Thai Professionals Did Not Perceive Product Placement as Unethical

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An Introduction to
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This paper should be cited as follows:

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Abstract

The purpose of this research study is to study Thai professionals’ ethics applied to product placement in situation-comedy series as well as the factors influencing these decisions. Additionally, the regulation of Censorship Committee regarding product placement is analysed in order to understand the relative viewpoints and guidelines prevailing in the field. Qualitative research, based on in-depth interviews, is conducted. Sixteen professionals, among them marketing executives from product companies, advertising professionals from media agencies, professionals from television-programs production companies and six censorship professionals from popular Thailand broadcasting are in the sample.

The findings reveal that all professionals have an appropriate understanding of issues relating to how products should be placed or tied to series’ plots neatly. Most professionals have a positive attitude towards product placement because it is considered beneficial for the brand, ethical in its application and influential on consumers. The motivation for choosing product placement in situation-comedy series as a marketing strategy lies in the specific characteristics of the both the organization and the individual executive. Most professional ethics about product placement fall into the third category (stage) of Kohlberg’s Stages of Moral Development. The determinants of the professionals’ ethical perspective towards product placement are the production companies’ revenues, the organizational policies, the levels of administration within the company, the job responsibilities of the executives, their work experiences and their age.

The censorship committee appears to have thorough knowledge regarding laws, regulations and acts about product placement. Moreover, they evaluate the impact of product placement in a positive manner and they also argue that it is ethical as it is not against any law, act and regulation of the Office of National Broadcasting and Telecommunications Broadcasting. Finally, they suggest that the government should enact the law about product placement practice, so all channels should operate under the same standards.

Keywords: Ethics, Product Placement, Situation Comedy, Thai Professional
Introduction

Although new media, such as the internet, have been widely introduced recently, television still heavily influences consumers. According to the media survey conducted by Nielsen in 2013, the share of the investment in television media reached the level of 59%; the highest figure, followed by investment in newspapers, magazines, radio, internet, out of home media, and cinema at 18.3%, 9.4%, 5.5%, 4.4%, 3.3%, and 0.3% respectively.

Regarding television advertising, the decline in consumers’ enthusiasm and motivation as a result of both the clutter of advertisements and the ability of the consumers to intervene; they appear to be increasingly able to control paths and time duration during their entertainment time. Consequently, advertising could fail to as effective as expected (Wenner 2004, Smit et al. 2009). To resolve this problem, advertisers resorted to product placement techniques as a means to display products and brands with or without sponsor identification (Tellis 1997). Placement techniques have been constantly developing since then, as they are associated with several benefits such as product recognition, usage explanation, brand memorization and brand reminder for re-buying the product.

The most popular genre of TV programs, providing the appropriate space for the implementation of product placement techniques, is the situation comedy since the advertising products fit in each scene, reflecting various moods like ridiculousness and enjoyment (Nuntaagekapong 2006). In the case where placement is not a complement to the scene description, even if consumers could recognize the product, some problems could emerge. Being concentrated to a specific programme, the distraction caused by the product placement could result in the development of negative feelings towards the product. However the advertisers are unable to persuade consumers besides causing the undesirable thought to the product (Russel 2002, Cowley and Barron 2008).

As a result of them becoming more and more popular over time, product placement techniques naturally started to attract more attention as well as criticism than before (Tiwsakul et al. 2005, Drumwright and Murphy 2009). Previous studies (Thammaragsa 1999, Pounglek 2004, Nuntaagekapong 2006, Kanhayuwa 2006, Suwannaphan 2007) support that Thai consumers were in most cases unsatisfied by the product placement in their favourite programs. Dissatisfaction typically emerged from the display of products unrelated to the specific scenes or the overall plot. The survey of Family Network of Media Monitoring and Creating in 2009 also concluded that product placement intrudes the consumer’s rights and violates the moral basis about crating TV program, stressing that advertisement should totally be separated (Child Media 2009). Many of the mass communication and technical specialists argued that product placement is dishonest to the consumers, invading their human rights and violating the rules of morality (Prachathai 2009). Even in foreign countries, the product placement was widely criticized as a major problem
resulting in misbehaving, violation of advertising law and lack of morality (Karrh et al. 2001, Karrh et al. 2003).

In the aftermath of the public’s as well as the experts’ perceptions regarding product placement, the administrative agency or consumer protection department in each country tried hard to find the solution and control the product placement in regulatory level. Unlike the majority of the countries, where national laws were introduced, no law or regulation was enacted in Thailand. The Censorship Committee was designated to control and supervise all of the aspects of the TV programs; nevertheless, all standards of product placement censoring were not properly specified (Child Media 2009). According to the Ethical Guideline and Self-Regulation for Broadcasting of the Office of National Broadcasting and Telecommunications (2014), advertisers should avoid product placement in mass media. They were discouraged to do so especially in the cases where product placement distracted the viewers from the program, causing annoyance and deviated from the program’s main ideas. However, the legal supervision was not efficient, as the relevant penalties were not formally specified and the specialists did not receive the appropriate training. As a result, the advertising managers and their staff continued to operate as they had done before the establishment of the Ethical Guideline. For the censorship committee to be effective, developing morality and professional ethics was a necessity. In addition, all advertising professionals should receive proper and comprehensive training on product placement.

Considering the moral and ethical aspects of product placement, academics have been recently engaged in the analysis of the morality in the advertisers’ techniques: developments, moral problems met by advertisers, consumers’ perception of advertising morality. In the context of this study, the majority of advertising specialists appeared to define advertising morality as a right and a virtue inherent in advertising procedures and not just as the aftermath of strictly following the rules (Cunningham 1999). When Drumwright (1993), Preston (1994), and Drumwright and Murphy (2004) were studying the moral viewpoint of advertising specialists, morality was considered to coincide with law while ethics were thought to be strictly defined in its context. In this time period, the public, consisting of academics and consumers, seemed to be highly cautious to product placement while advertisers were careless and not really bound by law. In addition, not only they were less likely to care about advertising morality (Hyman et al. 1994, Karrh et al. 2001, Karrh et al. 2003, Drumwright and Murphy 2004, 2009) but they also often flouted the moral principles, exploiting the possibilities offered by the advanced communication technology (Hunt and Chonko 1987, Drumwright and Murphy 2009).

Morality in product placement in Thailand was mostly studied from the consumers’ perspective; especially in the case of irritating and distracting placement (Thammaragsa 1999, Pounglek 2004, Nuntaagekapong 2006, Kanhayuwa 2006, Pooljunna 2009). Research also showed that unethical advertisements in Thailand were mainly created by advertisers without the

Despite the amount of criticism product placement has received, this advertising technique has been manifesting a constantly spreading pattern. On the ground of this popularity, regulation was introduced and enacted on an international level. In Thailand, despite the fact that relevant laws and regulation still lagged behind, a few censorship committees were established for investigating the advertising strategies hosted at each channel. Back then, the legal framework was not enough developed to provide efficient control of advertising; as a result, advertising specialists remained confused regarding the specific practices considered legal and moral. To resolve all this confusion, research should be centered in identifying the trends prevailing in product placement and the advertising specialists should be educated on the basis of basic moral values. Moreover, studying the censorship committees’ viewpoints regarding product placement techniques is expected to contribute in design this regulation mix, serving as a widely accepted and effective set of standards for product placement inspection.

Objectives

1. To study advertising morality in product placement techniques in situation comedy series as well as the determinants of advertisers’ morality.
2. To get a clear picture of the guideline of rules and moral principles governing the various product placement techniques through the thorough analysis of the viewpoints of the censorship committee.

Methods and Sample

In this study, a qualitative analysis method is adopted within the context of which descriptive interviews were conducted in 6 censorship committees of Thailand TV channel and 3 special divisions - 19 interviewees - involved in product placement production in situation comedy programs. Among the interviewees, there were product owners, advertising agencies, and situation comedy production companies. The semi-structured interviews with guideline questions technique was implemented for data collection, with open-ends questions giving the interviewers’ the opportunity to retrieve extra data and be flexible in inquiring other interesting issues.

Results

For the purpose of identifying the determinants of advertisers’ morality in product placement in comedy series, we analyze Kohlberg’s state of moral
development, introduced in 1796. Table 1 summarizes the six stages of Kohlberg’s state of moral development theory.

**Table 1. Analyzing Kohlberg’s State of Moral Development**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Level</th>
<th>Motivation to moral decision</th>
<th>Development Level in morality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Marketing personnel</td>
</tr>
<tr>
<td>Pre-conventional</td>
<td>1</td>
<td>Show the behavior to avoid the punishment. If they were punished, they would think that the behavior was wrong. In contrast, if they were awarded, they would think, the behavior was right and they would do it again.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Show the behavior to retain the returns.</td>
<td>-</td>
</tr>
<tr>
<td>Conventional</td>
<td>3</td>
<td>Show the behavior for group acceptance as helping others was satisfied and praised.</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Show the behavior as the social position because laws and regulations led to good discipline.</td>
<td>-</td>
</tr>
<tr>
<td>Post-conventional</td>
<td>5</td>
<td>Show the behavior as the social standard, and think of common interest rather than personnel interest.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Show the behavior followed the moral standard, considering rights and fairness of humanity.</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Kohlberg, 1976.*

According to the interviews, most specialists self-categorized in the third level of development, denoted as "expectations and perceptions of society for a good child". Analysing their perceptions of organizational policy and manager’s duties, they appear to attach great value to their social surroundings. This prevailing attitude of being socially sensitive falls into the third level of Kohlberg’s scale. Additionally, it reveals that specialists’ behavior often conforms to their expectations for the future, perceptions of others and the value of team work.

Most specialists also appear to highly value the prosperity of their business, performing product placement on the basis of fulfilling the company’s expectations. Moreover, these specialists are obviously influenced by the corporate culture and comply to its norms and ethics in order to survive the competition. On this ground, what matters most to them is gaining acceptance and respect inside the company, being willing to serve the general goals set by their group.
Only a single person among the interviewees describes his morality to be at the fourth level of development, denoted as "Laws and Regulations". According to Kohlberg, at this level laws and regulation are believed to be necessary prerequisites for preserving social morality and ethics. The specialist, who had this response, considered product placement to generally comply with law, which could reflect the reasons for which he self-categorized at the fourth level 4. An additional reason could be his age, as he was the oldest one in the sample.

The results of the present study are in agreement with the findings of the study on Thai morality conducted by Bhanthumnavin (1995). It was found that Thais between 16 and 60 years of age normally develop morality of the third level in the Kohlberg’s state of moral development. According the study’s findings, 50% of Thais improve their moral worldview up until this level while 20% of Thais could even reach the fourth level of "Laws and Regulations". This improvement is attributed to Thais deep connections with their fellow citizens, as, according to the study about culture diversities of Hofstede (1997), Asian countries are characterized by a tight social structure, comprising various social groups with the attachment to those groups being highly valued (Collectivism) Furthermore, Hofstede described the distinct differences between high- and low-power groups (high distance power), as a result of the awareness of conflict between those high in the ranking and their subordinates. The fact that the low-power groups might not question the power of their seniors, and even look up to them with great respect seeking their acceptance, is reflected in the situation comedy series and has also influenced product placement.

During the interview, the determinants of specialists’ morality were grouped in two categories: the external and the internal factors. Mainly organization factors comprise the external factors category. The most important ones are the organization’s income and policy as well as the channel’s policy. TV program production expenses were very high, rendering advertising income inadequate to cover the channel’s needs. Some programs had to be cancelled and producers had to look for new income sources by applying for product placement. From the side of the advertising company, this direction came from the directors board who are responsible for settling all the arising matters; subsequently, the company’s employees had just followed the policy of the company. From the side of the channel, specialists were strictly controlled regarding the specific products to be advertised in the situation comedy series and did not insist in adding more products, unrelated to the series’ content. In the case where the TV program producers could not properly revise the use of product to be placed, these programs could be postponed, as the agreement with the product’s company could create problems to the advertisers.

The results of the present study are also in agreement with the analysis of Drumwright and Murphy (2004), according to which the advertising agency should comply with the publicly accepted moral standards. According to the notion of Social Learning as described by Bandura and Walter (1963), the formation of morality is incorporated in the process of socialization, thus,
society does influence the developments in morality. In this context, the directors' board is the most significant determinant as it is entitled to take decisions on all important issues and, thus, promote specific ethical standards. This was also shown in the study of Hegerty et al. (1978) who explained that people of great power could convince the ones with less power.

Besides the social trends, another external determinant of morality was revealed: "the channel inspection". According to Smit et al. (2009), Thai channels’ role was quite different compared to the Dutch channels. In the context of this study, it was revealed that the Dutch channels had full control on both program broadcasting and product placement, as they could also filter and control advertising income. As opposed to this, in Thailand, there is no evidence about advertisement time trading. The cases where the channel directly hired the advertising agent to produce some kinds of advertisement were mainly exceptions.

The professional survival falls into the internal factors category, as the probability of a dismissal increases when no profits are generated by product placement. Position responsibility and work experience, as experienced workers had deeper understanding of the company’s benefits in product placement, as well as age, with advertising agents becoming more cautious to product placement as growing older, comprise the internal morality determinants. All results conform to the general conclusions reached by Rotzoll and Christians (1980), analysing the moral considerations which affect both the consumers and the advertising agencies. "Work experience" and "age" of the advertisers influence the implemented placement techniques. According to Wiratchai and Tangchitcharoenkul’s (2008) study on the changing moral values of Thai people, age is an important parameter of morality and ethics.

Analysing the viewpoint of the product placement censorship committee regarding the specific field of situation comedy series, it is argued that this viewpoint consists of three major types of components: Cognitive, Effective Component and Behavioral Component (Smiththikrai 2011). It is shown that:

1. **Cognitive Component** (Beliefs, knowledge, thoughts and opinions). According to the present study’s findings, the censorship committee was quite familiar with the existing laws; for example, it was prohibited to display alcoholic beverages (Alcohol Control Act 2008) as well as tobacco products (Tobacco Control Act 1992). In addition, the censorship committee was well aware of the regulations issued by the National Broadcast and Telecommunications Commission and each television channel. Such regulations were the restriction imposed on product placement no to reveal the properties of the advertised product in detail, the regulations about some prohibited products as well as the rules of displaying the products characterised as annoying by the consumers Regarding ethical knowledge, three issues were raised by the committee. The **first rule** was that the advertisers should not display any products which did not fit to the TV program, its scenes and script. This was the results of the committee detecting the consumers’
dissatisfaction when they had to watch advertisements of products disrupting the normal flow of the TV program (Adisornsuwan 2009). In this ascertainment made by the committee, it came in agreement with the advertisers who design product placement according to the specific characteristics of each TV program. The second aspect was related to the consumers’ right to watch TV programs without any product placement on account of the Broadcasting Act 2008 allowing advertisement breaks during the TV program for 10 minutes every hour. The censorship committee appears to have clearly understood the act; the advertisements did not break the laws and regulations, the placed products’ details were not obviously demonstrated and restrictions about product placement were respected. The last aspect was about unethical behavior in product placement; for instance, children are vulnerable to input that could influence their subconsciousness. The censorship committee was aware of the advertisements’ brain effects and especially the sensitivity to advertisements demonstrated by children, even in the cases where the advertisement was lawful and ethical. According to Drumwright and Murphy (2004), if the law is ethical then its specifications define the nature of morality. In support of this argument, all advertising techniques were really ethical after law inspection.

2. Effective Component (positive and negative feelings). The censorship committee favored product placement in TV programs. Product placement was considered to look real because everybody could see the benefits of the product in its natural environment. However, it should fit to the TV program and it should also not concentrate to the product’s specific details. Besides, product placement was an effective way of keeping a brand vivid in consumers’ memories. According to Thammaragsa (1999), product placement is a way to communicate the brands to consumers by creating specific images. The censorship committee raised this idea regarding the benefits of the TV channels; as a result they could gain money from renting television time, making placement beneficial for both sides.

3. Behavioral Component (Tendency or readiness of people). According to the present study’s findings, the censorship committee allowed product placement only if there was an agreement between the producers of the TV program and the channels prior to the broadcast. If the agreement had been broken, the committee required to be informed in order to re-check the agreement details. In the event of any complications, for example the producers not being ready to revise, the committee would have resolved instead. Some parts of the scene might be blurred, the sound might be censored, or some scenes might be cut. In case that the program could not be restored on time, the censorship committee would hold back the broadcasting process and use reserved programs instead. The committee was responsible to revise all programs before broadcast as well as to check if advertisers complied to
the examiner committee’s orders. In Urwannachotima’s (2000) study, it was argued that advertisers were expected to follow the orders of the responsible authority, i.e. the program examiner committee. As stated in the overseas study of Smit et al. (2009), advertisers respected the authority of the committee and understood that they had to answer to it regarding the details of product placement.

**Guideline for Future Rules**

The censorship committee of each channel, and especially the one of the national channel, held regular meetings for discussing the common regulation regarding product placement. This regulation was defined in the context of The Ethical Guideline and Self-Regulation for Broadcasting issued by The National Broadcasting and Telecommunications Commission. An overview of the product placement regulation is presented below:

1. Product placement must not oppose the National Law.
2. Product placement must be practiced under the requirements of The National Broadcasting and Telecommunications Commission.
3. Product placement must follow the agreement signed by all parties and must be approved by the board of the channel before the production starts.
4. Product placement must not be displayed in the TV program’s title.
5. Product placement must be compatible to the TV program. It should not by any means be pushing or irritating to the consumers.
6. Slogans and details of products must not be referred to. The name of products is only allowed to be stated.

Finally, the censorship committee argued that the state should enact a common law about product placement practices and all channels should be subject to this same law. Nowadays, many digital channels are operating and the product placements they host are not under any form of control. Hence, many advertisers might be attracted to rent broadcasting time supervised only by each channel. Thus, placement practices could not be uniformly regulated unlike the case of the different national laws where state agencies and consumer protection boards kept trying to find unified solutions. For instance, in England, the independent entity under the name of Office of Communication (Ofcom) had the responsibility to specify rules, regulations and standard practices of broadcasting. Ofcom issued product placement rules in order to preserve morality and protect the consumers’ right. In addition, AVMS (Audiovisual Media Service Directive) was responsible for the supervision of broadcasting in Europe. According to the regulation imposed by the AVMS, product placement in TV programs was not allowed in children programmes. In Denmark and Italy, product placement was also prohibited while in the Netherlands, only the only television time available for product placement was 5-6 minutes after the end of the TV program. In China, product placement was
against the law and consumers could refer to consumer associations and sue the 
channels which had illegal product placement agreements (Child Media 2009)

Suggestions

1. Television commission or any other organization responsible to control 
and supervise TV programs should clearly issue regulation regarding 
product placement in TV programs common for all channels. Brainstorming with specialists for helping each other find an efficient 
way of controlling product placement is suggested. In this way, all 
advertisers would realize, accept, support, and apply the mutually 
agreed regulations and thus, keep their moral standards high.
2. It is shown that the moral standards prevailing among TV program 
producers are quite low. It is argued that the provision of proper 
education and training should enhance media literacy among students 
and also nurture morality to them.
3. The vocational schools should contribute in the process of promoting 
advertisers’ ethics and motivating them to apply them in their work.

Further Suggestions

1. The present study focuses on product placement in situation comedy 
series, yet the product placement is a technique implemented in various 
TV programs, so the determinants of this marketing strategy’s morality 
in other kinds of TV program require further research.
2. The results demonstrate that advertising specialists kept updating the 
implemented techniques in product placement by non-interrupting and 
non-pushing the products during TV show. Hence, future research 
could engage in studying the specific development of these techniques 
over time.

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