

An ethical evaluation of product placement



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Product placement is the way in which brands are placed into non-advertising media like computer games, books, popular songs and stage plays for e. g. sponsored animations for the promotion of Cadbury's chocolate placed in the UK TV soap 'Coronation Street' after the opening titles and after and before the commercial breaks; this is affecting the children and luring them to buy the Cadbury chocolate because small children cannot differentiate that this is an add. It is a growing phenomenon in market, which has received relatively little attention from business ethicists. In marketing at the macro level, there are issues of sustainability and waste of resources through overconsumption by fostering greed and materialism. Marketing operates at the hub of wealth creation; it attracts a lot of the general criticism directed at capitalism concerning the erosion of natural resources and the destruction of the environment. At micro level, it attracts a lot of criticisms for specific cases of deceit or cheating, such as misleading/inappropriate food labels or differential price advertising. There is widespread criticism of marketing practices promoting products that are harmful to health, like high-fat and high-salt foods, cigarettes and alcohol.

UK has made Ofcom(Office of Communication) to make the laws regarding product placement in a way described above. 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 programmed 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/>).

Product placement and conventional marketing ethics

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Ethical evaluation of marketing practices has generally used three major strands of moral philosophy, utilitarianism, deontology and virtue ethics (Robin & Reidenbach 1987). We are discussing 2 of them.

Utilitarian evaluation of marketing is mainly to focus on its usefulness to society, the fact that at a micro level, it aids mutual exchanges between producers and consumers, while at a macro level, it enables the society to enjoy the benefits of the division of labor. The ethical concerns of consumers regarding product placement fit into this category – product placement of guns and cigarettes, for example, may be seen as unethical by some consumers.

A utilitarian evaluation may well come to the conclusion that product placement is indeed, an ethical practice. This is under the reasoning that the increased sales are the 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 of mediated entertainment and information,, thus reducing social utility even when it increases economic utility.

Virtue ethics may provide the greatest critique of product placement because it focuses on the intentions and the character of the person initiating the action rather than the ethical status of the act itself. By evaluating the virtual ethics in product placement some points which can be drawn are in marketing, legality must be the main criterion for judging the ethical status of the motive. A marketing campaign done for the consumers who are well informed and who know that this is a type of advertisement differs in ethical

terms from advertising to children who cannot distinguish between TV programs, games, songs and advertising.

If many consumers are aware about the technique of product placement, then it will have very less effect ethically. Many young consumers indeed know about the nature and extent of product placement as it occurs in movies, TV shows and other entertainment products.

But the extent to which even an intelligent audience is aware of a product placement communication while they are just enjoying the dramatic entertainment is very difficult to establish. Many consumers will say that they are not influenced by advertising, but this claim seems no more credible than the claim of knowing about product placement as a marketing technique, it does not immune one to deception.

Hence, there is a need for an ethical analysis that deals with product placement, which again can apply a utilitarian, a deontological and a virtue ethics perspective; except this it also needs to consider situation-specific factors that arise from the nature of the product, the degree of consumer knowledge, the implication of, market segmentation strategies, the intention, of the marketer and, the intrinsic honesty of, the method of persuasion used.