

**Ethical Issues of Product Placement and Manipulation**

**Chong Ho Yu, Ph.D.**

**Revised on January 31, 2006**

**For reprint in**

**(2006). Ethical issues of product placement and manipulation. In Prateek Kanchan (Ed.).**

**In-film advertising: Brand positing strategy (pp. 90-100). Hyderabad, India: ICFAI**

**University Press.**

**Correspondence:**

**Chong Ho Yu**

**PO Box 612**

**Tempe AZ 85280**

**USA**

**Email: [chonghoyu@gmail.com](mailto:chonghoyu@gmail.com)**

**Website: <http://www.creative-wisdom.com>**

## **Ethical Issues of Product Placement and Manipulation**

**Chong Ho Yu, Ph.D.**

### **High moral tone but lack empirical support**

Product placement is an advertising technique, in which a brand name product is inserted into a scene of a television show or a movie. It gradually became a widespread practice after the classic placement of Hershey's Reese's Pieces was made in the 1982 theatrical release of *E.T. the Extra Terrestrial*. In the movie, Hershey's Reese's Pieces were prominently displayed as the young boy and the alien met and built their friendship. Sales of Hershey Reese surged 70% within the first month of the movie's release (Segrave, 2004). Since this seminal example, the question of ethics in product placement has been a controversial topic among philosophers, psychologists, mass media researchers, film producers, and advertisers. Mark Crispin Miller, a vocal opponent against product placement, expressed his distaste for the anti-democratic nature of product placement by saying: "If you are immersed in product placements and celebrity news, you don't know what's going on. This works against the best interests of democracy itself.... The subtext of advertising is, 'You're a schmuck. You're powerless unless you have this product,' which makes you an addict" (as cited in Galician, 2004a, p. 220). In a similar vein, one US congressman called product placement "prostitution of the movie industry" because so many movie scripts are driven by product placement (as cited in Segrave, 2004).

While this kind of strong accusation with a high moral tone is typical, it usually lacks empirical substantiation or scientific validity. Is it actually the intention of advertisers to make people feel like they are a "schmuck," or as if they are powerless without possessing the product? What percentage of viewers become addictive shoppers due to product placement? What psychological instrument may validate the claim that equates the professional dignity of movie

producers and script writers to that of prostitutes?

Despite many criticisms of product placement, there has been no public outcry regarding the practice (Galician, 2004b). In fact, research has repeatedly shown that the American consumers do not mind product placement as long as it is not overdone (Segrave, 2004; Wenner, 2004). Further, there are no documented cases showing the detrimental effects of product placement. Under the premise of “presumed innocent until proven guilty,” the burden of demonstrating the significant harms of product placement through empirical studies is the, as of yet, unmet responsibility of the critics.\* Similarly, I will not be using empirical studies to dispute the claims of opponents to product placement. Rather, I will attempt to unpack several widespread arguments against product placement in order to evaluate their validity.

It is my argument that product placement should not be viewed as psychological manipulation because information regarding product placement is openly accessible. The major financial influence on decision-makers in the entertainment industry of product placement does not immediately make it an unethical practice, as there are other financial influences in the industry. One consideration of ethical issues is that they are relative to specific contexts. Product placement that may be considered to have ill-effect on Americans may not be considered problematic in other cultures.

---

\* Sometimes the issue is not clear cut. In the case of genetically-modified food (GAM), opponents follow this kind of reasoning: Unless GAM is empirically proven to be safe, it should be banned. Based on my statistical training, I find this form of reasoning to be problematic. Statistical reasoning, to some extent, is a manifestation of the principle of “presumed innocent until proven guilty.” An example of the null hypothesis is: Product placement does not significantly contribute to the effect of compulsive-obsessive shopping behaviors. Conversely, the alternate hypothesis is: Product placement has a significant impact on compulsive-obsessive shopping behaviors. It is important to note that the focal point of a statistical test is not to confirm the alternate hypothesis, but to reject the null hypothesis. Interestingly enough, the terminology for stating the conclusion is not something like “the alternate hypothesis is confirmed.” Rather, the statement is “rejecting the null hypothesis.” In other words, even if the null hypothesis is rejected, it does not logically lead to an acceptance of the alternate hypothesis.

### **Persuasion or manipulation?**

By definition, product placement is a way of advertising products on television shows and/or movies without viewers thinking of the presentation as advertising. Following this definition, product placement may seem to be unethical. As Michael Jacobson, the Executive Director of *The Center for Science in the Public Interest*, pointed out, “Product placement is so subtle that it is probably generally perceived subconsciously or subliminally. Viewers just don’t think about the possibility that they are being advertised to” (as cited in Galician, 2004c, p.28). A discussant in the 2002 conference of the United States Association for Small Business and Entrepreneurship presented a similar argument asserting that there is a fundamental difference between persuasion and manipulation. In persuasion the persuader bluntly appeals to argument and reason. The person under persuasion is well aware of the logical reasoning and evidence presented to him/her, and thus he/she has a choice to accept or to reject the argument based on a fair assessment.

However in manipulation, the so-called “persuasion” is stealthy and subliminal. The person being influenced does not have the awareness described above, and thus his/her freedom of choice is violated. By this definition, product placement is manipulation rather than persuasion. The actor or actress does not explicitly endorse the product. Instead, the product and the actor/actress are shown side by side. Through this type of classical conditioning, a positive association between the product and the actor/actress is built.

Further, the discussant introduced Christian ethics into his argument: In both the first and the last books of the Bible, God shows his intention to protect freedom of choice. In *Genesis* God gives Adam and Eve the right to choose to obey and the freedom to do the opposite. In *Revelation* God provides humans with the option of accepting or rejecting His salvation (pp. 11-12). When a behavior is considered “unethical,” one common allegation is that “humans try to play God.” In

this situation the violation of ethics is even worse. The almighty God respects humans' freedom of choice, but advertisers oppress our freedom through manipulation.

Although the preceding arguments sound convincing, they are quite problematic. The core of the argument against product placement is that advertising the product without viewers thinking of the presentation as advertising is treated as manipulation. However, product placement is not a type of secret operation. In contrast, information about which companies will use product placement in their movies is publicized in both entertainment news and business news. For example before the release of the James Bond movie *Die Another Day*, a movie that contained product placement for at least 20 consumer brands (Reed Business Information, 2002), detailed reports of its product placement were clearly described by the mass media and very difficult to miss:

1. Ford is spending \$35 million to replace BMW as the franchise's official auto supplier and put Bond behind the wheel of an Aston Martin again, the \$228,000 Vanquish. Ford's new Thunderbird and a supercharged Jaguar also will be spotlighted in the movie.
2. Finlandia has replaced Smirnoff as Bond's vodka of choice. Meanwhile, 007 continues to prefer Bollinger's champagne and Heineken beer, while soft-drink maker 7 Up will launch a sweepstakes in the U.S. dubbed "Agent 007 Up." Pepsi is Bond's international partner.
3. On Bond's wrist again: an Omega watch. Swatch also is releasing timepieces designed for every Bond movie made.
4. British Airways flies Bond first-class in the film.
5. Visa will promote *Die Another Day* to its millions of cardholders.
6. Alongside Bond, Brioni Roman Style is outfitting British secret-service chief M

(Judi Dench) and her assistant Miss Money Penny (Samantha Bond) in \$4,000 hand-tailored suits.

7. Revlon is planning its latest global promotion around new Bond leading lady and company spokeswoman Halle Berry.
8. Philips Electronics is outfitting 007 with not only a cell phone, but a Norelco electric shaver.
9. Other partners include Best Buy, Sony, Circuit City, Ski-Doo and Vodafone.

Differences between persuasion and manipulation could be compared to those between a legitimate war and a sneak attack. When a war is formally declared and details such as date of troop deployment and weapons to be used are given to the enemy, one could not accuse this of being a sneak attack or a terrorist act. By the same token, one may scan any entertainment or business news channel to obtain product placement information. According to this comparison, product placement seems to be a form of persuasion rather than manipulation.

### **Christian ethics and human freedom**

Arguing that product placement violates God-given human freedom is a creative use of Christian ethics, but this approach may be self-defeating. If product placement is unethical, indirect Christian evangelism in the form of entertainment could also be criticized by applying the same standard. For instance, religious symbols are placed occasionally in the movie *The Sign*. In the beginning of the movie, the pastor gives up his faith due to his wife's death, but at the end he restores his faith because he sees the "sign" from God. Critics may also charge that this is a form of manipulation; viewers came to the theater expecting science fiction, but they are evangelized without thinking of the movie as evangelism. The same argument could be applied to *Omega Code*. The movie is marketed as an adventure story because it is full of actions and special effects. Nonetheless, like *Left Behind*, *Omega Code* is a story about Christian eschatology. Also consider

the movie *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe*. It is true that Disney Studio did not market it as a Christian movie, but viewers may identify the lion as a symbol of Christ and his return from death resembles the resurrection of Christ. No wonder Adam Gopnik, a staff writer for the *New Yorker*, criticized that C. S. Lewis, the author of *The Chronicles of Narnia*, betrayed his artistic conscience by injecting a muscular Christian image (the lion) into the fiction. Another critic, Charles McGrath, wrote in the *New York Times* that the *Chronicles* is better read without the “subtext” that the lion is associated with Jesus Christ (as cited in Zaleski, 2005).

As a matter of fact, we may unveil some implicit messages in virtually everything we perceive. Religious connotation is just one of many examples. We may question whether it is ethical to deliberately place an American flag in a war movie, because this placement may be considered a covert glorification of militarism and patriotism. Indeed some movie-goers readily identify ethical problems everywhere. When a Disneyland was opened in Hong Kong in 2005, it was fiercely demonized by many Christian cultural critics as they exposed many of “hidden messages” placed by corporations. Ironically, these critics are from the same organizations that employ similar techniques such as inserting Christian symbols in the secular culture as a way of promoting their agenda (Yu, 2005). In short, it is doubtful whether the tacit dimension of a message would automatically make the persuasion unethical.

### **Indirect influence**

“Manipulation” may be too strong a word to capture this phenomenon; so I prefer to use the phrase “indirect influence.” As a matter of fact, we utilize indirect influence every day. For instance, if I want to teach my children the value of learning, I know that it might not be effective to give them a lecture. Instead, I may put posters with pictures of Stephen Hawking, Albert Einstein and Isaac Newton in their room. Just as movie stars indirectly endorse certain products, these scientific superstars indirectly promote science. Hopefully through this “product placement,” Stephen

Hawking, Albert Einstein and Isaac Newton would become their heroes, and they could internalize the value of learning-- especially science education. I do not perceive this type of indirect influence as unethical.

One may argue that moving my children towards learning is a positive indirect influence, but placing products such as cigarettes and alcohol in movies is a negative indirect influence, and therefore unethical. In this case, the question is not about the means of influence, but the content. Would you have a problem if film producers used product placement in school scenes with the images of Stephen Hawking, Albert Einstein and Isaac Newton in an attempt to promote learning among children? Public policy clearly states that selling cigarettes and alcohol to minors is unethical, even in direct advertisements or through open persuasion. Thus, the problem is concerned with the actual product rather than the means of advertising it.

A synthesis of the primary arguments made against product placement is that their use is unfair or unethical because the appeal is not directly to reason. Rather, the appeal is to emotion through indirect influence or manipulation. For instance, seeing a brand name product in a television show with a popular celebrity may generate a positive feeling. Ironically, the appeal to emotion embodied in product placement is the same appeal these opponents are using with their incitive statements such as: “consumers are treated like schmucks, and “the movie industry prostitutes itself.” These types of critiques leave no room for rational reasoning, possibly serving more to manipulate emotions than to address the topic under fire.

### **Reality: We all use mental shortcuts**

It is important to note that the concepts “manipulation,” “persuasion,” “appeal to emotion” and “appeal to reasoning”, just like “perfect competition” and “full employment” in economics, are nothing more than idealizations. In reality no viewer or reader may fully acquire all the information that is being passed to them, while receiving sensory inputs, and intellectually process every piece



of information. Likewise, very few people are considered totally naïve or ignorant. In the seminal book entitled *Influence: The Psychology of Persuasion*, the prominent social psychologist Cialdini (1995) pointed out that we all exist in an extraordinarily complicated stimulus environment. Every day we are bombarded by countless pieces of information. In order to efficiently deal with a steady stream of input, humans need shortcuts. We do not have the mental capacity to recognize and analyze all the aspects of each person, event, and situation we encounter in a single day.

Product placement, like many other strategies of persuasion, attempts to fit into our propensity for using mental shortcuts. I do not make this statement as a means of justifying product placement through a naturalistic argument (e.g. Humans have a natural tendency to use mental shortcuts, and therefore it is right to feed information into people's mind in this manner). Rather, the purpose is to point out how difficult, even impractical, it is to limit or to completely eliminate persuasion appealing to the subconscious mind. If every legitimate act of persuasion required addressing to the conscious level of our mind, we would have little time for anything else. Cialdini did not encourage intellectual laziness; rather he carefully analyzed many gimmicks and tricks, and also recommended how we may countermeasure them. It is my conviction that in an open society product placement and information debunking the very tactics of product placement, such as Cialdini's book, may coexist side by side.

### **Influences by financial factors**

Another ethical issue pertaining to product placement is the pressure imposed on the film producer by the advertiser. For instance, in the last James Bond movie, *The World Is Not Enough*, it is alleged that BMW, the sponsor of the movie, demanded that the BMW vehicle be portrayed in a glamorous, heroic fashion. Negative images such as a car crash were not allowed. In this case, the plot of a movie is driven by a financial factor--product placement. Some critics have argued that this is absolutely unethical because the sovereignty of the artist should not be intruded on by

advertisers (Wenner, 2004).

I do not see an ethical problem.. First, the script of a movie is always influenced by financial factors in one way or another. For instance, in the original Ian Fleming novels, James Bond is nothing more than an instrument controlled by the British government -- James Bond did not have a “license to kill.” Nor could he do anything as he wished. It was not the author’s intention to create a superhero who has unlimited access to fancy cars, secret weapons, and, of course, gorgeous women. When the script came to Hollywood, the producer altered the image of James Bond based upon marketing decisions.

Second, the sovereignty of an artist is violated if and only if he/she is forced to comply with the alteration of the script. As a matter of fact, whether the demands of the advertiser may be fulfilled is often the result of a negotiation process. *Terminator 3: Rise of the Machines* (T3) is a good example. At first General Motors (GM) was interested in sponsoring *T3* for the potential benefits for GM’s brand awareness. However, GM eventually declined this opportunity because the company could not persuade the producer that *T3*'s violence was problematic. A GM spokesperson said, “We look at a lot of scripts. So it may have been we just decided it wasn't a good fit” (BPI Communications, 2002). Toyota found no problem with the movie’s violence and took the place of GM.

Further, if ethics are evaluated from the perspective of consequentialism, in which morality is based upon a just consequence, altering scripts is by no means unethical. Because product placement is taken into account as the script is written, the writers tend to be more self-restrained. According to Russ Krasnoff, the spokesman of Krown, Inc, a product placement firm in Beverly Hills, in order to make a script suitable to product placement, it has to be upbeat and not overly violent or sexual. Doug Christoph, manager of motion picture and video entertainment at Miller Brewing Company, said Miller was very careful about the way its product was portrayed. If it is a

scene involving drunk-driving, the company will try to change the scene or pull the product out of the movie (Segrave, 2004). It is only fair to note that there is no empirical study showing whether product placement decreases drunk-driving, sexual or violent contents in Hollywood. As mentioned in the example of *T3*, if one vendor does not like the script, another company is likely to take its place. There is a possibility that regardless of the presence of product placement, the amount of drunk-driving, sexual and violent contents in Hollywood may remain the same. However, it is also probable that some studios may back down by “cleaning” up the scripts because the profit from product placement is irresistible. In this situation judgment of the ethical nature of product placement necessitates empirical studies.

### **Ethics are contextual**

It is important to note that ethical issues do not exist in a vacuum. These issues are always relative to a specific context. Take *Dirty Harry* as an example. Around the 1970's, the manufacturer of the .44 caliber Magnum was thinking of discontinuing the model due to its failure in the market. In 1971, the movie *Dirty Harry* suddenly made the gun extremely well-known. As a result, the .44 caliber Magnum became one of the best-selling guns in the United States (Valenti, 2002). Valenti argued, “Because weapons influence the viewer’s tension level and perception of violence, the choice of whether to include weapons in a scene and which to include is not merely a choice between different levels of firepower. It is ultimately a choice about manipulating the viewer’s perception of the world” (p. 105).

Valenti is entirely right in the context of America, where citizens have legal rights to own guns. However, this is not an issue at all in many other countries that outlaw firearms owned by civilians. For instance, even if a Hong Kong teenager had a very positive perception of the .44 Magnum after viewing *Dirty Harry*, he could not go anywhere to buy this type of handgun. One may argue that even though the same type of weapon is not accessible in other countries, people

who are influenced by the movie could still act violently using other types of weapons. But this is a problem with portrayals of violence in movies, not a problem with product placement.

Take *T3* as an example, again. In the movie, the Toyota Tundra SUV is portrayed in a heroic manner. When America needs to reduce its oil dependency on the Middle East and the greenhouse effect has reached an alarming level, encouraging more purchases of SUVs may be viewed by some critics as a misuse of product placement. However, product placement in this example could simply function as a reinforcement of existing consumer behaviors. In Asian countries where driving an SUV has never been popular due to high gasoline prices and narrow roads, it is doubtful that *T3* could “persuade” drivers to give up their small sedans and turn to SUVs. Again, this type of debate is not fruitful unless an empirical study is conducted to establish the link between watching *T3* and sales of big vehicles in Asia.

### **Conclusion**

The practice of product placement is deeply rooted in the entertainment industry. Demonizing it with the hope that viewers will turn away from it is doomed to fail. In an open society where information may flow freely, it is difficult to see why product placement is regarded as manipulation instead of legitimate persuasion. Indeed, all of us employ indirect influence toward other people in one way or another, but we do not consider ourselves to be “manipulating” others. Of course, this article is by no means intended to justify placement of all kinds of products. To this end, the focus of ethical problems in the entertainment industry should center on the product, not product placement. As mentioned previously, one important missing component in this debate is empirical evidence. For a long time ethics has been situated in the realm of philosophy, in which arguments rely on logical reasoning rather than empirical substantiation. However, in the context of product placement, empirical studies are needed to verify whether there are alleged detrimental effects to viewers, such as promoting addictive shopping patterns, whether products that are

unpopular or even inaccessible in other cultural contexts would lead to a change in consumer behaviors, and whether there are potentially positive social effects for script writers, such as reducing sexual and violent contents. Empirical studies will help to evaluate whether these claims are true phenomena or just a projection of our wishes.

### **Acknowledgement**

Special thanks to Ms. Victoria Stay and Ms. Samantha Waselus, Dr. Zeynep Kilic, and Professor Miguel Valenti for their valuable input to this article.

### **References**

Reed Business Information (2002, October). MGM to spend over \$30 mil to promote film, Variety, 388, 1-2.

BPI Communications. (2002, October). Terminator 3 sees future with solid support. (Tie-Ins) Brandweek, 43, 4.

Cialdini, R. B. (2004). Influence: The psychology of persuasion. New York: Quill.

Galician, M. (2004a). A leading cultural critic argues against product placement: An interview with Mark Crispin Miller. In Mary-Lou Galician (Ed.), Handbook of product placement in the mass media (pp. 219-222). New York: Best Business Book.

Galician, M. (2004b). Product placement in the 21<sup>st</sup> century. In Mary-Lou Galician (Ed.), Handbook of product placement in the mass media (pp. 241-258). New York: Best Business Book.

Galician, M. (2004c). Harry Potter, Coca-Cola, and the Center for Science in the Public Interest: An interview with Michael F. Jacobson. In Mary-Lou Galician (Ed.), Handbook of product placement in the mass media (pp. 227-230). New York: Best Business Book.

Segrave, K. (2004). Product placement in Hollywood films: A history. North Carolina:

McFarland & Company.

United States Association for Small Business and Entrepreneurship (2002). Is good promotion good business? Proceedings of USASBE. Retrieved January 24, 2006 from <http://www.usasbe.org/knowledge/proceedings/2001/089.pdf>

Valenti, F. M. (2002). More than a movie: Ethics in entertainment. Colorado: Westview Press.

Wenner, L. (2004). On the ethics of product placement in media entertainment, In Mary-Lou Galician (Ed.), Handbook of product placement in the mass media (pp. 101-132). New York: Best Business Book.

Yu, C. H. (2005, Oct). Creating myths by demystifying: the Disney effect. Christian Times, 948. Retrieved January 24, 2006 from <http://www.creative-wisdom.com/education/essays/religion/disney.shtml>

Zaleski, C. (2005, January). The siege of Narnia. Christian Century, 123, 31.