

Fairness and Integrity in Telecommunications Media Coalition
Supporting FCC Regulation of Embedded Advertising

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Coalition to FCC: Take ACTION on Embedded TV Ads

A broad coalition of 50 health, media and child advocacy organizations and professionals sent a letter to FCC Chairman Julius Genachowski today calling for rulemaking on embedded TV advertising (product placement). The American Academy of Child and Adolescent Psychiatry, the American Academy of Pediatrics, Common Sense Media, the Consumer's Union, FAIR, Free Press, the National Institute on Media and the Family, and Public Citizen are among the organizations that have joined forces to urge the FCC to provide greater transparency for adults and protection for children when advertisers weave their messages into program content.

That advertisers are using TV role models to inculcate targeted consumer behaviors concerns child and family advocacy organizations – that they do so without adequate disclosure to the public betrays a core principle that has long been recognized by Congress and the FCC: people have a right to know when someone is selling them something. The Federal Trade Commission recognized this principle recently when it proposed new rules requiring disclosure of paid messages in blogs and online media. Now, says the coalition, the FCC must act.

The move follows industry reports of increasing proliferation of embedded ads since the FCC conducted a proceeding on the matter last fall (MB Docket 08-90). *Advertising Age* reports that sponsors are becoming “more aggressive” in their demands for “deeper” and “more intrusive” product integrations, and that networks are more willing to comply! Product placements in the top ten shows on broadcast networks grew from 25,950 to 29,823 in 2008.² Measured another way, in the first half of 2009, the amount of program time consumed by brand appearances on broadcast networks surged 19% over the same period last year.³

“People notice products and brands in TV shows, but they may not realize the extent to which advertisers are scripting dialogue, story plot points and even whole episodes to influence consumer attitudes and behaviors,” says Josh Golin, Associate Director of Campaign for a Commercial Free Childhood (CCFC), a signatory on the letter.

Evidence cited by the coalition suggests growing disregard for public health and media ethics in an industry that is actively embracing product integration as a business model A teen drama is crammed with 2,575 product placements in a single year (fifty per week on average).⁴ A soft drink company pays an estimated \$26 million to penetrate 60% of the running

¹ Brian Steinberg, *Series Let Advertisers 'Boldly Go' Where Few Have Gone Before*, ADVERTISING AGE (7 May 2009).

² Nielsen, *US Advertising Spending UP 0.6% in 2007, Internet Ad Spend UP 18.9%* (31 Mar 2008); Nielsen, *Tops in 2008: Top Advertisers, Most Popular Commercial*, (15 Dec 2008);

³ TNS Media Intelligence, *TNS Media Intelligence Reports U.S. Advertising Expenditures Declined 14.3 Percent in First Half 2009* (16 September 2009).

⁴ Nielsen, *Tops in 2008: Top Advertisers, Most Popular Commercial* (15 Dec 2008).

time on *American Idol*.⁵ Las Vegas casinos wage an all-out “product placement war” on primetime television.⁶ A former Playboy playmate cuts a deal with a sports bar chain, then embeds the brand in her cable reality show: *I’m doing a poster shoot for Dave and Buster’s and I’m so excited...I’m obsessed with Dave and Buster’s and I don’t know how they’re going to get me to calm down and pose*.⁷ Also noted: embedded plugs for prescription drugs (without mention of the side-effects)⁸ and branded firearms in television dramas (for example, the H&K UMP Submachine Gun used to kill a U.S. senator in Fox’s *24*, a portrayal that has even gun enthusiasts wondering if H & K paid for the plug).⁹

The script used to come first, then products were added as props. Today, it often happens in reverse. The deals are negotiated at the network level as part of media buys, *obligating* writers and producers to doctor, or invent content as advertising. “[This unfair and deceptive practice erodes broadcasting integrity and fosters sponsor-control and censorship of content reminiscent of TV in the 1950’s](#),” the coalition told Chairman Genachowski.

Consumer groups point out that there are financial incentives for networks to create episodes and whole series around product categories that have hefty advertising budgets – junk food and Las Vegas casinos, for example. To the degree that marketers doctor TV content, TV shows not only sell their brands, but more subtly, attitudes, behaviors and lifestyles that serve their agendas. When that happens, parents and consumers have a right to know about it.

The coalition is calling for:

- 1) Full transparency for the adult consumer (disclosures in the end credits are ineffective).
- 2) Extension of Sponsorship Identification rules to cable and satellite networks.
- 3) A ban on product placement in programs for children under 12 years of age.
- 4) Rigorous enforcement, sending a message that stealth TV ads (especially for alcohol, tobacco, gambling, pharmaceutical drugs or weapons) are illegal and will be prosecuted.

PRESS: ADDITIONAL QUOTES

Embedded junk food advertising is a major concern to health advocates such as Dr. Kelly Brownell, Director of Yale’s Rudd Center on Food Policy and Obesity, a coalition participant. His research shows that food advertising doesn’t only sell brands, it promotes *eating* in children and adults alike¹⁰ -- and product placement may have an even greater influence. Dr. Michael Rich, director of the signatory group, Center on Media and Child Health at Boston Children’s Hospital and Associate Professor at Harvard Medical School says, “[Decades of research have demonstrated the power of embedded advertising, both because its marketing is covert, thus less likely to trigger critical viewing, and because it implies an endorsement of the product by attractive media role models.](#)”

⁵ Martin Lindstrom, *BUYOLOGY: TRUTH AND LIES ABOUT WHY WE BUY*, New York: Doubleday at 40, 49 (2008).

⁶ Nielsen, *Travel and Hospitality Advertising*, NIELSEN MONITOR-PLUS SPOTLIGHT (Jun, 2009).

⁷ Andrew Hampp, *Want More TV Time? Woo the Talent*, ADVERTISING AGE (5 Jun 2009).

⁸ Enrique Rivera, *Does drug product placement on TV require new regulations?* UCLA NEWSROOM (17 May 2008); John Simmons, *Big Pharma’s ready for prime time*, FORTUNE (28 Sep 2007).

⁹ Daniel Fierman, *Where Hollywood Gets Its Guns*, 488 ENTERTAINMENT WEEKLY (4 Jun 1999). Mitch Berg, *Product Placement We Can Use*, www.shotinthedark.info/wp/?p=4512, (2 Apr 2009)

¹⁰ J.L.Harris, J.A.Bargh, & K.D.Brownell, *Priming effects of television food advertising on eating behavior*, 28-4 HEALTH PSYCHOLOGY 404-413 (2009).

Former TV screenwriter and producer Korby Siamis (*The Cosby Show*, *Murphy Brown*), a signatory on the letter, told the Commission last fall that rulemaking is necessary because networks have abandoned their gate-keeping role. “On occasions that we used a product name, we would receive notices from the network Standards and Practices department,” she stated during the FCC’s inquiry and rulemaking proceeding on the matter (Docket 08-90). “Under no circumstances would a product be named if the network knew that there was a commercial for that product scheduled during the airing of the episode.”

Today, the one-two punch is common practice, as networks allow sponsors to burrow into the marrow of television content. “The concept that we would ever have been expected to include product names or usage in our writing would have been beyond ludicrous,” recalls Ms. Siamis, a signatory on the letter.

“The claim that ‘TiVo made us do it’ doesn’t hold water,” says former teacher and coalition coordinator Nancy Marsden. “If it did, then what explains the advertising industry’s penetration into videogames, novels and even comic books?” In an attachment to the letter, the Coalition cites data from the Nielsen Company suggesting that time-shifted viewing on DVR devices comprises little more than 5% of TV-watching at a time when Americans are watching more TV than ever (over 153 hours per month and growing).

Coalition groups such as FAIR and Free Press decry the corrosion of public trust and media integrity when consumers are not adequately informed of embedded ads. “Product placements and other forms of stealth ads are increasingly showing up in newscasts,” said Diane Farsetta, senior researcher at the Center for Media and Democracy, a signatory group. “With ‘fake news’ segments scripted and produced by public relations firms, the line between editorial and advertising content is disappearing. Strong disclosure standards must be established and enforced, so that viewers know what’s real reporting and what’s paid-for spin.”

The coalition wants the FCC to update its rules, otherwise embedded commercial propaganda will continue to pass as creative content or news. Adds Dr Brownell: “Children who are trying to find their place in the world and have not yet developed the cognitive ability to discern persuasive intent, are particularly vulnerable to these influences and need the protection afforded by FCC disclosure and child protection rules.”