

# WIN 同 赢 TOGETHER

Dec 2009



## 10.96645 Billion A Poll on Confidence

November 18: A Gathering and Celebrating Day for Brands  
One Small Step in Bidding, A Big Step for the Brand  
Industry Highlights of CCTV 2010 Bidding



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CCTV 中国中央电视台广告部  
CHINA CENTRAL TELEVISION ADVERTISING DEPT.



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## CCTV Successfully Completed the Report of Sino-US Summit Meeting

From November 15 to 18, U.S. President Barack Obama paid his first visit to China. On November 17, Chinese President Hu Jintao and Obama conducted several important state affairs. During the events, CCTV was fully engaged in and successfully completed the broadcast and coverage.

The News Center paid close attention to and timely reported 15 activities and 3 important affairs of state activities involving Obama in Beijing. CCTV News Broadcast made 10 pieces of news lasting 25 minutes; CCTV News Channel and Chinese International Channel both made progressive reports. On November 17, when the Sino-US summit meeting was held, audience shares of live broadcast by CCTV-1, News Channel and Chinese International Channel all increased rapidly compared with the same period this year. Among them, the audience share of CCTV News Channel reached 2.73%, up by 104% compared with the same period this year.

All international channels also paid close attention to Obama's activities in China in addition to the live broadcast of all the diplomatic affairs. English International Channel not only reported conversations of



Obama with some young people in Shanghai, but also interpreted the development course of Sino-US relations. International Channels of French, Spanish, Arabic and Russian timely released updates on the meetings held by our state leaders with Obama and broadcast background video clips made by the channels to convey positive responses from overseas medias to Obama's visit to China.

## 10.96645 billion

As of 21:00, November 18, the total amount of CCTV 2010 Prime Advertising Resource Bidding and Subscription has reached 10.96645 billion yuan, up by 1.71 billion yuan compared with the 9.25627 billion yuan of last year, representing an increasing rate of 18.47%. This figure reached a new record high of CCTV in respect to the total bidding amount for the last 16 years.

## 28%

According to statistics, more foreign clients participated in CCTV 2010 Prime Advertising Resource Bidding and Subscription with total bid value up by 28% than last year. "It is impossible for an international company to succeed globally without success in China", said Indra Nooyi, Chairperson and CEO of Pepsi Co., a comment representing the view of foreign companies in China.





# The **WINTER OLYMPICS** Are Coming



The Winter Olympics starts from February 13  
To coincide with the Chinese lunar New Year's Eve  
Till the 16th day of the first lunar month  
To create a hot event to be watched by  
1.3 billion people  
Fully reported by CCTV-1, CCTV-5, and CCTV-7.







Jiao Li, President of CCTV (left), met clients on the welcome party before the Bidding.

As the result of the last round of the Bidding was revealed at 21:00 November 18, CCTV Prime Advertising Resource Bidding and Subscription came to a successful conclusion. Xia Hongbo, Director of CCTV Advertising Department, made a speech to the press after the Bidding as the following.

## RMB10.96645 Billion Is A Poll on Confidence

As of 21:00 November 18, the total amount of CCTV 2010 Prime Advertising Resource Bidding and Subscription reached to RMB 10.96645 billion, which saw an increment of RMB 1.71 billion compared with that of last year with a growth rate 18.47%.

The figure marks a new record since CCTV launched the Bidding for 16 years so far.

The Bidding is a kind of predictive judgment, showing the confidence in the future.

In the first place, the result of the Bidding fully represents that a large number of enterprises are optimistic about CCTV in 2010. Moreover, the confidence was built even stronger especially after CCTV initiated a new round of reform in the middle of 2009, which





included the strategy of basing on news reports and making different channels more specialized, as well as the enhancement of international communication capability; as a result, the influence and the brand of CCTV has been largely improved.

Secondly, the result is a full demonstration of the strong belief held by entrepreneurs for the Chinese economy and market. Being dependent on the economy, advertising industry represents the confidence that the whole economy and market held for the future.

However, on the bidding site, the bid plates raised, are all questionnaires, by which the entrepreneurs collectively completed an investigation for the Chinese market in 2010. Actually, the figure 10.96645 billion represents the most objective feedback provided by a vast number of domestic and overseas enterprises in terms of the Chinese market trend in 2010.

Meanwhile, the figure represents just the result of the bidding on November 18. After that, CCTV continued to sign contracts with some clients on November 19. In addition, from 26th to 28th of the same month, public bidding for contracted resources was conducted at Beijing Media Center.

Also, the figure proves the success of CCTV's advertisement sales system, which has come into being, and can be used for reference for the whole advertising industry.

In 2010, CCTV will adhere to the



Cheng Hong, Deputy Editor-in-chief of CCTV (right), met clients in Media Center.

principle of being based on quality and carrying out brand marketing, making concrete efforts in return for the support from all clients and all walks of life by offering more professional and detailed services to make their investment more worthwhile or even much more rewarding.



Xia Hongbo, Director of CCTV Advertising Department, made a speech to the press after the Bidding.





Four famous CCTV anchors, Bai Yansong, Wang Xiaoya, Dong Qing and Zhang Bin, hosted the Bidding.

## November 18

# A Gathering and Celebrating Day for Brands

On November 18, CCTV 2010 Prime Advertising Resource Bidding and Subscription was held grandly at Beijing Media Center, in which thousands of representatives from hundreds of enterprises gathered together for their brands promotion in the following year. The bidding of this year was featured by fierce and rational atmosphere, which can be summed up as follows:

To begin with, the competition among enterprises for the slots is fiercer and the bidders are more cautious than ever, which shows that enterprises have done more accurate analysis about the advertising effect and more professional in the study of advertisement input & output ratio.

More and more enterprises show their determination in acquiring suitable advertisement resources and projects, such as, the slot after News Broadcast, time telling package of News Broadcast. It

is quite obvious that these advertising resources fit their marketing and brand strategy very well and thus lead to fierce competition, which started not only in the initial communication between them and CCTV Advertising Department, but also reflected in the bidding result. However, the strong competition doesn't deprive them of rational decision, and they show greater confidence in the suitable project.

The competition among the same industry is getting drastic. As for many slots and programs, the competition is among the leading or even top brands of the same industry, which indicates that the brand competition of the industry is keener and getting escalated. As a result, the brand awareness of the whole industry will be enhanced, so does the development of the whole industry.





During the Bidding, anchors presented the winner with a sail boat with autographs of all announcers of News Broadcast, which means everything is going smoothly.



After two-hour fierce competition, Mengniu Group and Nice Group won the bidding of Sponsorship for CCTV-1 Golden Theater for the first and latter half of the year respectively. The production teams of Cradle of Republic and the Happy Life of Mr. Big presented the winners with their gifts.

## November 16 -19: Hundreds of Enterprises Subscribed Advertising Products

As an important part of CCTV 2010 Bidding, hundreds of enterprises signed agreements with CCTV at Media Center from November 16 to 19 for other quality resources, which included the slots involving some famous programs, such as, Morning News Report, News 30 Minutes, Evening News, Economy Report 30 Minutes, Dialogue, Avenue of Stars and Happy China Tour, etc.

From November 26 to 28, CCTV conducted public bidding for contracted resources of 2010 at Media Center.

## Media Zone Was Established to Release Latest Information

Media paid great attention to the Bidding of 2010. Therefore, CCTV established a Media Zone at Media Center on November 18 with online live broadcast of the bidding site and immediate release of bidding results. Journalists from dozens of domestic major media, such as, Xinhua News Agency, Economic Daily, Guangming Daily, The Economic Observer, First Financial Daily, 21st Century Economic Report and China Business, as well as Sina, Sohu, Tencent and NetEase, came here for their news coverage.

Meanwhile, nearly twenty bidders like Gree, Glanz, Yunnan Baiyao, Pepsi, Unilever, Anheuser-Busch InBev, Chery, Easy Home, Solar Shower, Zhongzhixin Furniture, Hanwang Technology and so on came to the center successively to deliver speeches after they won the bids, release their future developmental strategy and carry out in-depth communication with the press. In addition, the directors of CCTV News Center, Sports Program Center and Entertainment Program Center also came to the center to introduce the major TV programs in 2010.



A dance of ink and water drawing makes a refreshing opening. The arrangement of the bidding site was more refreshing with emphasis on the traditional Chinese elements like ink and water drawing.



TOGETHER

CHINA CENTRAL TELEVISION ADVERTISING DEPT.

# Economic Trends Are Reflected in Results of CCTV Bidding

Yao Jingyuan, Chief Economist of National Bureau of Statistics

CCTV Prime Advertising Resource Bidding and Subscription is “a barometer of China’s economy” and “wind vane of China’s Market”; annual bidding results represent the judgment of domestic and foreign entrepreneurs on the Chinese economy and the Chinese market for the next year. From the perspective of results of CCTV Bidding this year, I have the following judgments:

Firstly, China’s economy has achieved a V-type reversal; the business circles have enough confidence in China’s economy in 2010. The continuous downward trend of China’s economy from the second half of 2008 has been curbed, and now the whole economy shows a good tendency of recovery. From China’s industrial development curve, we can clearly see that the most difficult period of China’s economy was 4 months, i.e. November and December of 2008 and January and February of 2009. The growth rate of China’s industry were specified as follows: 16.4% in first quarter last year, 15.9% in second quarter last year, 12.9% in the third quarter, and fell to 3.8% in January and February this year month by month, which was the lowest point for years. However, with the implementation of state

package economic stimulus plans, industry growth rate has risen from March 2009 and has rebounded to 16.1% in October, which is equal to that in first quarter last year. At present, experts, scholars and entrepreneurs have reached a consensus that GDP growth of China’s economy will reach about 8% this year no doubt. China’s economy has achieved a V-type reversal.

Secondly, the economic development of mid-west regions is of full potential. Since this year, we can clearly see a change: from the perspective of regional economy, the eastern region continues to maintain a steady growth, while the central and western regions maintain rapid growth. Results of CCTV Bidding this year also reflect it. The data show that the total bidding amount has increased by 18.47% over the previous year, of which, Hunan, Hubei, Henan and other central regions increased by more than 120%.

Thirdly, upgrade of consumption structure helps to promote the industry’s economic development. From the perspective of economic development of the industry, the vast majority of industries are in recovery stage at present, and such



recovery foundation is solid. In this point, I think that industry act in concert with upgrade of the consumption structure would usher in great development next year and in the near future. Industries such as household appliances and automobiles have been developing well this year with the support of relevant national policies. From the perspective of results of CCTV Bidding this year, the bidding amount of household electrical appliance enterprises has increased by over 80% on a year-on-year basis, while automobile business has increased by over 70% on a year-on-year basis.





# Great Times Call for Great Media

Huang Shengmin, Dean of School of Advertisement, Communication University of China



Today's China is ushering in a great era. A great era needs socially-responsible enterprise. A great era also needs great media. CCTV, China's largest media, should become the biggest showcase platform for Chinese economy and Chinese enterprises.

As for CCTV Prime Advertising Resource Bidding and Subscription once a year, I think it is not a simple business practice, but actually a big stage for concentrated display of China's economy and China's market.

Advertising and consumption are closely interrelated, especially television advertisings. TVC is an important platform for the consumer goods companies to shape up brand and promote sales performance. In 2010, the people's livelihood will be the most fundamental and most crucial issue of China's economy, and top priority is whether we can stimulate domestic demand and expand consumption. As stimulating domestic demand not only relies on the governmental policy measures, but also relies on the enterprise's own efforts. Advertisement is an important means of stimulating domestic demand and promoting consumption. This is one

important reason that CCTV Bidding this year can additionally rise by 18.47% based on the high benchmark last year.

Upon issuance of "No.61 Order" by SARFT, under the guidance of policy, the biggest beneficiaries are certainly channels which can maintain relative balance of advertising saturation and price increase. This is obviously beneficial to CCTV and other channels whose advertising air time is under well control. And channels of local satellite televisions, which place greater reliance on advertising time and TV series advertising, will face enormous challenges. In 2010, many provincial-level TV stations will greatly raise advertising prices under the background of limited advertising time and increased earning targets, and CPM and CPRP will significantly increase. Many enterprises choose CCTV under this expectation.



# Rational Bidders and Cost-effective Price

Tian Tao, Vice President of CTR Market Research Co., Ltd

Bidders of this year are very rational, and the bid-winning prices are very cost-effective. Although the total amount of CCTV Bidding this year grows 18.47% over the previous year, as projects for bidding and subscription of this year are not exactly the same as the previous year, growth rate of the total amount does not reflect the increase in unit bid-winning prices. From the perspective of bid-winning prices of these traditional items such as Special A, positions after the summary of Topics in Focus, time-telling on Spring Festival Gala, Cooperation Enterprises with CCTV-1 Night TV Theater and the like, the average increase reaches around 10%, which is very reasonable and cost-effective. There are four reasons as follows:

Firstly, all parties concerned now believe that China's economy is in the recovery state, China's economy will maintain sound and rapid development momentum in 2010. The increase rate of 10% for bid-winning price accords with China's economic growth, which is scientific and reasonable.

Secondly, since mid-2009, reform of CCTV channels and programs has gradually achieved effectiveness, which is expected to achieve good audience rating in 2010. Audience shares of CCTV are expected to be further expanded, and bid-winning enterprises will harvest better advertising results.

Thirdly, after SARFT issues "NO.61 Order", advertising prices of different local satellite TV stations will remarkably soar due to the reduction of advertising time in 2010. According to our estimate, advertising prices of local satellite TV stations must rise more than 24% in 2010 so as to keep up with to advertising revenue in 2009. 10% increase of the advertising price of CCTV is obviously far below the advertising price increase of local satellite TV stations.

Fourthly, advertising effectiveness of new media is being subjected to the test. China Business Journal has reported that advertising revenue of several major internet portals in the third quarter was in negative growth. A latest investigation about memory



extent on advertising shows that in the test for the most impressive consumer brands and advertising, more than 70% came from television ads in 2009, some came from the newspaper ads, but internet ads and other new media ads featured very low degree of memory extent, which shows that the influence of traditional ads still dominates. Many brand enterprises advertising on new media for years now invests advertising costs in traditional media.



# Bidding Results Indicates That Stock Market Is Optimistic Next Year

Shui Pi, Chief Editor of China Times



To judge economic trends in China in 2010, CCTV Bidding once a year is a leading indicator. Figures show that CCTV Bidding amount for 2010 has amounted to 10.96645 billion yuan, setting a new record in the past

16 years.

Figures only reflect the amount, but do not reflect the fierce competition among bidding enterprises. Starting pricing for the half-year sponsorship of CCTV-1 Golden Theater this year was 98 million yuan, but it was raised by Mengniu up to more than 200 million yuan and won the bid, which was only valid for the first half of 2009. Nice paid more than 100 million yuan for the second half of 2009 and fulfilled its own wish. My friends in Hanvon and Galanz announced good news to me at the first time of winning the bid.

What does this mean? It means that these FMCG (fast-moving consumer goods) companies are extremely optimistic about market next year, even IT companies such as Hanvon and household appliances

enterprises such as Galanz all think it is an excellent opportunity to expand market share next year. So they haven't hesitated to spend numerous money on winning the advertising bid. No wonder, Mr. Yao Jingyuan, Chief Economist of National Bureau of Statistics, worries that economic growth in 2010 is too fast rather than too slow.

That Chinese enterprises' optimism about the future is also reflected in the institutions' forecast on China's stock market next year. In my impression, vast majority of institutions which have issued forecasts all raise upper limit of indicators to over 4000 index points. From the perspective of CCTV bidding results, I believe no doubt stock market will go beyond 4000 index points as business circles have so much confidence.



# THE WALL STREET JOURNAL.

## CCTV Ad Auction: "China Is Like Noah's Ark"



Langjiu Group was the winner of the exclusive title of 2010 World Cup Shooter List, which was the first bidder of this year.

to CCTV's exclusive broadcast rights to the Beijing Olympics.

Since 2002, the auction has fallen on Nov. 18 — 11.18 can translated into Chinese as "want to get a fortune" —always starting at 8:18 a.m.

At the start of Wednesday's auction, Xia Hongbo, director of CCTV's advertising department said there were around 1,000 advertisers present from China and abroad, "Over the past year, in the face of the financial crisis, Chinese enterprises stood the

It's time again for the live auction in which Chinese and multinational advertisers pledge spending for commercials on China Central Television, an equivalent of the U.S. networks' "upfront" ads sales that's sometimes called China's "economic Olympics."

The annual bidding for advertising time slots for the following year at the government-controlled TV station, whose programs reach every corner of China, is widely watched as a broad barometer of the Chinese economy and an indicator of the health of the country's consumer sector.

Last year's auction, which fell in the middle of severe global economic woes, signaled continued confidence in the spending habits of Chinese consumers. It saw a 15% increase in revenue over the previous year, which had seen strong growth in ad spending due

severe test and turned 'crisis' into 'opportunity,' achieving growth that was even better than previous years," said Xia, who went on to make an analogy that may have taken its cue from the film 12. "The concerted efforts from our Chinese enterprises and entrepreneurs underlined one theme: China is like Noah's Ark, saving the world from the global financial crisis," he said.

The first bid for 2010 was won by liquor maker Sichuan Lang Jiu Co., which paid 33.3 million yuan for the rights to advertise on a World Cup-related program.

Xia has likened the auction to an opinion poll. "When the companies fill in their numbers and raise their paddle, they are answering a question." The answer they gave last year, at the height of the global financial crisis, was confidence, he said.



Over the years, sales at the auction have grown steadily, from 2.62 billion yuan for 2003 ad spending to the 9.26 billion yuan bid last year for 2009 slots, largely following the upward climb of the Chinese economy.

—Sue Feng

# Media

Bessie Lee, CEO, GroupM China said: "We have seen much higher demand and limited supply at the CCTV auction. Even the pre-bidding negotiation with advertisers was more controlled and regulated than previous years as a result of the limited supply. Clients showed a more active attitude in the bidding. This in turn has made CCTV rates and coverage look very competitive and cost-efficient."

Warren Hui, MD, China Media Exchange, commented that the continuous growth of CCTV bidding is a signal of further consolidation of the television market in China. "The biggest challenge for 4As agencies now is how to prepare for a market situation that sees more and more strong television groups. Brands' previous planning by market may need to be changed to top-down planning on a national level with local support. This trend is not just a reflection of the media market, but also a reflection of the increasing importance of second- and third-tier cities in terms of consumption power." Hui added: "The 18.5 per cent growth is not as 'radical' as other people think. I would say it is a stable and healthy growth."

## AdvertisingAge®

Derek Kwok, Zenith Media's managing director, China

"As expected, there were no empty seats in the CCTV auction venue this morning. However, unlike in the past, CCTV scheduled the bidding for sponsorship of the main special event of 2010 — the World Cup — upfront this year."

K.F. Lee, Aegis Media's CEO, Greater China

"This year, the winning bids are shown electronically within seconds of the result, which makes keeping track a little easier and keeps the energy at a high level."

Joanne Law, OMD's deputy managing director, China

"There aren't any 'crazy bids' at the moment, as prices are (as of now) fairly reasonable. What stood out was a bid on CCTV's inside drama, which broke the record at over RMB 200 million versus the bid price of RMB 190 million last year (and previous years) for this segment program."

Bessie Lee, CEO China at WPP's Group M

"With the recent passage of SARFT Article 17 (which will result in less commercial TV airtime available in 2010), TV rates for these provincial satellite TV channels will be expected to inflate even higher next year, making CCTV rates and coverage look very competitive and cost-efficient, hence the much higher demand and limited supply at today's CCTV auction."





## CCTV Gained the Broadcast Rights for 2010 and 2014 World Cup

On November 11, Jiao Li, President of CCTV, attended the signing ceremony for a contract between CCTV and the International Association Football Federation (FIFA) for the authorization to broadcast 2010 and 2014 World Cup. Participants present at the ceremony also included Li Ting, Deputy Editor-in-Chief, Jerome Valcke, Secretary-General of FIFA, Xue Li, Vice President of Chinese Football Association, Jiang Heping, Director of Sports Channel, Malcomson, Representative of South Africa Embassy in China and some partners of FIFA as well as representatives of World Cup sponsors.

Under the agreement, CCTV exclusively owns the broadcast right and its sub-licensing right, video on demand right, audio on demand right and its sub-licensing rights through TV, radio and new media (including the Internet, mobile phones and all other new media platforms) within China mainland over events including the two World Cup finals and all other games to be hosted by FIFA during the two World Cups. Related events include the Confederation Cup, Women's World Cup, International Beach Soccer World Cup, Futsal Indoor Soccer World Cup, etc.

## CCTV and VIS Company of Sri Lanka Signed CCTV-9 Landing Agreement

On November 23, CCTV and VIS company of Sri Lanka officially signed CCTV-9 Landing Agreement for jointly broadcasting CCTV-9 through ground-based radio frequency in Colombo, the capital of Sri

Lanka, to further expand the coverage of CCTV-9 in South Asia. About 2 million local residents will be able to watch CCTV-9 after its landing in Colombo.

## Annual Cooperation Conference between CCTV and Japanese Fuji Television Held in Beijing

The annual cooperation conference between CCTV and Japanese Fuji Television was held in Beijing from November 16 to 19. During it, Vice President of CCTV Hu En met with Masami Obitsu, the head of the Japanese delegation. Hu said, the mechanism of annual cooperation conference has improved program-related cooperation,

technological development and talent exchanges between the two television stations. During the conference, representatives present discussed topics like "Broadcast of audio-video materials, the World Expo and the Asian Games", which will benefit further and extensive cooperation and exchanges concerning media resources.



## English International Channel Won 2009 “International Hot Bird TV Award”

At the awarding ceremony of the 12th International Hot Bird TV Award held in Venice, Italy on November 20, CCTV English International Channel won “Special Jury Prize” and “Nomination Prize of Nation’s Window”. The jury expressed that CCTV English International Channel has not only shortened the distance between international audiences and China but also provides a better

understanding of China and Chinese culture for international audiences. Established by Eutelsat, a major European satellite operator, “International Hot Bird TV Award” is one of the professional awards in global TV industry. This year, there are more than 150 international TV media from more than 20 countries that have participated in the award competition.

## Communications Conducted between Russian Channel and Media Representatives from Russian Countries

Recently, Russian International Channel was visited by 28 senior managers from 13 Russian countries who participated in the “Senior Management Seminar of National Radio and Television in Central Asia and Eastern Europe”. The management of the newsroom of Russian Channel briefly introduced the development course of CCTV

and the establishment of Russian International Channel. The two sides exchanged opinions on carrying out comprehensive business cooperation. The seminar members included deputy press minister of Belarus, director of State Television Station of Tajikistan, vice president of Georgia Public Broadcasting, etc.

## CCTV Recruits Arabic-speaking Experts in Arab Regions

Recently, a Joint Working Group organized by the Overseas Center and the Foreign Affairs Department went to Arab Regions to recruit Arabic-speaking experts. During the recruitment, 10 people were proved to be qualified for working as foreign hosts and draft revisers for Arabic Channel, after written examination and interview among 30 foreign professionals from Jordan, Syria, National Television of Lebanon, BBC Arabic Station, and Russia Today Arabic Channel.

Introduction of these talents will play an important role in improving program quality and the influence of Arabic Channel. In addition, the Working Group also actively promoted Arabic Channel to related authorities and media of every country. As a result, the press minister of Syria expressed intent to cooperate while National television of Jordan and Syria reached a preliminary agreement on cooperation with CCTV.





## Approaching China Program Broadcast on Tonga Television

Recently, Tonga National Television (TV1) has broadcast Chinese Civilization, Chinese Martial Arts and other programs provided by Approaching China activities in prime time every Saturday. Tonga private television (TV2) has begun broadcasting Unknown Life Code –

Giant Panda, Song of the Forest, In Beijing and other programs since November 4. Both television stations are scheduled to broadcast a total of 40 episodes of all the 17 programs provided by CCTV before the end of January next year.

## Finance Channel Has Started to Broadcast 24 Hours a Day since November 25

Finance Channel (CCTV-2) started to broadcast 24 hours a day since November 25. This decision was made according to the suggestions from all social circles since the channel was launched three months ago, and it's an important measure to further promote

the development of such a leading Finance Channel and constantly satisfy the demand of audiences. It will be conducive to further optimization of channel arrangement, constantly strengthening of channel influence and further improving of broadcast efficiency.

## CCTV.COM Started Reporting on the Winter Olympics, Asian Games and World Cup

On November 19, CCTV.COM officially started reporting on 2010 Vancouver Olympic Winter Games, 2010 Guangzhou Asian Games and 2010 South Africa World Cup. CCTV.COM will make full use of the exclusive new media copyrights in China Mainland to build a broadcast framework made up of such four big platforms as

the Internet, mobile phone, bus mobile and IP TV. Based on that, it will closely follow the Torch Relay, the Countdown, anniversaries, the opening and closing ceremonies and other important events, comprehensively cover the three major events, and make joint broadcasting efforts with CCTV.





## CCTV AD Held Clients Party before the Bidding

On November 17, the night before the bidding, a special party was held at No.1 television hall of CCTV, in which a large number of clients gathered together to have fun and make good wishes.

With the theme of “Watch Me and Focus on China”, the party was sponsored by CCTV Advertising Department, and co-hosted by four excellent anchors, Lu Jian, Zhou Xun and Zhu Jun from CCTV, and Li Qianrong from Taiwan.

Jiao Li, the President of CCTV, attended and expressed their gratitude and best wishes to the clients for the long-time cooperation.

Other related officials of CCTV in Beijing also presented at the party. They took this opportunity to extend thanks and best regards to the clients, who keep cooperation with CCTV for years. The party was attended by more than 700 clients who had a great time together.







## Unilever Back to Prime Resource for Wider Penetration in China



Marina Wu, Strategic Communication Director of Unilever China

November 18th, Unilever won Unit 1, Unit 4 and Unit 5 of CCTV Special A time slot in the bidding at Beijing Media Center. An advertising time slot between Weather Forecast and Topics in Focus, Special A is the most valuable ad resource competed by the fast consumables industry. This is the first return of Unilever to CCTV Prime Advertising Resource Bidding after it won Topics in Focus in 2005 and the first time to take part in an open bidding.

Marina Wu, Strategic Communication Director of Unilever China said: "China is one of Unilever's most important markets. We came back to expand the coverage".

As a FMCG producer, Unilever has taken CCTV Prime Resource as its first choice for

media purchase. According to Marina Wu, Unilever China owns around a dozen of brands in China, some mature and some quite new, and will make good use of Special A for brand promotion in 2010. Some of these brands which used to be advertised on CCTV-8, CCTV-3 and CCTV Children Channel were integrated in 2009 and will all be seen on CCTV Prime Resource in 2010.

Unilever had made active communications with CCTV Advertising Department during the pre-bidding promotion in Shanghai. Laercio Cardoso, Vice President of Unilever China said: "Unilever grows soundly in China. We hope to build partnership with CCTV, through which the company brands will be integrated and

become more influential in China". And its global CEO Paul Polman once told the media: "Unilever has always considered China as the first priority in its global strategy because China is not only one of our important emerging markets, but a key connection in our global production chain. We are clearly aware of the significance of China – we must succeed here before succeeding across the world".

Unilever has doubled its revenue in China over the past five years. Following the sixth global R&D centre put into use in Shanghai on September 16th, a complete R&D, procurement and production system will be built in China to lay a foundation for its future role as Unilever's global R&D base and regional management centre.





## Nike to Close Customer Tie through the World Cup

As a global sports brand, Nike spends huge amount of money every year on brand communication and customer interaction. Based on the cooperation with CCTV on 2006 World Cup and Beijing 2008 Olympic Games, Nike launched another aggressive campaign and picked the World Cup Pre-Event Designated Ad in CCTV 2010 Prime Advertising Resource Bidding.

It is known that Nike global top management gathered in Shanghai during the promotion of CCTV Prime Resource in September. So much attention paid to the Bidding came from their high recognition of CCTV Prime Resource.

It is a belief of Marvin Chow, Marketing Director of Nike Greater China that China will bring great opportunities for its soccer product segment because soccer is very popular here, and that Nike will take advantage of the World Cup, the most influential world soccer event broadcast to tens of billions of fans, to interact closely with Chinese customers. As a top sports brand, Nike will continue to widen the gap with competitors in China, "We will go on with brand investment and product expansion in China because we have sufficient faith in this market".



Marvin Chow, Marketing Director of Nike Greater China

As the world biggest sports ware & goods producer, Nike entered China in 1980. Nearly 30 years later, it has become an industrial leader in China and China has become its biggest overseas market. Today it owns more than 4,000 stores in over 300 Chinese cities.

The accomplishments are hardly comparable. In 2007, the first flagship store in China – Nike Beijing was opened. In 2008, it fulfilled annual revenue of USD1 billion in China ahead of schedule and sponsored

22 of the 28 Chinese athletic associations participating in Beijing 2008 Olympic Games. In February 2009, it started building a logistic centre in Taicang Economic Development Zone. In April, it signed a strategic cooperation agreement with Chinese Super League (CSL) in Beijing, of which the scope of cooperation may extend to full support for the 16 CSL teams. From the 2009-2010 season it will become an official sponsor of China Basketball Association (CBA) providing balls for matches.





## Castrol Contracted with CCTV Exclusive on Broadcasting Sponsorship for 2010 FIFA World Cup



On 16 November, Castrol and CCTV formally signed a contract for purchasing exclusive sponsorship of CCTV's broadcast of 2010 FIFA World Cup South Africa. As an official sponsor of 2010 FIFA World Cup South Africa, Castrol is also one of the first international corporations to have contracted with CCTV to sponsor the 2010 World Cup broadcast.

The contract means that Castrol will have prime advertising time during CCTV's 2010 FIFA World Cup broadcast. It will not

only consolidate Castrol's position in the football world, but will also increase the influence of its brand in China market.

Cheng Hong, Deputy Editor-in-chief of CCTV said regarding the cooperation with Castrol: "It is our great pleasure to establish a commercial partnership with such a reputable international corporation as Castrol, and to bring this wonderful World Cup to audiences in China. We also believe that Castrol's brand power will be conveyed perfectly through CCTV, the top sports media

platform, allowing Castrol to attract more consumers."

Paul Turner, Castrol Regional Director for China and North Asia said: "China is currently the fastest developing economy in the world, with its achievements gaining attention worldwide. Castrol has always attached great importance to developing and investing in China market. We hope, that through this partnership with CCTV – the most influential media platform in China, Castrol will get closer to our consumers during the World Cup, sharing our passion for the game and providing unique performance insights on all the players"

As a world-leading lubricant brand with over a hundred year heritage, Castrol has always used sports marketing as an important means of communication, and has supported lots of high-profile international sports events for years. Having entered the football world for the first time in 2008 by successfully sponsoring the 2008 UEFA European Football Championship, Castrol signed a 6-year sponsorship contract with FIFA in June of the same year, involving the sponsorship of 2010 FIFA World Cup South Africa, 2014 FIFA World Cup Brazil, and



## Company

two FIFA Fed Cups in 2007-2014. Meanwhile, Castrol also signed C. Ronaldo, Wenger, and Desailly as its Global Ambassadors.

In addition to commercial sponsorship, Castrol has applied its expertise in analysis, technology and innovation to the world of ranking football performances, and has created Castrol Index and Castrol Rankings, which constitutes the world's first fully

objective performance ranking system of football players.

CCTV, exclusive broadcaster of 2010 FIFA World Cup South Africa in China Mainland, is a leading media with extensive resources and proven experience in broadcasting international sports events. The partnership between Castrol and CCTV is undoubtedly a win-win arrangement.

Together with its launch of the “Know Football, Share Football” campaign in China Market, Castrol's cooperation in CCTV will further increase its brand awareness and loyalty in China, deliver its unique insights on football, and profoundly influence existing and potential consumers.

## Bosideng Ranks First among Bidders in Clothing Industry

In CCTV 2010 Advertisement Bidding, the domestic major manufacturer of down garment got the advertisement rights of the fourth, fifth and sixth unit of Weather Forecast Sponsorship (October, November and December), as well as the slot after News Broadcast with total investment more than that of last year, which made it rank first among bidders in clothing industry again. The slots helped Bosideng to gain a vantage point, whose position can't be replaced by any other clothing brands.

It is believed by Bosideng that the Chinese consumers concern more about the affairs of the state in recent years, focusing attentions on hot news. Moreover, they are more capable of identifying information so their attentions are paid to authoritative media. Therefore, Bosideng adheres to the advertisement principle based on CCTV supplemented by other media and more than 60% of its advertisement is on CCTV.







## BAWANG Will Spend 110 Million to Enhance Globalization Upgrade

On November 18, Guangdong BAWANG International (Group) Holding Limited succeeded in becoming the strategic partner of CCTV Night TV series with RMB 110 million investments.

In recent years, BAWANG clearly positions itself with the product of Zhongyao Rihua and evolves into a leading brand by using the culture of the traditional Chinese medicine and distinctive brand difference. As a result, it has been favored by more and more consumers and markets.

As it is indicated by Wang Yuhua, the president of BAWANG Group, the current



achievement is less enough and BAWANG is determined to build a distinctive national brand with the sales covering both at home and abroad and to make the Chinese traditional herbs spread all over the world. In the near future, BAWAN Group will further develop modern traditional herbs, focusing on the enhancement of TCM extractive technique and technological elements of the product so as to realize the industrialization and globalization of the traditional herbal medicines.

## Midea

### A CCTV Witnessed Legend



On the CCTV 2010 Prime Resource Bidding, Midea won six ad units of the CCTV News Broadcast after-report slot, time telling ad for 2010 Spring Festival Gala and exclusive title sponsorship for Splendid Moments section of 2010 Winter Olympics, along with subscription of high-end resources such as CCTV-1 Golden Theater.

Midea has joined hands with CCTV for 18 years since the first ad purchase in

1991. Transferring messages to the broadest customers via dominant media, especially CCTV Prime Resource, has always been its marketing and branding strategy, which has contributed greatly to product upgrading, popularity and sales promotion.

As a long-term strategic partner, CCTV will continue its role as the best communication builder and a legend witness of Midea.



## Harbin Sixth Pharm Factory

### Back to The Bidding with Big Counters

On November 18, Harbin Pharmaceutical Group Sixth Pharm Factory succeeded in winning several ad units on CCTV News Broadcast after-report slot and subscribing ad resources on Morning News, 30 Min News, Avenue of Stars and News in Investigation with the total bid value of nearly RMB80 million.

After 2007 when it started spending high on CCTV ad resources, the Sixth Pharm Factory becomes a new eye catcher among industrial and ad peers with decades of

millions of input on CCTV News after-report slot and other prime resources. On one hand, this launch is a full reflection of enterprises' trust in CCTV accountability and their pursuit for long-term brand building and planning. On the other hand, it is an indication of pharmaceutical enterprise transition from advertising bombing to rational purchase of quality ad resources.

This cooperation of the Sixth Pharm Factory with CCTV will enhance its image as a quality and reputable brand

and consequentially drive the entire pharmaceutical industry by leading a trend of brand building via CCTV platform.



## GREE

### Bid for Key Spots and Programs



On CCTV 2010 Bidding, GREE won six ad units of the 7.5 second slot after CCTV News Broadcast and the exclusive sponsorship on Economic News, along with subscription of high-end resources such as Dialogue partnership and Morning News. The bid value also rose based on the 2009 high.

As a marketing strategy, advertising in CCTV Prime Resource has continued since 1990s. Such action has been a strong prop

for GREE's absolute leadership among air conditioner manufacturers and an engine for the global expansion of GREE air conditioner.

It was said by Huang Jiahai, Assistant President of GREE that the company was optimistic about next year's global economy and the bid result was in line with its plan. When talking about CCTV, he commented that CCTV is not only a hugely influential brand itself, but a co-winner with enterprises.





TOGETHER

CHINA CENTRAL TELEVISION ADVERTISING DEPT.

## One Small Step in Bidding, A Big Step for the Brand

Harry Hui, Chief Marketing Officer of PepsiCo in Greater China

It is the first time ever for PepsiCo to attend the bidding of CCTV. "I didn't expect the atmosphere to be so high." Harry Hui, the Chief Marketing Officer of PepsiCo Investment (China) Ltd., said with a smile. It is the first time for Harry Hui came to the bidding site. After getting on the stage for interview, he put a few cans of Pepsi-Cola on the desk, opened one and handed it to the moderator in a gentlemanlike manner: "I would like to treat you with this." He hopes to improve the exposure rate of blue can Pepsi-Cola whenever he goes.

According to Harry Hui, the reason for PepsiCo to attend the bidding this year lies in its favorable estimation on China's economy. PepsiCo believes that the GDP development trend of China will be very healthy next year, and the beverage industry will also have a sustainable and healthy growth. More importantly, the influence of CCTV is incomparable, as compared with other media. It is the development strategy of PepsiCo in China to attend the Prime Advertising Resource Bidding .

Harry Hui said PepsiCo's huge investment in CCTV advertising this time is not entirely for Pepsi-Cola in blue packages. "PepsiCo has a very long product line," Harry Hui said, "In the future, Pepsi should remind consumers not only of Pepsi-Cola, but also of other brands of PepsiCo, so we must take a new branding strategy."

In July of 2009, PepsiCo launched its first herbal drink – "Caobenle" (Herbal Joy). In addition, the "Tropicana" fruit juice beverage launched in 2007 are also selling well in China with good market responses. It is said that several non-soda drinks of PepsiCo

will have bigger marketing actions this year. There was a comment in the industry earlier that Pepsi and its major competitor Coco-Cola are both deploying in China's non-soda drinks market, thus their





## Interview

competitive market has been extended from soda sector to non-soda sector. At the end of last year, Ms. Indra Nooyi, PepsiCo's Chairperson and Chief Executive Officer, announced during her trip in that PepsiCo would invest over US\$1 billion in China in the coming four years; and a few months later, Muhtar Kent, Chief Executive Officer of Coca-Cola, also made a high-profile announcement in Shanghai that Coca-Cola would continue to increase its investment in China.

In June of 2009, Ms. Indra Nooyi visited China again. She said that "as an international corporation, if it cannot succeed in China, it may not be successful in the world", which have greatly touched and driven Harry Hui. So, PepsiCo accelerated its investment pace in China market and attended the Prime Advertising Resource Bidding of CCTV.

In fact, for such an international corporation as PepsiCo to engage in media-casting by means of bidding, it is obviously not a traditional strategy which decides media-casting on the basis of data and cost per rating point (CPRP), but an innovative strategy to utilize the CCTV-1, which is a media brand covering 1.3 billion Chinese population, and its influence to extend the coverage and influence of Pepsi to wider markets in China in a more profound manner.

The major consumer group of Pepsi-Cola is the younger generation, which favors sports, music and entertainment channels,

so PepsiCo usually advises in these channels. Before assuming the position of PepsiCo CMO in the Greater China Region, Harry Hui was the President of Universal Music in Southeast Asia Region, as well as the CEO and Managing Director of MTV in North Asia Region. Harry Hui is proficient in brand marketing to the younger generation, and has created the first TV reality show in China – "Myshow", which made the MTV brand and "CCTV-MTV Music Awards" – the first MTV award ceremony in Asia – known to every household in China. The Prime Advertising Resource Bidding of CCTV is favored by PepsiCo this year, which also reflects that CCTV is having more and more influence among younger generation audience.

PepsiCo has advertised in CCTV in the past, mostly in entertainment programs. For this year's change to the Prime Advertising Resource, Harry Hui explained: Firstly, you cannot decide your promotion on an average market value. As the media-use customs of consumers in first-, second- and third-tier cities are changing greatly and fast, branding strategy needs to change constantly. Secondly, the selection of CCTV Prime Resource is decided by the positioning and development stage of a product. PepsiCo has many different brands that fit. PepsiCo's bidding is a trust on the influence of CCTV.



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Our sales this year is very good, but we expect better development in the coming year. We just incorporated Anheuser-Busch InBev, and will make continuous mergers and acquisitions in the future, so we will have more and more brands. By next year, we will become the third largest beer company in China.

We attended the bidding in the aim of promoting the brand of Harbin Beer. In 2010, we hope to present Harbin Beer to markets

## Present Harbin Beer to Market around China through CCTV

Rong Rong, Media Manager of Anheuser-Busch InBev China



around China through advertising in CCTV, and make Harbin Beer a national beer brand after Tsingtao Beer and Yanjing Beer. Our major strategy is to gain market recognition, so the high audience rating section is our target advertising resource.

In the past, our Budweiser brand has been a frequent sponsor for the broadcasting of World Cups. This year, we grant this opportunity to Harbin Beer, on which we have placed high hopes. In addition, we have made preparations and bought the advertising positions in the live broadcasting of World Cups.



# Selecting CCTV is Our Constant Marketing Strategy

Chen Jiacong, Marketing and Sales Deputy General Manager of Shell Tongyi (Beijing)  
Petroleum Chemical Co. Ltd.

The cooperation between Tongyi Lubricant and CCTV has lasted for 7 years. CCTV has always been our major long-term partner. During the cooperation, our lubricants have created sales miracles in the industry. Based on the fact that our continuous investment in CCTV has brought many long-term returns, this year our goal is very clear, and our strategy is very explicit, that is to maintain our investment in CCTV.

In the coming year, we will remain focusing on brand building. Firstly, we hope to achieve large market coverage. Secondly, our products have been improved after the Company became a Fortune



500 member, so we hope to utilize the communication channel of CCTV to inform the changes of our company and products to the whole society in a more effective way. In 2009, we initiated a New Brand Tour, which is a marketing campaign to upgrade the overall brand image. We will continue this tour in 2010, and will launch a brand-new series of lubricants for automobiles.

CCTV Prime Resource is what we have been looking for, as the selection of CCTV is consistent with the marketing strategy of Shell Tongyi. Most importantly, our target markets are around China, and CCTV has a highly-efficient and wide-spread coverage. Secondly, the audiences of CCTV Prime Source are the target consumer groups of our products.





# Industry Highlights of CCTV 2010 Bidding

From the perspective of winner industry, a wider range of industries are covered with more balanced distribution. The traditional industries maintain a steady growth while emerging industries spring up with more detailed classification. There are several highlighted industries:



## Food & Beverage Industry

Food and beverage industry, a regular winner in the yearly biddings, has maintained a steady growth in the bidding amount this year. Bidding and subscription enterprises include dairy products, beverage, meat products, edible oil, condiments, candy, leisure food and many other sub-categories. Besides regular clients such as Mengniu, Yili, Shuanghui, Huiyuan, JDB and Wahaha, there are many new clients, including Laocaichen, Ausnutria, Murray Goulburn and Meiweixian.

Over a dozen dairy product enterprises won the bidding resources and subscription resources. These enterprises include: Mengniu, Yili, Feihe, Brightdairy, Ausnutria, VV, Dumex, Beingmate, Murray Goulburn, Yinqiao, Xiaoyangren and Yashily.

The bidding amount of beverage industry is on the rise. Beverage brands, including Huiyuan, JDB, Pepsi-Cola, Coca-Cola,

Yangshengtang, Wahaha, Tingyi, Lolo, have got the bidding resources or subscription resources.

The performance of condiments category is remarkable. Condiments category is one of the growth points in food and beverage industry, as well as a new highlight on the Bidding. This year, Totole, Fuling Mustard Tuber and Laocaichen have won the Bidding resources of advertisings after CCTV News Broadcast and Topics in Focus. In its first time attendance to the bidding, Guangdong Meiweixian subscribed the advertising package in CCTV-1 Gold-time Theater.

In addition, enterprises in the sub-categories of food and beverage industry have won bidding resources and subscription resources. These enterprises include meat product brands Shuanghui and Yurun; edible oil brands Arawana, Luhua, Jinhao, Longda; candy and leisure food brands STRONG, Yake Food, Wowo; food brand Little Sheep; and Beidahuang.





## Analysis



### Home Appliances Industry

The home appliances industry is another major industry. On the whole, traditional industries remain a steady growth in this year and the performance of home appliances is prominent. It covers a large range of products and the overall percentage of winning bidder this year which increases by more than 80% compared with that of last year. The bid-winning enterprises in this field deal in air conditioner,

television and refrigerator, as well as soybean milk-making machine, microwave oven and solar water heater. It fully illustrates the effect of national policy of Home Appliances to Rural Areas, which definitely creates a vaster market space for enterprises in this industry.

Major traditional household appliances manufacturers, as the most powerful competitors in this market, have once again become the main force in the bidding for household appliances advertising. Bid winners include Midea, Gree, Haier, BBK, Skyworth, Hisense, and others. In recent years, the small household appliances industry has become one of the most active industries at the biddings. This trend continued this year, with more enterprises, including Joyoung, Povos, Supor and KingClean, attending the subscription of bidding.

In the new energy module, Sunrain and Micoe are enterprises already in the 2009 Prime Resource, while Hi-min Solar, Linuo Paradigma and Sangle have also attended the 2010 subscription, and subscribed the advertising package of Morning News.

In addition, Noah, Newsmy, Malata, Nanfu and Huatai have also attended the bidding or subscribed the resources.

### Household Building Materials

Household building materials see the largest growth in the bidding of this year with the overall rising rate 275.23%. The winners in this field include household chains and various home products, such as, decoration, paint, kitchen utensils and appliances, etc. The jump is a strong evidence of the improvement of living standard achieved by the Chinese people and also for the consumption structure upgrade.

It is the third consecutive year that Easy Home attended the bidding. With an investment of over RMB75 million, Easy Home has not only secured the advertising resources after the second and third units of CCTV News Broadcast, but also subscribed for the advertisings of Evening News. Although it is the first time to attend the bidding, Redstar Furniture has won the bid for advertising after CCTV News Broadcast. With an investment of nearly RMB30 million,



Kebao Boloni has won the Prime Advertising Resource between CCTV-1 News Broadcast and Weather Forecast. SkSHU Paint Joint-Stock Co, Ltd. has won the bid for in many units, including the positions after News Broadcast and in the Special A Section, with





total investment in advertisings being over RMB80 million.

Dozens of cabinets, sectional material, door & window and furniture manufacturers have also subscribed excellent CCTV advertising resources (excluding the competitive purchase beyond

bidding), which will give them a powerful edge in their respective industries to achieve better results.

## Automobile and Related Products

Automobile and related products witness a growth more than 70% in the bidding. The winners deal in family cars, commercial cars, motorcycle and other matching products, such as, tire and lubricant, etc. The growth accords with the overall trend of automobile industry in this year, which is accelerated by the national rejuvenation policy. Moreover, it also shows the rising living standard and people's consumption ability.

Automobile enterprises such as Hangzhou Zhongce, Zotye Auto, FAW Car, FAW-Toyota, GAC-Toyota, Chery, Sinopec and Monarch Lubricant are winners in the Bidding. In the meantime, Dongfeng Nissan, GAC-Toyota, Chery, DFPV, Zotye Auto, Xuzhou Construction Machinery, SINOTRUK and other automobile enterprises have also subscribed many excellent advertising resources. The growth of the bid-winning amount of automobile and related products is over 70%, which has become a highlight of this year's bidding.

Many independent Chinese brands, such as FAW Car, Chery, Zotye Auto and DFPV, are also presenting themselves on CCTV. Joint venture automobile brands continued to step up their



cooperation scales with CCTV. FAW-Toyota, GAC-Toyota, Dongfeng Nissan and other JV automobile brands have won the bids. In the automobile-related category, Sinopec and Monarch Lubricant have been maintaining good cooperative relations with CCTV in recent years; while Hangzhou Zhongce is an emerging force in this year's bidding, who has won the bid of the first choice after CCTV News Broadcast.

## Household Chemicals Industry

In CCTV 2010 bidding, the household chemicals industry ranked No.4 in total amount, with a stable growth of 13.22% year on year.

NICE has won the bid for exclusive advertising in the second half year of 2010 CCTV-1 Golden Theater. It is the seventh time

for Longliqi to attend the bidding, and with an investment of over RMB100 million, it has won the bids after the CCTV News Broadcast and in the Special A Section, and has subscribed for the inserted advertisings in CCTV-1 Golden Theater, Starlight Avenue and Youth



## Analysis

Singer TV Competition.

Blue Moon, a regular client of CCTV and Liby, the first-time bidder, are actively leveraging the CCTV platform to make larger scale and more profound promotions for laundry liquids. A new batch of Chinese cosmetics brands, represented by the BaWang Group, has won the bids.

In the subscription of 2010 bidding, the four strategic cooperative enterprises of CCTV-1 Golden Theater went to BaWang, Marubi, Hasee Computers and P&G. Of these four, two are domestic enterprises.



## IT Industry

Hasee PC, Taobao.com, Alibaba.com, Hanwang E-books as the representative of IT high-tech enterprises and DOOV as the representative of emerging mobile power have become one of the highlights in the bidding.

In 2010, HASEE will step up its advertising scale in CCTV. The bids awarded to HASEE for CCTV-1 Cooperative Enterprise for Evening TV Series and advertisings after Summary of Topics in Focus total up to more than RMB100 million. The 15-second advertising of Taobao.com, after being broadcasted after the CCTV News Broadcast in May of 2009, has attracted a surge of more than 3 million visitors from around the country within only two weeks. Taobao.com came to the bidding site again this year, and has successfully won the bid of the Special A Section, which is one of the Prime Advertising Resources. DOOV, a new brand in the mobile phone industry, is positioned as a specialized mobile phone brand for women. DOOV's advertising in CCTV in July of 2009 has achieved remarkable effect. In this year's bidding, DOOV has won the bid after the Topics in Focus.







## Pharmaceutical Industry

This year, altogether 20 pharmaceutical enterprises have won the CCTV Prime Advertising Resources, which, compared with 12

enterprises in the past year, is a fast growth and record high in years.

At the subscription phase, Sanjiu, Sanjin, Jiangzhong, Bailing and Yunnan Baiyao subscribed excellent resources. Regular clients, such as Yunnan Baiyao, Jianteng Biological, Taiji Pharmaceutical and Harbin Pharmaceutical Group Sixth Pharm Factory, subscribed as usual. New subscribers of Prime Advertising Resources include Quike, Freda, Aodong, Yingnuoma, Wutai, Jiuzhitang, Qianjin and Sanjing.

This year, the client group of pharmaceutical enterprises is not only large in quantity, but has two major characteristics: Firstly, some enterprises used to advertise in local media, but have switched to CCTV this year. Examples include: Quike, Jiuzhitang and Freda. Secondly, those pharmaceutical enterprises used to advertise in professional channels of CCTV have increased their investments this year, and have subscribed the Prime Advertising Resources. Examples include: Qianjin, Huahong and Sanjing.

## Banking Industry

The bidding results show that China banking continues to maintain the stable placement in CCTV Prime Resources, which always intensively and deeply carry out brand management through the high-end brand media resources. In the choice of advertising media, major banks regard CCTV as a key layout.

China CITIC Bank won the bid for the Board Advertisement after CCTV News Broadcast throughout the year of 2010. After investment in prime resources throughout the year of 2009, China Everbright Bank successfully won the bid for Remind to Watch CCTV News Broadcast throughout the year. Shanghai Pudong Development Bank won the bid for Special A Section again this year. China Union Pay and China Postal Savings Bank which participate in the Bidding for the first time also obtained the expected advertising resources.

Fund companies also chose CCTV as the main advertising medium in 2010. Harvest Fund Management subscribed for Focus on China's Economy of CCTV-2; Bosera Funds managed to advertise

in excellent program Dialogue of CCTV-2; China Universal Asset Management Co., Ltd. (China Universal) aimed at advertising in CCTV Spring Festival Gala; Yinhua Fund applied to participate in Bidding for the first time. Specific performance of fund companies not only reflects the confidence of fund clients in CCTV, but also delivers the planning for significant development on their own in the future.





## Analysis

### City Image and Tourism

It is another emerging industry deserving the attention. In total, 16 clients from local government have participated in the bidding this year involving more than RMB 200 million, which is multiplied by folds as compared with that of last year. This large increase shows that the government is more aware of brand construction and wants to promote trade, investment and regional economy by enlarging its influence in virtue of CCTV, an authoritative platform.

Most local governments and tourism authorities, such as Guangxi Tourism Bureau, Dalian Tourism Bureau and Luoyang Tourism Bureau, have selected the Resource Suite of Morning News. Shandong Tourism Bureau made a large investment on the 60-second package of Morning News and 30-second package in the CCTV-4 Tour Throughout China Series; while Hangzhou Tourism Bureau selected 30-second advertising package in the News 1+1.



This year is the first year in which clients in city image and tourism industries have signed contracts with and subscribed advertisings in CCTV; these clients used to purchase contracted resources in the past.







# Bidders from Wider-spread Regional Distribution

It can be seen from the result of CCTV 2010 Prime Advertising Resource Bidding that winners are spread wider by region this year – east and coastal areas perform soundly, top three ad winning areas, Beijing, Shanghai and Guangdong are re-ranked and dark horses have stood out from the Central, the Southwest and the Northeast.

## Wider Regional Distribution

Bidding winners cover a record high of 28 provinces, autonomous regions and municipalities in this bid, 5 more than last year, which are Shanxi, Liaoning, Gansu, Shaanxi and Hainan provinces. Bidders are from seven administrative regions of East China, North China, South China, the Southwest, the Northeast, Central China and the Northwest. Guangdong, Beijing, Shanghai, Jiangsu, Sichuan and Shandong are the biggest winners, making East China, North China and South China the highest in terms of bid value.

As a key symbol, more enterprises and brands are making their way from regional to national market for more opportunities, especially through the top of CCTV ad platform.

## Sound Performance of the East Coastal Areas

Enterprises from east and costal areas have long been the main winning force, with no exception this year. Among eastern provinces (cities), Zhejiang, Fujian, Shandong and Tianjin have grown steadily and fast in terms of total bid value. The eastern and southern coastal areas have totally grown by 30% ~ 40% than last year.

The eastern coastal region is the most developed part with the most dynamic sales and marketing mindset and activities in China. There are multiple international companies and local old brands in Shanghai, concentrated private garment makers in Fujian and clusters of renowned enterprises in Zhejiang and Shandong.

## Re-ranked Beijing, Shanghai and Guangdong

Beijing, Shanghai and Guangdong remain top three in terms of bid value, led by Guangdong whose total bid and subscription value has increased by nearly 90% than last year with home appliance producers represented by GREE, Midea, Galanz and household chemicals producers led by P&G, Nice and Bawang. Ranked second and third respectively, Beijing and Shanghai have grown by 10% or so in terms of bid value than last year.

## Dark Horse Winners from Central, Southwest and Northeast

The bid and subscription value of the central, southwest and northeast regions has all increased by over 50% (more than 100% for the central and almost 80% for the southwest) with Hu'nan, Henan, Sichuan, Chongqing and Jilin all up by over 100%.

Bid value of Anhui, Tianjin and Inner Mongolia, etc. has also risen considerably than last year.





# Foreign Clients – from Doing as Romans to Being Romans

According to statistics, 50 foreign clients participated in CCTV 2010 Prime Advertising Resource Bidding and Subscription with total value up by 28% than last year. Castrol, Unilever, Sony, Dumex, Coca-Cola, KFC, Pepsi, Dulux, Nike, Adidas, Samsung, Budweiser, etc. bid successfully. Many clients say that dominant media in China is playing an increasingly important role in brand communication with their brands penetrating into the Tier 3 and Tier 4 cities. Having gone through the global financial crisis, now they are paying even greater attention to the Chinese market. "It is impossible for an international company to succeed globally without success in China", said Indra Nooyi, Chairperson and CEO of Pepsi Co., a comment representing the view of foreign companies in China.

The method of decision making on media purchase is changing as well because of the value of prime resources and scarcity of premium media. To a large extent, decisions on ad purchase by foreign clients used to rely on data analysis. Since 2009, however, they have switched from a quantitative method to a combination of quantitative and qualitative methods with the entire industry weighing more on the quality of media, thus forming a special

evaluation system for such media as CCTV. In the meantime, many of them have changed the progressive reporting mechanism in decision making so as to react faster and more effectively to communication opportunities.

Some sources say that on the CCTV Ad Bidding Explanatory Meeting in Beijing, Shanghai and Guangzhou, some foreign clients decided on their CCTV ad input plans directly through the top management in China or even in overseas headquarters instead of the progressive reporting process, such as Coca Cola, Adidas, Castrol and Sony, etc. Take Castrol for example, it had come to an intent with CCTV half a month before the bidding to become the exclusive sponsor advertiser for the live broadcast of 2010 World Cup, which was said to be decided by its global CEO. Paul Turner, China & North Asia Sales President commented: "China is the fastest growing economy in the world today and its accomplishment is impressive. Castrol has always stressed market exploration and investment in China, so we are more willing to cooperate with CCTV, the most influential media in China, to shorten the distance with customers through this sports event".

Eagerness of foreign clients for the

subscription resources this year not only reflects the attraction of CCTV ad resources, but market recognition of the changed sale mode of CCTV Advertising Department. It is an evidence that the transition from bidding to pre-sale mode is more market-friendly and consistent with international practices. This September when the press release and explanatory meetings of CCTV 2010 Prime Advertising Resource Bidding were held in Beijing, Shanghai and Guangzhou, more than 50 reputable international enterprises and 100 client representatives were present. All meetings received intensive interest in subscription resources from foreign clients such as Johnson & Johnson, LG, McDonalds, Wyeth, Audi, Samsung, VISA and Nike who were actively communicating with CCTV Advertising Department on contracting, subscription and customized options.

The November 18 bidding was a further proof of the world confidence in China. Foreign clients increased apparently with large number of new bidders such as FAW-Volkswagen, Pepsi Cola, Samsung, Sony, Nike, Adidas and Castrol. Unilever returned after long parting from CCTV bidding. "Chinese market is the Noah's Ark amid the world financial storm", said Xia Hongbo, Director of CCTV Advertising Department.



# Rising Dragons and Leaping Tigers

## Advertisement Plan of CCTV 2010 Spring Festival Gala

In lunar calendar, 2010 is the Year of Tiger, a gold tiger year in a cycle of 60 years. The past year is eventful to new China, as it was the 60th Anniversary the Founding of the PRC. While the whole nation is still in the jubilant atmosphere, Chinese people around the world, during a period of prosperity, are welcoming a gold tiger year. For global Chinese people, watching the CCTV Spring Festival Gala on lunar New Year's Eve, like the family dinner, is an integral part of Chinese tradition.

The advertisement plan of CCTV 2010 Spring Festival Gala includes three parts. For details please log onto <http://ad.cctv.com>.



# Advertisement Plan of CCTV 2010 Winter Olympics Broadcasting

The 2010 Winter Olympics will be held in Vancouver, Canada from February 13 to March 1, 2010, when people around the world will have a feast of world-class winter sports. As the only broadcasting organization in China for the 2010 Winter Olympics, CCTV will fully express the connotation of the slogan "With Glowing Hearts", and present to the audiences a Winter Olympics of speed, strength and skills, as well as the beauty of winter sports, so as to let the audiences

enjoy "more brilliant exploits" ("des plus brilliants exploits").

The advertisement plan of CCTV 2010 Winter Olympics broadcasting includes:

1. Title sponsorship for the Gold Medal List
2. Title sponsorship for the Olympics Guide
3. Exclusive sponsorship for the Panoramic Winter Olympics
4. Exclusive sponsorship for the Direct Connection to Vancouver
5. Exclusive sponsorship for the People in Vancouver
6. Exclusive sponsorship for the Good Morning Olympics
7. Package for the Opening Ceremony of the 2010 Winter Olympics
8. Package for the games of the 2010 Winter Olympics
9. P&S package for the Winter Olympic programs
10. P&S package for the Winter Olympic news programs

For details please log onto <http://ad.cctv.com>.





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# Reunion at Spring Festival Eve

Chinese people worldwide rejoice together with CCTV Spring Festival Gala  
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