or managed. There is little to choose between them except possibly in the case of the Daily Press, and their aggregate circulations will not much exceed 5,000 daily. Their display advertising rates are all about the same and range from \$0.15 to \$0.45 cents (United States currency) per column inch. One of their own business managers frankly told the writer that in his opinion "none of them were of much use for advertising purposes except to carry shipping notices." The foreigners in Hongkong are nearly all British, and these newspapers are the only local mediums through which they can be reached.

#### CANTON, PEKING, AND HANKOW.

Canton has one English-language daily, the Canton Times. Peking has three, the Leader, the Daily News, and the Standard. Hankow has the Central China



Post. None of these Canton, Peking, or Hankow dailies are worthy of serious consideration from an advertising standpoint.

### "CHOPS" OR TRADE-MARKS.

So much vagueness and mystery has surrounded the so-called "chop" of China as to confuse the simple fact that it is after all only a trade-mark. It may be a picture, or several Chinese characters, or it may be a combination of the two, but the purpose of it is to permit the easy and certain identification of the article on which the "chop" appears. There are, it is true, other uses of the word in China. When you ask a Chinese to put his chop on a piece of paper, he understands that you want him to sign his name; or, when you ask a Chinese bank or money changer to "chop" the silver dollars you are buying from him, he "chops" them with a metal stamp or punch, which carries his name and his guaranty that the money is what it purports to be.

Unfortunately, China has no trade-mark laws whereby either the native or the foreigner can be protected; the only form of protection open to the American is that of provisional registration, which can be obtained through the American consulate general in both Shanghai and Tientsin, as well as through the Chinese Maritime Customs. However, at the same time the registration of the American mark must be effected in Japan, as this is the only means by which even formal protection is extended to American marks against Japanese infringement. Even with all these precautions there is no assurance that the mark will not be pirated or, what is still worse, that inferior goods bearing identical or similar trade-marks, in imitation of the original, will not flood the market. Some American manufacturers and advertisers who have perfected their provisional registration in China have not hesitated to bring suit against dealers and distributors in China who have either knowingly or unwittingly sold goods bearing pirated trade-marks.

In South America (as the writer has explained in his reports<sup>6</sup> covering those countries), trade-mark piracy, while not uncommon, is largely the result of failure to register promptly and properly, but it is not so insidious as it is in China, where the theft of trade-marks nearly always involves an imitation of the goods themselves. Sometimes only the stolen trade-mark is used, and the package itself contains goods of an entirely different nature. The British-American Tobacco Co. (China), Ltd., is one of the chief sufferers from this method of unfair trading, and only by the utmost vigilance and through the use of widespread advertising has it been able to retain even a semblance of its rights. A particularly flagrant imposition on these rights was recently met and countered by them with poster advertising reading as follows:

### UNFAIR TRADING.

We find that there have been put upon the market in China various soap and other toilet articles packed in packets which are close imitations of the packets in which some of our well-known brands of cigarettes are sold. The manufacturers of these toilet articles undoubtedly seek by this means to obtain the benefit of our advertising and to mislead the public to suppose that we

<sup>6</sup> See two reports (Special Agents Series Nos. 185 and 190) covering advertising methods in Chile, Peru, Bolivia, Argentina, Uruguay, and Brazil.

have some connection with their productions. We therefore publish here full-color reproductions of certain of our packages which have been imitated, together with representations of the packings of the toilet articles above referred to, and we warn the public that such toilet articles are not manufactured by us and that we have nothing to do with them.

(Signed)

BRITISH-AMERICAN TOBACCO CO. (CHINA), LTD.

In the above imitation the marks in question were not in Chinese but in English, the goods being intended for both the foreign and native markets, but more particularly the latter. It should be remembered that very few Chinese read English; that for the most part they are acquainted with it in only a very general way, and then not with the detailed features of English letters, the conformation of which is so different from their own familiar ideographic characters. To indicate how easily the Chinese confuse English letters that are entirely familiar to us, let us take a concrete case of infringement that occurred while the writer was in China. A certain American toilet article, which we will call Pod's Cold Cream, is very popular there, but suddenly the sales dropped off at an alarming rate. Investigation disclosed that there was a cheap imitation on the market that reproduced what to a careless eye seemed to be an exact facsimile of the original label. Closer examination, however, showed, among other evidences of piracy, that there was a fine hair line running down the side of the letter P, making the word in reality "Rod's." To the Chinese eye, unskilled in reading English letters (just as ours would be in reading Chinese characters), the original and the imitation looked to be the same because of the similarity of the general outlines. Through the export house that acted as his selling agent in Shanghai the American manufacturer brought suit, had the imitation goods destroyed and the dealers fined, and in general produced a salutary effect that acted as a warning to future infringers. The case is instanced here, however, not for its legal aspects but as showing the necessity not merely of affecting registration but of keeping a close eye on the market for the work of impostors.

As indicating how far this knavery has been carried and how difficult it is to check it, the following glaring example is significant. A popular brand of foreign liquor is sold in Manchuria, the bottle bearing the name of a well-known brand and, in addition, the amazing English label: "Made at 236 Church Street, Scotland. Beware of imitations." Either the manufacturer himself did not know that Scotland was not a city but a country, or counted on the ignorance of his native customers.

The best "chop" is nearly always pictorial, supplemented in most cases with a few easily read Chinese characters. One of the very best chops is that used by the Japanese "Jintan" (see illustrations), which is advertised and used all over China. This chop consists of nothing but the head and shoulders of a man wearing a distinctive kind of hat, together with two simple Chinese characters that even the most illiterate coolie can read and remember.

The little grinning gnomelike figure that characterizes the advertising of a popular brand of American chewing gum is becoming more widely known in China, although at first the figure itself was viewed with superstitious fear as being "bad joss," or what we would

call "bad luck." The appeal of this gnomelike figure is that it is in itself a distinctive and simple pictorial appeal, with the further advantage that the spear which accompanies it bears some resemblance to the peculiar peaked roofs which characterize Chinese architecture; also, the spear easily adapts itself to the formation of Chinese characters.

We shall take occasion in a later section to touch on the question of superstitions and the large part they play in the lives of the Chinese. Here, however, we shall be content with warning the advertiser of the tremendous bearing that these age-old prejudices and beliefs in good and bad "joss" (luck) have on the daily lives of the people, and the importance of having the name, trade-mark, or other identifying symbol pass the scrutiny of a trustworthy Chinese before it is adopted. Thus, a dog is a despised animal in China, and it would be unwise to picture a dog in the advertisement of any article, because such a representation would probably mean to a Chinese that it was fit only for dogs. Also, the dragon, long a favorite symbol, has fallen into disuse since the Republic replaced the Empire in 1911, and it no longer has the appeal of former days.

It is not always desirable and seldom possible to translate literally an English name, descriptive trade-mark, or slogan into the vernacular, because it may require the use of such complicated characters as to be unintelligible to the average Chinese. It is far better to leave the Chinese translator free to put the sense of the English meaning into his own language and into characters that will be understood by the rank and file of the people. It is still better to disregard the English meaning entirely and to have the "chop" or other identifying symbol chosen with its basis in some favorable Chinese belief; something that is pleasant, something that is easy to understand and with a wide appeal.

But whatever the "chop" is, let it be used at all times without the slightest variation, because Chinese eyes, trained to perceive the niceties in the shadings of their own ideographs, readily detect any change in their favorite "chop," however slight it may be. Two examples will suffice to illustrate how much keener their eyes are than ours, and also how much more distrustful of change their minds are. A well-known cigarette used on its "chop," among other things, a favorite Chinese flower, but before reprinting some labels a new drawing was made and the artist carelessly showed the flower with seven petals instead of eight; the Chinese would not buy the packages until they appeared with new labels showing the correct number of petals. Another example also involved a slight difference caused by new printing plates; in this case the advertiser used as a part of his "chop" a landscape, which in his old plate failed to show any clouds. The new plate showed the clouds distinctly, but the Chinese would have none of the goods until the old label showing the familiar "chop" appeared and allayed their suspicions.

#### "COPY."

Advertising is so new a force in China that we can really know very little about the effectiveness of the various mediums there, and still less what "copy" appeal to use or not to use in them.

除可皂此用班雀光油

柔光美潔髮淨

爽一休身使氣汗去

洗蚊咬奇癢之可止

生禿瘡用此皂洗之可愈

洗濯用此皂可殺微生虫

病房中用之洗淨各物可殺滅積虫

洗頭清爽無比

免此洗創清皂以口爛可

脚氣癢常洗用此皂洗之可愈

售均店藥西各

行洋昌慎

理總國中

FIG. 17.—Crudely conceived and executed but effective example of American advertising used in Chinese newspapers,

Those Chinese who have been able to analyze the mental and social habits of their own people, and to explain to a foreigner in his language just what they mean, will say, first of all, that the language of American advertising, because of its very directness and definiteness, can not be translated into Chinese, that it must be remade into the familiar and indirect vernacular, which employs high-sounding phrases and a lavish use of exaggerated metaphors and figures of speech. In its very essence the Chinese language lacks exactness; its verbs have no tense; its highest number is 10,000, so that a Chinese wishing to express, say, 100,000, is as likely as not to say vaguely "Many times 10,000."

The old adage that "human nature is much the same everywhere" becomes merely a comfortable evasion when one notes the fundamentally different manner of living of the Chinese and the Americans and their divergent methods of thought. Whether viewed superficially as to clothing, food, housing, and other outer aspects, or in the mental processes and social customs of the two peoples, there is discernible not one thing in common. Presently we shall describe some of these differences, but at this point it may be well to instance some concrete examples of marketing and advertising difficulties that Americans have experienced.

An advertising campaign to promote the sale of canned milk featured its use in coffee and tea, overlooking the important fact that the Chinese do not drink coffee, that they take their tea without even sugar, and that at present the chief market for canned milk in China is among children and invalids. Campaigns to sell safety razors in China have always encountered a number of unexpected difficulties, among which may be mentioned the facts that the Chinese have a very scanty growth of hair on the face (the older men grow a scraggly beard when nature permits) and that the trade of the barber is commonly looked upon with disfavor; from this latter prejudice has come a reaction against personally wielding a razor, so that the itinerant and insanitary barber plies a busy trade. Another campaign, this time advertising a well-known American toilet soap, portrayed certain Egyptian figures in its illustrations, just as it does in the United States, but the story element was entirely lost on even educated Chinese, who saw in the Egyptian figures merely a reminder that these ancient peoples had been a race of slaves, and as such despicable.

Another manufacturer of toilet goods found a ready sale for his talcum powder, cold cream, and tooth powder, particularly among the Chinese women; upon trying to market a shampoo preparation he found that, while the three other articles sold well because they readily met existing customs, the shampoo preparation faced this obstacle, that Chinese women dress their hair most elaborately but seldom wash it; that while the talcum and tooth powders and cold cream were readily accepted because they were for familiar uses, the shampoo preparation needed most careful educational demonstrations as a preliminary.

#### USE OF COLORS.

The tremendous ramifications of Chinese superstitions, and the popular knowledge that white is used for funerals and red for weddings, have misled many into thinking that a decision as to what

colors to use or not to use on labels, posters, and other advertising matter is attended with grave dangers. The writer is inclined to the belief that there is very little real basis in this fear of offending

**Ingersoll**

請用  
國美  
鷹格  
索表

規矩從心巧思獨運計日呈  
功之工匠必須用鷹格索表  
惟日孜孜寸陰是惜挾冊求  
學之生徒必須用鷹格索表  
市場情況瞬息千變握籌運  
算之商人必須用鷹格索表

紅顏易老百年苦短深閨翠  
樓之女子必須用鷹格索表  
行軍列隊最重信用武裝佩  
劍之軍士必須用鷹格索表

中國總經理 上海美興公司

FIG. 18.—Another crude but successful advertisement.

Chinese by using the wrong colors in advertising. About 40 different Chinese of both sexes and of different classes were asked to suggest colors for a certain hypothetical label. Every imaginable combination of colors was suggested, and without any evidence that any of

them in any combination were "tabu"; the composite Chinese opinion really forced the conclusion that any or all colors were good so long as the general effect was striking and somewhat vivid.

### TRANSLATIONS.

We have already cautioned the advertiser concerning the importance of translations and of the practical impossibility of having such work done outside of China. A number of American advertisers in both New York and San Francisco have trustingly placed their translation work in the hands of Cantonese who have obligingly turned American foreign trade terms into phonetic Cantonese Chinese equivalents, which, while possibly understood in Canton, are entirely unintelligible in Central and North China. This matter of translating into a foreign tongue, particularly Chinese, should not be undertaken carelessly, and should be safeguarded with some further assurance than merely the fact that the translator is a native of the country.

### CHINESE ADHERENCE TO OLD CUSTOMS.

While it is true that the Chinese are now in a stage that is marked by rapid changes and that foreign influences are having a noticeable effect on their business and social life, the fact remains that they are still largely actuated by the customs that have descended to them as a sort of birthright from their very old civilization. These racial traits, together with their age-old customs and habits, are so deep-seated and so fundamentally opposed to our own, that only a long and intimate contact with the Chinese would enable an American to comprehend the reasons for the things on which their daily life is based. We have said that only a Chinese living in China can effectively prepare advertising intended to interest and convince his own people; perhaps a brief glimpse at a few of the thousands of differing customs may emphasize that point to advantage.

It is true that there is no system of caste in China, the people on the whole being distinctly democratic, but there is a sort of unavoidable grading into classes based on education and wealth. In China, however, the scholar (who is held in great respect) and the official come first; then comes the farmer, and following him the merchant.

The family and not the individual is the unit in China, and as a consequence a number of branches of the same family live under what is practically the same roof. There may be a number of buildings, depending on the wealth of the family, but they are all connected and surrounded by a common wall. Not only the villages, but many of the large cities are walled; there are no sidewalks, but only narrow crooked streets. Outside the cities there are few places that have even roads, as we understand the term, but only paths.

The outstanding importance of the family as contrasted with the individual has in turn produced ancestor worship; tablets in commemoration of these ancestors are kept in the homes, where formal and sometimes elaborate ceremonies are performed before them on certain days of the year set aside for that purpose.

Women occupy a decidedly secondary place in the Chinese home life; it is not uncommon for a Chinese father to mention only his

sons when asked how many children he has, the reason being that daughters (all Chinese girls marry very young) will later enter another household. Because of the position of women, Chinese rarely entertain in their own homes—though this custom is creeping in as one result of foreign influence—but rather in hotels and restaurants, where female entertainers sing and play. When respectable women are seen in public gathering places they are always seated in separate sections provided for them.

It is commonly believed that the queue has been discarded by the Chinese, but such is not the case except in Canton and the south of China. In other sections, and particularly in the north, it is still very commonly worn.



FIG. 19.—Cigarette advertisement, one of a series showing familiar phases of Chinese life. The native artist shows little flexibility or imagination in carrying out his ideas pictorially, yet this advertisement was most effective in a newspaper campaign.

Among the men, foreign clothes are seldom worn, their universal garb still being the long Chinese gown, usually of silk. Foreign hats, however, are worn to a considerable extent, and also, though to a less extent, foreign shoes. The women without exception still cling to trousers, which are the dress of a Chinese lady; now and then the trousers are covered with a skirt. Like the Japanese women, those of China wear no head covering of any kind, preferring to dress their hair very elaborately, adding various hair ornaments and jewels.

Among Chinese of even ordinary culture, politeness and all the forms of courtesy are so marked as sometimes to make the impatient and blunt foreigner feel a bit boorish. Instead of shaking hands, the old custom of raising and clasping the hands to the chin still prevails, though this, like other customs, is not so widely indulged in



by Chinese who have been abroad. In accepting or presenting a gift, a Chinese uses both hands.

Above all, the foreigner should remember that the Chinese are a very old people and that their pride of race is intense. Naturally, they object to the always offensive name of "Chink" and, to a less extent, to that of "Chinaman." Individually and collectively they should be referred to as "Chinese." The matter of Chinese names is another thing that is often confusing to a foreigner; Chinese names commonly have three characters, or what would appear to us to be three names, but Li Hung Chang, for example, should not be addressed as "Mr. Chang" but as "Mr. Li."

#### ADVERTISING AGENCIES.

There are no United States advertising agencies with branches in China or with connections or representation there that would enable them to serve the American advertiser. Nor, with the present primitive development of publications and other mediums there, would a large, well-equipped, modern American agency be justified in venturing into the field.

There are, however, a number of so-called advertising agencies in China, but aside from one in Shanghai, which we shall discuss later, there are none that would be helpful to the American manufacturer.

City by city, the situation is as follows: In Hongkong there is a publicity bureau as an adjunct to the British Chamber of Commerce; it has established cordial relations with many of the newspapers in South China, of which it has a complete list and for which it is endeavoring to secure advertising from British manufacturers, with little success thus far.

All the other advertising agencies in China are in Shanghai; among them are several of European nationality, a good many Chinese, and one American. With the exception of the last named, they are all simply brokers (often living a hand-to-mouth existence) or exclusively represent a few mediums, and would not be in a position to render unbiased or competent service. The one American advertising agency is, however, able not merely to write excellent Chinese advertising and place it intelligently, but to conduct comprehensive market surveys as well. While it specializes on Shanghai and Central China in particular, it also has local agents in Canton, Hankow, and Peking, so that thoroughly comprehensive campaigns can be initiated and carried on. Its office in Shanghai, with native copy writers and artists, is conducted on lines far in advance of the general advertising development of the country. A rather large number of American advertisers who have selling representation in China have used the services of this agency in conjunction with their sales campaigns.

For many reasons that must be evident it is almost impossible for an advertiser in New York or San Francisco to do business directly with Chinese publishers. Their rates are not uniform to all buyers, and, incidentally, they always charge a much higher rate for advertising received from another country. Neither will they extend credit to one whom they do not know, nor are they likely to send voucher copies. Very few Chinese publishers can carry on a correspondence in English; among the smaller publishers there are fre-

Special Agents Series No. 209.

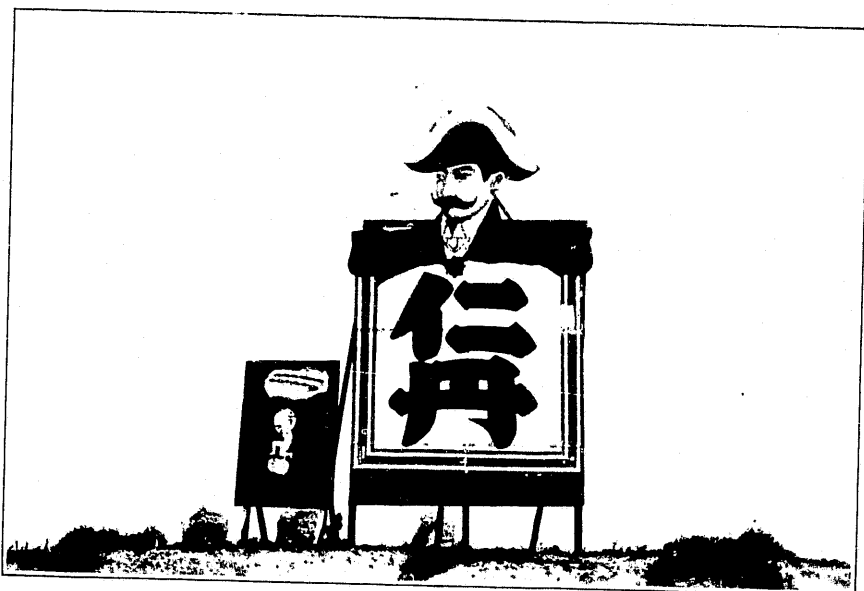


FIG. 20.—PAINTED SIGN OF JAPANESE "JINTAN," ONE OF THE BEST-KNOWN "CHOPS" IN CHINA.

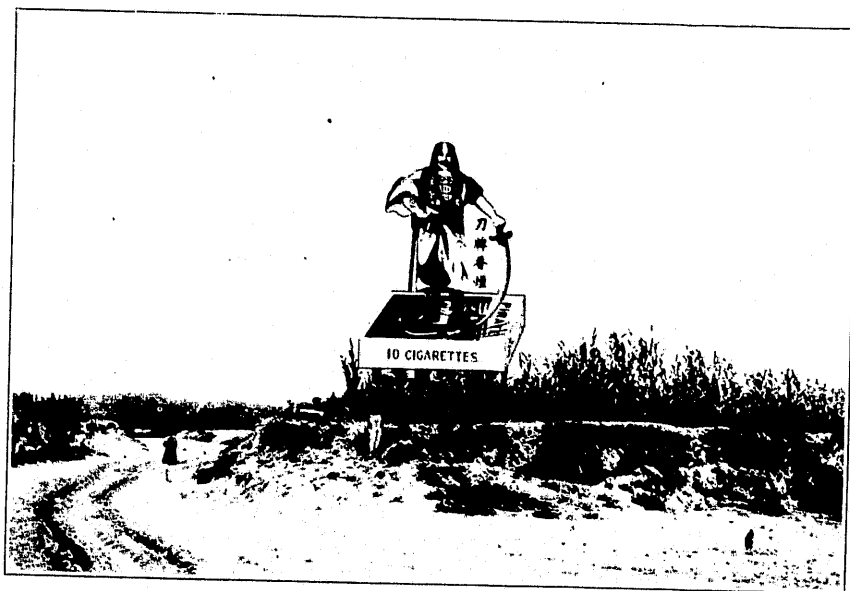


FIG. 21.—CHARACTERISTIC PAINTED SIGN OF BRITISH-AMERICAN TOBACCO CO., NEAR TIENTSIN.



FIG. 22.—SIGNBOARDS FOR CHINESE PRODUCTS.

Notice that no pictures are used—only text matter.

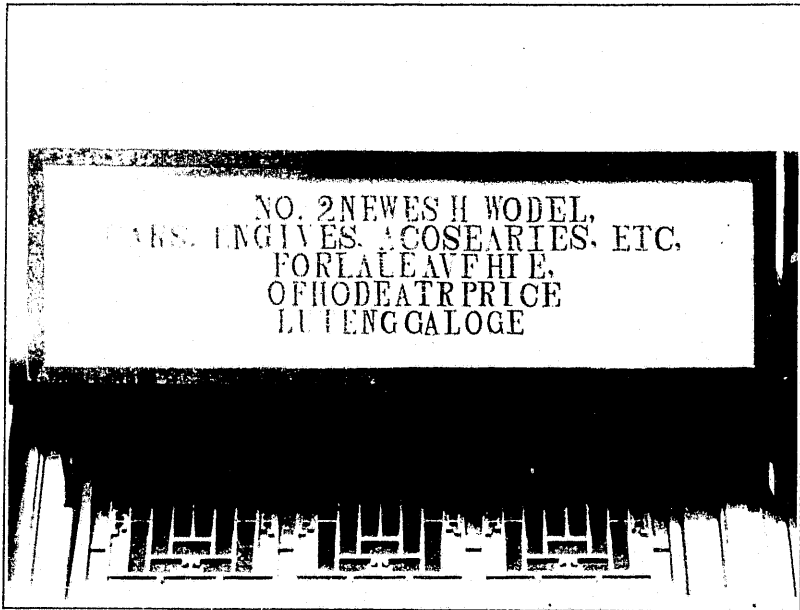


FIG. 23.—SHOP SIGN IN PEKING.

Showing the difficulty experienced by Chinese in distinguishing between similar letters and sounds in English.

quent changes, both in the name of the publication and in the ownership itself, nor will they quote rates (when they quote them at all) in any currency except "Mex." dollars.

There are a number of so-called advertising agencies in the United States which claim to be able to carry on advertising campaigns in China, whereas, as a matter of fact, they are merely publishers' representatives acting exclusively in the interests of certain Chinese publications. They should not be condemned on this account, but their function as publishers' representatives and not advertising agencies should be clearly understood by the advertiser before he buys space from them.

#### CUSTOMS LAWS GOVERNING ADVERTISING MATTER.

The following advertising supplies, bearing advertisements, are permitted to enter China free of duty, but must be declared: Colored posters, catalogues, booklets, folders, postal cards, photographs, and inexpensive calendars.

The following are subject to the usual 5 per cent customs tariff, based on the c. i. f. China value: Copper and zinc electrotypes, copper halftone engravings, matrices, advertising blotters, photographs (if without printing), calling cards, business stationery, nearly all advertising novelties, expensive calendars.

#### DIRECT-BY-MAIL METHODS.

Direct-by-mail advertising has been successfully used in China in a variety of ways. Both English and American mail-order houses,<sup>6</sup> selling clothing, jewelry, and even foodstuffs, have successfully used the English-language press of Shanghai and Hongkong in appealing to the resident foreigner. As in the United States, so in China, their chief effort has been directed toward persuading the foreigner to send for a catalogue; in other cases they have featured one leading article with price quoted and sold on a money-back guaranty. They usually quote prices in "Mex." dollars and have somewhat minimized the uncertainties of fluctuating exchange by estimating as carefully as possible the trend of the silver market, basing their quoted prices on that and then readjusting them from time to time when wide variations have taken place. Their difficulties, however, may be realized when it is recalled that "Mex." dollars in 1914 were worth about \$0.45 in United States currency but steadily mounted until in 1919 they reached \$1.30, or nearly three times their normal value. At the present writing (early in 1921) they have slipped back to about \$0.50 United States currency. Some of the British mail-order houses add a footnote to the prices (which they quote in both "Mex." dollars and sterling) somewhat as follows: "In the prices quoted above, \$4.80 'Mex.' is estimated as equal to £1 sterling."

<sup>6</sup> As articles for delivery through the United States Postal Agency at Shanghai (the only American post office in China) are subject to Chinese customs duties and regulations, considerable delay and inconvenience has been experienced in the past in effecting delivery of parcels sent from America and forwarded through the United States Postal Agency because of the absence of customs declarations or invoices. In order to facilitate the delivery of such parcels in the future the Post Office Department has directed postmasters in the United States to require all parcels addressed for delivery through the United States Postal Agency at Shanghai to be accompanied by a customs declaration, properly filled out and securely attached to the parcels.

All the foregoing applies almost wholly to mail-order sales to foreigners. The Chinese, on the other hand, can also be reached, but through different approaches; they will not send money to England or the United States and order "sight unseen" even with a money-back guaranty, though sometimes they will order on approval and pay after having seen the goods. However, they will send money through the mails to agents located in China; in fact, the method of mailing letters, booklets, circulars, and similar advertising matter accompanied by a personal letter and order form has proven amazingly successful. For example, a selected list of several thousand Chinese names was circularized for a popular-priced American watch by a Shanghai agency, with the result that 30 per cent of the entire list bought at least one article; the cost per sale was about \$0.06 United States currency. The Chinese receive very few letters and so great is their respect for any written communication that it is absolutely assured of a reading, at the very least.

A responsible American advertising agency in Shanghai<sup>7</sup> has a carefully classified list of about 100,000 names of Chinese, all of whom have known purchasing power; the list is classified as to both occupation and income; the cost of using it is about \$50 "Mex." per thousand, including circulars in Chinese; and 95 per cent delivery is guaranteed. Other mailing lists in China are either privately owned and therefore not available, or are not so dependable or so well classified.

#### CATALOGUES.

Catalogues in English which are intended for foreign or Chinese import houses in the treaty ports are satisfactory, provided they give complete information and anticipate every probable contingency and every likely question that the importer may ask. But for the thousands of Chinese merchants, an English-language catalogue would be quite useless, nor does it appear probable that one issued in Chinese, even if the expense of such a special edition were justified, would produce results of itself alone—unless, of course, it described goods obtainable in China or was used purely to supplement the work of salesmen.

#### DIRECTORIES.

There are no directories in China devoted exclusively to one city, but rather general directories that endeavor to cover the country as a whole. The important ones are:

Rosenstock's Directory of China, published at 22 Nanking Road, Shanghai; the only classified business directory covering all of China. There is also a separate edition that includes the Philippine Islands.

Directory and Chronicle for China, Japan, Straits Settlements, the Philippines, etc., published by Hongkong Daily Press, Hongkong. This is not classified but contains more detailed information than Rosenstock's directory.

#### EXPORT TRADE JOURNALS.<sup>8</sup>

Within the confines of their extremely limited circulations in China, export trade journals in English are suitable mediums. Those

<sup>7</sup> This is the same advertising agency mentioned in the "Advertising agencies" section of this report; its name will be furnished upon application to the Bureau of Foreign and Domestic Commerce or any of its district or cooperative offices, mentioning file No. 45928.

<sup>8</sup> See also p. 32.

in which the text matter covers the whole field of foreign trade in a broad way would reach foreign as well as Chinese importing houses, in both of which English is read. Those journals of a technical nature edited for engineers would probably touch a narrower field but would reach it more intensively because of their specialized appeal; also those who are interested in such subjects or in any way placed so as to be able to influence purchases, can read English, being probably either Europeans or Americans. It is not to be expected, of course, that any English-language export trade journal has more than a thinly scattered circulation in China; indeed, the circulation of such publications there or anywhere in Asia is largely incidental to their primary influence, which is in countries where English is the chief if not the only language.

#### STORY-TELLERS, PARADES, AND OTHER NOVEL METHODS.

Many of the sales-promotion methods used in China by both Chinese and foreign advertisers are entirely outside the scope of American advertising in even its broadest sense, yet they have been so effective that some of them should be related here, if only for the insight they give into certain phases of native life. Obviously, as the reader will readily see, they are methods that can be employed only by those resident in China and with a thorough understanding of the nature of the people.

We have already told something of the itinerant Chinese story-teller, who is paid to weave into his tales of monstrous legends other tales concerning cigarettes and medicines bearing certain advertised "chops" (trade-marks). The largest foreign tobacco company in China uses 25 of these story-tellers, who are skillfully stationed at boat landings and other congested gathering places and who are most carefully coached by Chinese employees of the company. Even women story-tellers are making their appearance, which is all the more remarkable when one recalls that 10 years ago no Chinese woman, except professional entertainers, ever appeared in public in the same company and place with men.

Not to be outdone by its foreign competitor, a Chinese cigarette company distributes free rice—accompanied by suitable publicity—at the time of rice shortage or famine. This same company also, by means of a spectacular parade in Hongkong, eclipsed all previous "ballyhoo" methods which have played so large a part in giving publicity to cheap goods.

Scores of other unusual and stimulating devices have been used by different advertisers, all of them taking advantage of well-known racial traits or customs. Thus the Chinese are very fond of the theater, all classes sharing alike in the common devotion; so pronounced is their taste in this respect that important newspapers assign a special reporter to dog the footsteps of famous actors, that no detail of their daily lives may be hidden from the people. But it remained for an American soap company to secure from the most famous Chinese actor a written indorsement and testimonial of its toilet soap. So effective was this that it is now a matter of pride with all Chinese who can afford to buy it to be able to say that they use the same soap as Mei Lang Fong.

The exploiters of "Jintan," the most widely advertised Japanese product in China, have carefully studied every possible avenue through which native customs can be most readily appealed to. One of their many schemes is to erect boxes—with the advertisement of the familiar "Jintan" chop on them—in which the Chinese may put scraps of printed paper, thus taking advantage of their dislike of throwing away anything bearing the written word, which they so greatly revere. These boxes are emptied at regular intervals and the paper contents carefully burnt.

#### MOTION-PICTURE ADVERTISING.

Except among those of the more sophisticated Chinese who live in somewhat close contact with foreigners in the treaty ports or who have been abroad, the motion picture, particularly the one from America, strikes no familiar chord. And the reason is found in the wholly different outlook on life of the two peoples, especially in the equality of and the freedom between the two sexes in America, the entire idea of which is basically incomprehensible to a Chinese unless he has had a foreign education. The great popularity of the theater in China would seem at first glance to make easier the appeal of the "movies," were it not for the fact that the Chinese actor depends more on his voice and less on his acting than does ours, and that he also depends less on the story or plot than is customary with us. These differences are far from insurmountable, as is indicated by the fact that an increasing number of American films are being exhibited in China each year; they are mentioned here rather to show to what extent these varying national traits make difficult the immediate and wide use of the motion-picture appeal among the masses of Chinese.

Industrial motion pictures could be used in much the same way as described in the Japan section of this report, and would make much the same appeal in China as in Japan because they would naturally have selected audiences. In popular films carrying either a direct or an indirect advertising story, some success has also been achieved. For example, one of the large cigarette companies in China hires theaters, engages strolling companies of actors to give characteristic Chinese plays, and, as a part of the performance, shows motion pictures especially designed to appeal to the average native taste. Admission to these performances is obtained by coupons, one of which is in each package of cigarettes which are sold at the door.

Such methods, even when practicable, are of course open only to advertisers who are located in China and who are thoroughly acquainted with all the difficulties and advantages attending such forms of advertising.

It may be added, also, that while many motion-picture theater exhibitors in Shanghai and other treaty-port cities welcome the loan of short advertising films, there is no organization among them or any outside agency through which a distribution of such films could be effected.

#### ABSENCE OF STREET-CAR ADVERTISING.

There is no development of street-car advertising anywhere in China. Cities like Peking and Hankow have no street cars of any kind, travel through the streets being either on foot or by jinrikisha;

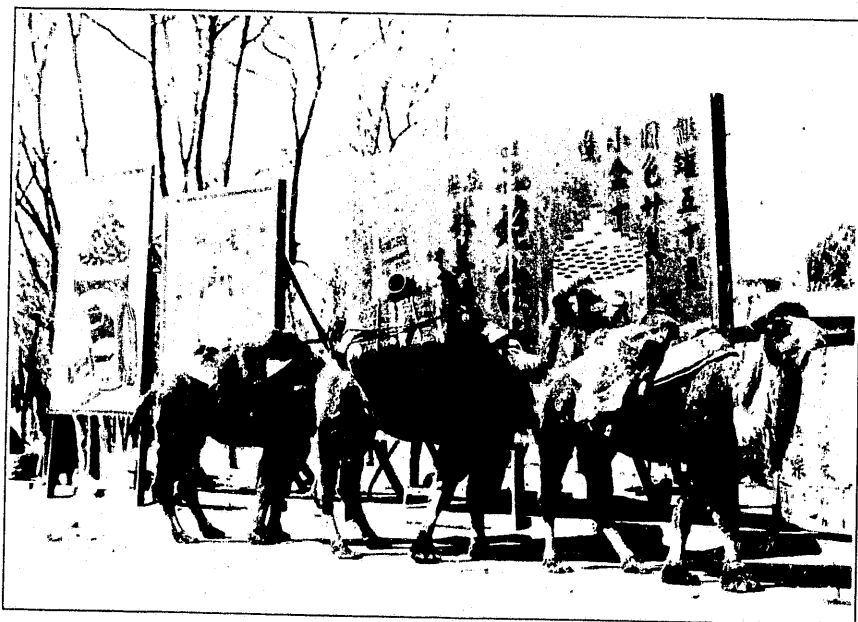


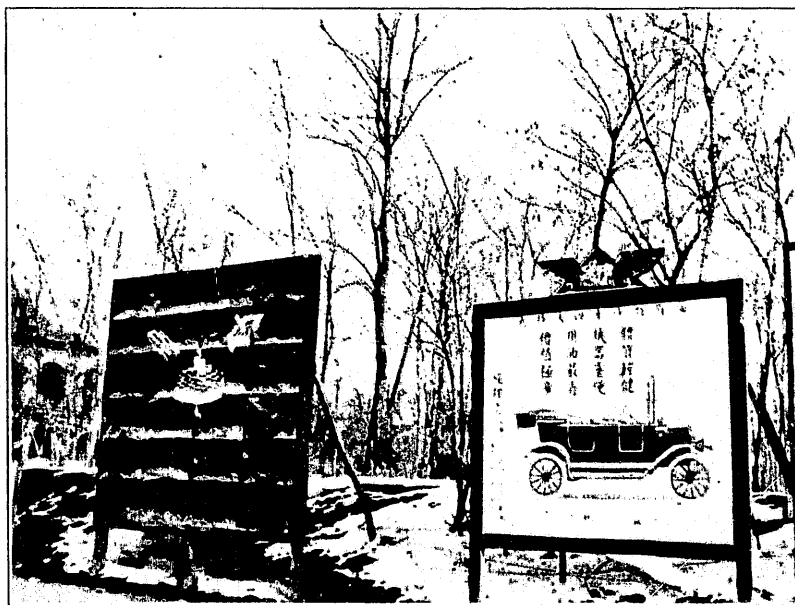
FIG. 24.—PAINTED SIGNBOARDS ADVERTISING CHINESE PRODUCTS, PEKING.



FIG. 25.—PAINTED SIGN ALONG RAILWAY, NEAR TIENTSIN.

Note the Chinese characters in addition to the English name.





FIGS. 26 AND 27.—BILLBOARDS AND POSTERS IN PEKING.

on the tramways of the foreign settlements of Shanghai, Hongkong, and Tientsin (there are no cars in the native cities there) a few scattered cards are to be seen on the inside of the cars. Now and then outside painted boards or posters are attached to the fenders.

No organized companies or even individuals handle this business, it being entirely a matter of arrangement between the advertiser and the transportation company. The cigarette, medicine, and other companies which have made such general use of all forms of poster and outdoor advertising, neglecting no avenue for reaching the masses of the people, have not used the tramway cars for this purpose. From that fact one may fairly conclude that it has been found impracticable in one way or another.

### POSTERS AND PAINTED BOARDS.

In spite of the general use of painted boards and posters (no form of advertising is so widely used in China as posters), it is in a badly disorganized condition. In and near the principal railway stations and along the streets of the large cities there are a great number of "hoardings" (billboards)—most of them being very unsightly and suffering deplorably from the ravages both of vandals and of the climate. Many of these locations are leased stations, which the owners have tried in a fashion to keep in good shape, but between the climatic difficulties and the Chinese coolies (who are no respecters of private property) their efforts have met with but little encouragement. Any coolie with enough money to buy a pot of paste and a brush can become a billposter, and painted signs, fences, walls, and any other surfaces are subject to his "sniping." So reprehensible have these abuses become in large treaty ports like Shanghai that as many as 12 gangs of coolies have been known to successively cover up the preceding gangs' posters within 24 hours, with the result that none of the 12 postings had any value whatsoever. Even where these conditions do not obtain and where the circumstances are more favorable, it is estimated that the life of a poster does not exceed three days. In Shanghai the municipal council annually passes a law to the effect that posting shall be taxed from \$0.05 to \$5 "Mex." per square foot, the exact amount to be imposed being left to the discretion of the revenue office; actually the result is that the law is seldom enforced and brings in practically no revenue to the city; all it does accomplish is to give the police the power of preventing objectionable posting in the residential sections occupied by foreigners.

Yet in the face of all these objectionable features and despite the unorganized condition of this avenue of publicity, posting (or rather "sniping") is the most widely used form of advertising in China, and in the opinion of the large advertisers of cigarettes, medicines, kerosene, and other products, it is far more effective than any other method of advertising, even including newspapers. The reason for this is, of course, to be found in the almost universal illiteracy of the Chinese masses, who can be reached most readily through highly colored posters having as their basis a pictorial appeal. The most ignorant coolie can understand a picture, particularly if it depicts something that is familiar to him in his daily life and belief; the advertiser, knowing these natural limitations,

tells his advertising story through posters very simply, using nothing but vivid colors, simple pictures, and a few Chinese characters showing his "chop." All of these large advertisers have their own plants in which they make their painted signs and banners; their own large crews attend to the erecting of them on leased locations; also they do the "sniping" (which forms the backbone of their outdoor campaigns) on city walls, temple walls, fences, or wherever a surface presents itself, there being no regulations prohibiting such vandalism. But even these offending advertisers realize that a day of awakened public sentiment and consequent reckoning may come; they realize, too, as a practical consideration, that their posting is short-lived and disproportionately expensive because it is not immune from other "snipers." As a result of all this, a movement has been started in Shanghai by the Advertising Club of China (which is affiliated with the Associated Advertising Clubs of the World) to reorganize the entire business and put it on a basis that will raise it in the public estimation and give it greater security and value to advertisers. This movement to reform its abuses will be watched with much interest by other Chinese cities which have large foreign settlements, and the degree of success it attains in Shanghai will probably determine any moves in this same direction by other communities. But in most of the cities of China and in the villages "sniping" must unavoidably continue for many years as the basis of posting throughout the country.

For the present, the system, while bad, is effective, and an advertiser undertaking to popularize a low-priced article in China must take posting into consideration. The advertising agency mentioned in the section on "Advertising agencies" is prepared to advise American manufacturers regarding its facilities covering this medium, as regards both painted boards and paper posters.

The standard poster used in China is 30 by 40 inches and can be produced there at a cost ranging from \$35 to \$60 United States currency per thousand. In addition to the cost of printing, the actual cost of posting averages about \$20 per thousand.

#### ELECTRIC SIGNS.

Aside from the glitter of Shanghai's "Great White Way" and the electric signs erected by the Japanese in Dairen and other Manchurian cities which they dominate commercially, there is no general development of this form of advertising anywhere in China. In the larger cities now and then a shopkeeper whose establishment is larger and who is more enterprising than his fellows boasts of his growth by means of a simple electric sign, but these cases are exceptional. Nanking Road, which is Shanghai's "Great White Way," startles the visitor with its spectacular lighting effects, of which not the least are the electric signs advertising cigarettes, medicines, and other goods for popular consumption. Also, on this same street are to be seen the brilliantly lighted Chinese department stores, as well as the smaller shops, each trying to outdo the other in ingenuity of lighting effects. There is no other such thoroughfare in all of China, and it is, in a measure, its contrast with other streets that has earned for Nanking Road and Shanghai, too, their somewhat spectacular but deserved renown. Hongkong's streets, aside from the restaurant

district, are nearly as quiet and as free of electric signs as the roads of an American village. Canton, save along the river front, shows no electric signs. Likewise, Peking, as utterly unlike Canton as two Chinese cities can well be, has not taken advantage of its broad thoroughfares to illuminate them, except with occasional street lights.

As with all other forms of advertising in China, the arrangements for erecting electric signs, even in Shanghai, are not in the hands of companies organized for this purpose and rendering a selling, construction, and maintenance service, but are a matter for individual negotiation between the prospective advertiser and the property owner, as well as the electric construction company. Such advertisers as have secured desirable locations have done so only after a thorough personal survey of the location, traffic, cost of erection and maintenance, and other fundamental considerations.

#### DISTRIBUTION OF HANDBILLS AND CIRCULARS.

Very few advertisers in China overlook the importance of handbills, circulars, cheap booklets, and other printed matter which can be distributed at a very low cost. Here again, the factor of curiosity and respect for the printed word acts as a considerable offset against the illiteracy of the masses into whose hands most of these circulars fall. The coolie who is too ignorant to read will save his booklet or handbill until some more literate neighbor or passer-by reads it for him. The Chinese, particularly among the lower classes, are an extraordinarily curious and gossipy people, and through this habit both good news and bad travels hundreds of miles in a very short time. An instance is that of a coolie in whose mouth a cigarette exploded; the obvious explanation, that it was either the result of a practical joke or carelessness in the making of it, never occurred to him and his fellows. Like wildfire the news spread that a certain brand of cigarettes were "bad joss," resulting in a complete stoppage of sales in villages for miles around; the cigarette company, taking advantage of this superstitious undercurrent, started a favorable counter-rumor, and thus brought the cigarette into favor again.

Many a cheap article started on its course toward popularity in China from no more pretentious stimulus than circulars and luridly colored booklets; the news of such free gifts spread from house to house and into adjoining towns, and for a long time these booklets, the only new and strange thing in the village, were a main topic of conversation. The Germans were the first to take advantage of this characteristic, which is common to all illiterate peoples but is particularly noticeable in the Chinese as a result of their insatiable curiosity. The Japanese have made skillful use of this method, many of their patent medicines being almost wholly promoted in this way. It is not a method that can be used so effectively in the larger Chinese cities, or among the more literate classes, because of the competition of newspapers, but even there it is by no means to be slighted.

#### POPULARITY OF CALENDARS WITH ALL CHINESE.

If one were to select the single most effective and lasting appeal among current Chinese advertising methods, it would be that of the

calendar. It is the single most potent means of touching the intimate life of every Chinese, because he regulates his decisions by the planets and by lucky and unlucky days, and never undertakes a business venture or a journey without consulting the omens and signs, which are "legion" in China and which are all set forth in his calendar. It is his calendar in which he seeks his answers to queries about good and bad "joss" (luck) and which pronounces the lucky days for weddings, feasts, etc. It is the calendar, too, that occupies a place of honor near the household gods and it is the one written or printed paper that is consulted most frequently.

For these reasons no advertiser in China, whether he be native or foreign, ever lets pass the Chinese New Year (which comes in February) without distributing calendars; those who indulge in no other form of advertising at least give away calendars. Some of them are very elaborate and costly, being lithographed in 10 or more colors, with most elaborate and intricate designs. Formerly these designs were pictorial representations of old Chinese classics and legends, but of late years the "pretty-girl" picture has come to the front and now seems to occupy first place. The advertisement plays a secondary part, consisting of little more than the "chop" of the advertiser displayed just conspicuously enough so as not to escape attention. The greatest care is necessary in the preparation of the designs, which must be absolutely correct from the Chinese viewpoint; the failure to attend to this has caused many foreign-made calendars to become merely objects of ridicule. Some of the older British merchants formerly had the designs made in China so as to insure absolute correctness, and then had the plates made and the calendars lithographed in England because of the superior class of work obtainable there. With improved facilities, particularly in Shanghai, it is now possible to have excellent work done in China without sending abroad for it.

There are even calendar collectors in China who make as much of a hobby of it as stamp collectors do in the United States. Small merchants do a thriving business—their little shops (where they sell nothing else) finding customers at all seasons of the year, but more particularly around New Year's time, which is in February. In investigating this curious appeal, the writer bought a great many calendars, for some of which, on account of their rarity or beauty, he paid as much as \$2, though their original cost of production was probably 25 cents or less.

Large advertisers distribute as many as 100,000 of these calendars, the only deterrent to much wider distribution being the high cost; cheaply printed ones sometimes do more harm than good, it being a common mental trait of the Chinese to estimate the character of the donor and the quality of his product by the value of the gift.

Novelties, particularly puzzles, bearing advertisements, make an instant "hit" with the Chinese, and only the unit cost of them prevents their wider distribution as an advertising medium.

#### HELPING THE DEALER.

Aside from a few large department stores, silversmiths' shops, silk shops, and the like in Shanghai, Hongkong, Canton, and a few other cities, practically all the retail outlets of China are tiny shops

conducted by one or two persons. Because of the size and construction of these shops, and, because these merchants are in many cases half peddlers who base their business on interminable haggling, the meaning of "turnovers" or "speeding up sales" has never entered their heads. Yet they have the shrewdest commercial instincts in the world and as natural traders are far ahead of the Japanese. Where the opportunity exists or where some foreign influence has been brought to bear, there are no people more ready than they to seize upon a new idea that will bring them in more business. As evidence of this, they have built in the leading treaty-port cities splendid department stores owned and managed by Chinese and most skillfully and profitably conducted on up-to-date lines. As new ideas suggested themselves they have been seized upon and adapted to Chinese use. Even unenterprising merchants in the smaller towns have been coached in the proper use of counter, window, and shop cards as supplemental to well-arranged stocks and attractive window displays; not many manufacturers have taken the trouble to do this, but where they have done it, their goods stand out startlingly in the general disorder that characterizes Chinese shops. These few farsighted manufacturers have realized that nearly all Chinese dealers merely "keep a store" and that its unattractive and "take-it-or-leave-it" appearance is largely the result of the proprietors' never having known anything different and never having been shown how to do things in a better way.

The few companies such as those marketing medicines, oil, cigarettes, and toilet goods through extensive sales organizations have been the pioneers in this work and have blazed the trails of all the advertising and merchandising progress that has been made in China.

[NOTE.—Persons desiring very detailed information concerning China and all the aspects of its commercial and economic activities are referred to the "Commercial Handbook of China," in two volumes, published by the Bureau of Foreign and Domestic Commerce as Miscellaneous Series No. 84. The prices of volumes 1 and 2 are 60 and 40 cents, respectively, and the books may be obtained from the district or cooperative offices of the Bureau or from the Superintendent of Documents, Government Printing Office, Washington, D. C.]

## THE PHILIPPINES.

### GENERAL INFORMATION.

#### LOCATION, SIZE, POPULATION, AND CLIMATE.

The Philippine Islands are more than 6,000 miles from San Francisco and within 600 miles of the China coast. Some 3,000 islands go to make up the archipelago, which, beginning just south of the Japanese possession of Taiwan (Formosa), stretches for about 1,100 miles southward almost to Borneo. Of the 3,000 or more islands (which have an area of approximately 120,000 square miles, about equal to that of the New England States plus New York State), about half are large enough to be named, and of the entire number only about 400 are inhabited. The largest and most important island is Luzon, which is about the size of the State of Ohio. Manila, the capital, principal port, and chief commercial center of the islands, is on Luzon.

The 10,000,000 population of the Philippines, aside from a thin scattering of Americans, Europeans, Chinese, and Japanese, consists of Filipinos, who are racially and basically Malays, interbred to some extent with Spanish blood and with a trace of the blood of the Chinese, who have for a long time been the merchants of the islands. Of the entire population of 10,000,000, more than 90 per cent are classified as Christians, the remainder being grouped as either Mohammedan, pagan, or unclassifiable. Of the foreign population, there are about 15,000 Americans and Europeans (nearly all in Manila), 20,000 Chinese, and about 2,500 Japanese.

The climate is tropical, and tobacco, sugar, hemp, and coconuts are the chief products of the soil. The mountainous section, where many of the hardy upland natives are to be found, is invigorating and healthful, while the sea coast, including the capital city, Manila, is humid and somewhat oppressive and, save for a few winter months, is only rendered livable as the result of American sanitary precautions which are even more rigidly enforced than in the United States. The rainfall averages 72 inches annually, most of it being concentrated in the summer months.

#### RESOURCES, INDUSTRIES, AND TRANSPORTATION.

Compared with the agricultural wealth of the Philippines, the mineral products are of minor importance. There are believed to be considerable deposits of coal and some amount of iron, but very little is really known about either the quantity or the quality. It is in agriculture that the present wealth of the Philippines lies, more than 90 per cent of the exports being products of the soil. For the most part, very primitive methods of tilling the soil are employed; less than one-half of the arable land is under cultivation to-day. As

one result of the opportunities opened by American occupation, at least four-fifths of the farming land is worked by small owners, the other one-fifth being worked by tenants.

While the islands have made some advances toward industrialism (Manila has about 840 factories, whose 17,000 employees produce about \$20,000,000 worth of goods annually), there is little in this field of activity that can be considered modern; most of it is, and will continue to remain, that of household or small-shop industries. The making of baskets and hats is typical of the native household manufacturing activities; lace making and tobacco manufacturing, on the other hand, show considerable development as special industries on a larger scale. However, the climate, the character of the population, and the easily acquired wealth from the soil are the factors that determine the future of the Filipinos as a nation of farmers or planters, rather than manufacturers.

Despite the sovereignty of the United States, Americans come second in investments of foreign capital, the relative positions being: British, \$670,000,000; Americans, \$272,000,000; Japanese, \$61,000,000; Dutch, \$28,000,000.

That there is not more than 800 miles of railway (most of which is on the island of Luzon, where Manila is) is probably due in great measure to the excellent water transportation enjoyed by the islands, as well as the splendid highways; of the latter there are about 2,300 miles of first-class roads, 1,200 miles of second-class roads, and about 2,000 miles of poorer roads.

#### IMPORTS AND EXPORTS.

The total foreign trade of the Philippines for 1920 amounted in round figures to \$300,000,000, of which about \$149,000,000 represented imports, mostly of manufactured goods. Of the exports of approximately \$151,000,000, about 90 per cent were products such as hemp, sugar, copra, coconut oil, and tobacco products.

Of this total foreign trade, practically all of which passes through the port of Manila, the share of the United States was approximately 66 per cent (61.7 per cent of imports and 70 per cent of exports), followed by Japan and Great Britain, with 7.7 and 5.7 per cent, respectively.

#### CURRENCY AND BANKING.

The currency is on a gold basis, the unit being the peso, which is worth nominally \$0.50 United States currency and which is theoretically supposed to show no variation in the relation to the United States dollar. In reality, fluctuations have occurred, and early in 1921 San Francisco exchange on Manila could be purchased at about 10 per cent under par.

American banking interests are well represented in the Philippines, the following banks having offices in Manila: American Foreign Banking Corporation, Asia Banking Corporation, International Banking Corporation, and also the American Express Co.

#### CONFUSION ARISING FROM MANY LANGUAGES.

English is not only the official language of the Philippines but is the leading commercial language as well, having rapidly outdis-



tanced Spanish in that respect. The reason for this is not far to seek when one recalls that for the past 15 years there have been from 200,000 to 600,000 pupils enrolled in the schools that were established shortly after the American occupation; in these schools no language



**PINTURA S-W**

**LA PINTURA ES LA UNICA PROTECCION CONTRA LA HUMEDAD.**

Examine usted su casa, muebles, vehiculos, etc. y vea si se deterioran en algunas de sus partes. Si es así, la humedad está produciendo sus malos efectos, y es tiempo entonces de pintarlos.

Las pinturas y barnices SHERWIN WILLIAMS han sido el modelo de hace cincuenta años.

**SHERWIN-WILLIAMS**  
De Venta en Todas Partes

**PACIFIC COMMERCIAL COMPANY**  
Unicos Agentes.

FIG. 28.—Advertisement in Spanish, used in Philippines, employing as its illustration the nipa house, familiar to all Filipinos.

other than English is taught. However, so involved is the problem of the variety of tongues still spoken in all parts of the islands that the Pacific Commercial Co., which has pioneered all the advertising problems of the archipelago, finds it necessary to prepare advertis-

ing matter in English, Spanish, Chinese, and also nine separate dialects (of which Tagalog is the most important), as well as Arabic, which is used to reach the Moros. In other words, it takes 13 different languages to cover the islands completely, either with publication advertising or other printed matter. On the island of Luzon alone—the most important of the group—five different dialects are spoken, in addition to English and Spanish. While this babel of tongues would seem to produce a hopeless advertising tangle, such is not the case, as the districts in which the different dialects are spoken have clean-cut boundaries and do not overlap.

In a general way it may be said that all the younger Filipinos who are literate speak and read English, and, except perhaps in Manila, where Spanish may be considered their second language, they also speak the dialect of their province. Persons of the older generation in Manila and the other cities incline to Spanish, but usually speak some English. Tagalog is the most widely used of the dialects, and street directions in Manila are printed in it as well as English and Spanish. Chinese is used only by the merchants of that race, who, by the way, control about 75 per cent of the retail business of the islands.

Certain it is that English is fast becoming the one common tongue of the Philippines, and that in another generation, unless some unfortunate setback occurs, it will be used practically to the exclusion of the other languages, the multiplicity of which has, more than any other single obstacle, delayed the progress of the islands.

#### PURCHASING POWER.

It is extremely difficult to estimate the number of Filipinos who read publications more or less regularly and who have buying power sufficient to class them as purchasers of advertised goods in any volume. The consensus of opinion among Americans who have lived in the islands a long time, and have given the matter serious thought, is that the number does not exceed 125,000. However, that does not take into account a much larger number who may not read publications with any degree of regularity, but who can read in some dialect or language and who, for the advertiser who has devised a means of reaching them, should at least be classed as potential buyers in small volume of one kind or another of foreign goods; the number of these might reach a million but certainly would not at present exceed that figure. For marketing purposes, this means that approximately 10 per cent of the Philippine people are possible buyers of foreign goods, who can be reached through advertising of one kind or another.

An interesting sidelight on this problem of the per capita consuming power of the Filipino for foreign goods is the fact that it is only slightly less than that of the Japanese or Mexican, and considerably higher than that of the Chinese. The per capita imports of these countries for a fairly normal year such as 1914 were: Philippines, \$4.90; China, \$1.06; Japan, \$6.60; Mexico, \$6.46. However, the difference in the population of the four countries must be borne in mind: Philippines, 10,000,000; China, 400,000,000; Japan, 56,000,000; Mexico, 15,000,000.

## MANILA AS A PORT AND TRADE CENTER.

Manila is not only the capital of the islands and the seat of government but is also the most important port and trade center, practically dominating the archipelago commercially. Situated on the principal island, Luzon, it is one of the chief ports of call for vessels bound from America to Japan, China, the Malay Peninsula, and British India. In an air line, Manila lies about 500 miles from Hongkong, 1,200 miles from Shanghai, 1,800 miles from Yokohama, and more than 6,000 miles from San Francisco. Through its harbor passes more than 90 per cent of the entire foreign trade of the islands; the inner harbor is protected by a breakwater, inside which vessels handle cargo by lighters; this is done with much of the cargo going to the Pasig River and its connecting canals. Manila also has five modern piers, at which the large ships plying the Pacific can dock.

Other ports, in the order of their importance, are Iloilo, Cebu, and Zamboanga, all on separate islands. The distances by water from Manila to these three ports are: Manila to Iloilo, 346 miles; to Cebu, 400 miles; to Zamboanga, 500 miles.

## IMPORT HOUSES AND RETAILERS.

It has already been noted that exports from the Philippines are almost wholly agricultural, while imports are mostly manufactured goods. Among some of the Filipinos there is a tendency of late years to engage in business, but for the most part they have preferred other pursuits, so that as a consequence about 90 per cent of all business is in the hands of foreigners. The main volume of trade is transacted through a few large commercial houses, mostly American; they act as importers and sell to the dealers, about 75 per cent of whom are Chinese, the remaining 25 per cent being Spaniards, Filipinos, or Americans.

The Chinese retailers, there as elsewhere, have proved themselves among the shrewdest small merchants in the world, and, as adapting themselves to the requirements of their customers, have been keen enough to push trade-marked goods—particularly when dealing with Americans—because they have learned that such merchandise is easier to sell. Incidentally, they always keep prices just a little below those prevailing in non-Chinese shops, but rarely attempt to cut under each other's prices. Even the Spanish merchants have not been slow to recognize that it is more profitable to carry goods which local advertising has made well known. As a result of these tendencies, accelerated by the characteristic enterprise and aggressiveness shown by both American import houses and the few American retail stores, the easy-going Chinese-Spanish way of doing business is being replaced by the American way. All of this goes to show how the spirit of enterprise can overcome the disadvantages of climate and inherited customs.

At this point it seems desirable to give in considerable detail the methods employed by the largest American import house in the Philippines, for the reason that it offers a concrete example of the success that has attended the transplanting of American methods in a foreign soil. This house has somewhat adapted its methods to the

country, it is true, but always with the underlying policy that such methods were only a more or less temporary expedient and to be replaced slowly but surely by a complete Americanization of the channels of trade and the methods employed, regardless of the nationality of the merchants through whom business is done. In all the Latin American and Asiatic countries in which the writer has made investigations, he knows of no other company that has attempted to market so many widely varying products and that has carried out an American sales and advertising policy on such broad lines. The results would not be unusual in the United States, where such methods are the order of the day; they are remarkable in the Philippines or in any other country where the climate, the character of the people, and the established procedure all lend weight to the argument that "it can't be done." As briefly as possible, let us now outline the methods of this company.

It represents large American manufacturers on an exclusive agency basis, carrying large stocks not only in Manila but elsewhere on the islands; it has its own "bodegas" (warehouses) and trading boats. Incidentally, it does some local manufacturing. In general, it uses the same sales-promotion and advertising methods as it would in the United States, but with a slightly different application, and the methods are further varied, depending upon whether the goods to be sold are canned milk, motor cars, plows, or other articles. It employs about 150 Americans and 600 Filipinos in its sales and import departments. The management of the company is carefully charted; the import and sales operations are carefully divided into departments based on the character of the merchandise to be sold; these departments are further sectionalized under a sectional manager who is responsible to the department manager for the success of his section. There being no Dun's or Bradstreet's, the company has developed its own credit department.

The main office is in Manila, with branches at Cebu, Iloilo, and Zamboanga—all complete in themselves. At smaller strategic centers such as Legaspi, Tacloban, Aparri, and Vigan, it maintains resident agents (Americans), who have experienced Filipino assistants under them. North and south of Manila, traveling out of the Manila office, the territory is covered by American salesmen, with Filipinos as assistants; these men completely cover the islands, which are carefully mapped and divided into 12 sales districts. These salesmen travel on schedule and their itineraries, together with mail and telegraphic addresses, are furnished daily to every department. Each salesman is furnished with a call report, showing customer's name, town, credit limit, sales, reasons for failure to sell, and other details. These call reports are mailed back to the Manila office or the salesman's headquarters after he has covered each town.

A bonus system with cash prizes is in operation, and is shared in by both Americans and Filipinos.

A far-reaching statistical section provides a daily comparison of sales against the same day of the month past and the same day of the year past. These are consolidated at the end of the month and furnished to each department. Detailed statistics are kept on each of the thousands of different articles sold, and these figures show the sales of each article by salesmen, districts, and branches. Graphic

charts are supplied indicating the trend of different commodities and the total sales of departments.

The district sales department has statistics covering the planting seasons of every district and of every crop, as well as the harvesting seasons, fiesta dates, garden days, and carnivals. It lists every store-keeper, whether an actual or a prospective customer, together with his nationality, the language used, and the variety of stock carried. This information covers any and every factor which, directly or indirectly, may affect sales.

No sales or advertising<sup>1</sup> campaign is inaugurated without a conference between the department manager handling the product, the district sales managers, and the publicity manager. Questionnaire forms are sent to salesmen and dealers, and every bit of information on competition, distribution, and other factors touching the marketing of the article in question is secured and analyzed before any effort to push it is made.

In addition to regular salesmen, the company maintains a force of specialty and technical salesmen. For example, when a district shows a number of good machinery prospects, a technical machinery man is sent out into the territory.

About 60 salesmen are continually in service, and 10 more are in training. The Philippines being primarily agricultural, a corps of demonstrators for plows, tractors, and pumps are kept constantly in the field. These men do nothing but demonstrate, covering territories on fixed schedule, the salesmen following behind to reap the benefit of the demonstrations. Standard exhibits are placed at provincial carnivals, and during garden days and meetings of all sorts.

Salesmen travel by automobile whenever possible; much of their travel is necessarily by water; they use such transportation methods as are necessary, even bull-carts being used in taking them from place to place. So primitive are the means of transportation in some places that it would take one salesmen 12 months to cover the islands completely.

Intensive dealer and consumer advertising campaigns through direct-by-mail methods and publications (in 13 languages and dialects) is closely coordinated with the work of the sales force.

The comprador<sup>2</sup> has been entirely eliminated by this company, which distributes directly to dealers, thus keeping the entire conduct of its business in its own hands.

#### A BIRD'S-EYE VIEW OF PHILIPPINE ADVERTISING.

Mention has already been made of the variety of tongues spoken in the Philippines, all of which are represented in one way or another by newspapers, weeklies, or monthlies. Aside from one English-language weekly, which is the most influential publication in the islands, most of the publications of any consequence are daily newspapers. There are some in English, in Spanish, and in Tagalog;

<sup>1</sup> This company is also the largest single advertiser in the islands, spending annually about \$175,000, the majority of which goes into direct-by-mail work, the second largest medium being newspapers.

<sup>2</sup> About 75 per cent of the retail business in the Philippines is in the hands of Chinese who in their own country are accustomed to buy through the comprador, who acts as a middleman between them and the import house that employs him. See the China section of this report, p. 51.

others in English with Spanish sections or editorials, and Spanish newspapers with dialect sections; there are dailies in seven other dialects besides Tagalog, as well as newspapers in Moro and in Chinese. Their policies and their value as advertising mediums vary as widely as the languages in which they appear; they range all the way from clean-cut, free-spoken, honest, independent organs to newspapers at the far end of the scale. There are also periodicals devoted to education, farming, and other special interests.

To one familiar with the publications of any Latin American country, the publication situation in the Philippines, while somewhat more confused as the result of the many dialects spoken there, presents many points of similarity.

The bulk of the newspaper advertising is placed locally; a small percentage of it is sent directly from the United States, but practically none from other countries. The rates charged foreign advertisers are considerably higher than those paid by local ones, even when there is a Manila distributor of the article advertised; when the space is contracted for locally, even if paid for by the American manufacturer, the local rates prevail. It should be said, however, that, except in three or possibly four papers, no fixed rates obtain, though rate cards are published. It is difficult to see how it would be possible to carry on intelligently and economically a comprehensive campaign in many Philippine mediums from the United States, because of its much higher cost under such circumstances, and the fact that 13 languages would be required; this difficulty would, of course, be somewhat lessened in a more restricted campaign where only English and possibly a few Spanish publications were used.

Of the two largest advertisers in the islands, the Pacific Commercial Co. spends about \$175,000 annually in advertising, and the Manila Trading & Supply Co. about \$50,000. Both of these are American import houses; manufacturers whom they represent usually share in the advertising expenditures.

There are a number of small, local service agencies in Manila operating as advertising agencies, but their work is almost wholly with local retailers and others—probably because of the dominance of the large import houses which prepare and place most of the foreign advertising, representing products for which they have the exclusive sales agencies.

Direct-by-mail methods, including letters, booklets, folders, and other printed matter, together with house-to-house distribution of handbills, have proved to be the most important single means of reaching both dealers and consumers, this condition being due to the fact that the great majority of those who can read some language or dialect do not regularly read newspapers.

As regards outdoor advertising, it may be said that posting is not done at all, on account of the heavy rains which make the use of paper impracticable. Painted signs, however, are used in Manila, the organization controlling this medium being affiliated with the Poster Advertising Association of the United States. Many of these boards are excellently situated and are electrically lighted for night display.

Street-car advertising is done to some extent in Manila, where the cards in the cars appear in three languages—English, Spanish, and Tagalog.

## METHODS USED BY SUCCESSFUL ADVERTISERS.

Because of the many-sided difficulties which it overcame, it seems well to present here an outline of the organization, as well as some details of the methods employed by an American import house<sup>3</sup> which has successfully used advertising in the Philippines in promoting the sale of articles ranging from canned milk to thrashing machines.

Its advertising department in Manila consists of nine copy writers, of whom two are American, four are Spanish, two are Chinese, and one is Tagalog. In addition, there are also eight native translators, seven artists, a photographer, and the usual file and mail clerks. The mailing list of 165,000 consumer names is segregated as to language or dialect, buying power, and sales district in which located. Also, some 8,000 merchants are listed and classified as to sales district, nationality, and goods handled.

When an advertising appropriation has been made to promote the sales of, say, soap, canned milk, or similar articles of wide consumption, the manager of that particular department, together with the publicity manager, decides whether the campaign is to be sectional or is to cover the islands. The district sales department notifies all salesmen, resident agents, and interested branches that a campaign is to be inaugurated on a certain date. These salesmen and provincial representatives advise the dealers of the coming campaign, and at the same time letters are sent to all dealers in the territory to be covered, supplementing the work of the field representatives. Lithographed hangers for windows and stores are supplied to the dealers. Letters in the different languages and dialects are then sent to a large list of consumers, and advertising is placed in all mediums whose circulation justifies the expense. Handbills are sent to the dealers for distribution to consumers, and a house-to-house distribution of more of these same handbills is made by employees of the publicity department. The text matter for all advertising is written in English, and then carefully translated into the various languages and dialects.

In the case of higher-priced goods such as improved plows, tractors, thrashers, and even technical equipment (with most of which few Filipinos are familiar), this company again resorts to direct-by-mail methods, except that in these cases they lay a most careful groundwork of educational advertising which explains simply and patiently the uses and advantages of this new or strange equipment. Sometimes several years pass with sales so meager as barely to pay for the educational advertising and demonstration; yet, in the long run, an immensely profitable business not only in farming machinery but in more technical equipment has been built up.

This company whose advertising procedure has been outlined here, as well as other companies which have carried on their work on a somewhat smaller scale, have successfully advertised, demonstrated, and sold 60 rice thrashers in one year, 60,000 specially designed plows in six years, and 600 tractors in 15 months, as well as other equipment, none of which had ever been used or even seen in the Philippines in former years.

<sup>3</sup> The sales-promotion methods of this same importing house are outlined in some detail in an earlier section (p. 88) headed "Import houses and retailers."

## NEWSPAPERS AND OTHER PUBLICATIONS.

## GENERAL REVIEW.

We have noted the fact that 13 different languages or dialects are represented in the 106 newspapers, weeklies, and periodicals published in the Philippines. That bare statement would seem to indicate that the publication situation is inextricably tangled; such however, is not the case, owing to the fact that English is the dominating language, followed closely by Spanish, with Tagalog and the other dialect publications occupying a very distant third place. No publication printed in any language other than English or Spanish dominates the field or even occupies more than a very small portion of it. Practically all papers outside of Manila are in one dialect or another; fortunately, the language districts do not overlap, the boundaries within which any dialect is used being strictly defined. Thus, the Tagalog dialect is used in and adjacent to Manila, except where English and Spanish are used; the Ilocano dialect is spoken by the people and used in the newspapers of the districts of Cayagan, Isabela, Ilocos Sur, Ilocos Norte, and La Union; the people in Pangasinan speak and read the Pangasinan dialect; all Cebu newspapers are in Cebu Visayan dialect, while those of Iloilo are in Ilongo dialect.

For convenient consideration we may divide all these 106 Philippine publications into three groups—(1) English-language, (2) Spanish, and (3) Tagalog and other dialect publications. Out of that number, 65 (including all the important ones) are issued in the capital city of Manila; some of them have merely local circulations, while others are found throughout the islands. After allowing for a considerable duplication of circulation, it is safe to say that there are not more than 125,000 regular readers of newspapers, weeklies, or monthlies, out of a total population of about 10,000,000. The result of this has been that direct-by-mail methods have formed the chief support of most successful campaigns, with newspapers relegated to a second place. The largest advertiser in the Philippines uses only 47 publications in even the most comprehensive campaigns. As further indicating the attitude of Manila advertisers toward this problem, it is significant to note that the largest one devotes only one-third of his appropriation to newspapers and periodicals, while the second largest one—possibly because of his incomplete mailing list—spends two-thirds of his appropriation in publications of one kind or another.

The writer believes that only 4 of the 106 publications strictly adhere to their published rates and treat all advertisers alike; these four are, significantly enough, the dominating publications. Most of the others either shade their prices shortly after negotiations are opened or—in the case of the less desirable ones—take what they can get. In this report, therefore, it is inadvisable to attempt to quote exact rates.

As supplementing the above, it is interesting to observe that practically all newspapers outside of Manila ask about 12½ cents United States currency per column inch, regardless of the size of their circulation.



## ANALYSIS OF IMPORTANT MANILA NEWSPAPERS AND WEEKLIES.

All the important Philippine publications are issued in Manila, and from there circulate throughout the islands; aside from purely local dailies in cities like Cebu, Iloilo, and Zamboanga, which might be used in a very comprehensive campaign, there are no others worthy of even passing consideration. In the order of their importance, the four dominant ones are the Philippine Free Press (English-language weekly), *La Vanguardia y Taliba* (Spanish evening daily with an edition in Tagalog), the Manila Daily Bulletin (English-language morning daily), and the Manila Times (English-language evening daily). These four are so far ahead of all the others, in both circulation and influence, that further details are given as follows:

*Philippine Free Press, Manila.*—Weekly in English with Spanish section. Its circulation of about 12,000 is more than double that of any other English-language publication, including newspapers, in the islands. A large portion of its readers are in the Provinces, but, whether for reaching the farmers or the city population, every advertiser puts it first on his list. Despite its outspoken policy and its opposition to the independence movement, it is even more widely read by the younger Filipinos than by Americans. Its page size is 9½ inches wide by 12½ inches deep. It can use mats. It maintains the fixed display-advertising rate of \$35 United States currency per page.

*La Vanguardia y Taliba, Manila.*—Evening daily in Spanish, its special Tagalog edition being called "Taliba." It is second in influence and circulation to the Philippine Free Press (see above) and has a daily circulation of about 8,000, with about 12,000 on Saturdays. It has a better news section than any English-language daily. It is inclined to be sensational and somewhat anti-American. It is easily the best Spanish daily in the islands and should be given second place in any list for a campaign, whether for patent medicines or automobiles. Its page has eight columns, and the columns are 2 by 20¾ inches. Its display-advertising rates are: 5,000 or more column inches, 25 cents United States currency per inch; less than 5,000 inches, 30 cents. It maintains rates very closely.

*Manila Daily Bulletin.*—English-language morning daily, owned and managed by Americans. This is a business man's paper and has, also, a general circulation. It is read by Filipinos, but more particularly by Americans. It should be third on any list covering medium or high grade articles for either popular or specialized consumption. Its circulation is about 4,000. Its page has eight columns, and the columns are 2 by 20¾ inches. Display-advertising rates (strictly maintained): Less than 5,000 column inches, 25 cents; more than 5,000 inches, 20 cents.

*Manila Times.*—English-language evening daily; also Sunday morning. The ownership is in doubt, but it is believed to be in control of Filipinos, though managed by Americans. It is semisensational at times and is more popular with Filipinos than Americans; the Sunday edition is widely read in the Provinces. The circulation is about 4,500, which is slightly larger than that of the Daily Bulletin (see above), but does not reach quite so high-class a clientele. It should be included in any list, ranking at least fourth. The page and column size, as well as the display-advertising rates (which are uniform), are the same as those of the Daily Bulletin.

The reader is referred to the Appendix (p. 106) for a list and details of other Philippine newspapers, weeklies, and monthlies.

## METHODS OF PAYING ADVERTISING BILLS.

American advertisers sometimes complain that local advertisers in Manila obtain lower rates than they. This should occasion no surprise when it is remembered that even the New York advertising agency, buying space for a national advertiser in, say, Chicago or San Francisco newspapers, can not buy space at so low a rate as can

be obtained by the local advertiser, who may be a selling representative of the manufacturer wishing to advertise. Desirable as a change in this condition may be, the two cases are not exactly parallel, for the reason that, unlike the American publishers, the Philippine publishers, with few exceptions, do not maintain standardized rates. Not infrequently two local advertisers, placing the same amount and character of business under the same conditions, pay different rates, neither of which may be that appearing on the publisher's rate card. Neither the Philippines nor any other Far Eastern country has an organization corresponding to the Audit Bureau of Circulations in the United States, nor is there any pressing demand on the publishers for proven circulation claims and stabilized advertising rates.

Some advertisers have had recourse to the method of having their representative in Manila buy space at the lowest rate obtainable locally. But for advertisers and advertising agencies that wish to handle the matter of payments directly with the publishers, attention is also directed to an arrangement which the writer personally made with American banks in Manila. This arrangement is as follows: The advertiser or advertising agent sends the original order, accompanied by matrices, engravings, etc., directly to the publisher, at the same time sending a duplicate of the order or a memorandum of it to the Manila bank. Upon the 10th of the month following the date of insertion the publisher presents his bill to the bank, accompanied by a voucher copy of the publication carrying the advertisement. The bank satisfies itself that the basic conditions of the order have been met, and in that event will pay the bill at the rate specified, less the cash discount specified in the order. In the event of a serious disagreement over position or any other important detail of the proper carrying out of the order, the bank will not undertake to adjust the difference. This is a manifest weakness of the plan, which is offered, however, as a "stop-gap" until a better arrangement can be effected. It will be necessary for the advertiser to open a credit to cover his orders, so that the bank will experience no delay in making payments promptly.

All the American banks—American Foreign Banking Corporation, Asia Banking Corporation, International Banking Corporation—which have branch offices in Manila are willing to undertake this service on a commission basis of 1 per cent of the amount they disburse in the payment of advertising bills.

#### "COPY" AND ILLUSTRATIONS.

Nearly all the copy used in Philippine advertising is in either English or Spanish, with a comparatively small amount in Tagalog and a much smaller amount in the other dialects. Language, however, is only what may be called the mechanical means of presentation; it is the ideas behind the text and illustrations that count, and nowhere has the failure on the part of American advertisers to recognize this fact been more strikingly exemplified than in the Philippines.

The Filipino reader of the advertising message may understand English, but it does not follow that colloquial English or the use of ideas in text or illustration that are outside the range of his experience, or that he can just barely grasp, are effective; he may understand Spanish, but to use the idiom or the appeal that one would

use in reaching a Mexican or an Argentinian is to miss altogether the point of the Filipino's distinctive racial traits. The language is only the shell, and it is not until we know the Filipinos' language as they *think it*, as well as their manners, customs, living conditions, and ideals that we can reach them with our advertising messages.

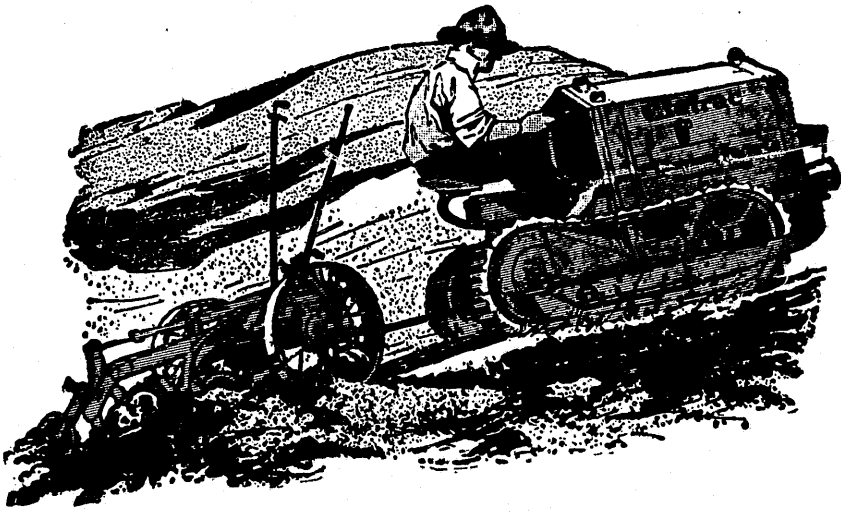
Many American advertising managers stubbornly insist that their copy—and the same copy—be used without change in the Philippines and Latin America, failing to recognize that it is more nearly impossible to prepare uniform and standardized copy for all those countries than it is to prepare a uniformly effective or even usable English-language appeal for, say, Americans, Englishmen, and Australians. The differences between the various English-speaking peoples are, after all, only minor ones, while the gulf between the Filipinos and the Cubans or Chileans or Peruvians is nearly as great as that between ourselves and the peoples of a wholly different race. The Filipino may be rapidly coming to acquire English as his national tongue, but he is substantially the same Filipino as he was before, and only very slightly modified in his dress, housing, food, and, above all, in his physical and mental associations. His dress (we are speaking here of the average and not the exceptional cases) is still white duck or cotton the year around; if he is a middle-class "dandy," he probably wears an embroidered and transparent shirt made of pineapple cloth. His home is a nipa house thatched with straw, though it may be electrically lighted. If he is a farmer he wears only enough clothes to protect him from the sun; he uses a crude, one-handled wooden plow until years of patient demonstration have convinced him that a steel plow (which must, however, be one-handled) will help him to produce better crops; he was not interested in a tractor when it was described and illustrated in advertisements as "an iron horse," but it readily touched his familiar understanding when it was pictured as "an iron carabao," because the carabao<sup>4</sup> and not the horse is his beast of burden and farm animal.

The Filipino is not eager to adopt foreign goods, as is frequently asserted, but he is willing to adopt them if their usefulness or ornamental value can be shown as worth his while, and if the appeal is skillfully directed. Of course, his ability to purchase them must be taken into account. Approaching this same problem in a concrete way, let us take the instance of a watch. Americans think of a watch as primarily an article of utility and only secondarily as decorative. Not so with the Filipino; climate and other factors have made him inclined to consider the element of time as not highly important. Therefore it is better to advertise a watch to him rather with the appeal that it is something primarily ornamental and only incidentally a timepiece; if it has a luminous dial, it would be better to present that feature as a novelty and for its uniqueness rather than as a device for telling time in the dark.

Electric lighting plants, tractors, watches, and a multitude of other unfamiliar things have been advertised and sold to Filipinos, but in every case the appeal and the argument has been directed to them as Filipinos and not merely as people who spoke Spanish or English or a local dialect.

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<sup>4</sup> The carabao of the Philippines is the same animal as the water buffalo of India.



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# The Iron Carabao El Carabao de Hierro

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*What Owners in the  
Philippines Say About It.*

=

*Lo Que Sus Dueños  
En Filipinas  
Dicen De Él.*

The American advertising manager or advertising agent may have a complete list of Philippine publications with all data concerning them; he may have a mailing list of Filipino prospects; he may have translators whose Spanish is irreproachable; his illustrations and his copy may be beyond criticism from an American angle. Yet, when his advertisement appears in newspapers or weeklies or direct-by-mail matter, it may fall flat, or not be understood, or be completely misunderstood, or even appear as an object of ridicule, for the perfectly obvious reason that it failed to take into account the only really important thing—the mental associations and equipment of the Filipino prospect.

Very few except native copy writers (or capable translators who are given a wide latitude) are able to avoid these pitfalls. But to cover the islands entirely in all the 13 languages or dialects requires not merely English and Spanish copy writers but intelligent dialect translators as well. Manila is the commercial metropolis of the islands, it is true, but it is only the radiating center of their activities. It is a tremendously important city—out of all proportion to its 300,000 people. But there are 10,000,000 people in the Philippines. Nearly all the merchants are Chinese, and while many of them have a smattering of English or of Spanish, their understanding is touched most readily through reading their own tongue. The younger Filipinos who have attended American schools read and speak English, but how about their fathers? Isn't it wise to reach *both* the father and the son with advertising? And the father uses one of the eight dialects, depending on the Province in which he lives.

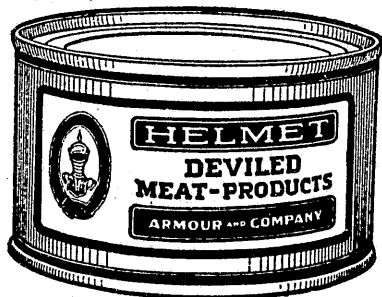
All of this lends weight to the belief that it is next to impossible to prepare a comprehensive advertising campaign except in the islands. From which conclusion there follows the natural question: What are the facilities there? Several American importing houses (one in particular) have excellent advertising departments, which are well equipped to write and handle any campaign; their services are, of course, entirely restricted to the manufacturers whom they represent as selling agents. Practically all the successful campaigns in the Philippines have been planned and placed by these advertising departments, not merely because the copy was written or translated by and for Filipinos, but because the advertising was closely linked up with the sales policy.

There are also several local "advertising service agents" in Manila who have done creditable work but who are unfortunately restricted in breadth of services owing to their being "one-man" businesses; they are similar in scope and equipment to the hundreds of small "copy shops" which serve local advertisers in nearly every city in the United States. For one reason or another, they have done practically no business directly with United States advertisers, so no real test of their services on a comprehensive scale has been made.

#### SUCCESS OF DIRECT-BY-MAIL METHODS.

The fact that a letter can be sent from New York to Manila (a distance of about 9,000 miles) for 2 cents, and that other domestic postal rates likewise apply, has led many Americans to conclude hastily that a direct-by-mail business with the Philippines was

merely an extension on similar lines of their United States enterprises. Such, however, is not the case, because of a number of factors, the chief one of which is that the Filipinos are not yet



ANG MALALAKAS  
NA TAO AY SI  
YANG NAGPA-  
PADAKILA SA  
ISANG BAYAN.

Ang mga taong palakain ng karni ay nagiging malakas, mataba at masigla ang katawan. Sila ang mga taong kung magsasaka ay nag-aani ng sagana. Nakagagawa sila ng maraming mahalagang bagay, at nakapagtatangol sa kanilang bayan kung panahon ng labanan.

Ang mga karni sa lata ni ARMOUR y puno ng mga kagalingan, at sadyang nakapagbibigay ng lakas at kalusugan ng katawan sa taong kumakain nito.



PACIFIC COMMERCIAL COMPANY  
Maynila, K. P.

FIG. 30.—Booklet page, in one of the eight distinct Filipino dialects.

accustomed to buying outside of the islands and are loath to send money abroad for articles that they have not seen, even when offered to them on the basis of "money back if not satisfied." In time, no doubt, this habit can be overcome and advertising can help to over-

come it, and, with confidence established in the place of suspicion, business of this kind can be carried on.

As indicating what can be done locally, it may be mentioned that a large Chicago mail-order house has offices and showrooms in Manila and, assisted by advertising, has built up a thriving business. Other local Manila houses have done the same thing because they have had the confidence of the people as the result of being established in a local and familiar place.

In other sections of this report on the Philippines, reference has frequently been made to the outstanding importance of letters, booklets, folders, and catalogues, if used not so much as a means of obtaining immediate or direct-by-mail business, but rather as a part of the educational program on which most Philippine advertising must be based before it becomes productive. Summed up briefly, the situation is this—that the most successful advertising in the Philippines has originated in Manila and has used mail methods as an essential part of its success, newspapers, in many instances, having been relegated to second place; that the letters and follow-ups to the trade have been in English, Spanish, and Chinese; that the letters, booklets, and other mail pieces to the consumers have been in English, Spanish, and the native dialects; that the trade and consumer mailing lists have been painstakingly compiled from innumerable sources over a period of years and in no instance were “lists of prospects” secured from directories or other sources open to all alike.

The largest mailing list in the Philippines contains 165,000 names of prospects with known buying power; they are all carefully classified as to language, occupation, amount of income, and other factors. This and other good lists are not, however, available for general use, being the private property of large Manila importing houses which use them as a part of their advertising program.

For such advertisers as may wish to consult or use directories relating to the islands, one may mention Rosenstock's Directory,<sup>5</sup> which has a classified business directory of Manila, and the Manila Telephone Directory, published by the Philippine Islands Telephone & Telegraph Co., which carries a section classifying all telephone subscribers according to occupation.

There are excellent printing and lithographing establishments in Manila of American ownership and management, which are well equipped to handle high-class work.

#### PROTECTION OF TRADE-MARKS.

Both in theory and in practice, trade-marks are substantially as well protected in the Philippines as in the United States. Registration is not absolutely essential but is strongly advised. The period covered by protection is 30 years, the fee is \$25 United States currency, and the application may be made in either English or Spanish.

The following letter, which touches both the legal and the practical aspects of the question, was received by the writer as a digest of a conference which he held with a responsible trade-mark attorney in Manila:

The law provides for the registration of trade-marks and for the issuance of injunctions and recovery of damages for infringement. It also provides for

<sup>5</sup> See section headed “Directories” in the China section of this report, p. 76.

the issuance of injunctions and the recovery of damages in cases of unfair competition, even though the mark or form of package simulated is not registered. The principal thing seems to be the use of the trade-mark or general make-up of the package in question. The law provides that no article shall be imported which simulates the name or trade-mark of a domestic manufacturer or bears a mark calculated to induce the public to believe that it was manufactured in the Philippine Islands. This section contains a proviso that the section shall not affect the rights which any one may have acquired by virtue of having registered a trade-mark under the laws of the United States. As to the length of time necessary to use a trade-mark and acquire the exclusive right to the name, the law provides that it is sufficient to prove use for such a length of time that use by another would be calculated to deceive the public. The law also provides that unfair competition consists in the use of packages whose general appearance is such as to influence purchasers and deceive the public, thereby defrauding another, or his subsequent vendor, of legitimate trade. This section applies where the general appearance of the package is misleading, even though the packages, devices, or words are not by law capable of appropriation as trade-marks. No trade-mark shall be registered which so closely resembles another as to deceive or confuse. Registration under this act shall only be prima facie evidence of the exclusive right of a person securing registration of a trade-mark to the use of the same. The trade-mark is valid for 30 years, and may be renewed. This period does not apply to foreign trade-marks, which expire here at the same time they expire where originally issued.

The rules of the bureau which has charge of the registration of trade-marks provide that an importer may register a trade-mark either in his own name or in the name of the owner of the trade-mark. If he registers it in his own name, he must file written authority from the owner. These rules also provide that no trade-mark similar to one already registered will be accepted, and that conflicts must be settled by the court. No action can be maintained by one who has himself used a trade-mark to deceive the public. In a case decided here some years ago it was decided that plaintiff could not recover where he himself had been guilty of usurping the trade-mark of a third person, even though such third person had never registered the trade-mark in question. There are numerous cases where injunctions and damages have been granted without regard to technical infringement, where the general effect of the appearance was to deceive the public. However, we recommend registration of all trade-marks, in order to avoid, at least to a considerable extent, any arguments or litigation.

Owners of trade-marks registered in the United States and in foreign countries which afford similar privileges to citizens of the United States and of the Philippine Islands may obtain registration in the Philippine Islands by filing with the Bureau of Commerce and Industry in Manila a statement in either English or Spanish specifying the name, domicile, location, and citizenship of the applicant, the general class or classes of merchandise to which the trade-mark claimed has been appropriated, or, in case of a trade name, the description of the business, profession, or occupation it is to distinguish, a description of the trade-mark or trade name itself, with facsimiles thereof, and a statement of the mode in which the same is applied and affixed to goods or is to be used in the business, profession, or occupation, and the length of time during which the trade-mark or trade name has been used. This application must be accompanied by a written declaration, verified by the person or by a member of the firm or officer of the corporation applying, to the effect that such party has at the time a right to the use of the trade-mark or trade name sought to be registered, and that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive, and that the descriptions and facsimiles presented for registry truly represent the trade-mark sought to be registered. This statement and declaration should be accompanied by what is called a letter of advice, signed by the applicant or duly authorized member of the firm or corporation presenting the same. Six facsimiles of the trade-mark should be presented, and the fee for filing the same is \$25 United States currency.

#### EXPORT TRADE JOURNALS.

Practically all the importing into the islands is controlled by a few large houses, most of which are owned and managed by Ameri-



cans; they represent United States manufacturers on an exclusive selling-agency basis. These import houses sell to the retail merchants, about 75 per cent of whom are Chinese, the remainder being Spaniards, Filipinos, and Americans, in the order named. The retail merchants do very little direct importing, not only because they are small or unable to finance themselves, but because the large houses control the importing of most of the desirable lines. Therefore, and for the following reasons, it is exceedingly doubtful whether advertising in export trade journals in either Spanish or English has any perceptible effect in helping to market new goods: (1) The import houses are not inclined to take on such lines as in their judgment will not sell, or will cost too much to sell profitably. (2) Through their buying agents in the United States and through factory representatives who call on them in Manila, they have the pick and choice of such representation as they may wish to take on, and so strong is their hold on the field that they usually dictate their own terms. (3) Nearly all of the retailers are Chinese and, as such, beyond the reach of English or Spanish journals; the Philippine merchants who read those two languages do practically all their buying through the import houses, who are thus more easily able to "switch" them to similar lines which the importers represent.

#### MOTION-PICTURE ADVERTISING.

If we may take the experience of Philippine business houses which have successfully advertised a wide variety of American as well as local products to the Filipinos, the motion picture as an advertising medium is not practicable. These advertisers have found the language difficulties to be so considerable that an attempt to have copies of the same films made with separate titles in Spanish, English, and the dialects places the cost out of all proportion to the results.

Even in Manila it might be necessary, in appealing to the mass of the people, to use Tagalog as well as English and Spanish, and even then the different theaters and districts would have to be carefully classified so as to determine the language most readily acceptable to the mixed audiences. This condition, together with the fact that the overwhelming majority of the people are farmers and therefore not in touch with town life, renders the motion picture at present an impracticable advertising channel for reaching the Filipinos.

#### STREET-CAR ADVERTISING.

Manila is the only city in the islands with street cars, and it is excellently provided with modern American equipment. There are about 50 miles of track, with from 120 to 140 cars daily, which carry about 3,200,000 passengers annually. The cars are divided into first and second class compartments; the majority of the passengers ride second class. The spaces for advertising cards are of the same measurement as in the United States. The seats, instead of running the length of the car, are built crossways facing the front, so that very few of the cards are in the logical line of one's vision. All three languages—English, Spanish, and Tagalog—are used, but it is seldom that more than one language is used on the same card.

The handling of this street-car advertising was taken over and reorganized early in 1920 by Grimes & Co., 301 Masonic Temple,



FIG. 31.—SPECTACULAR ADVERTISING PARADE IN MANILA FEATURING A NEW CIGAR.

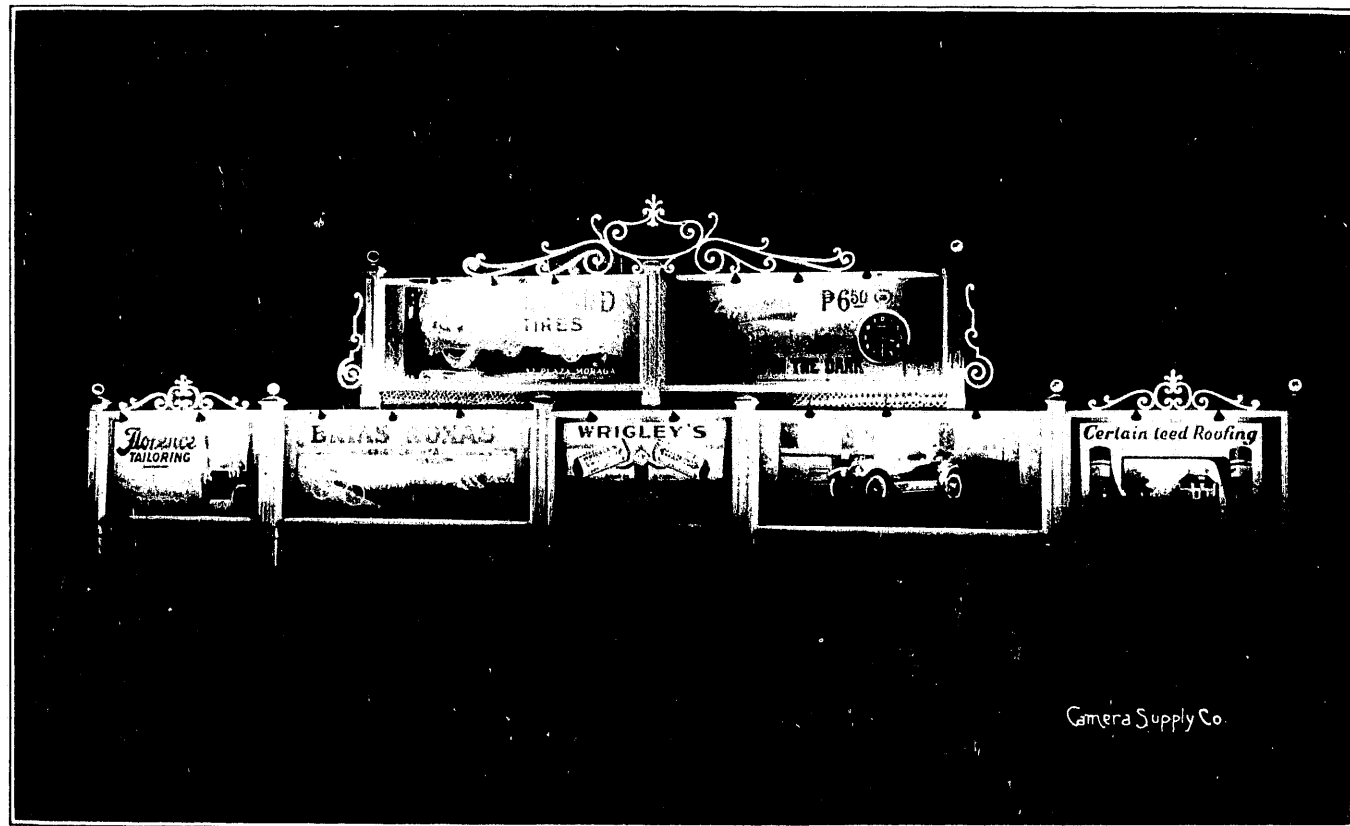


FIG. 32.—NIGHT VIEW OF ELECTRICALLY ILLUMINATED PAINTED SIGNS ON TAFT AVENUE, MANILA.

Manila. Their space rates are \$50 per month on annual contract for a guaranteed run of 100 cards, with charges pro rata for 25 or 50 cards.

#### OUTDOOR ADVERTISING.

For climatic reasons lithographed posters are not practicable in Manila; between the torrential summer rains and the humidity and heat at most seasons of the year paper posting when tried has been found to be not feasible. Some excellent painted signs on blind walls are to be seen in and near Manila's many plazas and other congested gathering places; these, of course, are matters for individual arrangement between the property owner and the prospective advertiser.

Nor are there, properly speaking, electric signs anywhere in Manila, but rather painted signboards electrically illuminated. These signs, which serve by day as well as night, together with unlighted signs for day use only, form the basis of all the outdoor advertising in the Philippines. An American firm—Churchill & Tait (Inc.), P. O. box 421, Manila—which controls these painted bulletins, limits its activities to Manila and the region about 40 miles north and south of that city. Nearly all of these signs have been erected in cooperation with the advertising departments of the large Manila importing houses which act as sales representatives of American manufacturers, thus assuring the manufacturer not only of strategic locations and effective designs but also of frequent repainting, which is so essential in the Philippines because of the climate. These signs are uniformly 24 feet by 60 feet, and their cost on annual contracts ranges from \$25 per month for comparatively simple designs up to as much as \$100 per month for elaborate designs which are illuminated at night.

#### HELPING THE DEALER.

Except in Manila and a few of the larger provincial towns, the retailer has no show windows of any kind, so that the term "dealer helps" is confined rather narrowly to the providing of a few counter cards or hangers. Manila has a few fine store fronts on the principal streets, but, aside from these, the old Spanish-Chinese custom of regarding a store as a place for keeping goods but not for displaying them still prevails. In the capital city the few American stores, with their inviting window displays, well lighted at night, their cleanliness, their broad aisles, and general air of alertness and enterprise, stand out like beacons. But these are few and far between; the Manila importing houses which supply the merchants have wisely adjusted their "helping-the-dealer" policy to his individual needs, and have kept him supplied with selling ideas, and with window or store trims just in proportion as he could absorb and use them.

Great quantities of expensive window sets, hangers, cut-outs, and other display material are sent to the Philippines by American advertisers under the impression that they are "helping the dealer." Nearly all such things are a sheer waste, and should not be sent unless on the request of the Manila sales representative, who is acquainted with the requirements of the field.

## APPENDIX.

### PRINCIPAL PUBLICATIONS IN JAPAN.

The following tables are based upon facts and opinions gathered by the writer personally in Japan during 1919-20. The estimates of circulations and advertising rates are only approximate, as it is impossible, for reasons given in the body of this report, to determine them with any degree of exactness. Advertising-agency discounts are not stated here because fixed differentials of this sort are not recognized, space in Japanese publications being sold wholly on a quantity basis plus certain bargaining factors, regardless of whether the purchaser is an advertiser or an advertising agency. For the convenience of advertisers, rates have been calculated in column inches (a line in some dailies meaning one-eighth of an inch and in others one-fourteenth of an inch) and in United States currency.

With two exceptions the newsprint used in these Japanese dailies is very inferior. All the magazines use newsprint except for a few pages of calendered stock. Therefore line cuts and not halftones should be used.

In consulting the following lists, the reader is also referred to earlier chapters containing an analysis of important publications:

PRINCIPAL JAPANESE DAILY NEWSPAPERS.<sup>a</sup>

Name and place of publication.	Approximate circulation.	Approximate rate per column inch.	Name and place of publication.	Approximate circulation.	Approximate rate per column inch.
Fukuoka: Nichi Nichi.....	140,000	\$2.55	Tokyo—Continued.		
Kobe:			Chuwo.....	60,000	\$2.00
Kobe Shimbun.....	75,000	2.70	Hochi.....	275,000	3.15
Yushin Nippo.....	75,000	2.50	Tokyo Jiji Shimpō.....	175,000	2.85
Nagoya: Shin Aichi.....	140,000	2.50	Kokumin.....	200,000	2.75
Osaka:			Tokyo Mai Nichi.....	30,000	2.35
Osaka Asahi.....	550,000	4.75	Maiyu.....	80,000	2.30
Osaka Jiji Shimpō.....	150,000	2.25	Miyako.....	60,000	2.60
Osaka Mai Nichi.....	500,000	4.55	Tokyo Nichi Nichi.....	200,000	2.40
Sapporo: Hokkai Times.....	65,000	2.00	Yamato.....	75,000	2.30
Tokyo:			Yomiuri.....	125,000	2.70
Tokyo Asahi.....	275,000	3.35	Yorodzu Choho.....	150,000	2.80
Chugai Shogyo.....	50,000	2.00	Yokohama: Boyeki.....	75,000	2.00

<sup>a</sup> For detailed comments regarding most of these important Japanese newspapers, see earlier chapters in this report.

## PRINCIPAL JAPANESE PERIODICALS.

Name and place of publication.	When published.	Approximate circulation.	Approximate rate per page.	General remarks.
Nagoya: Kamamono Kishohin Shoho.	Bimonthly..	5,000	<sup>a</sup> \$75	Trade journal for toilet-goods dealers.
Osaka:				
Boshoki Kai.....	Monthly....	5,500	36	Trade; textile review.
Denki Kai.....	do.....	5,000	25	Trade; technical and electric.
Gomu Sekai.....	do.....	3,000	10	Rubber-goods dealers.
Keshohin Shoho.....	2d and 12th..	6,500	<sup>a</sup> 50	Trade journal for toilet-goods dealers.
Kogyo-no-Dai Nihon.....	Monthly....	5,000	50	A leading engineering journal.
Tekko Zosen Zihō.....	do.....	5,000	22	Engineering review.
Tokyo:				
Bungei Club.....	do.....	40,000	25	Light fiction.
Chugaku Sekai.....	do.....	20,000	18	Juvenile and students.
Chuwo Koron.....	do.....	40,000	40	(b)
Engel Gaho.....	do.....	45,000	35	Theatrical; popular.
Fujin Gaho.....	do.....	35,000	40	Popular woman's magazine.
Fujin Kai.....	do.....	60,000	50	Same as above.
Fujin Koron.....	do.....	25,000	25	Same as above.
Fujin Sekai.....	do.....	175,000	85	Best and most popular woman's magazine.
Fujin no Tomo.....	do.....	80,000	35	The second most popular woman's magazine.
Gemu Shimpo.....	do.....	1,500	15	For rubber-goods dealers.
Hikaku Sekai.....	do.....	2,500	8	For hide and leather dealers.
Komamono Keshohin Shoho.....	Weekly....	10,000	<sup>a</sup> 40	Trade journal for toilet-goods dealers.
Jitsugyo-no-Nihon.....	Bimonthly..	50,000	<sup>a</sup> 50	High-class, read by business men and manufacturers.
Jogaku Sekai.....	Monthly....	15,000	<sup>a</sup> 30	For girl students.
Katsudo Gaho.....	do.....	5,000	<sup>c</sup> 25	Motion pictures.
Kodan Club.....	do.....	60,000	<sup>c</sup> 50	(b)
Kogyo Zasshi.....	do.....	5,000	<sup>c</sup> 25	Engineering review.
Nihon Kutsu Shimpo.....	do.....	1,500	10	Hide and leather review.
Nippon-oyobi Nipponjin.....	Bimonthly..	15,000	25	(b)
Shin Jidan.....	Monthly....	5,000	25	Literary.
Shukujō Gaho.....	do.....	80,000	25	Popular woman's magazine.
Shin Katei.....	do.....	30,000	<sup>c</sup> 25	Woman's magazine.
Taikan.....	do.....	20,000	40	Political and general.
Taiyo.....	do.....	50,000	35	(b)

<sup>a</sup> Up to this figure.<sup>b</sup> For detailed comments, see earlier chapters.<sup>c</sup> About this figure.

## ENGLISH-LANGUAGE PUBLICATIONS IN JAPAN.

Name and place of publication.	When published.	Approximate circulation.	Approximate rate per column inch.	Approximate rate per page.	General remarks.
NEWSPAPERS.					
Kobe:					
Japan Chronicle....	Daily.....	1,000	Up to \$1.25, according to amount of space.		(a).
Kobe Herald.....	do.....				
Nagasaki Press.....	do.....	600			Unimportant. Purely local circulation; not important.
Tokyo:					
Japan Advertiser.....	do.....	4,500	\$0.75 to \$1.50.		(a).
Times and Mail.....	do.....				
Yokohama Gazette.....	do.....	1,200			Commercial news. (a).
MAGAZINES.					
Tokyo:					
Trans-Pacific.....	Monthly..	5,000		\$200	(a).
Japan Magazine.....	do.....				Literature and arts.
Asian Review.....					(a).
Yokohama:					
Eastern Commerce.....	Monthly..	4,500			Digest of current prices.
Far East.....	Weekly....				General review.
World Salesman.....	Monthly..	<sup>b</sup> 12,000		100	

<sup>a</sup> See earlier chapters of this report for further details of these publications.<sup>b</sup> About 12,000; mostly free.

## PHILIPPINE PUBLICATIONS.

Not all of the following publications are important, nor is it likely that any advertiser, however extensive his appropriation, would use more than a comparatively few of them. They appear here in about the order of their relative importance, in so far as it was possible for the writer to appraise them justly while he was in the Philippines. Advertising rates are computed in United States currency.

[Abbreviations in table: "Eng."=English; "Sp."=Spanish; "Tag."=Tagalog; "Chin."=Chinese; "M."=morning daily newspaper; "E."=evening daily newspaper; "S."=Sunday newspaper; "W."=weekly publication; "Mly."=monthly publication.]

Name and place of publication.	Language.	Width and number of columns or size of page.	Approximate circulation.	Display-advertising rates.	General remarks.
<b>Manila:</b>					
Philippine Free Press (W.).	Eng.-Sp...	9½" x 12½"...	12,000	\$35 per page.	Most important medium. <sup>a</sup>
La Vanguardia y Taliba (E.).	Sp.-Tag...	8 cols., 2"...	8,000-12,000	5,000 in., \$0.25; less than 5,000, \$0.30.	Very important medium. <sup>a</sup>
Manila Daily Bulletin (M.).	Eng.-Sp...	.....do.....	4,000	Less than 5,000 in., \$0.25; over 5,000, \$0.20.	Do. <sup>a</sup>
Manila Times (E.S.).	Eng.....	.....do.....	4,500	.....do.....	Do. <sup>a</sup>
Cablenews American (M.S.). <sup>b</sup>	Eng.-Sp...	.....do.....	2,000	.....do.....	Organ of Catholic Church.
El Comercio (E.).	Sp.....	6 cols., 2½"...	1,500	\$0.10 per col. in.	Circulates in Manila only; good for reaching Spanish merchants.
El Debate (M.S.).	Sp.....	7 cols., 2½"...	2,500	\$0.20 per col. in.	Sensational; popular; fairly good for cheap merchandise.
La Defensa (E.).	Sp.....	8 cols., 2"...	2,000	\$0.15 per col. in.	Organ of Catholic Church; formerly called "Libertas."
El Mercantil.....	Sp.....	6 cols., 2½"...	1,500	\$0.10 per col. in.	Very limited appeal to older Spanish community.
La Nación y Añg Bansa (E.).	Sp.-Tag...	6 cols., 2½"...	2,500	\$0.12½ per col. in.	Organ of minority party.
El Ideal y Añg Mighti (E.).	Sp.-Tag...	8 cols., 2"...	3,000	.....do.....	Organ of independence party.
The Independent (W.).	Eng.-Sp...	9½" x 12½"...	7,000	\$15 per page.	Free circulation; of no value as advertising medium.
Confetti (W.).	Sp.....	8½" x 12½"...	c 3,000	\$20 per page.	Humerous weekly.
The Citizen (W.).	Eng.-Sp...	9" x 12½"...	c 5,000	\$25 per page.	Mostly free circulation.
La Integridad (W.).	Eng.-Sp...	8½" x 13"...	1,500	\$15 per page.	Of doubtful value.
Philippine National Weekly (W.).	Eng.-Sp...	9" x 13"...	3,000	\$20 per page.	Mostly free copies.
Excelsior (W.).	Tag.	7½" x 10½"...	1,500	\$30 per page.	Society and polite life.
Manila Nueva (W.).	Sp.....	7½" x 11"...	1,500	\$15 per page.	Agricultural and economic review; reprints translations from English-language press.
Revista Económica (Mly.).	Sp.....	7½" x 10½"...	1,500	\$25 per page.	Advertising on cover only.
Philippine Agriculturist (Mly.).	Eng.....	5½" x 8½"...	.....	\$15 per page.	Of doubtful value.
Progressive Agriculture (Mly.).	Eng.-Sp...	6½" x 9½"...	2,500	\$30 per page.	For Filipino school-teachers, who have little buying power.
Philippine Education (Mly.).	Eng.....	7½" x 10"...	4,000	\$30 per page.	Might be used for high-grade books.
Philippine Journal of Education (Mly.).	Eng.....	.....	2,000	.....	Good for reaching sugar planters.
Sugar News (Mly.).	Eng.....	5½" x 8½"...	d 3,000	\$30 per page.	

<sup>a</sup> Refer to more detailed account of these publications in earlier section of Philippine report, headed "Analysis of important Manila newspapers and weeklies" (p. 94).

<sup>b</sup> In September, 1920, this daily newspaper changed hands and, under the control of a Filipino joint-stock concern, became the Philippines Herald.

<sup>c</sup> Circulation claimed.

<sup>d</sup> 1,000 paid; 2,000 free.

Name and place of publication.	Language.	Width and number of columns or size of page.	Approximate circulation.	Display-advertising rates.	General remarks.
<b>Manila—Continued.</b>					
Khaki and Red (Mly.).	Eng.....	6 $\frac{3}{4}$ " x 9 $\frac{1}{2}$ "....	1,500	\$30 per page.	Organ of Philippine Constabulary. Published by Methodist Church. Somewhat anti-American. Published by Philippine Government Railways. 3 dailies widely read and probably reaching all Chinese; doubtful advertising mediums, as few Chinese import direct.
Philippine Observer (Mly.).	Eng.....		3,000	\$15 per page.	
Philippine Review (Mly.).	Sp.-Eng.....				
Railway Messenger (Mly.).	Eng.....	7 $\frac{1}{2}$ " x 10 $\frac{1}{2}$ "....	2,000	\$20 per page.	
Man Ho Pao.....	Chin.....		c 2,000	About \$0.15 persq. in.	
Kong Li Pao.....					
Peng Ming Daily News (M.).					
<b>Cebu:</b>					
La Revolución.....	Sp.....	6 cols., 2 $\frac{1}{8}$ " x 19".	c 1,000	About \$0.12 $\frac{1}{2}$ per col. in.	Only 3 dailies in Cebu, which is next largest city after Manila.
El Espectador.....					
El Precursor.....					
The Freeman (W.)	Eng.....		1,500	\$20 per page.	
<b>Iloilo:</b>					
El Centinela.....	Sp.....	6 cols., 2 $\frac{1}{8}$ " x 19".	c 1,000	About \$0.12 $\frac{1}{2}$ per col. in.	All dailies of Iloilo, which is second largest city after Manila.
El Pueblo.....					
El Tiempo.....					
Nuevo Herald.....					
El Adalid.....					
<b>Zamboanga:</b>					
La Voz del Pueblo.	Sp.....		c 500	About \$0.20 per col. in.	2 dailies of Zamboanga, which is third largest city after Manila.
El Fenix.....					

c Each.