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***Ethical Argument Paper***

With the rapidly increasing popularity of the practice of product placement in film and television, many consumers, critics, and ethicists are beginning to bring to light some of the ethical questions that come into play when such practices are used. Many argue that when filmmakers and television producers allow for the artistic quality of their product to be sacrificed in order to profit financially from business deals with advertisers, not only does the end product suffer artistically, but also the audience members and consumers are blatantly disrespected in an ethical sense. The majority of the concern regards accusations that filmmakers and television producers are not being fully transparent in disclosing what content is paid advertisement and what is pure, unaltered creative content.

Product placement has been around for a very long time, but there are marked increases in its use as of late. In an article appearing in *Advertising Age* magazine entitled, “Mad Ave. flocks to 'Man of Steel'” the author points out how the recent blockbuster film had over one hundred global promotional partners and about one hundred and sixty million dollars in collective promotional support. This set several records in product placement and there were several name brands blatantly featured directly in the film including Sears department store, Marlboro, and Coke-a-Cola (Nathans). Television has also been cashing in on the practice in recent years. A majority of major prime-time programs utilize product placement. Shows like American Idol, The X-Factor, The Amazing Race, America’s Next Top Model, and America’s Got Talent are all topping the list in terms of the practice (Weinberger, O’dell).

While some could argue that the intentions of the advertisers and producers are pure, and that there is simply not enough legitimate potential harm caused or even posed to any one of the stakeholders in the product placement paradigm, I personally feel that, according to the Kantian framework, audiences are being fundamentally disrespected as free willed, free reasoning human beings when advertisers and filmmakers fail to be completely transparent in their disclosure of information regarding whether or not they use product placement in their art. This failure to disclose information fundamentally robs the viewer of his/her right to reason freely, and can therefore be deemed unethical according to Kantian theory.

Accordingly, I argue that there should be federal regulations put in place, which would require filmmakers and television producers to explicitly disclose how and when product placement is used in their work. The American Advertising Federation’s Code of Ethics explicitly states that, “Advertising shall tell the truth, and shall reveal significant facts, the omission of which would mislead the public.” It is quite clear that advertiser’s failures to disclose the use to product placement in stealth marketing campaigns does qualify as the omission of “significant facts” and that this omission does indeed mislead, and disrespect the consumer. Such legislation would also promote ethical concepts like justice, respect, and transparency because it would foster a relationship of trust between the advertiser, producer, and the audience. This would promote mutual respect and would also ensure complete transparency between all stakeholders. It would also provide a valid compromise in that the advertisers would still be able to pursue their product promotion, filmmakers would still benefit monetarily, and now the consumer would experience a level of respect and transparency that would allow them to make better decisions with the understanding that what they are seeing is, in fact, paid for.

This proposed legislation doesn’t necessitate anything devastatingly excessive or over zealous; According to Kuhn et al, “Several nations have used variations of this principle in communications policy, including the United States, Australia, and the United Kingdom. These policies are designed to protect consumers from doubts regarding the credibility of editorial content, such as in the case of paid endorsements, which must be identified to the consumer (and in some instances are outlawed completely)” (K.L Kuhn et all 68) According to the Commercial Television Industry Code of Practice in Austrailia, “simply mentioning the sponsor in a program’s credits fulfills the obligation” (K.L. Kuhn et al 68).

There are also many shows and films that already participate in such disclosure of the product placement they use. For instance, the Emmy award winning television show *30 Rock* frequently makes light of product placement while using it in their programming, and they occasionally build some aspects of certain episodes around certain products. They always, however, disclose in the credits of each episode what products had paid to be featured in the show.

In attempting to justify proposed sponsorship disclosure requirements in legislation, Ellen Goodman argues that the public is naturally and perhaps subconsciously against forms of covert marketing stating that, “Current law and public opinion grasp the problem of stealth marketing intuitively. The outrage over payola and hidden promotional materials in news reports and television dramas is an inarticulate expression of concern about public discourse” (Goodman 152).

Additionally, I do not suggest that legislation should be all encompassing or completely definitive. I believe that it should exist mainly to protect the public from deception by advertisers. In their paper, “Examining the Covert Nature of Product Placement: Implications for Public Policy,” Kuhn et al argue that product placement takes several various forms, and accordingly, it should not be judged by “one-size-fits-all” legislation, but rather, on a unique case by case basis. The paper states, “The use of product placement as a covert, and therefore deceptive, marketing practice cannot be accepted as an absolute. Blanket criticisms that product placement is covert advertising, which negatively impacts consumerism and consumer welfare are unjust, and fail to recognize the complexity of placement messages” (K.L. Kuhn et al p.73).

There is significant research to support the idea that disclosure of information will indeed allow a consumer to make logical decisions regarding the product they see. Through their own research, Campbell et all found that, “mere disclosure of the commercial status of a message is sufficient to activate and motivate the use of consumers' persuasion knowledge to infer and correct for persuasive impact” (Campbell et all). The researchers go on point out that, “consumers are able to use their persuasion knowledge in a nuanced fashion to go from the idea that content includes “paid for product placement” to resistance of inferred persuasion” and also that, “disclosures can lead consumers to limit persuasive impact on recall, as well as evaluations. This is particularly interesting because it appears likely that consumers recall the brand, and then make a determination that the reason for their recall is not their “true” memory, but instead is a result of covert marketing, such that they decide not to include the brand in their memory set” (Campbell et al). Findings such as these would indicate that there is actual scientific data to support legislation requiring full disclosure in cases of covert marketing and product placement.

When producers of programming aren’t as candid and open with the use of paid advertisement in their content, more severe situations can arise. For example, Elizabeth Werner, a mother and so-called “toy expert” who appeared on several news programs in large cities reviewing certain toys, was exposed in 2010 by a Los Angles Times article written by James Rainey as being a paid spokesperson despite her mass portrayal as an everyday consumer and toy reviewer. The case of Mrs. Werner greatly illuminates the problems that surface when audiences are deceived as to what content is reliable, unbiased consumer review and what is simply paid advertisement. When such information is not revealed to the audience, it infringes on the basic human right of each member of this audience to freely reason and make logical, informed decisions. It is entirely deceitful to the consumers who receive the reviews and then base certain decisions on information that is unreliable because of its misrepresentation. There is quite obviously a conflict of values that has come into play. The audience’s desire to receive reliable, unbiased information contrasts starkly with the advertiser’s and producer’s desire to promote their goods and to profit monetarily.

Now that I have hopefully demonstrated successfully the ways in which the practice of covert product placement can be unethical, I would like to examine the actual theoretical concepts and frameworks that support my argument.

Even though Campbell et al bring into question the actual effects of the disclosure methods proposed as a remedy for covert persuasion in their paper, “Can disclosures lead consumers to resist covert persuasion? The important roles of disclosure timing and type of response”, I believe that it is not so much the end result of covert advertising that we should be concerned with, ethically speaking. Instead, we should take a more normative approach in attempting to determine what “ought to be” over what already is. The intent of the advertisers participating in covert marketing is what should be under the proverbial microscope here.

In considering the *intent* of both advertisers and television or film producers in practicing product placement, there are several factors that come into play. Contrary to the way many in the western world are programmed to think, not everything can be ethically evaluated solely in terms of the outcome or end result. The utilitarian form of deliberation often falls short in the field of ethics. Rather, the intentions that lead to the action are often of paramount importance when deliberating the ethics of an issue. Kantian theory contends that consequences and end results are actually entirely insignificant in attempting to evaluate ethical value. It claims that the only thing that really matters, ethically, is the *intent* that eventually gives way to the action itself. Kant argues that consequence-based ethics effectively make the actual action “morally neutral”, which is technically impossible.

When considering the intent of both advertisers and producers in practicing product placement, it is important to think about exactly what each party is trying to gain or accomplish from the situation, and what or whom, they may be neglecting in doing so. The intent of the advertisers is to gain consumer awareness about the product, and ultimately to see increases in the profit margins of their companies. Stated quite simply, they are intending to use product placement to make more money in the long run. The intentions of the film or television producers usually fall into two distinct categories, or some combination of the two. The first is also monetarily based. I would argue that the main reason most producers participate in product placement is because they stand to make a great deal of money by allowing a product to be displayed in their work. The second reason, and the one most producers and filmmakers *claim* is most significant, is that product placement allows for an enhanced sense of realism and authenticity in their art. They argue that when an audience sees an actual brand used in a film or program (as opposed to a made up brand), they are more likely to remain in the moment and not be distracted by something that doesn’t actually exist in their own world.

These intentions seem to be mostly ethically acceptable to me. Advertisers have found an extremely effective way to gain exposure and consumer awareness for their products in an age where viewers often have the capability to fast-forward through traditional commercials in digitally recorded programming. They are not actively intending to hurt anybody. They simply want to get their product seen by as many people as possible and are willing to spend money to make this happen.

The intentions of filmmakers and producers, on the other hand, are a bit more difficult to evaluate. It is often claimed that they utilize product placement mainly to supplement their creative product. In this case, “It is reasoned that the artistic form of product placement is not covert marketing, but rather freedom of speech and artistic expression. The placement is motivated by artistic reasons and is assumed to be congruent to the plot in most instances, based on this creative intent” (K.L Kuhn et al p.69). An example of such creative intent is evidenced by the fact that, “product placement in music videos is one of the fastest-growing segments in PQ Media's Global Product Placement Spending Forecast 2012-2016. This report claims that music videos saw a nearly sixteen

percent increase in spending in 2011 to become a $22 million product placement business” (Hampp)

This intent is obviously a legitimate one, however, I personally believe that it is more common for them to allow product placement in their films or programming in order to make money from the advertisers. When this is the case, I feel that these filmmakers and producers are misleading their audiences, and therefore disrespecting them. This is where we run into problems ethically according to Kant. When the intent of a particular being encourages the use of another person only as a means to their own selfish end, the person treated simply as a mean is not being allowed the two basic human rights that Kant focuses on in his principle of humanity: free will and the ability to exercise reason. Kant argues that we have a moral responsibility or duty to respect others as ends in themselves.

When considering the ethics of Product placement and covert marketing, it is important to realize that it is not the practice of product placement that is unethical, but that the real problems lie in the failure of advertisers and producers to disclose the fact that what audiences are seeing is paid advertising and not an unaltered, creative work of art. It is not only the intent of the people in charge that is the problem, rather, it is also the way that the action is executed and the lack of transparency prevalent in such covert strategies that disrespect audiences and poses the threat of harm. Kuhn et al discuss covert marketing in their research as such: “By not stating the goal of a message obviously, concealed (covert) messages are deceptive. While product placement makes no call to action, it does rely on viewers to make inferences, so product placement could be considered covert and deceptive if its stealth nature makes product claims more believable and it induces purchases under false pretenses” (K.L. Kuhn et al p.67). This same paper goes on to exemplify some of the potential harm of the practice, “Ethical concerns regarding product placement tend to focus on creative integrity, the commercialization of entertainment and the influence on vulnerable groups, particularly children. Children are claimed to be uniquely susceptible to promotion and therefore require protection” (K.L Kuhn et al p.68). This notion of protecting children is entirely Rawlsian in nature. The distribution of resources according to the theory of “justice as fairness” is paramount to the Rawlsian framework in order to protect the most vulnerable population.

Although there are some ethical concerns with the intent, the larger problem potentially lies in the consequence. This leads me to contemplate what I consider to be another of the major ethical concepts prevalent in this particular case study: the *potential harm* brought on due to the aforementioned failure to act with transparency.

Even if the intentions of the advertisers and producers are determined to be ethical, if and when they fail to disclose whether or not the products featured in their art have been paid for, they engage in a lack of transparency that fundamentally disrespects and poses potential harm to their audiences. Honesty and complete disclosure are both key aspects in regard to truly respecting others and when they are not respected, potential harm arises.

In considering such potential harms involved with covert marketing, Ellen Goodman rises a valid point in her paper, “Stealth Marketing and Editorial Integrity” stating that, “Stealth advertising and propaganda reduce the possibilities for, and force of, authentic mediated communications in the discursive public sphere. Even for commercially driven music and entertainment, and especially for news and information, stealth marketing transforms what Habermas calls communicative action in strategic action” (Goodman 152). She goes on to say that, “Over time, in a media environment saturated with stealth appeals, all genuinely communicative action is thrown into question, editorial agendas are upended, and authentic discourse made more difficult” (Goodman 152). This argument that we potentially stand to lose the valuable informative, communicative, or entertainment based agendas of the media in favor of strictly propagandist and revenue based agendas is a predominate factor in determining the legality or ethical value of product placement as a form of stealth or covert marketing strategy.

There is more than enough evidence to support legislation requiring the disclosure of paid advertisements in film and television. It is also the ethical responsibility of advertisers and filmmakers to take into account the consideration of their audiences, and to be fully transparent with these audiences in the disclosure of product placement or covert marketing strategies used in film and television. The failure to disclose such information serves only the interests of the advertiser and fails to ensure fairness or justice to all stakeholders involved in this situation. This not only inevitably leads to the disrespect and undermining of a large, vulnerable population, it also poses harm to the entire society due to the potential loss of truly creative, informative, and entertaining forms communication through the media in favor of propaganda style covert marketing agendas. The ethical and logical thing to do in this situation is to impose legislation mandating the complete transparency between advertisers, filmmakers or television producers, and audiences. This is the only way to ensure the ethical fairness and justice that all humans innately deserve according to the fundamental rights that we carry as reasoning, free willed individuals.

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