

Focus Group Discussions on Quantity and Forms of Advertising in Free TV Services

Summary of Views

**(Participants included members of the general public and
the Television and Radio Consultative Scheme¹)**

1. Quantity of Advertisements

- 1.1 The participants generally considered the quantity of advertisements shown during commercial breaks on free TV services moderate.
- 1.2 Some however considered that there were too many advertisements, particularly on certain TV channels as well as during prime time.
- 1.3 Many expressed that they would take a break or deal with other matters during commercial breaks.

2. Forms of Advertisements/Advertising Contents within TV Programmes

- 2.1 The participants generally indicated that they had watched different forms of advertisements/advertising contents within TV programmes, including product placement; title sponsorship; end sponsor credits; incorporation of sponsor's name in the text message superimposed along the margin of the screen; and advertisements shown along the margins of the screen. Some participants were able to name examples of different forms of advertising content featured in programmes.

¹ The Television and Radio Consultative Scheme ("TRCS"), administered by the Office of the Communications Authority, is aimed at gathering public opinions on broadcasting issues so as to assist the Communications Authority in formulating broadcasting regulations that can reflect community standards. Members of the public join the TRCS on a voluntary basis. The TRCS currently comprises 540 members of the public to form a mix that mirrors the population profile of Hong Kong by age, sex and occupation.

3. Different Forms of Product Placement

3.1 Most participants were aware that product placement was presented in different forms in programmes, such as the following –

- products used as props in a programme
- products/services being introduced or demonstrated in a programme
- the name, brand, trademark, etc. of products/services appearing in the background of a programme
- the plot/programme content giving prominence to the relevant products/services
- favourable remarks given to certain products/services in a programme

4. Product Placement in Different Programme Genres

4.1 The participants generally found the employment of product placement in programmes of a more serious nature (such as news and current affairs programmes) unacceptable, and considered that it would undermine the impartiality and credibility of such programmes and render them unprofessional.

4.2 Most participants did not consider it suitable to employ product placement in children's programmes as children might not possess the necessary judgement to distinguish advertising material from programme content.

4.3 The participants generally found it acceptable for product placement to be employed in infotainment and lifestyle programmes which were of a relaxing nature (such as game shows, cooking/food programmes, music programmes and sitcoms, etc.) and sports programmes.

4.4 There were views that it would be more acceptable for product placement to be employed in dramas and films provided that it was relevant to the plot. However, there was also comment that product placement should not be employed in dramas as this would result in situations where the plot was distorted for commercial purposes.

4.5 There was also view that product placement in history/arts and culture programmes was acceptable so long as the product/service concerned was relevant to the programme content.

5. Factors Affecting the Acceptance of Product Placement

5.1 The participants generally considered that whether the product placement was presented in a natural manner and whether the product placement was obtrusive to viewing pleasure were the most important factors affecting their acceptance towards product placement.

5.2 The placement of a product/service in a programme should be logical, relevant to the programme content, made in a real-life setting and not gratuitous or far-fetched. On the other hand, giving undue prominence to a product, featuring a product in a deliberate manner, or “hard selling” the product concerned would be obtrusive to viewing pleasure and viewers would find it objectionable.

5.3 There was comment that viewers would find it awkward if the same product was featured in every single episode of a drama series or gourmet programmes. However, some pointed out that so long as the exposure of the product was contextually justified, viewers would not find it objectionable.

5.4 Some indicated that whether the inclusion of the product/service concerned was relevant to the programme content would affect viewers’ acceptance of the product placement employed therein. If the product concerned could fit in with the programme content/nature, the presentation would be natural and more acceptable to viewers.

5.5 Some also pointed out that the duration and frequency of the exposure of product placement would also affect viewers’ acceptance towards product placement. Although it was difficult to set an objective standard for assessing the duration and frequency of the exposure of product placement, viewers would find it annoying if product placement came up too much or too often.

5.6 On the other hand, there were views that so long as the product concerned was relevant to programme content/nature and presented in a natural manner and there were no prolonged close-up shots of the product, viewers would

find it acceptable even if there was frequent or long exposure of the product concerned.

5.7 Some took the view that product placement, if properly presented, could enhance viewing pleasure.

6. Acceptance of Different Forms of Product Placement

6.1 Examples of different forms of product placement were shown to the participants at the focus group meetings, including –

- products used as props in the context of the plot/contents of a programme
- the host used certain products for demonstration or introduced/tried certain products/services
- products/services appeared in the background of a programme
- the plot/programme content gave prominence to the relevant products/services
- the host/character of a programme gave favourable remarks for or encouraged the use of certain products/services, or the dialogues/plot of a programme had the effect of promoting the products/services concerned

6.2 Participants generally found that “the host/character of a programme gave favourable remarks for or encouraged the use of certain products/services, or the dialogues/plot of a programme had the effect of promoting the products/services concerned” the least acceptable as a form of product placement. They considered that such form of product placement contained prominent promotional reference/element which amounted to advertising and rendered the programme too commercialized. Viewers would find this form of product placement objectionable as the integrity of the programme would be affected by such unnatural presentation.

6.3 Regarding the form of product placement “products/services appeared in the background of a programme”, the participants generally considered that if the shooting was made on location (such as the coverage of a product release event with the brand names/trademarks appearing on the backdrop) and that the showing of products/services was contextually justified, viewers would

find the presentation natural. The exposure of the relevant products/services in the programme would not obtrude on viewing pleasure. Instead, if TV stations made editing efforts to “blur” or “mask” the brand names or trademarks shown at the backdrop, it would be obtrusive to viewing pleasure. In addition, there were views that the way of featuring products in the background of a programme should follow the real-life setting, otherwise viewers would find it awkward.

- 6.4 As for “the plot/programme content gave prominence to the relevant products/services”, there was comment that if the product placement was presented in a natural manner and relevant to the plot, viewers would find this form of product placement acceptable even if it had the effect of giving prominence to the products/services concerned. However, some considered that such form of product placement placed too much prominence on the relevant brand and would give viewers the impression of “hard selling”.
- 6.5 Many participants considered that “products used as props in the context of the plot/contents of a programme” as a form of product placement was acceptable, but some considered it unacceptable as it would distract viewers’ attention. If there were frequent exposures or even close-up shots of such “props”, viewers would find the presentation awkward and uncomfortable. However, participants generally considered that if the exposure of the products concerned was close to reality and not too long, it would not obtrude on viewing pleasure.
- 6.6 Views were divided as to whether the form of product placement that “the host used certain products for demonstration or introduced/tried certain products/services” was acceptable. Those who found it objectionable pointed out that the same product was often featured in a deliberate manner in each single episode of the relevant programme and such repeated exposure was gratuitous. They also found such form of presentation far from reality and “hard selling”. However, there were comments that, if the same product was only featured in certain episodes of the series, it would become more natural and acceptable. Besides, some pointed out that viewers’ acceptance of such form of product placement would also be affected by the type and nature of the programme in which it was employed. Viewers would not find it objectionable if it was employed in programmes specifically produced for introducing a particular type of product/service as they had already anticipated the possible inclusion of promotional elements in such programmes.

7. Opinions on the Employment of More Product Placement by Free TV Stations

7.1 Noting that free TV stations were facing more vigorous competition, the participants generally considered it acceptable for them to employ more product placement in programmes for the purpose of increasing revenue and in turn enhancing the quality of programmes, provided that product placement was presented in a natural and creative manner and not obtrusive to viewing pleasure.

7.2 Some however found it unacceptable for TV stations to employ more product placement for the purpose of increasing revenue due to the concern that programme quality would be compromised by the inclusion of more advertising elements in programmes. They criticised such approach as putting the cart before the horse. To increase their revenue, TV stations should improve the quality of their programmes rather than employing more product placement.

7.3 There was also suggestion that, if TV stations were allowed to employ more product placement in programmes, the duration of commercial breaks should be shortened correspondingly so as to safeguard the interest of viewers.

8. Forms of Advertising for Increasing TV Stations' Revenue

8.1 Some considered that the proposal to slightly lengthen the duration of commercial breaks in each clock hour (say 1 to 2 minutes) for increasing free TV stations' revenue was acceptable since its impact on viewers was minimal. Some however objected to such proposal because there had been too many advertisements. Increasing the duration of commercial breaks would reduce the time for broadcasting programmes, thereby affecting the programme quality.

8.2 More participants supported the proposal to allow TV stations to employ product placement more extensively in certain types of programmes. For lifestyle and entertainment programmes (such as travelogues, cooking programmes and dramas), the products concerned were generally more relevant to the content of such programmes. Viewers would find it acceptable provided that product placement was presented in a natural and sensible manner.

8.3 Most participants considered it unacceptable for TV stations to employ product placement more extensively in programmes which were shown without commercial breaks. In the absence of commercial breaks, TV stations would tend to place more products in programmes to make up for their loss and this would adversely affect the quality of programmes. Besides, viewers had long been accustomed to commercial breaks during which they could take a break or deal with other matters. On the other hand, some participants found this proposal acceptable. If programmes could be shown without commercial breaks, it would enhance viewing pleasure. Dramas, music programmes, movies and live sports programmes would be particularly suitable for adopting this mode of showing.

9. Need for Regulation of Product Placement

9.1 The participants generally considered that in order to avoid excessive use of product placement, it was necessary to regulate the employment of product placement in free TV programmes. There was also comment that whilst regulation of product placement was necessary, the regulatory standards could be relaxed.

9.2 However, some considered that regulation of product placement in free TV programmes was not necessary and favoured a market-driven approach. If the employment of product placement became abusive and resulted in a loss of viewership, TV stations would take measures to rectify the situation.

10. Regulatory Requirements for Product Placement

10.1 The participants generally considered it necessary to impose the following four regulatory requirements for product placement –

- ensure distinction between programmes and advertisements/advertising contents
- prevent programmes from having prominent effect of promoting products/services
- clearly inform viewers that the programmes contain advertisements/advertising contents

- avoid affecting the integrity and attractiveness of programmes
- 10.2 Some opined that the requirement to “avoid affecting the integrity and attractiveness of programmes” could preserve viewing pleasure. Some however held that this requirement could not be effectively enforced in the absence of objective standards.
- 10.3 There were views that the requirement to “clearly inform viewers that the programmes contain advertisements/advertising contents” could ensure that viewers were aware of the inclusion of advertising content in a programme, lest they might be misled. Some however considered that viewers of Hong Kong were generally able to distinguish programme content from advertisement/advertising material and hence such requirement was unnecessary.
- 10.4 There were views that the requirement to “prevent programmes from having prominent effect of promoting products/services” could ensure that no advertising/promotion of product was featured in a programme. This would prevent a programme from turning into an advertisement and safeguard viewers’ interest.
- 10.5 On the other hand, there was comment that the requirement to “ensure distinction between programmes and advertisements/advertising contents” could hardly be enforced and would hinder creativity of TV stations.

11. Approach for Regulating Product Placement

- 11.1 Some considered it more appropriate to adopt general principles instead of detailed rules/guidelines (e.g. limiting the duration and the proportion of the screen allowed for product placement in a programme, etc.) in regulating product placement. Adopting general principles would provide more flexibility to TV stations and offer more room for creativity. It would also enable TV stations to adjust the use of product placement to cater for the changing preferences and expectations of the viewing public. On the other hand, adopting detailed rules/guidelines would hinder creativity of TV stations and undermine programme quality. Moreover, such an approach was not cost effective as considerable resources would be involved in production and regulatory enforcement.

11.2 Some however took the view that it would not be easy to apply general principles to the regulation of product placement as general rules were abstract, leaving many grey areas in the regulation. As such, it would be more appropriate to adopt detailed rules/guidelines in regulating product placement as it would provide clear and specific standards to facilitate production and regulatory enforcement.

11.3 In addition, some considered that a hybrid regulatory approach combining the use of both general principles and detailed rules/guidelines should be adopted as they could complement each other.

12. Identification Requirement for Programmes Containing Product Placement

12.1 The participants generally agreed that TV stations should give a clear advice at the start of a programme to inform viewers of the inclusion of product placement in the programme. This would facilitate viewers to make an informed decision about viewing and assist parents in providing guidance to their children.

12.2 Some however considered such an advice not necessary since viewers nowadays were generally well aware of possible inclusion of product placement in programmes.

12.3 There was also comment that such an advice would become necessary only if the programme contained a considerable amount of product placement.

12.4 Regarding how the advice should be provided to viewers, some considered it sufficient to provide the advice at the start of the programme to avoid obtruding on viewing pleasure. Some however suggested that it should be made whenever the programme resumed after commercial break to cater for those who did not watch the programme from its beginning.

13. Regulation for Self-productions and Acquired Programmes

13.1 The participants generally considered that whether TV stations would receive consideration for the product placement featured in a programme should not be an important factor in the consideration of the regulation of product placement. Viewers were only concerned about whether the product

placement was presented in a natural manner and whether it would affect the programme integrity, but not whether TV stations had received consideration.

- 13.2 On the other hand, there were views that TV stations might not necessarily receive consideration for the product placement featured in acquired programmes. Moreover, Hong Kong viewers might not be aware of the brands featured in overseas productions, and the impact of such product placement on viewers would be minimal. Therefore, should a TV station receive no consideration for the inclusion of product placement in an acquired programme, the relevant programme could be subject to more relaxed regulatory standards.
- 13.3 There was comment that product placement in acquired productions should be subject to more relaxed rules. Regulatory requirements in overseas jurisdictions might not be the same as that in Hong Kong, and that TV stations generally had no editorial control over the product placement featured in acquired programmes. Editing efforts taken by TV stations (e.g. removing the relevant material) to ensure compliance would affect the integrity of programmes and viewing pleasure. It would be a loss to Hong Kong viewers if acquired programmes of a high quality could not be broadcast merely due to local regulatory requirements.
- 13.4 Some however considered that the same regulatory requirements should apply to both self-productions and acquired programmes. The product placement featured in acquired programmes might also target viewers of recipient countries and aimed at promoting the product concerned. To plug any regulatory loopholes, the same set of rules should apply on the grounds of equity. Furthermore, if acquired programmes were subject to more relaxed rules, TV stations would tend to broadcast more acquired programmes, thereby affecting the development of local creative industry.
- 13.5 Some pointed out that programmes acquired by TV stations could be produced locally or overseas. Notwithstanding this, they should be subject to the same set of rules governing product placement as the product/service featured in both types of programmes would have the effect of promoting the product/service concerned. Should different rules be applied, TV stations might get around the rules by acquiring those programmes produced by themselves from one another.

13.6 However, some held that those programmes acquired from overseas could be subject to more relaxed rules than acquired local productions because local TV stations were unlikely to have control over those overseas productions.

14. Product Placement in Programmes on Free TV and Pay TV

14.1 There were views that product placement in pay TV programmes was less acceptable when compared to that in free TV programmes. As pay TV subscribers paid for the service, they tended to expect better programme quality without too much advertising content (including product placement). As free TV stations mainly relied on advertising revenue, viewers would consider product placement within free TV programmes more acceptable. Therefore, pay TV services should be subject to more stringent standards than free TV services in respect of the regulation of product placement.

14.2 Some held that there was no major difference in viewers' acceptance towards product placement featured on free TV and pay TV. It was understandable that product placement, as a business practice to generate income, would be featured on both free TV and pay TV services. Viewers' acceptance towards product placement mainly depended on whether it was presented in a natural manner. Whether the product placement was shown on free TV or pay TV was not a matter of concern to viewers. Besides, as many programmes were currently shown on both free TV and pay TV services, imposing different regulatory standards on the two platforms would be confusing to viewers or even TV stations.

14.3 However, some pointed out that product placement in pay TV programmes was more acceptable when compared to that in free TV programmes. Unlike free TV services which operated on public airwaves, pay TV services had a smaller audience base and therefore needed to rely more on advertising revenue. Moreover, pay TV subscribers might choose to terminate the service if they were dissatisfied with the quality of pay TV programmes or the product placement featured therein. Therefore, when compared to free TV services, pay TV services should be subject to more relaxed standards in respect of the regulation of product placement.