

Saatchi's mega vision

There's nothing particularly new about the concepts of barter and sponsorship where the People's Republic of China is concerned. It's just that, in the past, it's all been a bit unconventional.

A western company keen to improve its corporate image could, for instance, put up the funds to build an urban motorway flyover. In return, the government would allow the flyover to be named after the company. Not exactly sexy, but it definitely achieves, in western advertising jargon, 'stand-out value.'

More conventional media vehicles have included transport advertising deals: you buy the city a fleet of buses: they'll let you plaster some of the buses in advertising messages.

But now advertising agency, Saatchi and Saatchi Hong Kong has decided it's time to take things on a stage or two. In October it set up Megavision, a new division designed to handle television barter and syndication deals in a Chinese market that once again looks ripe for expansion.

And to show that it means business, the agency network has drafted in one of its top US syndication specialists, Amy Willstatter, to head up the operation.

Willstatter, who joins from Saatchi and Saatchi New York, has 15 years worth of experience in this area; but she confesses she has no insider knowledge of the workings of the Chinese market.

"I'm a student at this stage of the game," she says. "But I do bring expertise gained in the biggest syndication market in the world. I'm not going to come along and say it must be done in a certain way in China but we are going to work full-out to create opportunities to associate our clients with the right sort of programming. The potential in China is enormous."

Observers of the Asian advertising market will be excused for thinking they have heard this sort of thing before. In the mid to late Eighties, the Chinese market was targeted as the world's most important 'underdeveloped' economy. Liberalisation was underway, the bamboo curtain was coming down and the big multinational companies were queuing up to make the most of a market with 1.2 billion potential new consumers.

Then came Tiananmen Square which, as far as the west was concerned, put China back to square one. Since then, relations with the free world have eased bit by bit - earlier this year, the US trade secretary headed a mission to China which resulted in two dozen or so trade deals being done - but it's certainly a long long way from becoming a free trade zone.

What has changed though, is the broadcasting environment. Whereas before, the Chinese state channel broadcast four hours of Peking State Opera each day, it now has over 100 channels - a mixture of national, regional

Ad agency, Saatchi & Saatchi's new television programme barter division in Hong Kong is set to bring quality programming to China, swapping shows for airtime in a bid to build a market. By Alasdair Reid



Amy Willstatter, director of programme syndication and media director/Greater China and TS Chan, at Saatchi & Saatchi

and city-based stations.

And urban China has well developed cable systems. Faced with the choice between allowing an unregulated dish market to develop or providing satellite channels through cable systems that could be controlled and therefore censored, the Chinese government chose the latter.

Many of the terrestrial channels are still propaganda conduits the freedom of local mayors and party officials - but competition has meant one thing: everyone is hungry for quality programming. The problem is that they don't have the hard cash to pay for it.

Megavision aims to supply that programming in return for airtime packages and sponsorship opportunities for Saatchi clients. Willstatter will undoubtedly be talking at some point to TVB, Hong Kong's biggest broadcasting organisation and the world's top Chinese-language programming outfit; but her task will be more complex than merely acquiring the programming rights and signing licensing deals.

The Chinese government has imposed limits on the amount of foreign programming that the country's TV stations can run. The rules are complex and obscure - the government isn't exactly the most open in the world - but current legislation means that, each year,

As more and more Chinese stations look to out source programming, the production sector will take off

TS Chan
Saatchi & Saatchi

Chinese broadcasters are restricted to a total of 700 hours of imported programming. That works out at an average of seven hours for each station.

It's obviously difficult to monitor or police, but it would be foolhardy to devise a strategy that is based on breaking the rules. So a large part of Megavision's future development will be in the area of co-production, both with local broadcasters and the independent production sector.

That sector is still in its infancy in China, but according to TS Chan, media director of Saatchi and Saatchi Hong Kong, it is already beginning to expand.

"As more and more Chinese stations look to cut source programming, the production sector will take-off - though it may take a couple of years to get into its stride," he says. "Co-production is a good solution for everyone. They get programming and we get shows that are tailor-made for our clients. It also helps with censorship problems - the censors scrutinise imported programming very carefully. It is important that programming is right for the Chinese culture. In drama, for instance, they can't tolerate a lot of violence but they don't like even the slightest hint of sex."

Using local expertise will ensure programming not only satisfies the censors but also appeals to local tastes.

Megavision will become involved in a wide spectrum of programming and Chan says a number of clients are already keen to get involved.

"The Chinese market is still subject to a number of restrictions but it is a lot more open than before," says Chan. "The Chinese population isn't wealthy in comparative terms but it does have some disposable income and Chinese people do like to buy the best quality. We may be the first agency to get involved in syndication here, but we already have the volume of business to make it work."

Initial programming and Syndication ventures are established in China with MegaVision to lead the way

In a market like the US, advertising agencies can obtain national television exposure for their clients in a variety of ways.

The first and oldest form of achieving national coverage is by purchasing spots directly from any one of the four national networks.

The other available vehicles for reaching a national audience are through cable television and barter syndication. Barter syndication was created as independently owned stations began to materialize and the need developed for quality programming to fill air-time.

Producers began retaining the rights to their own productions. When enough episodes were "in the can", they were

then able to distribute them around the US on stations that needed and craved such quality programming.

When stations did not have cash available to purchase these programs outright, producers retained air-time within the shows for sale to national advertisers. Barter advertising was created and an alternative national vehicle was developed.

In China, we face interesting obstacles and opportunities that actually make it ripe for syndication.

There is only one national network vehicle and the competition for advertising time in preferred positions on that station is stiff. There are twenty-nine provincial and many more city stations but

programming quality varies and typically the stations don't have enough cash to purchase good programming.

China represents a third of the world's population and almost everyone has a television set that is switched on every day after work or school. Now is the time for the creation of MegaVision.

Amy Wilstatter leads the new unit for SSA Greater China and was brought in from SSA New York. She explains, "MegaVision is a giant of an opportunity for Saatchi clients in China. As the largest international advertising agency in China, we are able to commit to programming opportunities, retaining sponsorship positions, category exclusivity and

guaranteed exposure in quality programs. All of which were previously unattainable in the Chinese market. We are also able to invest in local Chinese producers and production companies, establishing long-term relationship with long-term production deals."

Amy Wilstatter and Lynn Ding, Media Manager of SSA in Beijing, attended the MIPCOM convention in October at Cannes, France.

November was the month for The Shanghai Television Convention where SSA Greater China had a total of nine people in attendance to support the formal announcement of MegaVision.

MegaVision hosted a cocktail party at the Sofitel for the

programming directors at all the local Chinese television stations, when two episodes of locally produced series were screened.

"I Love My Home", the very first originally produced Chinese sitcom to be broadcast in China, was negotiated by MegaVision for sponsorship by P & G's various brands.

"Around The World '94" is an updated and improved version of the current hit series airing on the only national network in China, CCTV. P & G also has retained sponsorship positions in their series.

As Mega Vision grows and expands, so do the number of opportunities for Saatchi's clients in the rapidly expanding markets of China.



(l) Sophia So, Media Supervisor, and (r) Amy Wilstatter.

Growth in China

Beijing is at the heart of China's rapid economic growth. Similarly, SSA China's Beijing office is undergoing equally rapid success. From 11 staff in August '93, the figure now stands at 48 and still continues to rise.

As a full service agency in a capital city, the office is inundated with requests daily for help with inter-office co-ordination, competitive monitoring and store checks.

Because of this rapid expansion, the office has relocated to bigger premises in the western part of Beijing.

New accounts recently include Xian-Janssen, China's No.1

joint-venture company, with the Preplisid and Lovostin brands and Ericsson (Telecommunications).

Existing clients are growing too. Hewlett-Packard continues its success in the region and has become the 2nd biggest client for the Beijing office.

P&G goes from strength to strength

At the recent 1st P&G China Advertising Awards, Saatchi & Saatchi won "Best of..." in six out of the nine categories. Last year in Cincinnati, Saatchi & Saatchi was the leading agency for nominations and awards from the Asia/Pacific Region at P&G's World Class Copy Awards ceremony. In Cincinnati, the Agency achieved recognition for outstanding business-building advertising for Pampers, Head & Shoulders and Oil of Ulan; in China we won awards for Safeguard, Oil of Ulan and Head & Shoulders.

Commenting on the Agency's achievements, Graham Thomas said, "Our

job is very simple. We are in business to create advertising that builds our clients' business. To do that, we need to do two things: understand the consumer better than the competition and then transform that understanding into insightful, provocative advertising. I am pleased that across the region we are now beginning to do that more consistently than perhaps we had done in the past. He added, "However we need to ensure that every one of our offices reaches the same high standard. We cannot be strong in some markets and less strong in others but, I believe, we are making significant progress in this area and the network

is better than it's ever been."

Last November, the Agency held a week-long conference in Cebu attended by 25 senior agency people to work on plans for 1995. Sista's, our new agency in India, started working on P&G business at the beginning of the year and were given a new assignment - Ganga soap - to compliment our existing business. In Vietnam, we have already started working with P&G on a number of projects. MegaVision, (see above) has been set up in China and over the last few months, our China media operation has been boosted by the appointment of senior media personnel from Saatchi

London and New York with extensive P&G experience.

A final word from Graham Thomas, "It is a truism that 'Our job is never done'. Saatchi P&G business is growing through new assignments, new markets and the regional roll-out of

successful brands. To paraphrase a quote by the Red Queen in Alice in Wonderland, "We have to run just to keep still." I am confident though, that with the quality of people working on the business, we can run just that little bit faster."



The triumphant Saatchi Greater China team with their trophies.