**An ethical evaluation of product placement: a deceptive practice?**

Chris Hackley, Rungpaka Amy Tiwsakul and Lutz Preuss

Chris Hackley, Royal Holloway University of London.

Rungpaka Amy Tiwskul, School, Durham University.

Lutz Preuss, Royal Holloway University of London.

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*Product placement, the practice of placing brands into non-advertising media, is a growing marketing phenomenon, which has received relatively little attention from business ethicists. Such attention is timely because the UK regulatory framework for television product placement is under review at the time of writing. In this paper, we seek to locate product placement in relation to traditional frameworks of marketing ethics. We suggest that this location is problematic because product placement is a form of marketing communication in which the message, the sender and the precise intention behind a brand seen in a television (TV) show, movie or computer game are often implicit. We suggest that the possibilities for an ethically principled regulation of product placement rest on two key issues: (1) the*

*extent to which programme makers, media owners and brand owners make their product placement strategies explicit to audiences, and (2) the degree of commercial sophistication, which regulators attribute to non-expert entertainment audiences.*

“You are watching a local drama and notice the vase on the table. Then you think how it would suit your living room, so you pick up your remote control and click on the vase on the screen. The drama stops, and you are transported to an on-line shopping site with the vase for sale.” (Spence & van Heekeren 2005: 102)

**Introduction**

Marketing practices raise a number of wellrehearsed ethical issues (Packard 1957, Hunt &

Vitell 1986, Robin & Reidenbach 1987, Smith 1995, Murphy et al. 2005, Spence & van Heekeren 2005). At the macro level, there are issues of sustainability and waste of resources through overconsumption. Marketing, and especially marketing communication, is often implicated in such arguments on the basis that its activities encourage overconsumption by fostering greed and materialism. Because marketing operates at the hub of wealth creation, it attracts, by default, much of the general criticism directed at capitalism concerning the erosion of natural resources and the destruction of the environment. Advertising and promotion possibly attract the keenest public criticism of all because they represent the

most visible aspect of marketing. Advertising, in particular, is regarded by some as a fount of greed and materialism, while it also stands accused of damaging public manners and moral sensibilities (e.g. Pollay 1986, Hackley & Kitchen 1999) and of sustaining negative stereotypes of race, gender or body type.

At the micro level, marketing attracts many criticisms for specific cases of deceit or subterfuge, such as inaccurate or misleading food labelling or differential price advertising. These criticisms arise in spite of legal constraints on what can be claimed or implied about marketed products and services. There has also been widespread criticism of marketing practices promoting products that can be harmful to health, especially high-fat and high-salt foods, cigarettes and alcohol. Concern around the marketing of these products is heightened with respect to vulnerable groups such as the poor or children (Nicholls & Cullen 2004).

Finally, at the industry level, marketing activity links powerful interests and acts to marketise

other areas of life through, for example, its influence in the media, which depends on marketing revenues (Reuter & Zitzewitz 2006). Marketing can be seen, in this way, to undermine the values of independent journalism and editorial freedom because it filters media coverage through commercial imperatives, which order the prominence stories receive. Consequently, marketing in general is sometimes seen as a force that undermines free speech and political debate in the interests of global business.

Product placement not only embraces all these ethical problems, but also goes beyond them

because of the difficulty of categorising it as a marketing practice. It appears to have elements

of many other marketing techniques such as branding, promotion, celebrity endorsement,

sponsorship, public relations and advertising, but, crucially, it is based on communication that, typically, does not reveal its source, motive or, indeed, its very message. This makes ethical evaluation particularly problematic. Below, we will outline the practices of product placement and introduce some initial issues of ethics and regulation. We will then draw on formal ethical theory to seek and locate product placement as an object of ethical analysis, which does not fall neatly into pre-conceived categories of marketing ethics.

**Product placement: what is it?**

Product placement, the practice of placing brands in the scene or script of mediated news and

entertainment, is also sometimes referred to as brand placement or even entertainment marketing because it has migrated from movies to TV and radio programming, computer games, books, popular songs and stage plays (Hackley and Tiwsakul 2006). Product placement has been common in Hollywood movies since the early 1920s with deals with cigarette, cola and motor car manufacturers (Fristoe 2005), but the practice was not widely publicised because it might be thought to impugn the creative integrity of the feature. Today, it is common for movie pre-publicity to refer explicitly to brand tie-ins and placement deals, although some studios still remain coy about the extent to which product placement influences the set design and plot of the movie, possibly because they are concerned that

too much consumer knowledge might undermine the surreptitious impact of implicit marketing (Wnek 2005: 20). It is not uncommon for brand owners to try to create dramatically resonant placements by liaising closely with studios in the creative development

stage of new mediated entertainment products (Hackley 2003). The aim is to integrate

brands seamlessly into the feature as part of the plot or characterisation, thus enhancing the

verisimilitude and dramatic force of the scene. Concomitantly, product placement also confers added prestige for the placed brand through exposure in the enhanced reality of a movie.

Where placements are poorly integrated into the TV show or movie, they tend to be resisted by consumers because of the detrimental effect clunking placements have on the quality of the viewers’ entertainment experience (Tiwsakul & Hackley 2007). The potential benefits of product placements to brands are well established, with some notable sales increases of the order of 65% attributed to movie placements (Gupta & Lord 1998, Karrh 1998).

Product placement is common today internationally in all genres of mediated entertainment. It is a broad category of marketing, which embraces explicitly announced sponsorship arrangements as well as implicit placements. Product placement has evolved into a ‘hybrid’ promotional technique (Ford 1993, Baker & Crawford 1995), which combines elements of celebrity endorsement, public relations and sponsorship. The techniques available can be broadly categorised on two dimensions: explicit/implicit and integrated/non-integrated

(Tiwsakul et al. 2005). Put simply, product placement incidents may be referred to (e.g. ‘Friends is sponsored by Jacob’s Creek’) or not. Product placement may be integrated into the media vehicle by, say, the use of a branded product as a prop in a scene or as a word in the script, or non-integrated as in the short-sponsored animations promoting Cadbury’s chocolate placed in the UK TV soap ‘Coronation Street’ after the opening titles as well as after and before the commercial breaks.

Implicit product placement has drawn relatively little attention from ethical theorists or, indeed, regulators, despite suspicions that the practice is increasing in scale and subtlety. The key marketing strength of this kind of promotional practice is also the main source of ethical problems: consumers are not necessarily aware that the brand reference they see within their entertainment has a promotional motive. It is effectively a ‘hidden’ promotion (Balasubramanian 1994). Even where sophisticated consumers are aware of the practice,

there is no opportunity for them to cognitively separate the brand reference from its context

within the entertainment. Hence, in its implicit forms product placement offers no opportunity for rational dialogue between advertiser and consumers, and no real separation between editorial and advertising. Some theorists have suggested that what is implied in promotion can be more powerfully suggestive than what is explicitly stated (see, e.g.,

Tanaka 1994), and this is part of the rationale for ‘weak’ theories of advertising effect (Hackley 2005). These theories depart from the traditional notion of advertising as mediated salesmanship and, instead, suggest that sales effects resulting from advertising and promotion are caused by less direct factors, such as the maintenance of the credibility and the relevance of the brand (Jones 1990, Ehrenberg et al. 2002). ‘Weak’ theories of advertising effect can explain the popularity of product placement with brand owners. Some argue that it is the best method of brand marketing ever conceived (Danesi 2006), because it links brands with popular culture and entertainment.

**Regulation of product placement**

An ethical analysis of product placement is particularly timely because the UK communications regulator, the Office of Communications (Ofcom) is, at the time of writing, engaged in a consultation on a proposed new code of practice for product placement in TV programming. This case, of limited relevance in the international context, does serve to underline some of the problems of the apparent disconnection between regulation and ethics in this area. Ofcom has rules governing product placement on TV within its overarching Ofcom broadcasting code (http://www.ofcom.org.uk/tv/ifi/codes/bcode/). This code

does not include the BBC, which is a non-commercial broadcasting organisation regulated

by its own governors. The code includes a section on ‘Commercial references and other matters’. Within this section, three principles are specified (under Section 10): (1) broadcasters must maintain full editorial control over programme content, (2) editorial and advertising must be clearly separated, and (3) product placement is prohibited (http://

www.ofcom.org.uk/tv/ifi/codes/bcode/commercial/).

Notwithstanding these rules, product placement does take place in UK TV, even on the BBC.

A piece of investigative journalism in the UK national Sunday Times of 18 September 2005

suggested that paid-for product placement on both commercial TV and BBC is practised, in

contravention of the Ofcom rules.1 The UK TV product placement industry ostensibly operates under the guise of ‘free prop supply’. Agencies take retaining fees from brand clients to offer their branded goods to TV studios as free props. In response to scepticism about the integrity of this system, Ofcom has announced the consultation and review of TV product placement practices (http://www.ofcom.org.uk/consult/condocs/product\_placement/). Key to this consultation is the ‘separation principle’, whereby promotional content in TV should always be clearly separated from editorial content. Comments from within the industry suggest that the present system is impractical and will be changed to allow paid-for product placement in line with the regulations in most other countries. The industry is in favour of this, because broadcasters are seeking new revenue streams to fund entertainment shows and to replace shrinking revenues from conventional advertising slots. The marketing communications industry is also interested in the persuasive leverage a placed brand

generates, because consumers are becoming more sceptical about and impatient towards conventional advertising. An additional appeal of product placement is that it is relatively inexpensive compared with conventional advertising. So it appears that commercial imperatives may coincide with public policy initiatives to allow TV product placement in the UK within the next two years. Given this, it is important that ethical perspectives contribute to policy debates. However, so far there has been relatively little attention given to product placement by business ethicists.

**Perceptions of consumers on the ethics of product placement**

Previous research in this area has investigated the perceptions of consumers regarding the ethics of product placement. Generally speaking, consumers are at ease with product placement with some relatively minor qualifications. Research grouped ethical concerns into two main aspects: general ethical concerns about the practice and specific concerns about the particular product categories (Gould et al. 2000, McKechnie & Zhou 2003). One of the strongest criticisms of product placement concerns the feeling among some consumers that it entails ‘subliminal’ or ‘subconscious’ promotional effects (Gupta & Gould 1997, Morton & Friedman 2002). It can, it is assumed, affect people below their level of conscious awareness, so that they are not necessarily able to control their acceptance or rejection of the product placement messages. Another major concern with the practice of product placement is that some people perceive it as a deceptive practice because it may cause people who are

unaware of the persuasive intent of the product placement to engage in purchase behaviour

(DeLorme & Reid 1999). In addition to the general concerns voiced about the ethics of product placement as a tacit promotional technique, particular objections have sometimes been raised about specific product placement categories. Children are seen as a particularly vulnerable group when it comes to product placement. This is because they have not yet developed sensitivity to this type of subtle promotional tool (Avery & Ferraro 2000). It is

widely accepted that children are not aware of the commercial motive behind conventional advertising until around 10 years of age, although their recall of brands seen on TV begins almost as soon as conscious awareness occurs (Gupta et al. 2000, Gunter et al. 2005). Even so, it is common for children’s cartoon series to be given free of charge to TV channels, because they are promotional devices for the hugely profitable action-figure toy business. Here, the promotional effect is the key rationale for programme making, yet because children have no voice in public debate it passes virtually without comment. On the other hand, sponsorship of adult TV shows and, in particular, the relationship between sponsor influence and TV show content, are closely scrutinised by regulatory bodies.

Concerns have been expressed by consumers about the ethics of promoting particular product

categories using product placement. Ethically charged products as defined in Gupta & Gould’s (1997) study included alcoholic beverages, drugs and other medical products, tobacco and guns. While promotion of these product categories arouses general concern with regard to conventional advertising, this is exacerbated with product placement because of the perception that regulatory authorities exercise a relative lack of control over promotions in this context. While there are codes of practice concerning television sponsorship, product placement deals are often struck between the studio and the brand owner, and can cover script content and scene props. Such deals can evade the scrutiny of bodies responsible for advertising and promotion, because they fall within the editorial control of producers.

**Product placement and conventional marketing ethics**

Utilitarianism

Ethical evaluation of marketing practices has generally used three major strands of moral

philosophy, namely utilitarianism, deontology and virtue ethics (Robin & Reidenbach 1987).

A utilitarian evaluation of marketing is likely to foreground its usefulness to society, the fact that it – at a micro level – aids mutually agreed exchanges between producers and consumers,

while – at a macro level – enables society to enjoy the benefits of the division of labour. However, consumer satisfaction does not necessarily translate into net benefits to society. The marketing of harmful products, such as tobacco, may well lead to an increase in perceived consumer benefits but also to longer-term disbenefits in the form of illness and premature loss of life (Laczniak & Murphy 2006). Such losses of utility would be

reflected in a utilitarian account too. Product placement, then, falls within conventional marketing ethics in the sense that it is part of the generally beneficial wealth-creating machinery of marketing, which sometimes deals in products and services that may carry disbenefits. The ethical concerns of consumers regarding product placement noted in the previous section fit into this category – product placement of guns and cigarettes, for example, may be seen as unethical by some consumers. However, many consumers might perceive the marketing of such products to be intrinsically unethical, regardless of the particular marketing technique used.

Deontology

Deontological ethical perspectives similarly apply to the marketing of products that may be harmful. However, there may be some application to the special issues raised by product placement. The Categorical Imperative developed by Immanuel Kant (1785/1898: 38) stated that ethical actors should: ‘Act only on that maxim whereby thou canst at the same time will that it should become a universal law’. Clearly, this can refer to the marketing of potentially harmful products, but it could also refer to unethical methods of marketing ethical products. The implications of the universalisation argument were pointed out as early as 1957, when Packard (1957) criticised the increasing persuasiveness of advertising campaigns on the grounds that they lead to a general distrust in organisational communication. Product

placement is a good example of organisational communication, which could be seen as

deceptive in the sense that its commercial purpose is often not explicitly revealed at the time the communication takes place. Consequently, overuse of such a method might undermine consumers’ sense of trust in all kinds of organisational communication related to marketing and, in the long term, damage the wealth-creating propensity of marketing activity.

A second version of Kant’s Categorical Imperative requires a decision maker to ‘act as to

treat humanity, whether in thine own person or in that of any other, in every case as an end, never as means only’ (Kant 1785/1898: 47). In other words, marketing too should always be of service to the people. A common criticism of marketing from a deontological perspective was expressed by Waide (1987), who sees a disconnection between the goal of marketers to get consumers to buy the advertised products and any desire to improve the lives of people in their target markets. This applies to product placement, but there is an additional issue raised by its ambiguous status as a marketing communication. It is very difficult to establish whether a product placement initiative is indeed serving the people because of the difficulty

of defining what is happening in the communication. Is a brand featured in entertainment making an offer? Is it making claims about the product? Is it making claims about the manufacturer’s credibility? To be more precise, ethical evaluation of a marketing method requires some kind of definition or broad agreement as to what the method entails. With respect to a communication-based marketing method, there needs to be some kind of agreement on what the communication contains, always difficult given the polysemic character of advertising in general (Hackley 1999). Where such agreement is not possible, ethical evaluation cannot proceed, unless the very lack of agreement results in the communication being deemed deceitful. But on the other hand, if neither the content of the communication nor the motive (or identity) of the communicator can be established with finality, deceit cannot be proven. Arguably, it is the very indeterminacy of product placement

as a marketing method, which is its ethically most problematic aspect, as well as being its greatest commercial virtue.

Virtue ethics

Virtue ethics may provide the most telling critique of product placement because it focuses on the character and intentions of the person initiating the action rather than the intrinsic ethical status of the act itself. In his Nicomachean Ethics, Aristotle (1985) suggests that humans should apply reason to avoid both excess and deficiency in their actions. Over time they can internalise such thinking and develop virtues, i.e. character traits that enable a person to lead a good life. Packard (1957: 210) implicitly built on an Aristotelian foundation when he called the manipulation of people’s psyche through advertising ‘disrespectful to the individual personality’. Indeed, there seems to be room for a call for marketing to exercise moderation and prudence (Robin & Reidenbach 1987).

An ethical evaluation of marketing practices thus needs to consider the intent of marketers, the ways in which a particular campaign is executed as well as its consequences (Laczniak & Murphy 2006). A problem here is the extent to which marketing initiatives, and especially marketing communications initiatives, can be attributed to a single individual. Most marketing communications initiatives are a team effort (Hackley & Kover 2007). No doubt, in some cases, an individual can be singled out as the prime mover in a marketing initiative, but even then motives are necessarily complex because many stakeholders have interests in business activity. Shareholders, managers, employees and government all have a stake in the success of marketing, as well as consumers. Arguably, only criminal business activity could have a naıvely selfish motive attributed to it. In marketing, legality must be the main criterion for judging the ethical status of the motive. As we will see below, product placement activities in the United Kingdom seem to have transgressed regulatory guidelines on many occasions, though in the service of legal and legitimate commercial ends.

A virtue perspective, though, cannot focus exclusively on intent while neglecting the special

circumstances regarding, say, the societal impact of marketing activity. In particular, the nature of the product, the degree of consumer sovereignty and the degree of market segmentation seem to be critical variables in such an evaluation (Nwachukwu et al. 1997, Cui & Choudhury 2003). Consumer sovereignty concerns the capability of consumers to understand the benefits and risks associated with a particular product, the amount of information they have to judge as to whether their expectations are going to be met as well as

their opportunity of going elsewhere (Smith 1995). Clearly, a marketing campaign directed at

well-informed and sophisticated consumers who have the choice to take their custom elsewhere differs in ethical terms from advertising to children who cannot distinguish between TV programmes and advertising (McNeal 1992, Nicholls & Cullen 2004). Furthermore, consumer sovereignty is likely to be product-specific as an individual may be sophisticated and knowledgeable in relation to one product but not another (Nwachukwu et al. 1997). This seems a key issue in ethical evaluation of product placement. If large numbers of consumers are well aware of the technique of product placement, then can it be argued to have ‘subliminal’ or ‘subconscious’ effects? Many young consumers do, indeed, seem to be cognisant of the nature and extent of product placement as it occurs in movies, TV shows and other mediated entertainment products (Tiwsakul & Hackley 2007). However, the extent of sophistication is clearly going to vary among different market segments. Moreover, the extent

to which even a sophisticated audience is self aware of a product placement communication

while they are engaged in the enjoyment of dramatic entertainment is very difficult to establish.

Many consumers will argue in all sincerity that they are not influenced by advertising, but

this claim seems no more plausible than the claim that knowing about product placement as a

marketing technique renders one immune to deception. For more commercially naı¨ve consumers, product placement’s lack of explicitness raises pressing ethical issues. Targeting specific consumer segments through differentiated marketing may violate principles of fairness (Murphy et al. 2005, Spence & van Heekeren 2005). Thus, consumers who are vulnerable due to low economic resources or information deficits, such as lack of appropriate education, financial literacy or emotional maturity, may be easily susceptible to manipulation (Laczniak & Murphy 2006). Conversely, excluding them through discrimination and red-lining is equally controversial in terms of an ethical evaluation (Cui &

Choudhury 2003).

To summarise the discussion so far, there seems to be an argument that marketing serves an

essential economic function by matching customer needs and wants with sellers’ offers. Yet, the precise ways in which this function is accomplished excite considerable ethical debate and disagreement. Such debate is exacerbated by the fact that marketing – like most areas of human activity – does not stand still; new developments throw open novel ethical challenges. One of these is product placement and other implicit marketing techniques, which have increased in incidence through technological developments and broadcasting

de-regulation. Hence, the need arises for an ethical analysis that deals specifically with

product placement, which again can apply a utilitarian, a deontological as well as a virtue

ethics perspective, but also needs to consider situation-specific factors that arise from the

nature of the product, the degree of consumer sovereignty, the implication of market segmentation strategies, the intention of the marketer and, not forgetting, the intrinsic honesty of the method of persuasion deployed.

**Product placement: towards an ethical analysis**

From a utilitarian perspective, it is noteworthy that successful product placement seems to lead to higher sales (although potential utility losses by owners of competing brands would have to be deducted from the overall amount of utility). Assuming that consumers make rational purchase decisions, these higher sales may also be interpreted as a higher degree of consumer satisfaction. Brand owners further benefit from lower production costs, as advertisements do not have to be specially designed and produced. These savings could result in further benefits for shareholders or – to the degree they are ploughed back into the company – for customers or employees. Additionally, there are benefits for movie goers

and TV audiences as the programmes show a greater realism. Overall, a utilitarian evaluation

may well come to the conclusion that product placement is indeed an ethical practice. This is

under the provison that the increased sales are indeed signs of customer satisfaction as can be

reasonably assumed at least for cases of explicit product placement. On the other hand, there is the risk that increased product placement might undermine the quality and the integrity of

mediated entertainment and information, thus reducing social utility even when it increases

economic utility. A key issue here is not the fact of product placement but the ways in which it is regulated and conducted. If it is done in such a way as not to damage the dramatic or informational integrity of the mediated communication in which it appears, then this would lessen the potential that it may undermine the integrity of public communication.

A deontological evaluation might also approve of some aspects of product placement. At the very least it can be described as part of the professional duty of marketers to find new ways of doing their job, in particular to take advantage of changing technological and regulatory circumstances. Under the universalisation demand arising from Kant’s first version of the Categorical Imperative, marketers might find it indeed acceptable to live in a world where product placement plays a greater role than before. It remains doubtful, however, whether product placement can fulfil the second version of the Categorical Imperative, that it fulfils the requirement of treating consumers as persons rather than as means to greater sales to

any greater degree than conventional forms of marketing have done. Furthermore, a deontological evaluation would throw into much sharper focus the distinction between explicit and implicit product placement. The brand owner-financed presence of consumer goods in movies and TV programmes hardly qualifies as an attempt to treat spectators as ends, except in as much as some dramatic entertainment is enhanced through the increased realism or verisimilitude brands confer on scenes.

Virtue ethics, with its focus on moderation and avoidance of excesses, might equally approve of some aspects of product placement, particularly where it enhances the cultural resonance of a film scene. Thus, product placement may contribute to the flourishing of audience, media company and brand owner. A virtuous marketer would, however, also recognise that product placement can be deceptive where it displays characteristics that viewers would expect from the content of a movie or TV programme but not from advertising (Spence & van Heekeren 2005: 106). It is also doubtful whether such hovering at the edge of ethically dubious practices can foster the development of the character traits that are essential to

virtue ethics.

Of the situational factors identified above, the nature of the product echoes the discussion in

marketing generally. The placement of beneficial products would seem ethically less objectionable than that of harmful products, notwithstanding objections to the method itself. The ethical concerns expressed over market segmentation in the discussion above also apply to product placement. Here, too, attempts to interweave products into programmes designed for vulnerable audiences, such as children, would attract a higher degree of ethical condemnation. But as we note above, children’s cartoon TV shows are sometimes financed entirely by linked toy sales. This harks back to the early days of the ‘soap opera’ when entire TV shows were financed by consumer products manufacturers for the purpose of showcasing their brands. The difference, of course, is that children (and their parents) have no knowledge of the contract between cartoon maker and TV network, while viewers of ‘soap operas’

would normally be exposed to some identifiable sponsor information.

Of the three situational factors, it is the degree of consumer sovereignty that is most important here, as the ethical evaluation of a specific example of product placement hinges on the degree to which it is an attempt to blur the lines between entertainment and commercial advertising. If the placement of the product is no longer identifiable as commercial communication, the ability of the consumer to make an informed purchase decision is at risk (Spence & van Heekeren 2005). As the deontological and the virtue ethics – and to a lesser extent also the utilitarian – positions have shown, this is the lynchpin on which the moral character of a product placement hinges.

**A deceptive practice?**

As we note, product placement in movies or TV programmes can have beneficial consequences for many stakeholders, ranging from more realistic scenes for viewers through lower production costs to greater sales of the placed product. The practice has hence met with a degree of approval by audiences of movies and TV programmes (Tiwsakul et al. 2005). It is, however, the implicit nature of much product placement that complicates the picture for ethical analysis. In particular, the deontological and the virtue ethics approaches are critical of the potentially deceptive nature in this marketing practice. Product placement also throws up important challenges from a communication point of view. Firstly, the source of the

communication in product placement can no longer be clearly identified: is it the brand

manufacturer, the TV channel, the producing studio, or the actor who wields the brand or

speaks its name? Secondly, can an intended audience be identified, because the TV show or movie containing product placement is likely to attract a diverse audience, many of whom are not in the target market of the placed brand. Thirdly, what, exactly, is the communication content of a placed brand in the scene of an entertainment vehicle?

These are far from just academic questions. If communication content cannot be established and if communicator and audience cannot be identified with definitive clarity, then how can it be regulated? These challenges for regulation are reflected in consumer perceptions that regulatory authorities exercise a relative lack of control over promotions in this context. While there are codes of practice concerning television sponsorship, product placement deals can evade the scrutiny of bodies responsible for advertising and promotion, because they fall within the editorial control of producers. While a pragmatist would want to acknowledge that the practice is already widespread and point to the economic consequences of calls for increased regulation, it is equally obvious that the principle of separation between editorial

and promotional content in TV no longer works and that new forms of marketing regulation may be required.

There may be one recourse for ethical apologists of product placement. Conventional wisdom

in marketing holds that consumers are more knowledgeable than ever before about the wiles

of marketers. If this is really so, then it could be argued that a proportion of the audience for

mediated entertainment is indeed aware, in general, that brands are often put there with a

commercial motive. If many viewers know about product placement, then the element of deceit would seem to be less severe. Programme makers and brand owners could make the strategic intent of brands in entertainment clear at the beginning of a show with, say, a list of featured brands. However, this would certainly be resisted by both programme maker and brand owner who would value the implicit element of the practice. The extent to which (and the ways in which) programme makers and brand owners are required to make their product placement agreements public and transparent may well turn out to be the prime area for negotiation in ethical and regulatory debates on the matter.

**Concluding comments**

A paradox emerges when discussing the possibilities for ethical regulation of product placement. On the one hand, marketers are keen to play up consumer sovereignty. It is axiomatic in marketing that consumers are more ‘savvy’ than ever before. It is assumed that they (we) are sophisticated about marketing techniques in a way which was not true of previous generations. Underpinning this assumption is the sense that developments in communications technology have facilitated much greater levels of consumer knowledge

not only about products and services, but also about the very techniques of marketing.

Product placement can be seen as just another extension of marketing activity, and one that is far from new. Consumers are used to seeing brands in entertainment – they want to see brands in entertainment (Hackley & Tiwsakul 2006) – so why the concern? Is not overregulation of product placement inherently paternalistic? Does it not assume that regulators and policy makers have to protect consumers from their own naıvete´ ? On the other hand, it may be the implicit, and therefore the potentially deceptive, nature of product placement, which makes it so attractive to brand owners. Movie studios sometimes leak

information about product placement deals before launch in order to leverage publicity through trade press features and internet gossip among interested fans, but this is quite different to having all the potential audience know all the product placement deals that were done on a given show because too much audience knowledge could distract attention from the entertainment product. After all, individual movies, TV shows or computer games are marketed as brands themselves. The potential connotations of linking the entertainment brand with other brands placed within the entertainment vehicle are researched and thought through in great detail. Product placements are often the result of considerable planning and investment and if the placement undermines the integrity of the entertainment brand the mutually enhancing effect may well be lost entirely.

Entertainment products could allude to product placements in ways that are relatively unobtrusive, but the more oblique the announcement is, the less likely it would be to warn consumers of the commercial motive of brands placed in the entertainment. On the other hand, more explicit announcements would make product placements look more like sponsorship, a change of category with implications for cost, marketing strategy and

regulation. The commercial value of product placement lies, to some extent, in its implicit

character. As an implicit communication two positions arise – either it is inherently deceitful

because it is not entirely explicit, or it cannot deceive for the same reason. Then again, it can be argued that all communication, no matter how explicit it may seem, can be potentially interpreted in idiosyncratic and unexpected ways, which are not under the absolute control of the author, if one can be identified. In other words, all communication can have implicit and polysemic dimensions. So, a more pragmatic approach might suggest that product placement deals should be announced or acknowledged, but in a way which is agreed by regulators and actors so that transparency of practice is available to those who are interested enough to check. For example, there could be a register of product placement deals placed on the Ofcom website for public viewing, and this would obviate the need for clumsy announcements preceding the entertainment. This would only partially address concerns that advertising and editorial are not effectively distinguished in product placement, undermining a key plank of regulatory policy and consumer sovereignty. But, even if consumer sophistication is something of a self-fulfilling marketing myth, the belief is so widespread that it seems appropriate to acknowledge it by easing the paternalistic assumption regarding advertising announcements. Furthermore, any change in product placement regulation would be well publicised by Ofcom and could be included in consumer education policy. However, the technical criteria for product placement announcements will be extremely difficult

to fix because the technology and creativity of promotional communication are advancing rapidly. Technology is bringing the worlds of marketing, and mediated information and entertainment, closer together, and creative developments are impossible to predict. However problematic regulatory policy may be in this rapidly evolving field, it is important that contact is not lost with the touchstone of established ethical principles.

Note

1. ‘Watch closely: how TV shows connive in ‘‘stealth’’ advertising’, ‘Insight’ feature, Sunday Times, 18 September 2005, 10–11.

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