

Government Ads Buying in Taiwan

2022 Spring 媒體, 政治, 全球化 Term Paper

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Introduction

Demand

Gov's incentive to control media:

- Scandals
- Low reputations
- Incoming elections

Supply

Media's willingness to change their content

- Ads revenue from non-government sectors
 - Baldasty (1992), Petrova (2006): Prosperous ads market in late-19th boost independent news
- Media owner's preferences

Data

- Government tenders from 政府電子採購網
 - 1999 - 2021
 - Keywords: 宣傳、宣導、推廣、廣告、報導、行銷、形象
 - Involved by major media conglomerates in Taiwan
- Variables: Issuer / Time / Winner / Value

111 年就業服務宣導新聞媒體委外服務專案

臺北市政府就業服務處、[勞務類] 871 廣告服務、準用最有利標

投標 Bid	中國時報文化事業股份有限公司	46,000
投標 Bid	旭豐多媒體行銷有限公司	48,000
投標 Bid	自由文化事業股份有限公司	46,500
投標 Bid	聯合報股份有限公司	48,000

Figure 1: Model of a Tender

Table 1: Summary Statistics

Variable	N	Mean	Std. Dev.	Min	Pctl. 25	Pctl. 75	Max
ruling	2412						
... DPP	783	32.5%					
... INDEP	272	11.3%					
... KMT	1354	56.1%					
... 親民黨	3	0.1%					
competitors	2412	3.322	2.764	1	1	4	28
totalWinner	2412	1.799	1.699	0	1	2	24
valueAward	2361	2944932.046	3791071.596	230	800080	3890000	60463000

Empirical Findings

Upward Trend in Buying Ads

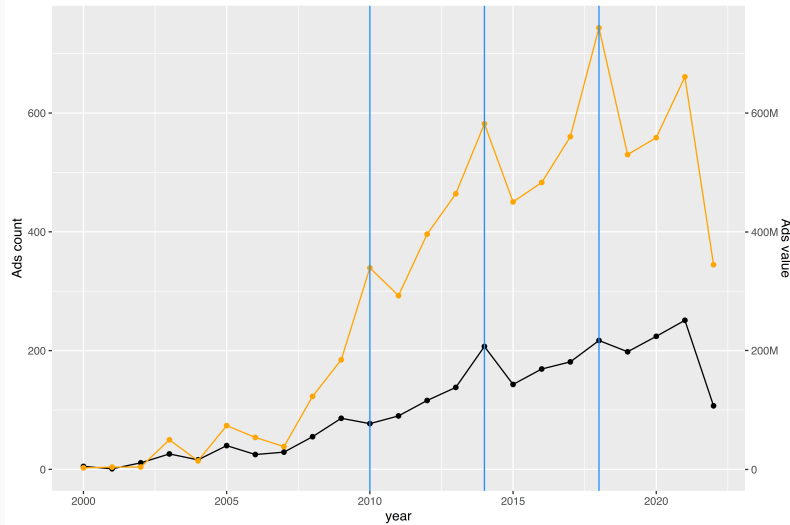


Figure 2: Gov' Ads Quantity and Value by Year

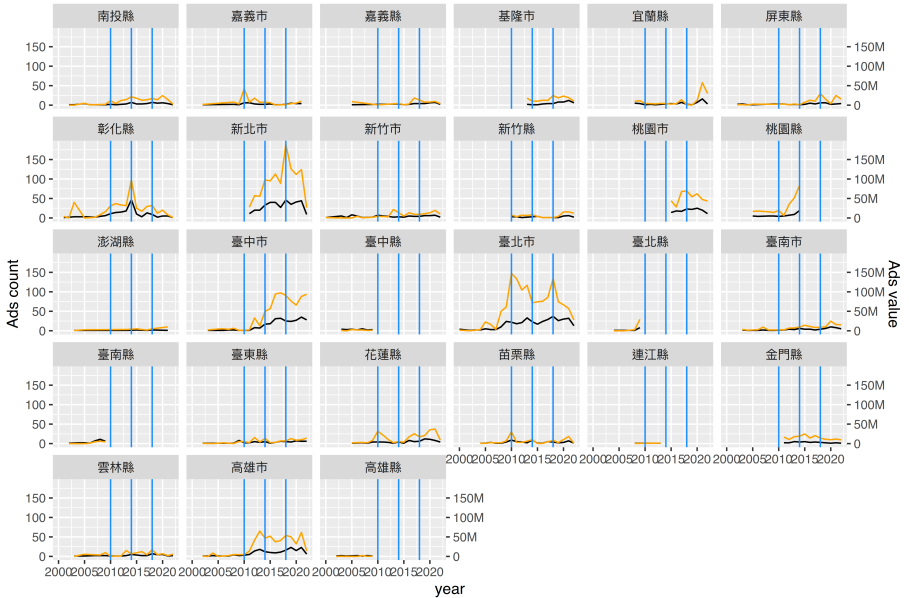


Figure 3: Gov' Ads Quantity and Value by County, Year

Ads Buying in Election Years

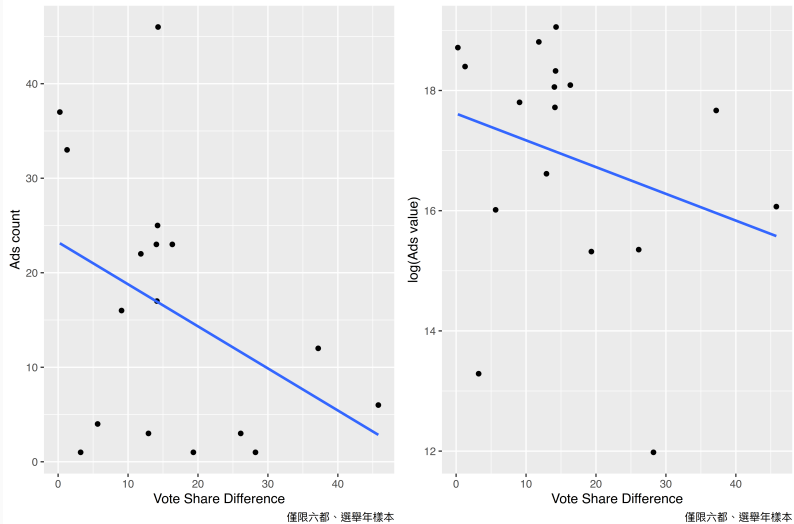


Figure 4: Correlation Between Fierce Competition and Ads

Partisan Preference on Ads Budget

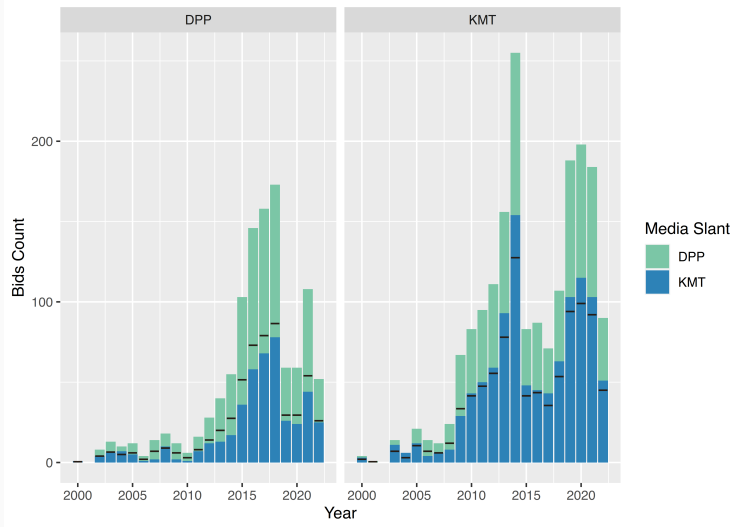


Figure 5: Number of Bids Won by Different Slant

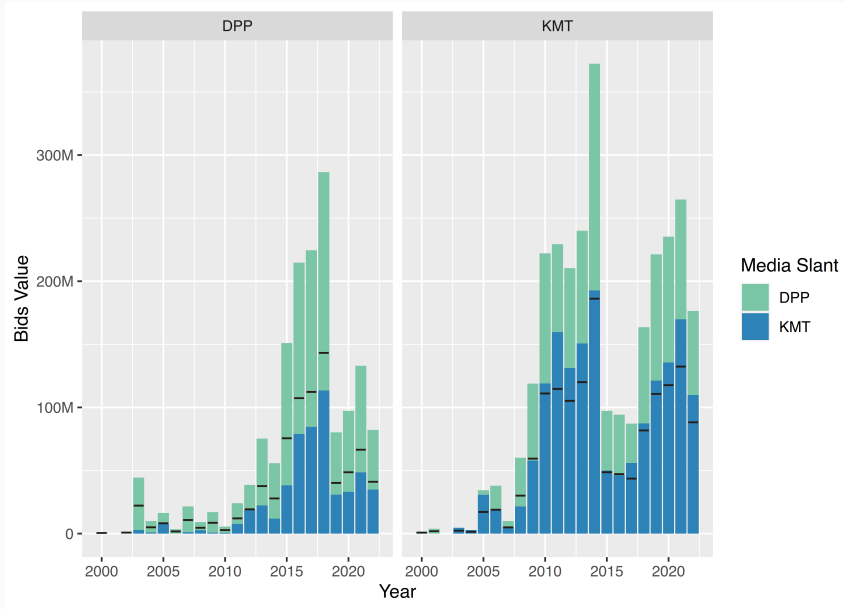


Figure 6: Value of Bids Won by Different Slant

Governors' Preference on Aligned Media

Sample:

Bids to tenders that were...

- opened by KMT/DPP local governments.
- involved by both pan-blue/green media
 - 旺中、聯合、TVBS、自由、三立、民視
- governed by “Most Advantageous 最有利標” rule

Outcome

- Winning or not
- $\ln(\text{Value of the bid})$

OLS Specification

$$Y_{itcm} = \beta_0 + \beta_1 \text{Alignment}_{tcm} \times \text{Ruling}_{tc} + X_i + \delta_t + \delta_c$$

for bid i , year t , opened by county c , and issued by media conglomerate m

Table 2: Summary Statistics on Regression Sample

Variable	N	Mean	Std. Dev.	Min	Pctl. 25	Pctl. 75	Max
ruling	1256						
... DPP	489	38.9%					
... KMT	767	61.1%					
slant	1256						
... DPP	479	38.1%					
... KMT	777	61.9%					
winner	1256						
... No	320	25.5%					
... Yes	936	74.5%					
competitors	1256	6.649	2.376	2	5	8	26
totalWinner	1256	4.438	2.354	1	3	6	10
valueAward	1256	5573532.826	3357681.298	295000	3e+06	7700000	23999300

Table 3: Regression: Winning

	Full	Full (FEs)	Full (by Ruling Pty)	Post-2011	Post-2016
alignment	0.093*** (0.022)	0.092*** (0.023)	0.150*** (0.037)	0.149*** (0.038)	0.182*** (0.044)
alignment × ruling=KMT			-0.096* (0.047)	-0.075 (0.048)	-0.140* (0.059)
competitors	-0.059*** (0.006)	-0.055*** (0.007)	-0.055*** (0.007)	-0.054*** (0.007)	-0.047*** (0.008)
totalWinner	0.115*** (0.005)	0.111*** (0.005)	0.110*** (0.005)	0.108*** (0.005)	0.096*** (0.007)
Num.Obs.	1256	1256	1256	1179	758
R2 Adj.	0.310	0.307	0.309	0.312	0.278
Std.Errors	by: filename	by: filename	by: filename	by: filename	by: filename
FE: county		X	X	X	X
FE: year		X	X	X	X
p-value: Alignment × KMT = 0	NA	NA	0.0657	0.0262	0.3553

+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

Table 4: Regression: Bid Value

	Full	Full (FEs)	Full (by Ruling Pty)	Post-2011	Post-2016
alignment	0.021 (0.032)	0.029 (0.031)	0.199*** (0.051)	0.181*** (0.049)	0.174** (0.057)
alignment × ruling=KMT			-0.278*** (0.063)	-0.259*** (0.061)	-0.165* (0.072)
competitors	0.061*** (0.013)	0.050*** (0.014)	0.051*** (0.014)	0.045** (0.014)	0.008 (0.015)
totalWinner	-0.161*** (0.014)	-0.155*** (0.015)	-0.156*** (0.015)	-0.151*** (0.015)	-0.118*** (0.016)
Num.Obs.	1572	1572	1572	1433	915
R2 Adj.	0.154	0.238	0.244	0.261	0.261
Std.Errors	by: filename	by: filename	by: filename	by: filename	by: filename
FE: county		X	X	X	X
FE: year		X	X	X	X
p-value: Alignment × KMT = 0	NA	NA	0.206	0.1934	0.7816

+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

Remarks

- Increased ads spending in election year, suggesting incumbency advantage.
- Both KMT and DPP have preference toward aligned media
 - while KMT prefers equalizing the value of tenders, DPP prefers giving pro-green media valuable cases
- Potential omitted variables
 - Media's quality
 - Differed public opinion might change governments' preference on buying ads