Advertising and the new media

Consumers have traditionally been able to avoid advertising, but in the “old days” it was much harder. You literally had to skip the advertising in magazines (which was pretty difficult to do), get up and go to the kitchen for a snack during commercials on TV, switch stations on the radio whenever an ad came on, or just generally ignore what was being shouted at you from every sign on a block of retail stores. Of course, advertising countered with increasingly intrusive techniques to gain your attention, including placards on grocery carts and bathroom stalls, unending rows of kiosks at shopping malls, louder and flashier television commercials, and increasingly larger advertising supplements in newspapers and direct mail.

With the advent of digital media, advertising seized on yet another chance to get your attention; however, the new technology has also created new ways of avoiding advertising—zapping commercials with digital recorders, setting pop-up and spam blockers on computers, etc. The important thing to note here is that, up to this point, consumers have mostly been able to recognize advertising for what it is, and avoid it as they saw fit. We know from both elaboration likelihood and cognitive dissonance theories that if we recognize that a communication is persuasive, we can set up psychological defenses against it. But, what if we don’t know it’s a sale’s pitch? In response to technological advances that have allowed consumers to avoid certain types of persuasive messages, advertisers have responded with increasingly sophisticated means of calling attention to their products, including methods that avoid the appearance of advertising altogether. This raises the important ethical concern as to whether advertising masquerading as “friendly conversation” (or anything other than what it truly is) is deceptive or not. Advertising within social media (sometimes called “viral” marketing) is one of those techniques that will be discussed below.

The need for transparency

Problems arise when advertising shifts from being obvious, thus avoidable, to hidden or disguised as something else, so as not to be so easily avoided. As mentioned earlier, new technology has made avoiding advertising, especially on television, much easier, forcing advertisers to come up with every newer approaches to getting your attention. Many of those approaches utilize techniques more often associated with public relations; however, they still fall under the rubric of “marketing.” There are a wealth of terms currently in use to describe these related techniques: Buzz Marketing, Word-of-Mouth-Marketing (WOMM), Viral Marketing, Stealth Marketing, and Social Media Marketing.¹ They all refer roughly to the same technique—spreading the word about a product or idea by using the consumer to help promote it for you. An article published by the Wharton School of Business at the University of Pennsylvania notes that this technique assumes that a person-to-person marketing message is much more powerful because it is so personal—and that it could potentially reach more people than a broadcast message, if only it is buzzed about in great quantity by people who have very long contact lists and no qualms about promoting products to anyone who will listen.²

Although these techniques can be practiced ethically, there are numerous pitfalls associated with them, all having to do with transparency. As the Wharton article points out, these tactics raise “the specter of a paranoid future where corporate marketers have invaded every last niche of society,
degrading all social interaction to a marketing transaction, where no one can be certain of anyone else’s true opinions or intentions.”

Definitions

Viral marketing or advertising refers to using existing blogs and social networks (MySpace and Facebook, for instance) to increase the level of brand awareness of a product. Viral is an unfortunate word choice in that it is most often associated (at least in the past) with the spread of sickness or disease. The idea is the same, though. Marketers put out information in various forms on blog sites and other seemingly amateur venues in order to spread the word throughout the internet much faster (and cheaper) than traditional advertising can—thus, the term word-of-mouth marketing. We will treat “word-of-mouth marketing” here as the overarching term under which the others described below fall. The driving concept is that people will pass on or “share” information, especially if it is exciting or creative. The rise of YouTube to the status of a multi-million dollar business in just a few years is a testament to this approach. The ethical downside is that information disseminated this way can take on a false credibility because it doesn’t seem to come directly from an advertiser but rather from people just like you and me. As marketing professor Jerry Wind notes, “For years, people recognized the power of word-of-mouth in convincing, influencing, affecting consumer behavior. It has more credibility than traditional advertising.”

Buzz marketing is essentially the same concept, except that the advertising aspect is more hidden beneath layers of person-to-person communication. The technique attempts to make advertising seem more like a conversation between friends in which information is exchanged spontaneously. This may even include actual marketing representatives posing as members of the target audience, often in chat rooms or specific blog sites devoted to the topic under discussion. This more insidious form of buzz marketing is called stealth or guerilla marketing. According to the Canadian law firm McMillan, Binch, Mendelson, stealth marketing is “marketing that promotes a product without disclosing any direct connection between the advertiser and the message.”

Stealth marketing involves a marketer engaging with customers without disclosing that they are in fact paid by the business for which they are marketing a product or service. For example, a business might hire an actor or charismatic person to use a certain product visibly and convincingly in locations where target consumers of such product are located. While using the product in the location, the actor will also discuss the product with people he or she meets in that location and possibly hand out samples. The actor will often be able to sell consumers on their product without those consumers even realizing it.

This approach is based squarely on the understanding that people will drop their defenses to persuasion if they don’t think they are actually being pitched. In other words, people are more likely to accept at face value recommendations about a product, service, or idea if it 1) comes from someone they know, even tangentially and, 2) they thus believe that they have no vested interest or ulterior motive in presenting you with the information.

As traditional outlets (such as TV and magazines) decrease, become saturated, or ignored, advertisers must seek ever-newer venues in which to sell their products. Social media outlets are an obvious choice, especially for the various forms of word-of-mouth marketing. Social media can be defined as an integration of technology with social interaction. Some have called it the “new democracy.” Internet forums, message boards, blog sites, etc., are all forms of social media. Obvious
examples are such sites as MySpace and Facebook, popular among college students and, increasingly, others. These are places in which people share everything from their personal lives to heated political commentary to creative work. It is also a place in which, increasingly, advertisers seek to become your friend, and that is what we will focus on here.

To disclose or not to disclose: Is there really any question?

That probably depends on whom you ask. In 2005 nonprofit watchdog group, Commercial Alert, filed a complaint with the Federal Trade Commission citing what they saw as a deeply disturbing marketing trend. The complaint stated that

companies are perpetrating large-scale deception upon consumers by deploying buzz marketers who fail to disclose that they have been enlisted to promote products. This failure to disclose is fundamentally fraudulent and misleading.7

Commercial Alert cited several instances of what they called “stealth marketing.” The most familiar (probably because of a New York Times article) was the 2002 campaign initiated by Sony Ericsson Mobile for its T68i mobile phone and digital camera. The initiative, called “Fake Tourist,” involved placing 60 actors posing as tourists at attractions in New York and Seattle to demonstrate the camera phone. Some of the actors asked passersby to take their photo, which demonstrated the camera phone’s capabilities.8 Others frequented trendy lounges and bars, engaged strangers in conversation and found reasons to use their new mobile phones to elicit interest. In neither case did the actors identify themselves as representatives for Sony Ericsson.9

Most notably, the complaint also targeted the number-one maker of household products in the United States—Proctor & Gamble (P&G). In 2001, P&G started “Tremor,” a word-of-mouth marketing program that actively recruited teenagers to pitch P&G products to their friends.10 By 2006, some 225,000 teens were enrolled in the program. The teens were provided with such incentives as coupons, discounts, free downloads, and product samples. The idea was that they would then play up the use of P&G products to their social networking friends. The “connectors,” the name used to define their function, were free to disclose that they were working for P&G, but were not required to do so. In 2005, P&G broadened its focus to include “moms.” Again, this group wasn’t required to disclose their affiliation with the company or let on that their praise of its products was somewhat “induced.”

Commercial Alert’s complaint criticized P&G’s policy of not requiring transparency in their marketing efforts. According to Business Week

“Without such disclosure, Commercial Alert Executive Director Gary Ruskin sees the danger of the basic ‘commercialization of human relations,’ where friends treat one another as advertising pawns, undercutting social trust.”11

P&G countered that by not requiring its “connectors” to disclose that they are working for the company, they are put completely in charge of what they choose to tell their friends. However, others point out that such disclosure would jeopardize the sales pitch by undermining the credibility of the “connectors.”12

In December, 2006, the FTC, in a staff opinion, denied the request to investigate P&G’s marketing techniques. They did, however, agree that “companies can deceive people by deploying ‘sponsored consumers’ who hide that they are paid to promote products.”13 The Commission stated that
in some word of mouth marketing contexts, it would appear that consumers may reasonably give more weight to statements that sponsored consumers make about their opinions or experiences with a product based on their assumed independence from the marketer. In such circumstances, it would appear that the failure to disclose the relationship between the marketer and the consumer would be deceptive unless the relationship were clear from the context.\textsuperscript{14}

But, what if that relationship is not completely opaque, only a little blurry? In an article for CNET News.com, journalist Stefanie Olson deals at length with the growing problem of the blurred line between “friends and flaks” on MySpace.\textsuperscript{15} The major concern is that although ads on most web sites are “typically set off from editorial and clearly labeled… [on] social networks, ads and marketing pitches can come in any form, without a label. Even stickier on MySpace, it can be difficult to tell a genuine member from a marketer.”\textsuperscript{16} According to a report from research firm eMarketer, social networking sites like MySpace are full of marketing campaigns set up as “profile pages” for hundreds of advertising “partners,” none of whom identify themselves as such to visitors. Instead, they offer free music downloads, celebrity gossip, comic books, games, coupons for products, and myriad other opportunities to become subtly exposed to products. Olson cites Renee Hobbs, director of the media education lab at Temple University, as pointing out that “[m]ost American teens perceive the presence of bands, celebrities and comics on MySpace not as marketing, but as an opportunity for friendship. Teens’ response to these marketing messages is linked developmentally, because they are at an age where they are using relationships to develop a sense of identity.”\textsuperscript{17}

But, what if the relationship isn’t even a relationship? What if those passing on the sales pitch aren’t even aware they are part of the marketing plan? In 2000, Fallon McElligott, the ad agency for Lee Dungarees, came up with an idea to make their client’s product more appealing to 17 to 22 year-olds.\textsuperscript{18} Playing on the amateur-multi-media-author appeal, they created a series of three, grainy, apparently home-made video clips. The small films were sent out over the internet to some 200,000 web surfers in the target age group. The videos were designed to appeal to the quirky, naïve nature of budding MTV music-video producers who would, of course, pass them on to their friends all over the web. The films directed the receivers back to the sites of the “creators” of the clips, who had fully formed internet lives and lots of quirky interests (one was a 24-year-old race car driver). The problem is, they weren’t real. Instead, they turned out to be the fictional creations of a marketing plan. The plan, however, worked. Some 100,000 surfers visited the three sites the first week, and when the ruse was intentionally revealed a few months later, unwitting participants were already hooked. It was revealed that the characters were actually part of an online video game in which the only way a player could reach the advanced level was to go out to a store and retrieve the product identification numbers (“secret code”) off Lee jeans and other items. Sales of Lee products rose by 20 percent in 2000.

The one thing all of these cases have in common is that the marketing tactics they use are purposefully designed create a sense of security for the consumer. However briefly, they believe they are sharing an experience with someone free of motivation other than friendliness.

\textsuperscript{T}he gambit essentially is the same: to slip into the conversational pathways of those who heavily influence their peers. That way, instead of coming from a faceless and distrusted corporate conglomerate, the marketing message seems to emanate from the most powerful endorser possible: your coolest friend.\textsuperscript{19}
The ethical bottom line for Word-of-Mouth-Marketing

The fact is, word-of-mouth and buzz marketing work, and because they work, advertisers will continue to use them. As business professors Andrew Kaikati and Jack Kaikati note:

Despite the criticisms from various quarters, stealth marketing is here to stay. It has a powerful role to play when it is tastefully implemented. As traditional television advertisements continue to lose their effectiveness, brand managers are being pressured to think outside the box by going undercover to reach consumers. To capture the attention of jaded, fickle consumers, they will continue to devise new approaches that are harder to detect. Brand managers are gambling that the benefits of stealth marketing will outweigh the castigations by critics.20

These authors, like the myopic advertisers defined earlier, seem to believe that the marketplace is full of intelligent and independent-minded citizens who “can choose the messages they want to engage with while ignoring the vast majority of ad clutter.”21 They believe that the ethicality of the new marketing tactics will ultimately be decided by these “savvy consumers” who will “determine when stealth marketing has crossed some ill-defined line.”22 Their only fear seems to be that as these tactics become more popular, they will lose their stealth value, forcing advertisers to “seek even more creative tactics to stand out in the competitive marketplace.”

The “ill-defined line” being crossed here is not so fuzzy as to go unnoticed by others in the field, however. The Word of Mouth Marketing Association (WOMMA), a leading organization representing marketers who practice this brand of advertising, has developed a code of ethics aimed specifically at such practices as stealth marketing. It clearly calls for what it terms “honesty of identity,” which includes:

- Clear disclosure of identity is vital to establishing trust and credibility. We do not blur identification in a manner that might confuse or mislead consumers as to the true identity of the individual with whom they are communicating, or instruct or imply that others should do so.

- Campaign organizers should monitor and enforce disclosure of identity. Manner of disclosure can be flexible, based on the context of the communication. Explicit disclosure is not required for an obviously fictional character, but would be required for an artificial identity or corporate representative that could be mistaken for an average consumer.

- We comply with FTC regulations regarding identity in endorsements that state: “Advertisements presenting endorsements by what are represented, directly or by implication, to be “actual consumers” should utilize actual consumers, in both the audio and video or clearly and conspicuously disclose that the persons in such advertisements are not actual consumers of the advertised product.”

- Campaign organizers will disclose their involvement in a campaign when asked by consumers or the media. We will provide contact information upon request.23

In addition, the organization has developed a “tool kit” composed of a set of 20 questions that can be used to judge the ethicality of a word-of-mouth marketing campaign. It includes such advice as always insisting on disclosure, making sure the opinions expressed by advocates are honest ones, and instructing advocates in ethical practices and behaviors.24

The WOMMA code and the increased scrutiny of word-of-mouth practices have encouraged some agencies, such as BzzAgent, one of the largest and most visible buzz marketing agencies in the
U.S., to adopt policies that require its agents to disclose their identities. But, as with much else in media ethics, the functional results often dictate the moral response. It seems the practical aspects of disclosure suggest that word-of-mouth campaigns are generally more successful with identity disclosure than without. Apparently, credibility vanishes once people find out they’ve been duped, and the backlash from consumers can be detrimental to the overall campaign, and the product being sold.

Regardless of the practical motivations behind disclosure, advertisers have a moral obligation not to hide their identities. As previously noted, ethics scholar Patrick Plaisance argues that transparency is an attitude of proactive moral engagement that manifests an express concern for the persons-as-ends principle when a degree of deception or omission can reasonably be said to risk thwarting the receiver’s due dignity or the ability to exercise reason.25

In other words, we violate the dignity and autonomy of our audiences when we seek to deceive them, and many forms of word-of-mouth marketing do exactly that. If we are to act as morally responsible communicators, we must treat the “other” as if he or she actually were our friend.
For an exhaustive list of articles from various sources on buzz marketing, see http://www.commercialalert.org/issues/culture/buzz-marketing.


Ibid, 4.

Cited in Ibid, 1.


Ibid.


“I Sold It Through The Grapevine: Not even small talk is sacred anymore. P&G has enlisted a stealth army of 600,000 moms who chat up its products,” BusinessWeek, May 29, 2006.

Ibid.


Ibid.

Ibid.

Gerry Khermouch and Jeff Green, “Buzz Marketing: Suddenly This Stealth Strategy Is Hot—but It’s Still Fraught with Risk,” Business Week Online, July 30, 2001, http://www.businessweek.com/magazine/content/01_31/b3743001.htm

Ibid.


Ibid, 19.

