

**SUBTLE SOPHISTRY VERSUS SAVVY STRATEGY:
A CRITICAL REVIEW OF THE POTENTIAL EFFICACY OF
PRODUCT PLACEMENT REGULATIONS**

Lynne Eagle, University of the West of England, England
Yvette Morey, University of the West of England, England
Stephan Dahl, University of Hull Business School, England
Julia Verne, South West Health Observatory, Bristol, England

Corresponding author:

Lynne Eagle

Bristol Social Marketing Centre

University of the West of England

Coldharbour Lane

Bristol BS161QY

Email: lynne.eagle@uwe.ac.uk

Tel: +44 1173283249

Fax: +44 1173282289

SUBTLE SOPHISTRY VERSUS SAVVY STRATEGY: A CRITICAL REVIEW OF THE POTENTIAL EFFICACY OF PRODUCT PLACEMENT REGULATIONS

ABSTRACT

This paper discusses the implications of recent EU and, specifically, UK, relaxation of regulations governing product placements within EU-originated media content. Using the UK regulations that came into force from February 2011, we suggest that the regulations are potentially ineffective, inconsistent with other legislation and regulation and do not reflect the subtleties of product placements across a range of media forms. Recommendations for future research conclude the paper.

INTRODUCTION

Product placement involves the insertion of a recognizable branded product into the content or background of a range of media broadcasting formats. Placements may occur in traditional media formats such as radio, television and movies, as well as newer formats such as console-based video games, online games (advergates) and social media sites. A placement may be paid for directly, be provided as part of an exchange of goods or services, or be a part of a joint promotional package (Karrh, 1998). In traditional media formats, such as movies and television, product placement can occur passively (the product is part of the setting but is not actually used), or actively (the product is used by an actor, with or without verbal acknowledgement, as part of the script).

Recent developments in television programmes such as reality and talent shows have provided new opportunities for product placement while product placement in popular music – particularly in rap and hip-hop genres – is endemic (Agenda Inc., 2008). In newer media formats such as console-based video games and advergates products may be peripheral or integral to the game itself. Finally, product placement has found its way onto social media sites such as Facebook, Twitter and You Tube where the combination of user-generated content and word-of-mouth recommendations are regarded as invaluable opportunities for product placement by marketers (van Buskirk, 2010). The impact of this activity is poorly understood and attempts to minimise any potential harmful impacts do not reflect the realities of product placements within new media forms.

DISCUSSION

History

Funding from product placements has long been attractive to entertainment (movies, television and radio) producers as it provides an opportunity to offset production costs (DeLorme & Reid, 1999). The first recorded product placement in the movies was the featuring of Gordon's Gin in the 1951 Humphrey Bogart and Katherine Hepburn movie *The African Queen* (Balasubramanian, Karrh and Patwardhan, 2006). Product placements were contained within programme content originating from outside the EU, especially from US programming but were not permitted within EU-originated programme content until a 2007 EU directive (OFCOM, 2010). With effect from February 2011, product placements have been permitted within UK-originated

broadcasting, including sports programming, soaps, films and television and radio entertainment shows (O'Reilly, 2010). The following prohibitions apply: placements are banned during news and children's programmes, together with religious, current affairs and consumer advice programming. The placement of items such as tobacco, alcohol, gambling, infant formula, all medicinal products, electronic or smokeless cigarettes, cigarette lighters etc and foods or drinks high in fat, salt and sugar (OFCOM, 2011).

Product Placement in Music

Product placement in popular music – particularly in rap and hip-hop – is endemic. Songs by rappers like Flo Rida, Kanye West and Jay Z often receive airplay on national stations. In 2008 Flo Rida's song *Low* peaked at number 2 on the UK Singles Chart and name checked brands such as Apple Bottom, Reebok, Cadillac, Maybach, Patron, Hennessy, and Glock amongst others (American Brandstand, 2008). Music videos are, similarly, often vehicles for product placement. Lady Gaga's 9.5 minute video for her single *Telephone* includes 10 product placements and was viewed by more than 4 million people in the first 24 hours after its release (Castillo, 2010).

Product Placement in Computer-based Media / Social Media

In newer media such as advergames – free online games that offer high quality gameplay in order to promote a particular product – the product is often an integral part of the game itself. For example, the Chrysler Group created the *Island Rally Racing Series* in order to promote a new range of vehicles for their Chrysler, Jeep and Dodge brands (Moltenbrey, 2004). Advergames appear to have evolved in response to low click-through rates for conventional web advertisements such as banner ads (Kretchmer, 2004) and aim to offer entertainment that engages gamers in such a way that an emotional connection is forged between the game and the brand featured within it (Edery, 2006).

In console-based games product placement may be central or peripheral to the game, however, the immersive nature of gameplay means that target audiences react and engage with placements differently. The repetitive exposure provided in videogames that may be played many times is also seen as an advantage for placements in newer media forms (Gunn, 2001). A particular cause for concern is the popularity of these types of games with children as how they interact with and negotiate product placement in this format is not understood (Banerjee, 2004). More recently, product placement has extended to social media sites with marketing companies offering cash and discount incentives to those who mention the relevant brands to their friends on social networking sites; similarly companies like Sponsored Tweets pay people for mentioning brands in their tweets (van Buskirk, 2010). The impact of this activity is also totally un-researched

SPECIFIC PRODUCT PLACEMENT CONCERNS

Children

Children's limited ability to understand the nature of persuasion knowledge and thus limited defences against persuasive communication (Friestad & Wright, 1994; Moses & Baldwin, 2005) is held by lobby groups to be justification for limiting the type and amount of exposure to persuasive communication. There is, however, little specific research in this area and it remains a very difficult – and hotly contested topic (Livingstone, 2005). International moves to deliver media literacy training to children represent attempts to increase knowledge of commercial persuasion forms and techniques and to help children to develop coping skills (Sargent, 2004; Tarlow, 2004). These programmes, however, focus on overt marketing communication and not on the more subtle forms of persuasive communication discussed in this paper. There is also considerable doubt regarding the effectiveness of these programmes, particularly among younger children (Moses & Baldwin, 2005; O'Sullivan, 2005).

A number of general concerns have been raised in relation to the potential impact of product placement on vulnerable groups such as children if the characters using a specific brand or product type portray the product's use as 'cool' or desirable (Auty & Lewis, 2004; Sargent et al., 2001). While up to half of children do recognize the commercial intent of programme placements, 72% reported that "seeing a favourite character using a certain brand makes them want to use that brand at least some of the time" (Kennedy, 2004: 14).

This may indicate a link between involvement in, and loyalty to, the programme and loyalty to the products the programme characters explicitly or implicitly endorse (Avery & Ferraro, 2000; Karrh, 1998; Karrh, McKee, & Pardun, 2003). While these concerns extend well beyond tobacco advertising, it must be a major concern to regulators that tobacco brands featured in 20% of movies rated as suitable for children over the period 1988 to 1997 (Sargent et al., 2001).

Tobacco

Of greater concern is the finding that portrayal of movie stars smoking increases the likelihood of teenagers commencing smoking (Distefan, Pierce, & Gilpin, 2004). Karrh (1998) notes that the incidence of smoking as portrayed in movies does not reflect its actual (lower) consumption in society. Further, he suggests that cigar smoking not only is over-represented, but also frequently portrayed in a positive manner. Morton and Friedman (2002) extend the analysis of the impact of the positive portrayal of smoking in the entertainment media, reporting that non-smokers attitudes towards smoking and smokers were affected by the exposure. The exposure appears to lead to an increased tolerance of the behaviours involved. This outcome is accounted for by Social Learning Theory, in which repeated exposure to an observed behaviour can result in actual behavioural change (Avery & Ferraro, 2000).

Hoek (2004:1251) observes that "regulators had not fully appreciated the evolution of new promotion vehicles" nor "the industry's resourcefulness in identifying and developing these". She notes a range of promotional devices such as music and entertainment-oriented websites that are provided by tobacco companies, as well as

brand stretching tactics whereby tobacco brand names are placed on products as diverse as sunglasses, clothing and retail outlets for travel and clothing. Where these activities are included as part of movies, television programmes originating from outside the European Union's sphere of influence, they will not be subject to the EU, let alone OFCOM, regulatory provisions, in spite of concerns that American programmes contain high amounts of tobacco use (Legacy Foundation, 2011). This also applies to the growing amount of non-broadcast and web-based promotional activity.

Alcohol

Similar to the tobacco industry, the alcohol industry has been found to share promotional practice in order to circumvent advertising bans (Bond, Daube & Chikritzhs, 2010). This included promotions in social networks, such as facebook (Hastings, Brooks, et al, 2010), and concerns about alcohol branded merchandise (McClure, Stoolmiller, et al. 2009) and the usage of alcohol, tobacco and drugs related messages in popular music (Primack, Dalton et al, 2008)

Potential Regulatory Effectiveness

The UK regulations are unlikely to have any influence on children's exposure to product placement. The National Consumer Council estimates that nearly 70% of children's viewing (up to 80% for 10-15 yr olds) takes place during adult programming (Gibson & Smithers, 2006). Further, restrictions do not extend to product placement across electronic media such as video and online games. The shift to online advertising and product placement in social networking and media sharing sites such as bebo, Facebook and You Tube are not taken into account by the restrictions. This is a significant oversight given that 16-24yr olds are estimated to spend more time online than they do watching television (Thomas, 2011).

Inconsistency with Other Legislation

A further concern is the gap between OFCOM's restrictions on the kinds of products that can be placed and the ongoing placement of harmful products not identified by these restrictions. One example of this is the inclusion of sunbeds in several reality-format television programmes airing in the UK despite legislation that bans the use of sunbeds by under 18s (Sunbed [Regulation] Act, 2010) in recognition of sunbeds' carcinogenic properties (WHO, 2010). It would appear reasonable to expect that the intent of this legislation be reflected in regulations covering mass communication tactics such as product placements.

However, over recent years a number of popular television programmes have either directly featured the use of sunbeds and/or place an emphasis on getting a tan and being tanned. These include *Sunset Tan*, a reality series set in a tanning salon in Los Angeles which first aired on the US cable channel E! in 2007. Based on an existing tanning salon which received a great deal of media attention after it became popular with a number of high-profile celebrities (including Britney Spears, Paris Hilton and Kim Kardashian), the series ran for several seasons in the US. The show is no longer running, and did not air in the UK, however video clips from the series are available to watch online (<http://www.sunsettan.com>).

Reality Shows Reflecting Unwise Behaviours

Celebrity role models, such as the cast members of the shows above, who maintain year-round tans and who openly endorse the use of sunbeds are known to influence the tanning behaviours of teenage girls (Rawe & Scully, 2006; Poorsattar and Hornung, 2008), yet this is not reflected in any regulations. For example, the regulations do not address programmes whose central focus reflects unwise behaviour, such as MTV's *Jersey Shore*, a reality show that has successfully crossed over from the US to the UK and which features eight young people living and working in a number of resorts along the Jersey shoreline.

MTV's promotional material stated that it had gathered the "hottest, tannest, craziest guidos" for the show (Pilkington, 2010). Cast members have become minor celebrities with actresses like Nicole 'Snooki' Polizzi often appearing in *heat* magazine. A reflection of the show's popularity and influence can be seen in a recent article in the Mirror which cited "the distinctly mahogany cast of MTV's *Jersey Shore*" as an inspiration for this summer's 'fashion tan', "a deeper, ultra-luxe tan, which quickly spread to celebs like Victoria Beckham and Cheryl Cole" (Corfield-Smith, 2010).

A second example is of a UK based reality show that has been phenomenally successful; Katie Price's ITV2 show *What Katie Did Next*. While tanning is not an explicit focus of the show, Price is a known endorser of sunbeds (Karmali, 2010) and has her own private sunbed in her home. One episode features the 'haunted sunbed' in which the sunbed alarm is triggered unexpectedly in the middle of the night (Wightmen, 2010).

CONCLUSIONS

The practice of product placements raises many legislative and ethical issues, particularly in terms of growing concerns regarding the impact of persuasive communication on vulnerable groups such as children (Auty & Lewis, 2004); calls for tighter regulation of products such as alcohol (Singh, 2004) and outright bans on the promotion of tobacco products (World Tobacco, 2004).

We argue that the 2011 regulations are unlikely to be effective as they fail to address a number of significant issues. These include firstly, a failure to take children's actual viewing practices, which are largely focused on adult programming, into account; a neglect of product placement across electronic and social media. Secondly, a failure to act on the presence of a number of harmful products, such as sunbeds, that fall beyond the current list of restricted products.

Finally we argue the need for academic work that not only responds to product placement as and when it happens, and that contributes to an understanding for the impact of product placement in individual media and the cumulative effects of exposure to placements across the increasingly fragmented nature of contemporary ways of engaging with media forms. Regulatory decisions would therefore be informed by a detailed understanding of product placement real-world effects and which was able to respond appropriately to the ever-shifting terrain of formats for, product placement.

REFERENCES

- Agenda Inc. *American Brandstand*, 2008 [online]. Available at: <http://agendainc.com/media/ambr08.pdf> . [Accessed 20 February 2011.]
- Auty, S., & Lewis, C. (2004). Exploring Children's Choice: The Reminder Effect of Product Placement, *Psychology & Marketing*, 21(9), 697 - 713.
- Avery, R. J., & Ferraro, R. (2000). Verisimilitude or Advertising? Brand Appearances on Prime-Time Television, *The Journal of Consumer Affairs*, 34(2), 217 -244.
- Balasubramanian, S. K., Karrh, J. A., & Parwardhan, H. (2006). Audience Response to Product Placement. An Integrative Framework and Future Research Agenda. *Journal of Advertising*, 35(3), 115 - 141.
- Banerjee, S. (2004). Playing Games. *Billboard*, 116(20), 3 - 4.
- Bond, L., M. Daube, Chikritzhs, T. (2010). Selling addictions: Similarities in approaches between Big Tobacco and Big Booze, *Australasian Medical Journal*, 3(6), 325-332
- Castillo, D. (2010). New PQ Media Report Finds U.S. Branded Entertainment Spending on Consumer Events & Product Placement, *Product Placement News*. Retrieved on 18 January 2011 from <http://productplacement.biz/201007072619/branded-entertainment/new-pq-media-report-finds-u-s-branded-entertainment-spending-on-consumer-events-product-placement-dipped-only-1-3-to-24-63-billion-in-2009-on-pace-to-grow-5-3-in-2010-exceeding-most-advertising.html>
- Corfield-Smith, S. (2010). Go to the Dark Side with your Tan, *Mirror online edition* Retrieved on 20 September 2011 from <http://www.mirror.co.uk/celebs/celebs-on-sunday/>
- DeLorme, D. E., & Reid, L. N. (1999). Moviegoers' Experiences and Interpretations of Brands in Films Revisited, *Journal of Advertising*, 28(2), 71 - 95.
- Distefan, J. M., Pierce, J. P., & Gilpin, E. A. (2004). Do Favourite Movie Stars Influence Adolescent Smoking Initiation? *American Journal of Public Health*, 94(7), 1239 -1244.
- Edery, D. (2006). Reverse Product Placement in Virtual Worlds, *Harvard Business Review*, 84(12), 24.
- Friestad, M., & Wright, P. (1994). The Persuasion Knowledge Model: How People Cope with Persuasion Attempts, *Journal of Consumer Research*, 21(1), 1 - 30.
- Gibson, O., & Smithers, R. (2006). Junk Food Ad Ban Attacked from Both Sides, *The Guardian - online edition*, p. 1.
- Gunn, E. (2001). Product Placement Prize, *Advertising Age*, 72(7), 10.
- Hastings, G., O. Brooks, et al. (2010). Failure of self regulation of UK alcohol advertising, *British Medical Journal*, (340) 1, 5650.
- Hoek, J. (2004). Tobacco Promotion Restrictions: Ironies and Unintended Consequences, *Journal of Business Research*, 57(11), 1250 - 1257.
- Karmali, S. (2010). Katie Price sparks outrage by promoting regular sunbed use, *Marie Claire online* Retrieved 13 January 2010 from <http://www.marieclaire.co.uk/news/beauty/438142/katie-price-sparks-outrage-by-promoting-regular-sunbed-use.html>
- Karrh, J. A., McKee, K. B., & Pardun, C. J. (2003). Practitioners' Evolving Views on Product Placement, *Journal of Advertising Research*, 43 (2), 138 - 149.
- Karrh, J. A. (1998). Brand Placement: A Review, *Journal of Current Issues and Research in Advertising*, 209(2), 31 - 49.

Kennedy, D. G. (2004). Coming of Age in Consumerdom, American Demographics, 26(3), 14.

Kretchmer, S. B. (2004). Advertainment: The Evolution of Product Placement as a Mass Media Marketing Strategy. In M. Galician (Ed.), Handbook of Product Placement in the Mass Media: New Strategies in Marketing Theory, Practice, Trends and Ethics (pp. 37 - 54). Binghamton, NY: Haworth Press.

Legacy Foundation (2011). New Report: Kids' Television Programs Contain High Amounts of Tobacco Use, Press Release 7 February
<http://www.prnewswire.com/news-releases/new-report-kids-television-programs-contain-high-amounts-of-tobacco-use-115509204.html>

Livingstone, S. (2005). Assessing the Research Base for the Policy Debate over the Effects of Food Advertising to Children, International Journal of Advertising, 24(3), 273 - 296.

McClure, A., M. Stoolmiller, et al. (2009). Alcohol-branded merchandise and its association with drinking attitudes and outcomes in US adolescents, Archives of Pediatrics and Adolescent Medicine, 163(3): 211.

Moltenbrey, K. (2004). Adver-Driving, Computer Graphics World, 27(6), 30 - 31.

Morton, C. R., & Friedman, M. (2002). 'I Saw it In the Movies': Exploring the Link Between Product Placement Beliefs and Reported Usage Behaviour, Journal of Current Issues and Research in Advertising, 24(2), 33 - 40.

Moses, L. J., & Baldwin, D. A. (2005). What Can the Study of Cognitive Development Reveal About Childrens' Ability to Appreciate and Cope with Advertising? Journal of Public Policy & Marketing, 24(2), 186 - 201.

OFCOM (2011). Broadcasting Code Review (2011).
<http://stakeholders.ofcom.org.uk/binaries/consultations/724242/statement/annex1.pdf>

OFCOM (2010). Broadcasting Code Review: Commercial References in Television Programming. Accessed from
<http://stakeholders.ofcom.org.uk/consultancy/bcrtv2010/summary>

O'Reilly, L. (2010). Product Placement to be Allowed from February. Marketing Week. Retrieved 20 December 2010 from
<http://www.marketingweek.co.uk/sectors/media/product-placement-to-be-allowed-from-february/3021834.article>

O'Sullivan, T. (2005). Advertising and Children: What Do the Kids Think? Qualitative Market Research, 8(4), 371 - 384.

Pilkington, E. (2010). Italian-Americans hit back at Jersey Shore's use of the word 'guido'. Guardian online edition. Retrieved 20 September 2010 from
<http://www.guardian.co.uk/media/2010/jan/03/mtv-jersey-shore-guidos-italian>

Poorsattar, S. P., & Hornung, R. L. (2008). Television Turning More Teens Toward Tanning, Journal of the American Academy of Dermatology, 58(1), 171-172.

Primack, B., M. Dalton, et al. (2008). Content analysis of tobacco, alcohol, and other drugs in popular music, Archives of Pediatrics and Adolescent Medicine, 162(2): 169.

Rawe, J. & Scully, S. (2006). Why Teens are Obsessed with Tanning, Time, 168 (6), 54 - 56.

Sargant, N. (2004). Why Does Media Literacy Matter? Adults Learning, 16(4), 28 - 30.

Sargent, J. D., Tickle, J. J., L., B. M., Dalton, M. A., Ahrens, M. B., & Heatherton, T. F. (2001). Brand Appearances in Contemporary Cinema Films and Contribution to Global Marketing of Cigarettes, The Lancet, 357(9249), 29 - 32.

Singh, S. (2004). The New ASA Has an Ally With a Big Stick, Marketing Week, 27(44), 21.

Tarlow, C. D. (2004). Just Think: A Media Literacy Curriculum that Works, *Mothering*, 127(Nov / Dec), 70 - 71.

Thomas, E. (2011). Screen addicts: Children spend more time in front of a computer or television every day than they spend exercising every week, *Daily Mail*, 1 February. On-line edition

<http://www.dailymail.co.uk/sciencetech/article-1352361/Children-spend-time-computers-TV-exercising-week.html>

van Buskirk, E. (2010). Gaming the System: How Marketers Rig the Social Media Machine, *Wired.com*, Retrieved on 21 September 2010 from <http://www.wired.com/epicenter/2010/07/gaming-the-system-how-marketers-rig-the-social-media-machine/>

Wightmen, C. (2010). Price 'selling home because of ghosts', *Digital Spy*. Retrieved on 20 September 2010 from <http://www.digitalspy.co.uk/showbiz/news/a211082/price-selling-home-because-of-ghosts.html>

World Health Organisation (2010). *Sunbeds, tanning and UV exposure*. Fact sheet no. 287. [online]. Available at:

<http://www.who.int/mediacentre/factsheets/fs287/en/> [Accessed: 20 February 2011].

World Tobacco. (2004). UK Point of Sale Proposals Challenged, *World Tobacco*, 200(May), 10 - 11.