How to Place Products Without the Use of Product Placement

“If You Notice, It’s Bad. But If You Don’t, It’s Worthless” (Erwin Ephron)

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Title: How to Place Products Without the Use of Product Placement

Purpose: The thesis will contribute to an understanding of how the process of product placement functions and how the new Swedish Radio and Television law has, so far, influenced the different parties involved in the product placement process. The thesis will also give an insight in how the different parties involved, handle the ethical issues around product placement and product placement with alcoholic beverages. The purpose is also to give an understanding of if and how alcoholic beverages can be exposed in television despite the new conditions that the Swedish Radio and Television law has caused.

Research questions: What impact has the new Swedish Radio and Television law had on the different parties involved in the product placement process? How do the different parties involved in the product placement process reflect upon and handle the ethical issues around product placement, specifically with alcoholic beverages? How do companies working with alcoholic beverages manage to place their product in Swedish television within the new law regulation?

Method: The primary empirical investigation is qualitative and seventeen semi-structured interviews were conducted, both by telephone and personal. There were also four focus groups made.

Conclusion: The interpretation of the law is different between the parties involved in a product placement process. Even though the parties have a clearer picture of what is defined as product placement, what is allowed and not, there are still differences about how to apply the law. The different parties involved did not have any major ethical issues with product placement in general or product placement with alcoholic beverages. Companies working with alcoholic beverages manage to show their products in television, though it is illegal to place these products. After the study, it was evident that they instead choose to sponsor with their products in different productions. The consumers have not been affected by the new law due to their lack of knowledge about the regulations around product placement.

Keywords: Alcoholic beverages, Deceptive, Ethics, Product placement, the Swedish Radio and Television law.
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1. INTRODUCTION

1.1 BACKGROUND

In the early 1920s product placement with cigarette, cola and motor car manufactures started to be common in Hollywood (Fristoe, 2005 in Hackley et al., 2008). Russell and Belch (2005) points out that the strategy of placing branded products in different kinds of entertainment media, is not a new concept. The practice did not become widely published at first, since it was tough to hold someone responsible for the creativity of the feature (Wnek 2005 in Hackley et al., 2008).

In the beginning the approach of placing branded products in entertainment was manifested by sponsor-owned shows according to Russell and Belch (2005). Product placement is paid messages that attempt to persuade media audience without letting them know about the attempt. Gupta and Gould (1997), state that there is some controversy about product placement in terms of ethic aspects.

Product placement became interesting after the use of Reese's Pieces, the peanut butter flavoured candy that was used to attract aliens in the movie ‘E.T. The Extra-Terrestrial’. The success of the movie and the placement in it, made an increase of brand awareness as well as increased sales with about 65 percent (Winsky, 1982 in Russell and Belch, 2005). According to Higgins (1985) in Gupta and Gould (1997) this increase in sales, of the peanut butter candy placed in the movie, happened within three months, due to the placement in the movie. Another example is Ray Ban and one of their sunglass models. It had almost reached its end when the sunglasses were placed in the movie ‘Risky Business’. Before the release of the movie Ray Ban sold approximately 18 000 units a year, but after the release the sales increased to 360 000 units. It increased fast. After a number of successive placements Ray Ban's sunglasses reached a sale of four million units (Segrave, 2004 in Karniouchina et al., 2011).

Product placement is, according to Eisend (2009) considered as a very efficient tool in the promotion mix. Wenner (2004) states that placing products in television is one way for marketers to break through the ‘commercial clutter’ that occurs today. This to reflect upon the fact that product placement in practice is not restricted to television and movies (Wasko et al., 1993 in Russell and Belch, 2005). Radio shows, songs and music videos, video games, plays and novels are other sorts of entertainment where product placement may occur according to Russell and Belch (2005). They also state that there are many misleading terms about product placement since there, at the time for their research, were not much research made. As an example, there is something called brand placement and some theorists separate the phenomenon brand placement and the product placement phenomenon. There are also some authors that mean that product placement is a part of brand placement, like Lehu and Bressoud.
Russell and Belch (2005), state in their article that the formalized development of the industry behind product placement is relative recent and this has led to diversity in types and sizes of, for instance, product placement agencies. These agencies handle product placement for both the placing companies and the production companies.

The figure below (Figure 1) illustrates the various parties involved in a product placement process. It was chosen since it was the most explicit one found.

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**Figure 1- “A heuristic model for the product placement process” (Adapted from Chang et al., 2009:793)**

*The entertainment/independent firms* are the production companies, *corporate brands* are the brand companies that might place their products, *agencies* are intermediaries, organizations that
may represent the entertainment firms or corporate brand by means of advertising, product placement etc. *Advocacy groups* are different public authorities and *government regulatory agency* is different commissions, those who can regulate and make decisions (Chang et al., 2009).

In general, the employees in an entertainment firm are referred to as ‘above the line’ or ‘below the line’. Those above the line are decision makers such as executives, senior managers and other members of the product resource department. Those who are referred to as below the line are, for example, freelance employees, such as set designers, prop masters and production assistants (Chang et al., 2009). Chang et al. (2009) mean that these different parties do not always have to be intertwined and this can be seen in Figure 1 where there are no lines between any of the parties. The interaction between the different parties depends on what type of product placement process it is. There are three different processes that can be identified.

As mentioned before product placement is not a new phenomenon, but the first of August 2010 there was a change in the Swedish legal restrictions concerning product placements in television and radio, which affected the ones working with it (Swedish Parliament webpage 1). Earlier product placement was regulated by the old Radio and Television law (1996:844), which confined the use of product placement as a marketing method (Advokatfirman Reklamjuridiks webpage). The new law, replacing the old law with the same name, is The Radio and Television law (2010:696). This law changed the conditions regarding product placement (Swedish Parliament webpage 1).

1.2 PROBLEM DISCUSSION

A significant issue for marketers today, is all the commercial clutter. Consumers are exposed to advertising everywhere and on television they are just zapping by the commercials. A relevant question is how marketers can reach out to the consumers through all the clutter. Product placement is one method (Wenner, 2004).

An apparent significant issue with product placement in Sweden is, at the moment, the new law. Before the first of August 2010, product placement was included in a more general law about marketing and one was not allowed to use this kind of marketing method. The new law changed this and product placement is now legally right, but with some regulations, for example alcoholic beverages. The law has naturally changed how the different parties in the product placement process, works with and handles product placement (Swedish Parliament webpage 1). Since the new law has been active for only ten months, it is still under progress and the different parties involved in the product placement process might interpret the law differently. How they administer and adjust to the law is one matter this thesis find important. There will also be an
investigation of if there is some way for companies that produce alcoholic beverages, to still show their products in television without using product placement as it is described in the law. What are the possibilities? The new law states that alcoholic beverages are not allowed to be used in product placement like it is defined in the law; a company with alcoholic beverages are not allowed to pay a production company to give them space in a television programme or movie. Therefore, the law has changed the conditions for product placement and specifically with products like alcohol and it is believed that the companies working with alcoholic beverages are searching for other possibilities. Despite this alcoholic beverages are still exposed on television. One example is in the last season of a Swedish television programme of ‘Solsidan’ where one of the actors holds a can of beer.

According to Hackley et al. (2008) consumers are not having trouble with product placement in general, but they also state that there are some minor qualifications and Gupta and Gould (1997) state that several problems can occur when dealing with product placement and they can occur at different levels. One problem is ethical issues. The issues are general, but the issues become more significant when it comes to product placement with ethically charged products, such as alcoholic beverages, cigarettes, drugs and guns (Gupta and Gould, 1997; Gould et al., 2000). The alcohol industry is, according to an organization, The Center on Alcohol Marketing and Youth (CAMY), spending very much money on promotion of alcoholic beverages. Consumers are not that well aware of the consequences of alcoholic beverages and that becomes problematic since people are very exposed to marketing of this kind of products in today’s environment (Atkin et al., 2008). According to Babor et al., 2003 in Gordon et al., 2010 alcohol consumption is at the moment increasing and this has led to attention being directed towards factors that might influence drinking behaviour in an unintentional way. One factor that has already been identified is the alcohol marketing.

The general ethical issue with product placement is that it is, according to some, seen as a subliminal and deceptive marketing method (Gupta and Gould, 1997; Gould et al., 2000; Balasubramanian, 1994). The concern for especially the ethically charged products is worsening when product placement is used, this because of the perception that controlling authorities apply quite little control over the promotions in this situation (Hackley et al., 2008). Wenner (2004) mentions an issue for the artistic creativity of the people creating a production. When a product is going to be placed in a production, the directors and screenwriters are forced to make room for the products. Some believe this to interfere with their artistic creativity.

With this into consideration, the issue with product placement is that it can be seen from many different perspectives and it will probably result in different ways when it comes to handle both
the law and the ethically charged products. The intention is to get an overall picture of how the industry of product placement functions and how the processes work. Can the three different product placement processes mentioned by Chang et al. (2009) be identified? There might be other different processes and this is something that will be studied. In order to find and understand the different perspectives, both when it comes to ethically charged products and the new law, all involved parties’ aspect are significant. The parties are production companies, corporate brands, advocacy groups, television channels, agencies, the government regulation and the consumers.

‘The consumer’ is excluded in the figure and this becomes problematic since the consumers’ perspectives are important in order to understand the whole process and the different interactions. Have the new law also effected the consumers? If so, how? There are no studies found where all the different parties are involved and focused on at the same time. In earlier researches the ethical perspectives from the consumers’ perspective have been in focus, but there are only a few researches that could be found around those who practice product placement and how they handle the ethical issues, if they even deal with those kinds of issues. The practitioners’ perspective of the ethical issues is important when considering how product placement should be done. When considering the aspect from their perspective there might be a problem to get relevant information, since some of the practitioners, the brand companies are working to sell their products.

Television channels are also not included in the figure and it is interesting to investigate if and how the television channels can have a part of the product placement process. Can they in anyway affect the process? Another question is if the different channels that broadcast from different countries are controlled by the same legislation.
1.3 RESEARCH QUESTIONS

What impact has the new Swedish Radio and Television law had on the different parties involved in the product placement process?

How do the different parties involved in the product placement process reflect upon and handle the ethical issues around product placement, specifically with alcoholic beverages?

How do companies working with alcoholic beverages manage to place their product in Swedish television within the new law regulation?

1.4 PURPOSE

The thesis will contribute to an understanding of how the process of product placement functions and how the new Swedish Radio and Television law has, so far, influenced the different parties involved in the product placement process. The thesis will also give an insight in how the different parties involved, handle the ethical issues around product placement and product placement with alcoholic beverages. The purpose is also to give an understanding of if and how alcoholic beverages can be exposed in television despite the new conditions that the Swedish Radio and Television law has caused.

1.5 DELIMITATIONS

If there would have been more possibilities in the form of geographical opportunities, financial resources and time, it would be possible to get a deeper understanding and knowledge of how the European Union influences the Swedish legislation. There would also be the opportunity to make more profound interviews and by that give the study a greater credibility.

1.6 THEORETICAL RELEVANCE

This thesis will contribute with knowledge about how the product placement phenomenon looks like in Sweden. It will give an understanding about if and how production companies, brand companies, agencies, advocacy groups, government regulation and television channels work with product placement after the new regulations. The thesis will also contribute with information about how the customers handle product placement. There are not many studies done that includes all involved parties which is why this thesis will be interesting for the readers.
1.7 EMPIRICAL RELEVANCE

The thesis will contribute with an insight into how the change with product placement will affect production companies, brand companies, agencies, advocacy groups, government regulation and television channels after the new regulations. The existing relation between the different stakeholders might change as a consequence to the new regulations.
2. THEORETICAL FRAMEWORK

2.1 PRODUCT PLACEMENT

Today, product placement is more of an official marketing method and movie companies refer explicitly to placement deals, but there are some companies that still do not (Wnek, 2005). As mentioned earlier, the approach of placing branded products in entertainment was established by sponsor-owned shows and today's sponsorship ranges from subtle, with minor brand appearances on a set, to more elaborate product integrations (Russell and Belch, 2005). According to Hackley et al. (2008), product placement has received fairly little attention from business ethics though it is a phenomenon still growing and Homer (2009) states that it in the present is becoming more and more common in both television and academic literature.

Hackley et al. (2008:110) define product placement: “Product placement, the practice of placing brands in the scene or script of mediated news and entertainment, is also sometimes referred to as brand placement or even entertainment marketing because it has migrated from movies to TV and radio programming, computer games, books, popular songs and stage plays”. Another definition are mentioned by Homer (2009:21): “The practice in which firms pay to place branded products (for instance; brand name/logo, package, signage, other trademarks) in the content of mass media programming.” Gupta and Gould (1997:40) give the definition: “...the practice of placing brand name products in movies as props.” Russell and Belch (2005:74) define product placement as “...the purposeful incorporation of a brand into an entertainment vehicle.”

Chang et al. (2009) state that there are three different types of product placement processes. As can be seen in Figure 1, there are according to Chang et al. (2009) different parties involved, but the authors mean that not all of these have to be intertwined. This depends upon which type of process it inquires. The three processes are: Serendipitous product placements, opportunistic product placements and planned product placements. Serendiptious product placementments are placements that occur through chance and they are short term. An example can be that a set designer realizes that an empty space in the set needs to be filled and the set designer decides to fill it with, for example, a candy bar. This candy can by accident be a certain brand, with no concealed motive. Opportunistic product placementments generally originates from the entertainment firms. Agencies receive scripts from the entertainment firm and this script is then received by the marketing department at a brand company. Before, the script is scanned for potential product placements and then the entertainment firm send it to agencies that represent the possible identified brands. The agencies then suggest to their clients the upcoming opportunities in form of the outlines of the plot of the movie or television programme, the actors
who will star, the type of product and also things about how the product are going to be represented. Then it is up to the brand company if they want to place their product or not. The brand company then decides if they are interested or not. This kind of placement are short term, but more predictable than the serendipitous since the brand company are aware of the placement. Planned product placements refer to when the entertainment firm have a previous agreement regarding the exclusive use of a corporate brand in their productions. For example, if an entertainment firm has an agreement with a clothing brand company, their clothes has to be used in the movie or television programme. Because of it predictability, planned placements are formal and contractual (Chang et al., 2009).

2.2 SPONSORSHIP

According to Gay (1988) in d’Astous and Séguin (1999) an alternative to the traditional television advertising and other marketing methods is sponsorship, this for three main reasons. First, the sponsor can gain benefits in the form of a good image by associating itself with, for example, a popular programme targeted to a selected audience. Second, sponsorship can prevent interference from competitors since the sponsor often buys a large portion of the commercial time within the programme. Meenaghan (1991) also mentions that the sponsor can reduce the viewers zapping by integrating itself in the programme.

Product placement strategies can be classified into three different types when it comes to television sponsorship. These are: implicit product placement, integrated explicit product placement and non-integrated explicit product placement. Implicit product placement refers more to integration of the firm or product in the television programme. The firm or product is present within the television programme, but are not formally expressed and plays a more passive role where it flows in the context. Integrated explicit product placement is more about formally expresses the brand or firm within the television programme and it plays a more active role. Non-integrated explicit product placement refers more to that the sponsor’s name is presented in the beginning, during or at the end of the television programme: “This program (or segment) is (was) sponsored by...” (d’Astous and Séguin, 1999:898). So, the brand or firm is formally expressed, but not integrated in the television programme.

2.3 PRODUCT PLACEMENT AND CONSUMER MEMORY

According to de Gregorio and Sung (2010) there are no studies of differences and similarities of demographic characteristics. Those made have only been made with college students. The problem is that the responses from the college students often differ from the result that would come from non-student adults. It is important for marketers to understand the public’s
perception of marketing and how these perceptions can influence behavior. These things can benefit development of more effective targeting efforts and also arrange for more knowledge about the potential success of product placement (de Gregorio and Sung, 2010).

A question to be asked is if product placement is effective. To measure this, the most common method is to investigate consumer’s memory, but the results have never been conclusive. One study conducted by Law and Braun (2000) had a group of participants viewing a film which contained placements. Afterwards, the group was given different brand names from the film and they were asked if they remembered any of them from the film. Compared to another group who did not see the film, approximately 25 per cent of the placed brands in the film were remembered by the group who had seen it. There have been those studies that have come up with the result of inconsistent or irrelevant effects of placement on consumer memory. Even though product placement is a popular phenomenon, it is still difficult to decide how effective product placement is and how this can be measured (Law and Braun, 2000).

Law and Braun (2000) state that previous studies have worked with explicit tests of memory which “...make direct reference to the prior exposure” (Law and Braun, 2000:1060). This means that the impact of product placement is measured by: free recall which refers to that after viewed a movie with placements, the participants are asked to recall the brands they have just viewed; aided recall which refers to the participants are given a product category cue and after that asked to recall; recognition where the participants are asked to judge whether they remember seeing a brand in a movie. These tests are called explicit (direct) since the participants are tested directly on events from their past. Other types of test are implicit tests, more indirect tests. (Law and Braun, 2000) The difference from the explicit tests is that the participants are not told to recall events, but instead told to perform some tasks. These types of tests are recommended for measuring the impact of exposure and the purpose is to elicit memory from the participants without any conscious recollection of the exposure (Krishnan and Trappey, 1999).

2.4 ETHICS IN MARKETING AND PRODUCT PLACEMENT

Hyman et al. (1994) state that ethics in marketing has and is still a mainstream topic in marketing research and they mean that all different parties (production companies, corporate brands, agencies, advocacy groups, government regulations agencies and consumers) are involved and affected by it in some way or another. This research area is still not satisfied and studies are still produced (Hyman et al., 1994; Chang et al., 2009).
Farmer (1967) claims that ethics in marketing has been questioned for a long time. Hunt and Chonko (1984) mention the ethical aspect with marketing; it is of questionable ethics and the authors also mean that marketing is manipulative. Marketing is a bit risky, but also unethical and amoral and it has always been regarded that way according to Kelley (2007). French et al. (1982) and Varadarajan and Thirunarayana (1990) found in their studies that marketing has, amongst the customers, revealed a dominance of negative attitudes and that there are discontent towards marketing. Three major criticisms of advertising are according to Greyser and Bauer (1966); it is wasteful, manipulative to consumers through propaganda and persuasion, and it is unethical.

The marketing method, product placement is nowadays, on one hand, a widespread and popular phenomenon in use, but on the other hand, it remains controversial (Gupta and Gould, 1997). The phenomenon is nowadays generally accepted by the audience, but those who objected did so because of ethics. Some consumers feel that products placed in movies could be deceptive (Gould et al., 2000; Balasubramanian, 1994) and causes subconscious promotional effects (Gupta and Gould, 1997). It is assumed that product placement can affect people below the level of conscious awareness and then they are not necessarily able to control the acceptance or rejection of the message and that is a large concern. Another major concern with product placement is that it might cause people who are unaware of the persuasive intent to involve in purchase behaviour (DeLorme and Reid, 1999).

Consumers zap through commercials every day between television programmes and there is no doubt that today’s people live in an environment of commercial clutter. Consumers have found ways to manage the situation, while marketers are facing another issue; how to get through this huge clutter and get the attention of the consumers. This is one reason for the large increase of product placement and today product placement plays a featuring role in the media entertainment environment. Marketers want to catch the consumers’ attention in a moment of pleasure and when they do not use their natural defense, as they do when seeing an advertisement. Product placement has the potential to penetrate this natural defense and this also result in an ethical issue (Bennett et al., 1999; Wenner, 2004). For marketers product placement is one way to promote products, but those who are interested in the policies of the public see the ethical issues of this method (Wasko et al., 1993 in Bennett et al., 1999).

There are, according to Gould et al. (2000), two different perspectives when it comes to the acceptability and ethics of product placement: (1) general ethic concerns and (2) ethical concerns about specific products, so called ethically charged products. These products are products that especially arouse ethical concern and differences across consumers regarding
their marketing and consumption. The general concern for these kinds of products is worsening with product placement because of the perception that controlling authorities use a relative lack of control over promotions in this context (Hackley et al., 2008). Those products that have been targeted for ethical concern have been so with respect to product placement. One example that is raised by Balasubramanian (1994) is cigarettes in movies shown on television. This has been viewed as a way of going around the prohibition on cigarette advertising. The problem is that this kind of placement is addressed to a captive audience that cannot or do not want to zap through the cigarette placement since it would interfere with the overall viewing experience. So, one can say that they audience are captured and forced to be exposed to that kind of placement. Other products, such as alcohol and guns, are also controversial (Hill, 1994 in Gould et al., 2000).

Wenner (2004) states that there is a core concern with product placement that refers to the artist's right and the influence on creative integrity. Directors and screenwriters are pressured to make room for the different placements in their script and automatically their creativity has been intruded. Some movie critics have also referred to the concern that placements jeopardizes the artistic integrity of the movie and Miller (1990) in DeLorme and Reid (1999) claims that instead a movie can become a long advertisement. This issue and the issue of deception contribute to an overall concern regarding product placement (Wenner, 2004).

2.4.1 THREE PHILOSOPHIES IN ETHICAL EVALUATION

According to Hackley et al. (2008) and Robin and Reidenbach (1987) there are many aspects of moral philosophies in ethical evaluation of marketing practices. Hackley et al. (2008) states that the three dominating philosophies are: Utilitarianism, Deontology and Virtue ethics.

Utilitarianism is referred to its usefulness to society. Consumer satisfaction does not always have to interpret into benefits to society. For example, the marketing of harmful products, for instance tobacco and alcohol, can lead to increased perceived consumer benefits, but it can also lead to long-term drawbacks in form of some kind of illness and premature loss of life (Laczniaik and Murphy, 2006). Such losses in utility can be explained in utilitarianism. So, since product placement is a part of the beneficial wealth creating machinery that sometimes deals with products and services that carry drawbacks, product placement falls within conventional marketing ethics. There is, as mentioned earlier, an ethical concern among consumers when it comes to product placement, some consumers might see product placement of ethically charged products as unethical and this fit into the utilitarianism category (Hackley et al., 2008). However, as Hackley et al. (2008) state, there are those consumers that feels that it is ethical wrong to market products like tobacco and alcohol, regardless of which marketing method that are used.
Deontology also refers to the marketing of harmful products. Immanuel Kant, a German philosopher, developed a concept called 'The Categorical Imperative' which states that ethical actors should: “Act only on that maxim whereby thou canst at the same time will that it should become a universal law”.(Kant, 1785/1898:38 in Hackley et al., 2008) According to Hackley et al. (2008) this clearly refers to the marketing of potentially harmful products, but at the same time it can also refer to the unethical methods of market ethically charged products. This universalization argument was pointed out 1957 and criticized the influence of advertising campaigns. It was criticized on the grounds that the campaigns lead to a general distrust in organizational communication (Hackley et al., 2008). Hackley et al. (2008) mention product placement as a good example of organizational communication and state that this can be seen as deceptive since its commercial purpose is often not explicitly revealed at the time that the communication takes place. So, if this kind of method is overused this might lead to a decrease in consumers' trust in all kind of organizational communication related to marketing. In the long-term this will lead to damaging of the wealth creating tendency of marketing activity.

Virtue ethics refers more to the character and intentions of the person initiating the action, rather than the inherent ethical status of the act itself and because of that, virtue might be the most significant critique of product placement (Hackley et al. 2008). Laczniaik and Murphy (2006) state that an ethical evaluation of marketing practices needs to consider the intents of marketers, the ways in which a particular advertising campaign is performed and also the consequences. Hackley and Kover (2007) state that the main issue with this is in which extent marketing communications initiatives can be ascribed to a single individual since most marketing initiatives is a team effort. Though, in some cases, a single person can be selected as the leading mover of the marketing initiative, but it will still be complex since there are many different stakeholders interested in the initiative. According to Nwachukwu et al. (1997) a virtue perspective cannot only focus on the intent of a marketing practice, but must also include special circumstances regarding, for example, the social impact of marketing activity. Factors such as the nature of the product, the degree of consumer control (the capability of consumers to understand the benefits and risks with a certain product) and the degree of market segmentation are critical variables in a virtue evaluation. It is difficult to establish the extents to which even the sophisticated consumers, for example, high economic resources, appropriate education etc. are aware of the product placement communication. They are after all “…engaged in the enjoyment of dramatic entertainment…” (Hackley et al., 2008:115). Hackley et al. (2008) mean that many consumers claims that they are not affected by the advertising, but that is not reasonable. Product placement’s lack of explicitness raises an ethical problem when it comes to

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1 This quotation is from 1785 and thereby it is old-time English
more naïve consumers. Hackley et al. (2008) continue that targeting specific consumer segments through differentiated marketing can violate principles of fairness. Some consumers are more easily vulnerable for manipulation due to low economic resources, lack of appropriate education, emotional maturity, etc. (Laczniak and Murphy, 2006).

2.5 DECEPTIVE MARKETING

Deception is one of the ethical issues with marketing and to be able to establish whether or not an advertisement is deceptive or not, one clear, general and working definition is needed for deceptive marketing. At the moment, there is no such thing, not in legal literature or in academic literature, though many researchers have tried to define it (Armstrong et al., 1979; Gardner, 1975; Hyman, 1990). Hyman (1990) defines deception as misleading, but he also claims that there is a complex of different definitions of what deception in advertising is. Many consumers believe that they recognize deceptive marketing, but this has to be translated into legal terms and practices if deceptive marketing is going to be controlled through legislation (Gardner, 1975). There is a large interest among researchers to develop one general definition and this is proven by the large amount of different studies that have been made in the area (Hyman, 1990).

There are two main issues when defining deceptive marketing. 1) What is deceptive? If deception is what many define as ‘an unconsciously lie’, does everyone see it as a lie? One can ask the question for whom it is deceptive. 2) How can deception be measured? Can people actually recognize deception? There are many other issues, but these are two large reasons for the problem of defining deceptive marketing (Gardner, 1975).

Deception in marketing in general is one large ethical issue in the modern environment of business. There is a risk for both misleading consumers and for injuring competitors (Bennett et al., 1999). Cox et al. (1965) criticise marketing overall for being unfair and abusive. As a metaphor they use farmers; farmers do not get fair share of the money consumers pay for food. They mean that marketing is abusive since it tries to manipulate consumers in an unethically way, to make them purchase products that the consumers do not know that they need. Moyer and Hutt (1978) in Hunt and Chonko (1984) state that obsolescence planned marketing activities are unfair. They also claim that advertising is deceptive and manipulative. Sheth and Sisodia (2006) in Heath and Heath (2008) associate marketing with dishonesty and exploitativeness and mean that it is not just the ethical aspects that have been questioned. Even though deceptive marketing is illegal in most forms there are some types that are difficult to establish as outright deception and according to Bennett et al. (1999) deception in marketing is not that rare as one can think.
2.6 WARNING PRODUCT PLACEMENTS AND ETHICALLY CHARGED PRODUCTS

The increase of product placement in recent years has led to the inclusion of warnings for the viewer when product placement takes place. This to alert the viewer what is happening. A question to be asked is if this kind of warnings can, in any way, be harmful for the placed brands (Bennett et al., 1999). According to Bennett et al. (1999) who made an investigation in this area, the warnings did enhance recall, but was not harmful for the brands placed in the different productions. Several analysts have suggested that warnings should be preceded when product placement takes place since product placements can penetrate a consumer’s traditional defense against advertising. The consumer may not be aware that the products in the production are a paid commercial insert (Bennett et al., 1999). Focus in much of the studies about warnings relates to ethically charged products, for example alcohol, tobacco, guns etc. (Cox et al., 1997). This focus due to the complexity that has increased the last century in products, environments and other equipment and also due to people’s increased concern in questions like health and safety. The trend is heading towards people wanting more information both voluntarily and through legislation (Bennett et al., 1999).

Advertisers believe that product placement is an effective and subtle marketing tool, but consumer advocates do not agree with this, instead they argue that product placements are an unreliable and deceiving way of advertising. When a viewer is exposed to this kind of placements, they see it in a context and might believe that, for example, the character in a production use the product in the indicated manner and thereby the viewer see it as a reflection of reality. The viewer is, at that point, not aware that the product placement is a paid advertisement. As mentioned above, the defense that is used for traditional advertisement becomes destabilized. By using warnings when product placements occur in television and in movies, the viewer may be more aware of the placements and therefore find it less unethical (Bennett et al., 1999).

There is some concern about including warnings when product placement occurs and this concern comes from the marketers. They believe that the feeling and illusion of naturalness will be removed and that the effectiveness of the placement will be decreased. Even though, there is some psychological basis the mean that an introduction of warnings would not harm the marketers, but instead be beneficial for them.
3. METHODOLOGY

3.1 POSITIVISTIC VERSUS HERMENEUTIC PARADIGM

There are two scientific paradigm, one positivistic and one hermeneutic, according to Thurén (2007). The positivistic paradigm is based on natural science, but the methods used have been transferred to other areas of science. Positivistic individuals want to believe in absolute understanding. According to Gummesson (2000) there are some criteria that emphasize that it is a positivistic paradigm. For instance; the vantage point is primarily deductive; thoughts are governed by explicit stated theories and hypotheses, the research concentrates on generalization and abstraction, statistical and mathematical techniques as well as surveys for quantitative processing of data are central.

Thurén (2007) state that hermeneutic is the science of construction. Hermeneutic is to understand and not just to comprehend. According to Gummesson (2000) there are some hermeneutic paradigm criteria; research concentrates on understanding and interpretation, data are primarily non-quantitative, vantage point is primarily inductive; researchers’ attention is less focused and is allowed to ‘float’ more widely, research concentrates on the specific and concrete but also attempts to generalizations and researchers accept influence from both science and personal experience.

The paradigm used in this thesis is the hermeneutic paradigm since that data are primarily non-quantitative, this study is qualitative. The different criterias mentioned above, for example that the vantage point is primarily inductive and that the research concentrates on understanding and interpretation, are reasons for us to choose the hermeneutic paradigm.

3.2 DEDUCTIVE VERSUS INDUCTIVE APPROACH

There are according to Bryman and Bell (2005) two different relations between theory and research, deductive and inductive approaches. Deductive approach is when the theory controls the research and the inductive approach is when the theory is a result of the research. According to Gummesson (2000) deductive research is primarily focused on testing existing theories. A problem with the deductive approach is that it might just continue producing more material of already existing accepted knowledge. Wallén (1996) mentions the deductive approach that is a hypothetical method where the theory is important and more independent.

Inductive research primarily generates new theory according to Gummesson (2000). A general fear is that inductive research sometimes expresses that it will reinvent the wheel which is
unwarranted, but is only if the inductive research is bad that the research can be expressed to reinvent the wheel. Wallén (1996) states that induction refers to when one proceeds from data collection and from the material one tries to find more general and theoretical conclusions.

According to Gummesson (2000) there is a misleading term, called *abductive* research. This term might indicate that there are a third approach that is iteration between the deductive and the inductive. All types of research become iteration between the both approaches, but it is not understood as a third approach.

To connect the approach to the aim of the thesis, the inductive approach was used. There was no hypothesis tested as the deductive approach refers to. Instead the thesis focuses on finding new theories based on collected data. As Bryman and Bell (2005) state, the inductive approach is when the theory is the result of the research, but as Gummesson (2000) states, all kind of research becomes iteration between the deductive and inductive approaches. In this study abductive feature was also used.

### 3.3 QUANTITATIVE VERSUS QUALITATIVE APPROACH

The *quantitative* approach is according to Bryman (1997) associated with a number of different methods for collecting information. A quantitative study tries to collect quantifiable data through a large number of humans, which are representative for a bigger population. The aim with the collection is to test theories or hypothesis (Bryman, 1997). Grinnell and Unrau (2005) state when the data from a research study is presented in the form of numbers, the study is quantitative. In a quantitative study the researcher are well aware of the limitations in the study before the study actually begins, thereby there is a possibility to decide before the study starts if one will be able to do the study. Grinnell and Unrau (2005) mention how a quantitative study is embedded with the positivist way of thinking, or viewing the word, it is an objective approach that is studied.

A *qualitative* approach is instead embedded with the interpretive way of thinking, or viewing the word, according to Grinnell and Unrau (2005). This approach deals with participants’ interpretations of their own realities, it is a subjective reality. To find out how the reality is, the only way is to ask the participants and get the answers in words instead of numbers. According to Bryman (1997) the most common method in the qualitative approach is participating observation; where the researcher aims at understand the group, organisation or institution that are observed. There are also other methods in the qualitative approach that are for example unstructured interviews.
Since the aim in this thesis is to study and to understand how product placement works and how the practitioners has been affected by the new Swedish Radio and Television law, the most suitable approach was the qualitative. With a qualitative approach there are possibilities to conduct unstructured and semi-structured interviews. Widerberg (2002) writes that the aim with qualitative research is to clarify the character or capacity of a phenomenon. The significance of the phenomenon is the primary meaning of a qualitative approach, which suited the thesis.

3.3.1 PRIMARY AND SECONDARY DATA COLLECTION

Svenning (2003) mentions that there are two ways to collect empirical data, primary and secondary. Primary data is material that is collected for a specific research while secondary data already has been collected by someone else. Primary data can be for instance observations, interviews, surveys or content analysis, but it can also be television, movies and marketing pictures. Secondary data can be, for instance, public material, statistic, Internet or earlier finished research project. According to Bell (2006) secondary data is a construction of things that took place, and is based on a primary source.

We have used both primary and secondary data collection in the empirical part. The primary part is the interviews conducted for the thesis and also the focus groups. The secondary part is information about the laws, information about different organisations and information about alcoholic beverages, which are information that is not conducted by ourselves.

3.3.2 INTERVIEWS

Since this thesis is a qualitative study, the most appropriate way of making the interviews, was by doing qualitative interviews. This term is used when making a qualitative study and differs from the type of interviews that are used in a quantitative study, for example surveys or questionnaires. The main difference is that a qualitative interview is often less structured which makes it more flexible and it makes this kind of interview very attractive. Even though, making interviews this way sometimes requires a lot of sacrifices; it is much more time consuming than, for example surveys. There is always the possibility to customize the interviews and things around it in order to make it fit the researcher (Bryman and Bell, 2005).

The purpose when making a qualitative interview is to get as deep and detailed answers as possible, while when making a quantitative interview it is more about getting short, direct answers that can easily be coded and processed. In a quantitative investigation it is also a lot about the researcher's interest, but in a qualitative interview it is about the interviewee's attitudes and standpoints. In a qualitative interview it is desirable that it heads in different
directions since this gives the researcher more knowledge about what the interviewee sees as important and relevant, but in a quantitative interview this is seen as a disturbing event. As mentioned briefly above, a qualitative interview is not as structured as in a quantitative study. The researcher has the possibility to swerve away from the questionnaire that has been structured. The researcher can add questions and change the order of the questions. In a quantitative study this is not recommended since it can endanger the standardised element in the interview process and then also the reliability (Bryman and Bell, 2005).

### 3.3.3 STRUCTURED INTERVIEWS

*Structured interviews* are the most common method for a quantitative investigation. Researchers prefer structured interviews since this kind of interviews facilitate both the questioning and the categorization and the registration of the information (Bryman and Bell, 2005). According to Grinnell and Unrau (2005) a structured interview describes exactly what matters that will be asked, the interviewer’s sequence and even exact words and they also state that this is the easiest method when making a quantitative interview since all interviews are asked exactly the same. According to Grinnell and Unrau (2005) there are some limitations with structured interview. It gives the interviewee very little, or no, freedom in their responses and the interviewer do not have the possibility to explore on its own.

### 3.3.4 SEMI-STRUCTURED INTERVIEWS

In a *semi-structured interview* the interviewer has a list of specific themes and hypotheses that should be discussed during the interview. This list is often called an *interview guide*. The list is not entirely predetermined (Bryman and Bell, 2005; Grinnell and Unrau, 2005). The interviewer has great freedom to explore in their own matters relevant to the research question that is being studied and the questions do not have to come in the same order as in the interview guide. There is also a possibility for the interviewer to add questions if desired. Maybe the interviewer wants to connect a question to the respondents answer (Bryman and Bell, 2005). The interviewee has the liberty to formulate the answers in its own way (Bryman and Bell, 2005; Grinnell and Unrau, 2005). A semi-structured interview is very flexible which makes it possible to get much information from the interview (Bryman and Bell, 2005).

### 3.3.5 UNSTRUCTURED INTERVIEWS

In an *unstructured interview* the interviewer mostly uses relatively loose memory notes as help during the interview. The interviewer also has a couple of different themes that should be discussed, however the interviewer might only ask one question and then the respondent answers and freely associate. Then the interviewer only reacts and responds on those things
that seem interesting and that can be followed by attendant question (Bryman and Bell, 2005). The greatest advantage with this kind of interview is that the interviewer is given almost total liberty to ask whatever wanted. Here the competence of the interviewer is very important and it requires a well-trained and skilled person (Grinnell and Unrau, 2005).

3.4 ETHNOGRAPHIC RESEARCH AND PARTICIPANT OBSERVATION

According to Grinnell and Unrau (2005) there is no exact definition of participant observation, but Grinnell and Unrau (2005) describes it as an obtrusive data collection method and this “...because it requires the one doing the study, the participant observer, to undertake roles that involve establishing and maintaining ongoing relationships with research participants who are often in field settings” (Grinnell and Unrau, 2005:232). Participant observation is often used interchangeable with the word ‘ethnographic research’. Brewer (2000:6) in Bell (2006:26) define ethnographic research: “The study of people in natural anticipated environments or in “field” with the help of such data collection methods that can capture the peoples social meanings and everyday activities and that implies that the researcher participate directly in the environment, maybe also in the activities, with the aim to gather data in a systematic way, but also without the importance or meaning, as to say, is gathered outside the environment, but comes from the individuals themselves.” Participant observations is a brilliant way to gather data in order to understand how other people interpret their experiences and it offers a great opportunity to see the world from other perspectives (Grinnell and Unrau, 2005; Bell, 2006).

3.5 INTERVIEWS IN THIS STUDY

For the thesis it was most suitable to use semi-structured interviews since we wanted to gain as much valuable information out of the interviews as possible. There were interview guidelines made (Appendix 1-7), one guideline for each type of organizations interviewed. For the aim of the thesis is was valuable to interview experts in the field of the Swedish laws, production companies, companies working with alcoholic beverages, also referred as brand companies, television channels, the Public Radio and Television Authority, the Swedish Consumer Agency and product placement agencies. By using semi-structured interviews there was possibilities to change the questionnaire during the interviews, the interviewer could adapt the questions to the interviewee’s responses and answers. Semi-structured interviews were the most appropriate method to explore a chosen area which was the aim for us.

We tried to get interviews from the largest companies in the different fields. The chosen production companies where the ones we believed might work with product placement in their productions. We wanted to come in contact with those companies that work or have the
possibility to work with product placement. For example, companies that produce documentary films were not contacted, since there is no possibility for product placement in that type of production. Totally twenty-four productions companies in Sweden were contacted by email. The companies contacted were chosen with the aim of the study in consideration. The email contained information about who we are and what the aim of our study was. In the email the companies were asked if they were interested and if so, who we should talk to. Some answered at email, but some did not. All that answered that they were interested or did not answer at all were contacted by telephone. Seventeen companies could not participate for different reasons, some of them because they do not use product placements and they were thereby not comfortable to answer our question, some of them because they did not have the time to answer the questions during this period. The other seven were able to participate and they were contacted to answer the questions. The companies are anonymous. At the different production companies, people working as producers, head of production, responsible for concept and business development, information manager, advertiser programming customer responsible and executive producer were interviewed.

In Sweden there are six large groups of companies that work with alcoholic beverages. Those companies were contacted, first by email and then by telephone, just like the production companies. Of the companies contacted four of them were able to answer our questions, the other two would not like to participate. At the companies working with alcoholic beverages people working as project leader, CRM manager, marketing manager and product manager were interviewed.

Television channels were also contacted since they are a part of the product placement process. Four channels were contacted. Not more since many of the channels work together and we would talk to the same person, which is not necessary. The channels are the ones that the entire population can access. Of the four channels contacted, three of them answered and liked to participate in the research. One of them denied. At the television channels people working as communication director, company lawyer and manager at the programme secretariat, were interviewed. Due to the television channels’ anonymity, they are referred to the letters A, B and C.

The Public Authority for Radio and Television and the Consumer Agency in Sweden were also contacted since they can be seen as experts in for the group they are advocates for. They were contacted directly through telephone since it was the easiest way to find the right person. At the public authority for Radion and Television a person working as administrative executive were interviewed. At the Consumer Agency a person working as a lawyer, were interviewed.
Two agencies were contacted for the thesis. One of the agencies could not help us with an interview, but referred us to a press release regarding the chosen subject for the thesis. The second agency had the possibility to give us an interview. Since product placement has not been legal before last year, there are not many agencies in Sweden working with this and therefore only two agencies could be contacted. At the agency the sales manager were interviewed.

Those companies that participated, but do not work with product placement, were still of our interest since they had knowledge about the phenomenon in some ways and they had also reasons for not working with it. The companies working with alcoholic beverages were interesting even though they do not work with product placement because their products are still seen in different television contexts.

The interviews were made by telephone since it according to Bryman and Bell (2005) takes less time and money than personal interviews. There were also some geographical limitations for us, since most of the companies have their office in Stockholm, Sweden. Bryman and Bell (2005) state that it is easier to handle a telephone interview than a personal. The interviewee is, when making a telephone interview, not affected by the researchers’ gender, age and ethnic background. They also mention that if the interviewee sees the researcher they might answer in ways he or she thinks that it should be. There are of course some advantages with personal interviews as well, for example that the researcher can see the interviewee. By that Bryman and Bell (2005) mean that the researcher can see the reaction of the interviewee when questions are asked. During the telephone interview one author was asking the questions from the guideline and there were notes taken by the other author. After the interviews the answers were written down on the computer directly while the answers still were freshly remembered. Then all the interviews were summarized together for the empirical part.

One expert in the field of Swedish law is a lawyer, Lars-Erik Ström with his office in Malmö in Sweden. He was contacted through email and we got the opportunity to conduct a personal interview. A personal interview was possible in this case since the distance to Malmö is acceptable. We went to the city to meet him at the office for the law firm for marketing rights. During the interview, where the authors had a guideline to follow, both the authors were asking questions. The interview was recorded and no notes were taken. The interview was transcribed afterwards to include all information and then there was a summary made for the empirical part.

3.6 FOCUS GROUPS

According to Massey (2010) focus groups have a well-established history in applied research and evaluation. One description of focus groups is “...carefully planned discussion designed to
obtain perceptions on a defined area of interest in permissive, non-threatening environment” (Krueger, 1994:6 in Massey 2010:21). A focus group is usually composed of six to twelve homogenous participants, but also larger and smaller groups have been recommended. Focus groups last for approximately two hours where the time is divided equally in the discussion between a small numbers of questions. These questions are introduced through a discussion guide. The group setting and the moderator has great influence on the discussion. The result of a focus group offers a strong alternative to more traditional survey methods since the number of absolute respondents is less important than an investigation rich of content (Massey, 2010).

One purpose of focus groups mentioned by Hydén and Bulow (2003) is to learn more about attitudes and opinions, but for others a more important criterion is “the capacity to learn about the typically unspoken social norms, expectations, and cultural understandings that emerge from deeper analysis of conversational exchanges.” (Massey, 2010:21). Hydén and Bülow (2003) propose that the data evolving from the group contains both the elements from the individual and the elements that evolve exclusively as members of a group. They also claim that the interaction of group members produces something that is not reducible to individual members.

Focus groups were used to get information about the consumers’ perspective since they are a part of the product placement process. There were four focus groups conducted with six to eight participants in each group which Massey (2010) recommends. The groups consisted of totally twenty female and eight male participants. The participants were in different ages between twenty to twentysix years old. Twentyfive of the participants had a senior high school education as highest finished education and three of them had a three-year university education as highest finished education. We made a convenience sampling. According to Bryman and Bell (2005) this kind of sampling is very simply available for the researcher and the results can be very interesting. Though, the result can be difficult to generalize. We have chosen this type if sampling partly because of geographical difficulties and also partly because of the scope of the thesis.

The focus groups were held in a quiet and comfortable environment to make the participants feel comfortable and free to speak. The participants were not told what the actual topic of the discussion was going to be. Instead, a short film was shown to the group. The film included short movie and television clips, both with and without product placements. We knew that some of the products and brands in some of the clips were placed since theories mentioned it. The other clips were chosen because a product or brand was clearly exposed and some of them we knew were not placed because of the interviews made. The film clips was shown to the participants in order to see if they saw that there were placed products in some clips. One of us was moderator
in the focus groups to lead the discussion through the discussion guide made (Appendix 8), while the other one was taking note. The same person was moderator for all of the groups to avoid changes that affects the results. The focus groups were also recorded so that no information would be left out. After the focus groups were held the information was transcribed and then it was summarized in the empirical part.

3.7 OPERATIONALIZATION

Since there are many different questions asked (Appendix 1-8) to different parties involved in the product placement process, only a few will be discussed in this chapter. One question asked to production companies was if they work with product placement or not. To ask this question was relevant since it gave information about whether or not all of the other questions should be asked. If they did not work with product placement it was still important to make an interview with them since it could give us valuable information about why they do not use this marketing method. There could be different reasons, for example, economic, legal or ethical. If they work with product placement, there are many additional questions to be asked that could give information about why and how they use product placement. There could also be the opportunity to ask how their process looks like to connect it with the different processes mentioned by Chang et al. (2009).

A question asked to almost all parties in the product placement process was about the new law and if they have heard about it. This could give an indication about if the law was established in the different parties and how they handled the new situation. This could also give an indication about if the new law has changed if and how the different parties work or do not work with product placement. Another question asked to almost all parties was if the information that is supposed to be in television when product placement occurs, has changed the purpose of product placement. We also asked them about their opinions and thoughts about the warnings. This should be seen in a context with the theory from Bennett et al. (1999) were they dicuss warnings and product placement.

Questions were asked in order to get an impression of what the parties feel about product placement when looking at it from an ethical perspective. For example, there was a question about if the production companies believe that there are some products that are more or less ethical correct to use in product placement and they were also asked what they think especially about alcoholic beverages. The companies that works with alcoholic beverages got questions that refered to if they can see any concerns in marketing. They were also asked if they find some marketing methods less ethical than others. They also got a question about what they think about alcoholic beverages and ethics and if they believe that they have any social responsible
when they market their products. The agencies got a question about if they work with all kind of products, this with the aim to find out if they deal with all kind of products. The television channels were asked if they saw product placement as something unethical and if some products are more unethical than others. The focus groups were also asked if there are some products that are more or less appropriate to use with product placement. All these questions were asked to find out how their relation to ethics and product placement looks like. The three ethical philosophies mentioned by Hackley et al. (2008) were supposed to be connected to these questions to find out if the dominating philosophies could be applied in this study. We also asked these types of questions in order to investigate if the two different ethical concerns mentioned by Gould et al. (2000) could be identified.

The aim with the questions for the focus group regarding the movie clip where there were different scenes with product placement and also without was to see how product placement affects the consumers. There was also a question to the focus groups if they think that they are affected and if they think that others are affected of product placement, this in order to connect it with the study made by Law and Braun (2000).

3.8 CRITERIONS

Svenning (2003) states that validity is the same even if it is a qualitative or a quantitative study, while reliability differs between the two research strategies. It is easier to reach validity in a qualitative research. Validity refers to see if the research measures what it is supposed to measure. It is mentioned by Svenning (2003) that validity is the connection between the theoretical and the empirical parts in a research, without this connection the research it meaningless. If there according to Thurén (2007) is no validity, the research is meaningless even if all measurements are specific and correct. A more general definition is stated by Wallén (1996) that means that validity refers to that the measure instrument is supposed to not give any systematic error.

Bryman and Bell (2005) mean that there are two other criterions for qualitative researches: trustworthiness and authenticity. Trustworthiness include four different part criterions; credibility, transferability, dependability and conformability. Credibility refers to how believable the findings in a research are. Transferability refers to how the findings can be applied to other contexts. Dependability questions how the findings are likely to be applied at other times. Conformability inquires if the investigator has allowed his or her own values to interfere with the research (Bryman and Bell, 2011).
Authenticity includes five part criterions; Fairness, ontological authenticity, educative authenticity, catalytic authenticity and tactical authenticity. Fairness questions if the research can represent the different members of the social setting fairly. Ontological authenticity refers to if the research can help members to better understand the social setting. Educative authenticity refers to if the research can help members of the social setting to better appreciate other members’ perspectives? Catalytic authenticity is how the research can make the participant change their situation. Tactical authenticity questions if the research has empowered the members of the social setting to engage in action (Bryman and Bell, 2011).

3.8.1 CRITERIONS IN THIS STUDY

We believe that the questions asked in the different interviews are well integrated with the theoretical parts in the study. We also feel that that our study has established those result and information after the empirical investigation that was desired. The validity of the study decreases since a convenience sampling was used, but on the contrary the respondent sampling was relatively high. Therefore, the study has measured what it was supposed to measure and the validity is tolerable.

The trustworthiness in this study is a bit low in the criteria credibility. We have not had the possibility to send the material to the people interviewed afterwards to see if it was written in a correct way, but in the cases where it was possible to record the interview there was a transcription made. This transcription made the research more believable. The possibility to transfer the study is good since there is much information about details around the environment that are studied. Dependability in the study is high since there is information about all the steps in the research process. We have tried to not let our own opinions and values affect the interviews and the conclusions made and this to give the study as high conformability as possible. After dealing with this different criterion one can say that the trustworthiness in this study is acceptable.

The first criterion to authenticity is fairness and since this study has a convenience sampling, it will thereby not give a fair picture of the group studied, especially in the focus groups. Hopefully the study can help the different parties in the product placement process to understand their situation which gives the study ontological authenticity. The study will also have an educative authenticity since it will give an understanding of how the other participant in the product placement process experience different situations. If the participant in the research has the possibility to change their situation is not that likely since they have to follow the new law, but there is possibilities to change. Both the catalytic authenticity and the tactical authenticity are low since the research does not give the participants better opportunity to change needed
measurements. As a conclusion one can assume that the authenticity in this thesis is acceptable as the different criterion indicates.
4. SECONDARY EMPIRICAL INVESTIGATION

4.1 SWEDISH MARKETING LAW (2008:486)\(^2\)

The Swedish marketing law aims at support the consumers and the trade industry in relation to marketing of products. It also aims to avoid deceptive marketing against consumers and manufacturers. The marketing law is for instance applied when manufacturers market or self requests products in their business operations and on television broadcast that is included in the Radio and Television law (see chapter 4.2). There are some definitions in the law that is necessary for the understanding (The Swedish code of laws on the Internet, 2). The most important are:

*Good marketing practice* = good business practice or other accepted norms that aims at protect consumers and manufacturers when products are marketed (The Swedish code of laws on the Internet, 2).

*Consumer* = a physical person that mainly purchases for purposes outside the business operations (The Swedish code of laws on the Internet, 2).

*Marketing* = advertising and other measures in business operations that aims to support sales of and the supply of products engaged in a manufacturers trading, omission or any other measure or behaviour in general before, during or after sales or delivery of products to consumers or manufacturers (The Swedish code of laws on the Internet, 2).

*Products* = articles, services, realty, job opportunity and other utility (The Swedish code of laws on the Internet, 2).

4.1.1 DECEPTIVE MARKETING IN THE MARKETING LAW

In the law there is a section about deceptive marketing. Among other things, about that marketing are supposed to comport with good marketing practice. A manufacturer is not allowed to use aggressive marketing. Aggressive marketing is when it contains harassment, compulsion, physical violence, treat or other aggressive way of pressure. Marketing that is against good marketing practice and aggressive marketing is deceptive marketing if it apparently affects or probably affects the receivers’ ability to make a well-founded business decision (The Swedish code of laws on the Internet, 2).

\(^2\) This law is freely translated into English by the authors of this thesis. The translation will not go deep into the different paragraphs; it will explain sections of the law that is needed for this thesis and what the law is about.
All marketing should be formulated and presented in a way to make it clear that it is marketing and also clear who is responsible for the action. A manufacturer is not allowed to use incorrect statements or other descriptions that are misleading in question of the manufacturers own or someone else's business operations. It can be statements about for example, the products quality, origin, risks, price and conditions of supply. Essential information in the marketing is not allowed to be excluded by the manufacturer. Marketing that is misleading is deceptive marketing if it apparently affects or probably affects the receivers' ability to make a well-founded business decision (The Swedish code of laws on the Internet, 2).

4.2 THE SWEDISH RADIO AND TELEVISION LAW (2010:696)

In 2010 there was a new law in Sweden, called Radio and Television law that replaced an earlier law with the same name. In the sixth chapter the law regulates product placement, it states that that it is forbidden to send programmes with product placements in it.

*Product placement* is defined in the Radio- and Television law, as the occurrence of a product, service or brand in a program, if the aim is to market and if the owner paid or anything like that for the occurrence, to the supplier of the media service. It is not product placement if the product or service is insignificant and if is supplied for free (The Swedish code of laws on the Internet, 1).

*Sponsorship* is defined as the contribution that someone that not supply or produce sound-broadcasting, TV-broadcasting, pay per view television or teletext gives to finance the media services or programmes with the aim to promote the contributors name, brand, reputation, business, product or interest (The Swedish code of laws on the Internet, 1).

The first paragraph in the sixth chapter announces that in television programmes or programmes in so called pay per view television, it is not allowed to figure product placement, unless paragraph two says something else. Paragraph two states that supplier of media services are allowed to send movies, television shows, sport programmes and programmes with ‘easy’ entertainment were product placement is figured, according to conditions in the third and fourth paragraphs. The second section of the second paragraph is that the first section is not applied if the programmes is for children under the age of twelve years and if the programmes have product placement with the following products; alcoholic beverages, tobacco products, other products that comes from companies that produces or sells alcoholic beverages or tobacco products, prescription drugs or other medical treatment that just is available after ordination (The Swedish code of laws on the Internet, 1).

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3 This law is freely translated into English by the authors of this thesis. The translation will not go deep into the different paragraphs; it will explain sections of the law that is needed for this thesis and what the law is about.
In the third paragraph in this law there are some requirements on the programmes where product placement is figured. The programmes is only broadcasted if the programme does not support commercial interests, as in the fifth chapter, fifth paragraph, in the Radio and Television law. The fourth and last paragraph in this law is information about product placement. When product placement is figured in a programme, there should be information about it in both the beginning and the end of the programme, and also after a break for commercial. The second section specifies that the information only should be natural information about the figure of product placement and about the product or service that has been placed in the programme (The Swedish code of laws on the Internet, 1).

4.3 THE LAW OF FREEDOM OF SPEECH (1991:1469)

The law of freedom of speech is one of Sweden’s four constitutional laws. These laws exist to regulate the Swedish polity. It can also be explained more easily as the society's game rules. Since they are constitutional laws, they are managed differently than other laws. These laws stand above all the other laws and that means that other laws can not violate the constitutional laws. The law of freedom of speech cherishes freedom of speech in other media than printed writing, for example radio and television (Swedish Parliament’s Web Page 2). The law gives every Swedish population the insurance to express thoughts, opinions and feelings in public in radio, television and such in any subject. The law’s purpose is to insure a free dispute. No administrative authority are allowed to in any way prevent a person to express herself in radio or television and the authority are also not allowed to review the material that are supposed to be presented in radio or television (The Swedish code of laws on the Internet, 3).

4.4 AUDIOVISUAL MEDIA SERVICES DIRECTIVE

In the directive of audiovisual media services, audiovisual media services are divided into two different groups: Linear services refers to services as traditional television, Internet and mobile telephony, that the viewer receive passive and non-linear services which refers to television services that the viewer chose to look at, for example, ordered television services. By making this distinction, the legislation of linear services gets more modernized and more feasible. It also introduces minimum rules for the non-linear services, especially when it comes to the protection of under-ages, prevention of racialism and disallowance of masked advertising. The directive is softening the regulations of commercials, gives a clear legal framework for product placement and improves the media and cultural variety (The European Union’s Web Portal).
4.5 OFCOM

Some of the Swedish television channels broadcast from the United Kingdom and therefore some of them acquaint themselves with the Ofcom rules. Ofcom is for the United Kingdom (UK) communications industries an independent regulator and competition authority (Ofcom 1) that regulates the TV and radio sectors, fixed line telecoms and mobiles. They also regulate the airwaves which wireless devices operate over (Ofcom 2). Ofcom give the United Kingdom the possibility for communication services and they also protect the population from scams and sharp practices; this at the same time as they ensure that competition can thrive. It is the Communication Act 2003 and specifically the Act of Parliament that point out what Ofcom should do. In that Act it is mentioned that the general duties is to be further interests of citizens and of consumers, it is the meeting that makes the core of Ofcoms organisation. Ofcom is involved in advertising and settings of some of the more technical aspects of regulation, implementing and enforcing the law. The organization is founded by fees from industry for regulation broadcasting and communication, and also from a grant-in-aid from the Government (Ofcom 3).

Ofcom have different main legal duties such as; protect the ones watch television are protected from harmful or offensive material, protect people from being treated unfairly in television programmes from having their privacy invaded. They do not have any responsible for regulation of for instance the content of television adverts, newspapers and magazines (Ofcom 3).

4.6 INBETWEEN ENTERTAINMENT

The agency that did not have the time to answer any questions represents Scandinavian companies that will place their products in television programmes like ‘Desperate Housewives’. They have also been responsible for product placement in a lot of Swedish movies like for example, the movies with ‘Wallander’. According to the executive managing director it is important that the buyer of the advertising is patience since it is about untraditional marketing and it is not possible to look at contact cost in the same way as an advertise in a newspaper. Product placement can be compared with big sport events that are sponsored. It is important to connect the practice with both external and internal information to get result. The executive managing director also states that the market with advertising is full, advertiser and advertising agencies are competing to find ways to be innovative to reach to customers through all media, which is why product placement has increased the last years (Dagens Nyheter on the Internet 14).

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4 A Swedish news paper
At the moment the agency company works with the television-production 'Solsidan', both with things such as cars and mobile phones that already are in the script, but also to change the script in an early stage. It is a trend to put in histories and core values that makes the story more alive, and this through product placement. According to the executive managing director this is smart, the commercial and graphical power complete each other. It might also be a clash between the advertiser and the creators. The younger directors are more open to this kind of questions. In the future much of the product placement will be editable and brands and logotypes can be placed on different products. This gives the possibility for an advertising to be sold several times. There will be an opportunity for companies to pay for a whole television programme. (Dagens nyheter on the Internet 2)

4.7 ALCOHOLIC BEVERAGES

According to a report published recently by the organisation ‘The Center on Alcohol Marketing and Youth’ (CAMY) both adults and young people face an environment that are very focused on alcohol product advertising. They receive very little information about the dangers around alcohol beverages (Atkin et al., 2008). The alcohol industry has responded to the critics by implementing responsible drinking campaigns, however, according to CAMY, the overall spending on alcohol advertising between 2001 and 2006 continued to grow both on television and in magazines. Another report from CAMY indicates that between the years 2001 and 2005 the alcohol companies spent 45 times more money on the alcohol product advertising than on the ‘responsibility’ messages on television (Atkin et al., 2008).

Alcohol consumption is associated with a broad range of health problem, both in a social and personal level, and right now the consumption is increasing (Gordon et al., 2010). As this concern is increasing, attention is now directed towards factors that might unintentional influence drinking behaviour and one of the factors that have been identified is alcohol marketing. Even though, there is a lack of evidence and more investigation is required (Babor et al., 2003 in Gordon et al., 2010).
5. PRIMARY EMPIRICAL INVESTIGATION

5.1 INTERVIEW WITH LARS-ERIK STRÖM

5.1.1 LAW CONFLICT

The new Radio and Television law can result in a special legal situation. It is not unusual that conflicts arise between different laws. It is called 'rule conflict' and this kind of conflict can be solved through determined rules. These cases are slightly special since there is a more general law about marketing that does not allow advertising that is not identified as advertising. Then there is the Radio and Television law that allows product placement, but does not include movies at cinemas. So, there is a law that includes marketing in general and there is a law that mentions product placement in a certain situation. There is also a third law that allows freedom of speech. That includes radio, television and media in general and with a high roof, which it should be. It should be easy to express opinions and editorial messages, which are messages that are not commercial. "And it is a little funny from a law perspective that there are three law programmes that can be used at the same moment and which one are one supposed to follow?"

The sixth chapter in the Radio and Television law states that it is allowed to place products, but with some minor exceptions such as tobacco, drugs, alcoholic beverages and also programmes for children. At the same time the marketing law states that advertising that are not able to be identified are through its anonymity, deceptive. The Radio and Television law is well aware of the marketing law and a rule for where the boundary line goes for product placement before it becomes deceptive marketing, arises. One should inform that it is product placement in connection with the television programme, before and after, but one is not allowed to use deceptive commercial influence. The law probably means that it is not allowed to be deceptive and it should be in the lines for the rules in the marketing law, but it can also be deceptive if the viewers do not understand that it is product placement and the viewers do not understand what kind of product it is. They might not have seen the information before the television programme and they might not look all the way till the end. "By that one cannot get any chance to understand that it is product placement, and by the way, who reads the texts before and after a television programme? So, it is bad communication with this information before and after. I think it might be some kind of saving clause for them and it is to avoid obviously conflict with the marketing law, but it is a conflict."

Then the question is: Is it advertising to place toothpaste in the bathroom where it fits or if it is a part of the content by coincidence? It might only be a commercial content. It is not strange if
there is toothpaste in a bathroom and the viewer might not even notice it. In that case it is another way of thinking. It has to fit in the environment and it should not be too obvious.

5.1.2 LEX SPECIALIS

When there arise a possible conflict situation in the Broadcasting Commission5, there can be cases where it does not go very far due to Lex Specialis. Lex Specialis is the law that is most specialized and the one to be applied, the one that is more to the point, which is more valid than the one that is more general. It is not that difficult to figure out that the Radio and Television law is more specific than the marketing law that includes the whole market. So, the solution in the first place is Lex Specialis, and if this is not brought to its point, it is out of the question to use the marketing law if the Radio and Television law is applicable. If one has done what one should and have informed before and after the programme, one is safe from the marketing law. “If I apply one law, I should be safe from another also.”

5.1.3 RESPONSIBILITY

A good question is if the law is applicable on productions before the new law came. This is a broadcast responsibility. “The one who is responsible in front of the law is the broadcasting company.” Ström said that he understands that people can interpret it in different ways. What can the broadcasting company do with something that is already produced and done? The older a movie is, the less it matters with product placement. It would be ridiculous to react if there would occur some products that was modern twenty years ago. The question is still important to discuss. Ström believe that no one accepts product placement without receiving money and if an old movie is supposed to be on television now, no one pays for it. For example, toothpaste; if it is product placement the brand should pay for it and Ström does not believe that the toothpaste company are willing to pay since the movie probably shows an old packaging. That is a wrong message and it might not fit to the image anymore.

The channels that are broadcasted in Sweden do not have any information about product placement, “...which must be because there is no product placement. Probably there is hidden product placement.” Of course, there are coups and sometimes there are things that one tries to ignore. It would not be seen until some reacts. If they produce the programmes selves they are able to decide freely. If they buy programmes they have to inspect them to see if there is any product placement. In the cases were there is product placement, information is needed and the

5The responsibility that was held by the Broadcasting Commission are now held by the Public Radio and Television authority
television channels has to receive some kind of fee. If a company states that it is a part of the environment it can be difficult to say if it is construed.

5.1.4 ETHICS

How much products can be regulated? It is a question for the law making; it is not able to anticipate and it is more about freedom of speech. "Deceptive advertising is misleading advertising." It would for example, be good to not market hamburgers. It is a question of freedom of speech and this can lead to a rule conflict.

The marketing law occurs for the reason that the consumer should not be misled. In the law information can be found about deceptive commercial interest, programmes that are not commercial cannot promote deceptive commercial interests. By that it means that the programme is not allowed to: Encourage to purchase or rental of a product or services or other promoting parts. It is advertising. Point out a product or a service on a deceptive way, which is a typically rule in the marketing law. So, there is an ethical background to the law. The fifth chapter, fifth paragraph is done to point out that there is a rule conflict, but it would not solve the conflict. Ström does not think that there are any ethical aspects directly in the radio and television either.

5.1.5 SPONSORING

The audience cannot see if a product is placed or not, and that is why there has to be information that there is a brand exposed. A situation can arise where it is not told in the texts before and after about the exposed brands. Someone believes it to be placed and at the same time the television company claims that it is not; this is just products that are usually used in a kitchen. It is a difficult situation. Ström sid that he cannot recall that he has seen a beer brand in Swedish television, but there have been situations. "It is a fine line; the audience cannot see if the product is placed or not." In the case with alcoholic beverages, those products are not allowed to be placed.

There is also a conflict between sponsorship and the marketing rules. In the Radio and Television law there is just information about sponsorship in a television programme, but that does not mean that it is free from the marketing law. It can be just one element that is sponsored and mostly it is not the most seriously programme that are sponsored. Broadcasting that is mainly news or has news features are not allowed to be sponsored according to the law. If, for example, pharmaceutical company sponsor a programme, the sponsoring can just promote the brand name or identity and not prescription drugs or any medical treatment that are available after prescription. By other words, the company can promote their company and brand, but not the product it self.
The aim with product placement for the advertisers is that their product should be hidden, but from the production company it is to get money, without sponsoring money they cannot handle it. The aim is changing a bit with the information before the programme, and Ström believes that it is the reason why they are not open with it. "They are kind of afraid for the sign."

At the moment advertising is not unusual any more, it has changed in time. The younger generation has another viewing point than the older ones and it is the older that writes the laws. "The law might have opened opportunities that not everyone dares to use."

### 5.2 PRODUCTION COMPANIES

#### 5.2.1 PRODUCT PLACEMENT

Five of the seven production companies that were asked, work with product placement to some extent. They mostly use two different types of processes. The first process is that the production company need a specific product for a production. The second process is that a company that would like to place their products in productions contacts the production company and asks if it is possible. Independent of which process it is, it is an editorial question to see if it works and since the products have to fit the production it might happen that the production company denies to place the product or brand. It is important for the production companies that the products placed are natural and relevant for the context. One company mentioned that there is a principle that product placement should be natural and just in cases were one are allowed to use this kind of marketing method. If the placed products do not fit in the context in the production it might be a negative product placement and it might break the rules for deceptive marketing. Another company stated that the process with product placement begins with an overview of what products/companies those are already in the script. The two companies that do not work with product placement have different reasons. The first one thinks that product placement has not begun yet and the television channels are implementing it at the moment. It is a question of money did the other company states. It is a lot of work with product placement, one have to see what it costs and what one get out of it. They have never worked with product placement, but there will be an opportunity if they would produce an action movie. Then they might ask companies if they were allowed to use their products for free, not against any fee since the brand company then would have demands on the production company.

One company that works with product placement also works as consultant for movie and television producers. In those cases they help others that uses product placement. Another company sometimes uses a company called InBetween Entertainment that helps them with product placement. Their producers contacts InBetween Entertainment that search for
companies through their contacts to find different options. It should fit the movie, genre and actors to make it natural.

In Sweden there are about five big production companies that can afford to have an employee that handles the financials for the productions which includes product placement. The small production companies are often not able to afford this kind of help in the process with product placement. According to two companies, product placement is not a big niche in Sweden and unfortunately it is a bit of a ‘bad’ word. It is difficult to get the directors to work with product placement, the director has more power here than in the United States where it is another tradition. One company states that the aim with product placement is to build a connection between two different brands; the brand for the television programme or movie and the brand for advertisers that would like to be related to the movie. This connection can occur both through product placement and through person placement, like for example if the characters from the ICA\(^6\) commercial are used in another context, but also through more traditional marketing.

5.2.2 ETHICS

According to some companies there are some products that are more ethical than others to place. The companies do not have to take this into consideration since the laws regulates this kind of products according to one company. For example, one cannot use product placement against children or alcoholic beverages, so called controversial products. There is no policy that regulates alcoholic beverages in one company and it depends on the context since it is more controversial products. They have to think more about it and stated that it is not like placed milk. Another company mentioned that for example tobacco and moist snuff cannot be in productions, but it is easier with alcoholic beverages since one can advertise alcoholic beverages in television. Mostly it is not used in a product placement context. An example of bad product placement through an ethical perspective is fuel since it damages the environment, but it is hard to say no if OKQ8\(^7\) would like to be seen in a production. One company said that it is a difficult area with ethics in product placement and answered both yes and no. They question how ethical it is with commercial breaks during a movie and means that it destroys the rhythm. Alcoholic beverages might be a problem if people drink it to get drunk and then there is a bottle of whiskey right in the face of the consumer. That is not good.

\(^6\) ICA is a large Swedish company in the food industry  
\(^7\) OKQ8 is a large Swedish gas station company.
One company mentioned that TV3\textsuperscript{8}, Channel 5 and Channel 9 are broadcasted from other countries and the countries have regulated some products that are not allowed in television. The production company is responsible for the product placement in that sense that it is natural and relevant and they are following their moral lines when producing television programmes. In a right context there is no problem with placing alcoholic beverages, for example, in a programme where they are cooking and drinking alcoholic beverages. In a reality television show where the people own a bar in a Mediterranean country with the aim to get people drunk, would be more difficult to be responsible for, even if it is legally right.

Another company mentioned that some products are less ethical than others and said that it can depend on the programme. The programme that is going to be produced is the core and there can only be products that fit the programme. Alcoholic beverages and tobacco is bad to use as product placement since it can become more like advertising and it is bad to advertise those kinds of products. According to a company they definitive believe that some products are more unethical than others. The last company also believes that of course some products are more ethically charged than others in product placement. Ofcom for example, has a new law that does not allow one to place food with much sugar, fat and salt, for example Coca Cola. It is not legal to place alcoholic beverages so it is nothing that they do.

5.2.3 THE NEW LAW

At one company there is a department working with regulations and they do control that the productions follow the laws since they are not the same in all countries. The rules are changing if one broadcasts from the United Kingdom or from Sweden. It is thereby important that they are up-to-date so no rules are broken. It is difficult to know if product placement has changed because of the new law but it is good that the rules are clearer now. The producer at one company thinks that it is positive that the consumers are aware of product placement and that they are affected by it. At the same time the producer at the company thinks that it is important that the information about the product placement are done in a good way so that it does not affect the television programme.

One company stated that there should be a notice before and after a television programme where there is product placement and they do not think that the audience would care about it due to all the media that already exists. Product placement in Sweden is difficult because it is quite unusual and because there are many regulations around it. The company has to take the laws and regulations into consideration. The television channels have another type of

\textsuperscript{8}TV3 is a Swedish television channel.
responsibility than a production company has, for instance they are not allowed to place products in television programmes for children.

The responsible people for business and product development at one company would say that it is wrong to call product placement hidden marketing. "A well working system with product placement is when the product fits in the context..." One example is a building television programme. For example, ‘Äntligen Hemma’, when they are building a terrace; it is natural to place products that they are using, like drills. It is relevant, but if the leader of the television programme is thirsty and drinks a Coca Cola it becomes unnaturally. Coca Cola have to find another television programme to place their products and where it is relevant and natural.

The head of production at another company mentioned that it does not matter if there is information before and after the programme, but maybe it is good to be aware that product placement occurs. There are both the Swedish rules and the Ofcom rules. There is some problem in public service since it is a business financed by taxes. "It does not fulfil the aim if there is a warning that product placement will occur, it is against the aim." One producer thinks that the audience will look at brand more than they did before. They do not know how many that is affected by product placement, but it will be enormously more that search for the brand and what kind of brand it is.

One of the production companies said that the law only affected them positive; advertiser and media agency have noticed this "new" marketing channel. The interest has increased for product placement instead of traditional marketing. The law as not change how they work with product placement, it still has to be relevant and motivated product placements in their productions. They have not experienced that there are more productions with product placement than before the new law came. They have always worked with product placement so the law has not changed whether or not to work with it. They have to take the regulations into consideration since they are the producer of the content, it is very important that they follow the laws otherwise it might be deceptive marketing. The audience is not stupid, and one company thinks that is positive that there is information about product placement. It is still important to place relevant that fits the context, and then it is a win-win situation for both the programme and the advertiser.

5.2.4 SPONSORSHIP VERSUS PAID PLACEMENT

According to one company there is a practical difference between product placement and sponsoring. They always need properties to their productions and they try to get as good prices and conditions as possible. "There is a line when it becomes product placement instead of a good
deal, but where the line is, is hard to define.” If a product is exposed in a positivistic way, it fits for product placement, but if there is the ability to buy or rent a product to a good price, it is good to not have any promises to the product company.

According to another company there is no difference between product placement and sponsoring for the viewer and production technical, the product is still exposed in a television programme. The difference is that placements are paid events. One are not allowed paying for sponsorship, but the responsible for business and concept development at one company believes that companies instead might give away their products. According to one company there is difference between the two methods, but as a viewer one does not observe any major difference. The same company said that it is not easier to work with sponsorship. Unfortunately, there is no possibility to just place products as one wish. There is something called deceptive promotion to take into consideration.

One company does not see any difference between product placement and sponsoring. It is a lot of work with product placement. It is more sponsorship when the television programme thanks the brand companies in the credit titles in the end of the movie, not when the product are placed in the movie. One producer thinks that companies use sponsoring instead of product placement. As a company said; “To be able to do it any way, they are sponsoring it instead, it is called sponsorship and many does it.”. Where the line between product placement and sponsoring is, is a really grey zone. It is called sponsoring instead of advertising. It can be tough in Public Service if it is sponsored instead of advertising because it becomes double standards. One of the companies said that they have heard about the new law and it has affected them in a way so that it is clearer what is right and what is not, but since the law is new, it is difficult to say if product placement has changed.

5.3 COMPANIES WORKING WITH ALCOHOLIC BEVERAGES

5.3.1 MARKETING

The companies interviewed do not market their products through product placement. Instead they use channels like printed media, (such as magazines, advertising on Internet, homepages, social media, commercials on television, MTG (Modern Times Group), press, restaurants and in stores). According to one company they use all channels that are possible through laws, their alcoholic beverages is marketed in the television channels that are registered in England. There are some different reasons why product placement not is used, the head of marketing at one

9 Public service is radio and television in service for the general public. The aim with public service; SVT, SR and UR is to give the Swedish people everything, news, documentary, entertainment and education, in correct and objective way. Radio- and television license is finance public service. (Public Service)
company mention that it depends on how product placement is defined. There are a lot sponsoring going on and it can be everything from an inauguration to celebrity party to television production. As the person interviewed at one company sees it, they do not work with product placement and they have not done it in at least two years. The head of production at another company stated: “I would not say that we work with product placement.” Maybe they do it when it comes to the products without alcohol and product placement is an option if it is the right moment, but they do not work with that method actively. Another company says: “Product placement is a cheap way to market oneself, it looks a bit tacky.” Earlier they worked with product placement, but chose to stop.

It might happen that production companies uses products to their productions and most of the interviewed companies think it is positive for them. One company mentioned that it depends on which situation the product or brand is presented. In a perspective were someone is addicted to alcoholic beverages, they do not like it. If their products are over consumed it is not a good situation for them. They would not be satisfied if their products where used in television programmes like 'Kungarna av Tylösand' and 'Big Brother'. Another company mentioned that if their products would be chosen to be used in a movie where a person get one of their bottles smashed in the head it would not be positive. It is positive if the products are in a situation where they are enjoyed. One company's products where recently in a Swedish television programme called 'Solsidan' and the production company chose their products which the company found very positive. Also the third company think that it is positive if it is in a good context, it is free marketing, but not in a situation where the characters get drunk on their products.

5.3.2 ETHICS

According to two there is ethics in marketing and both companies state that alcoholic beverages are enormously ethical. Product placement is not deceptive marketing, but it can be nerve-racking if it goes too far in a movie. Product placement can also be very effective, like in the 'James Bond'-movies. What would James Bond be without his Aston Martin? The project leader at one company said that it is unethical to market alcoholic beverages to people under-age, but their marketing is correct and the company has not got any criticism about their ways of market alcoholic beverages. Two companies think that they do have a social responsible when they promote their products; they only market to the ones that are allowed to consume their products and only market products with alcohol that is suitable for dinner.

According to one company it is okay to use product placement in for example 'Roomservice' where a paint can is showed. It depends on the situation if it is unethical or not. In the old
television programme ‘Cheers’ their products was a part of the environment and there it is natural, but their products in ‘Roomservice’ would have been strange; it would not fit to the context. One company does not think that product placement is an unethical way of marketing. It is a way to be seen with all other products in the production. Of course, it depends on the situation the product is placed in and it is good if it occurs in a natural content with the right everyday life.

One company mentioned that there are some steps in marketing that are unethical, like marketing to people under-age. That becomes unethical if the aim is to market towards them. An example of marketing to young people is alcopop. The ethical aspect is clear in this situation since it is a lot of young people drinking it in the commercials. The company daily meets criticism about marketing with alcoholic beverages, but as a part of their public relations (PR) they have a social responsible. Product placement can be deceptive if the product is used in the wrong way, for example, if someone gets drunk. The context is very important.

5.4 TELEVISION CHANNELS

5.4.1 PRODUCT PLACEMENT

One channel, Channel A, in Sweden does not work with product placement at all, but it will be implemented soon and probably there will be more product placement after the summer of 2011. Another channel, Channel B, said that the last year gave them the possibility to sell product placement in their channels, but at the moment they have not done any deals with any advertisers. Channel C claimed that it is not in question to use product placement. The industrial management has pronounced, with independent reasons, to not have the intention to use the opportunity that the law gives. Independent and free from advertising is more important factors for public service. Channel B mentioned that product placement refers to finding a product that fit into the television programme and brings something to the programme. It is important that the ones responsible for the content works close to the salesperson on order to find symbiosis. Channel B said that they buy different movies and television programmes that probably includes product placement, but that is business that do not affect their channel and they do not have to take the product placement into consideration. Channel A mentioned that they broadcast movies and television programmes from foreign countries that contains product placement, like for example, the movies with James Bond. Product placement has always been forbidden in Europe, but it is not a problem with bought movies and television programmes. It might happen, according to Channel A that the channel has to stop something that they bought before they broadcast it, since it is too much focus on products.
5.4.2 ETHICS

Channel A said that not all products are usable to place; it has to fit the audience and the action. It is very important to use product placement in a natural way. Channel B does not think that product placement is unethical and no products are more unethical than others. According to Channel A, the British rules (Ofcom) and the European Communities-rules is good since the consumer has to be informed that product placement occurs. This has not really come through in the Swedish laws yet, since, TV4\(^{10}\) does not inform that they use product placement in television programmes for example 'Solsidan'. "The reason why TV4 can work this way is because no one has reported them." England has regulated this well, they are open with the fact that products are placed, and through that Channel A cannot see anything unethical with it. The channel though, finds some product more unethical to use in product placement than others and especially with specific target groups. Which products that is unethical is regulated in the European Communities directive, like for example drugs, since one are supposed to be objective when choosing medical products. Also tobacco is regulated. Channel C does not either thinks that product placement is unethical if the audience is informed about it.

5.4.3 THE NEW LAW

Channel C mentioned that product placement is for the first time, defined in the Swedish law and is much narrowed. Product placement is in general not allowed, but has some exceptions like movies, television shows, programmes with sports and programmes with ‘easy’ entertainment. Channel B has heard about the new law and it has affected them in a way that allows the channel to use product placement, but yet it has not affected Channel B’s way of using product placement. Channel B also mentioned that it was regulated before and still is through the law about deceptive marketing, but the new law allows product placement with some exceptions. If there is a situation where there is something produced before the new law, which is broadcasted afterwards, Channel B has to take the new law into consideration. Channel A does not take the new laws into considerations when it is older productions. Channel A said that the Swedish law states that product placement is different, depending who gets paid for it. If it is the production company, it is not product placement according to the law and this is not mentioned in the Audio Visual Media Services directive or in the British laws. If a programme that not is produced by Channel C, includes product placement as it is called in the daily speech, it can be tested for deceptive marketing or the directions about sponsoring and indirect sponsoring in their broadcasting permission.

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\(^{10}\) TV4 is a television channel broadcasted from Sweden.
5.4.4 SPONSORSHIP VERSUS PAID PLACEMENT

Channel B stated that product placement is about an advertiser that buys some space in a television programme. Sponsorship informs that the advertiser finance the programmes which is made before and after the programme, not in it. Channel B also said that there is a legal difference between these two phenomena. According to the new law the television channel is allowed to offer advertisers product placement space, but there has to be information about what product area it is, not the specific brand. For example, there has to be information about that there are cars in the programme, not that there is a Volvo. It is a legal product placement if it is a paid event and if the different rules are taken into consideration. In other cases Channel B just has to take the law about deceptive promotion into consideration.

Channel A stated that there is a big difference between product placement and sponsorship. Product placement is bought by a company to get exposure in a production while sponsorship is when the companies give products to the production and might be mentioned afterwards. There is no commitment with the products in the production. Channel A mentioned ‘Roomservice’ where sponsorship is good since it might result in free painting colour and the only thing that is seen in the programme is the brand.

Channel B said that product placement and sponsorship is two different ways for the advertiser to market in television channels and there is nothing that points at that the two marketing methods is against each other. Channel A also mentioned that product placement and sponsorship is two different businesses. It is much regulated what a sponsorship allows and what it allows one to say in the television programme, for example, if ICA is sponsoring with something, it is not allowed to say that, for example, their minced meat is for sale a specific week. If it occurs the sponsorship is becomes more advertising.

5.5 THE PUBLIC RADIO AND TELEVISION AUTHORITY IN SWEDEN

5.5.1 WHAT THEY DO

The Public Radio and Television authority in Sweden has a particularly decision-making body, called the Broadcasting Commission. This commission inspects the content of television programmes such as television shows and movies, after the programmes have been broadcasted. Since they inspect the television programmes after the broadcasting, they are not denying anything, the only thing that they are doing is to inspect if the productions break any rules or not. There are different sanctions that decide whether or not there is any fee to pay for the production company, if any rules are broken.
How the different parties involved in product placement are supposed to act to deal with the new law, is nothing that the administrator cannot talk about. The only thing the Public Radio and Television authority in Sweden does is inspecting how the production company has made and if it is right according to the laws.

5.5.2 ABOUT THE NEW LAW

The new law only regulates television programmes that are produced after the law was applied, according to the administrator at the Public Radio and Television authority. In the channels that are registered in England there are rules made by a company called Ofcom that are to be followed on the channels. That is why for instance, TV 3 and Channel 5 have information about product placement. They are using a specific symbol that indicates that there are product placements in the television programme. Since there are no information on the Swedish channels, one can assume that there is no product placement as defined by the law, in the programmes. The law regulates product placement. It is about who pays the fee and who receives the fee. When a channel buys a movie it is not the ones that gets the fee, but if instead the channel produces a movie or television programme themselves, it has to take the laws into consideration.

5.6 THE SWEDISH CONSUMER AGENCY

5.6.1 ANNOUNCEMENT FOR THE SWEDISH RADIO- AND TELEVISION LAW

The Swedish Consumer Agency does not receive many announcements for the present Radio and Television law. Since the law is still under progress, many consumers are not aware of what the law means and how to deal with it. Some channels are more distinctive in their way to inform their audience that product placement occurs in television. Product placement can be in comparison with marketing that is deceptive promotion in radio, a radio station is not allowed to talk about a company or a product and advertising is just allowed when there is a break for commercials. Otherwise the Broadcasting Commission can trap radio station since it is deceptive marketing. It is deceptive since the name of the company or the product is placed in a context and the radio station has thereby built an image around the name. Product placement might also be deceptive promotion if it is not informed that it is just product placement.

5.6.2 THE SWEDISH RADIO- AND TELEVISION LAW, ACCORDING TO THE SWEDISH CONSUMER AGENCY

Since it is not mentioned somewhere in the law, there is nothing that regulates if it is just Swedish television broadcasts. The law also regulates television stations that are broadcasted in
other countries. For example, if a station in Sweden broadcasts to England, the Swedish regulations are to take into consideration. On the Swedish television there are some channels, for instance TV3 and Channel 6, which is broadcasted from England. These channels have to follow the regulations that are used in England, that is why one can see on television that these channels informs about product placement and refer to a company called Ofcom. Product placement is regulated in the so-called AV-directive, but different countries have the ability to handle it in different ways. This is why it looks different in different countries. The AV-directive has a lower limit, one is allowed to implement product placement to this limit and otherwise product placement is not allowed as a marketing method.

The new law also regulates movies and programmes that are produced before the new law came into effect. In the law there are some products, like alcoholic beverages, that are more regulated and there are also regulations when the programme is for children under twelve years. The public authority in Sweden checks if movies and shows are allowed to be broadcasted in television.

5.7 AGENCY

The purpose for a company working with product placement is that the product is shown in a context. The best thing for both the brand company and the production is to successfully make the product flow into the context. The benefits with product placement are mutual. The production companies gain properties for the movie or television programme and the brand company gain unique possibilities of exposure. Their product is exposed and talked about. There are many benefits with product placement, both when it comes to the image of the company and quantity. The sales manager for the agency means that one of the most significant benefits with product placement is the fact that the product is exposed in a natural context. The viewer feels much more secure than during a commercial clip. The most ideal is that the product just glimps by in the movie or television programme. It is important that these seconds are not too long or too short. The sales manager said: “Those seconds of exposure gives the product a place in the consumer’s subconscious, if not forever, at least during the next purchase behaviour.”

There are statistics that showed that 65 percent of all commercial are zapped by, this is avoided with product placement. The product placement method is at the moment becoming more and more popular, both because it is a cost effective method in relation to commercial clips, and because it is possible to reach a large target audience.

The sales manager mentioned that when alcoholic beverages occur in a scene in a movie or television programme it is important that it really is shown in a good context. For example, in a
scen where the actors are having a dinner, it is natural that it stands a wine bottle on the table. This is nothing that anyone would react on.

5.8 FOCUS GROUPS

5.8.1 PRODUCT PLACEMENT

In all of the focus groups, majority of the participants did not notice the different placements, at first, but when they were told what they have just seen, they began to recall different brands. In some of the groups, there were more participants that understood that it was product placement that was the focus in the film clip. One participant said that in some of the clips the placement was very obvious, while another participant felt that some of the placement passed by too fast to get noticed. The participants believed that a reason for them not notice the placements at first is because they are used to it.

All of the participants in the groups stated that they are aware of the commercial that occurs in today’s television in the form of product placement, but not many had heard about the new law that regulates it. Some of the participants had seen the information about product placements on some television channels, but she also pointed out the she has never seen the symbol that is supposed to be shown when product placement occurs.

For some of the participants, the awareness of product placement has increased since they got to know what it was and this knowledge comes partly from their education. Many of the participants in the groups also believe that the method has increased due to the much tougher competition between companies; the companies are today more aware of the effectiveness of marketing their products by placing them in television. One person stated that product placement are more flexible and discrete than before, it runs in the context, and that is also one reason for the increase.

5.8.2 SPONSORSHIP VERSUS PAID PLACEMENT

In the groups, sponsorship and product placement were discussed. The participants claimed that they would not see any difference between if a product is in a production because it is a paid placement or because it is products that a brand company has sponsored with. Some of the participants also said that for them, as viewers, it does not matter if it is products that are sponsored or if they are placed; for them it is still advertising. As long as one does not know the background to the event, it is impossible to just see if the products are paid placements or not.

In one of the groups that participants believe that sponsorship and product placement are not at all the same thing and that the process for the different methods are different. They believe that
sponsorship is more about a brand name or something comparable, not just a product. They also said that they do not believe that sponsorship means that the brand company's products are shown in the production, more that the brand company are mentioned before and after. They believe that sponsorship is more 'black-on-white' while sponsorship is more about creating a feeling and let the product flow into a context. In the groups it was mentioned that the difference between the two phenomena is that either the products are paid to be seen or the products are donated. The benefits are mutual; the production needs accessories and the brand company needs advertising. It was mentioned in one of the groups that the line between product placement and sponsorship can be really thin and maybe it also depends on how it is entered in the bookkeepings also. One participant said: "What is actually the difference?" A product can be seen in a production in different ways. For example, a production can choose to use a product by coincidence, but a product can also be sponsored. Another participant questions how one knows if the companies pay for it or not. Some hidden marketing must be unplanned. For example, if the actors stand in the middle of New York and a lot of commercial signs are visible; there might be a thought about it and the production company tries to make as much money as possible through this. Probably, there is both product placement and products that occurs by coincidence.

In the focus groups there also arised a discussion about if it is allowed and legal to use a company's products without any kind of agreement or without the company been asked at all. Some believes it is necessary to ask, while some do not. It is important to ask because otherwise the products might be seen in a context not desireable for the brand company. One of the participants questioned if it is acceptable to talk bad about a car when the audience can see the brand clearly, but another participant believes that it is about the law of freedom of speech.

5.8.3 PRODUCT PLACEMENTS' EFFECT ON CONSUMERS

In the groups it was discussed how product placements affect consumers, if it affects. In all of the groups, one specific example was brought up in the discussion; The Coca-Cola experiment. There was an experiment at a cinema where the Coca-Cola logotype, was shown for maybe a millisecond, during the commercials before the movie. The audience did not even notice it, consiously. Afterwards, a majority of the audience bought Coca-Cola.

In one of the groups the participants believe that people are affected unconsciously and that product placement affects more than regular commercial clips. One participant said that it is difficult for a person's brain to choose what to be affected of. If a person has a connection to the product, it can affect more. Many participants though, disagreed and mean that they are not affected very much. One person referred to the awareness and means that since people are more aware of the placements they do not pay any attention to it and are not affected. Some
participants also stated that sometimes they remember that they have seen a product or brand, but they are not certain of where they have seen it. The brand and product are recalled in their subconscious. One person mentioned that she have bought a book because she heard about it on television, also because she wanted a book and did not want to put the effort into searching through all the different books. In the groups they also stated that product placement is a bad way to market a product since it plays on the consumers’ unconsciousness. One participant said: “I do not notice what affects me; I think that it is me myself. It feels better with product placement because if I buy something because of commercials I would feel stupid because I actually have been in on it in a way, but if of is unconscious, like with product placement, I do not know that I have been affected.” Commercials are one more aware of and one can choose which information to use. “When there are product placements in a movie you do not switch channel because then you would miss the movie, even if you know that it is advertising in it”. In the groups there were those who stated that sometimes placements in movies can become overwhelming and this gives the movie or television programme an unprofessional impression.

5.8.4 THE NEW LAW

Many of the participants in the groups stated that the new law that regulates product placement is good while some believe it to be quite stupid because this will only make the viewer more aware of the placement and they will instead look for the placements. The groups discussed whether or not the symbol that is supposed to be shown is good or not. Some believed that the symbol will make the placement more obvious and visible. It will become a distraction for the audience who might begin to look for the placed brand during the television programme or movie. Another person stated that he would get a bad impression of the company if he knew that they are working with product placement. “... if I see that there is product placement, the company gives me a bad impression.”

In one of the groups one participant also believes that she knows why only some of the television channels show the information about product placement and said that it has to depend on where the television channel broadcasts from. She thinks that some of the television channels broadcasts from the United Kingdom, where the rules are different. The participants continued to discuss the reason for the other television channels to not show this information. One person claimed that maybe those channels do not have any product placement, but at the same time, that is difficult to believe.

One person asked: “Why have they done a law like this at this moment?” Some of the participants believe it is because it has become too much which has led to people becoming irritated, maybe due to the fact that production companies get paid for placing products. “Maybe it has been too
much in movies, it is almost like commercials." Maybe the law came into effect because product placement was used only with the aim to advertise and that it sometimes came to that level where the movie got destroyed. One participant mentioned that the law might have come into effect so that the audience are not that affected as before and another one believes that the law has come to effect so that if there would be any diffusion between the production company and the brand company, they both have the law to support them. Since alcoholic beverages can be seen in different products eventhough it is against the law to place alcoholic beverages, one person believe that these products must be sponsored or placed in the production by coincidence.

In one of the groups the participants began to discuss the ethically charged products and mentioned that the law might have come to effect in order to regulate the advertisement of products like guns, cigarettes, alcoholic beverages, drugs, games and other products that one can become addicted to. In another group the participants believes that the law regulates alcohol, tobacco, things that are based on age, non-environmental friendly products and things that is not good, but still sold.

The participants are uncertain about whether or not the law is applicable on productions produced after the law came into effect. Some believed that it is only applicable on productions that are made after August 2010, when the law came into effect, but some believe that the law is applicable on everything that is shown on television today. One person said that if the law is not applicable on everything on television it might not have the same effect as if it was applicable on everything. One person in one of the focus groups claimed that if an old production with product placement is okay, but a new production has to take the law into consideration.

5.8.5 HOW DOES PRODUCT PLACEMENT WORKS?

One participant said: "...don't you pay money to them to get them to show the product...?" In the groups there were dicussions about who get the fee and to whom is it paid? The participants believe that the brand company that wants to place their products pays a fee to the production company, but some people in the groups believe that it can also be the other way around; the production company contacts the brand company. Here it is again discussed what would happen if a production company decides to use a product without have asked the brand company. One person said that it would probably be positive for the brand company as long as the product is shown in a good context. It is not always about money, but also to create a feeling around the product. One participant said that it feel almost impossible that a production company would ask around to all of the brands that are chosen in the production.
In one of the groups there were those who believe that the product placement process is difficult and that, for example, it is regulated for how much time a product should be shown in a clip. It is also stated in the groups that the drift behind the process is to find a product in its natural environment. Another participant said: “You will need certain brands to recreate a real environment.” There was also one person that began to mention agencies. “I think there are agencies that only work with product placement.”

5.8.6 ISSUES

A majority of the participants in the groups feel that there are issues with marketing while some did not. In the focus groups, marketing towards children was mentioned by a majority of the participants. They all said that this can be a huge issue. Another issue with marketing in general is when the marketing action is not clear about what is advertised. Another significant issue is when it becomes too much advertising. The consumer instead become irritated and will because of that not buy the product at all. Deceptive marketing is also mentioned by some of the participants.

In the groups they began to discuss whether or not there are any issues with product placement and according to most of the participants, there are. The unconscious influence was one of the issues brought up and discussed, so also if the placement is directed towards children. People today accept that there is product placement on television. One participant mentions that “…you always have to find new ways to market and it will end up like a notice board where one does not see it anymore.” The same participant believes that in the end there will not be any impressions of product placement and it will not affect the audience. Today product placement is very popular marketing method and on participant said: “What would a movie be without any brands in it…?” Many participants rather refer product placement than commercial breaks, this since placement does not affect them directly. “Commercial are hated since it is really directed towards one.” Another participant agreed and said that commercials become enoying since it interrupts the movie or television programme. Everywhere in our society, one see brands and it is the same when one is watching a movie; it is only natural that there are brands visible. One person stated that many do not even look at the commercials, they just change the channel and therefore it is more effective for companies to market themselves through product placement instead.

Independent of what it is, the product has to be natural in the movie. One participant mentioned that some people can find some products more difficult to place in a movie due to the relation the person has. For example, a person that has trouble with alcohol can be affected very deeply and might find it very inappropriate and the same thing with a person who is ill with some disease; that person might find it inappropriate to use certain medication in different
productions. She also says that she does not care if they show a medical product that she does not need, but if she would need it, it might feel inappropriate. According some of the participants, some products are more sensitive than others, like cigarettes, vodka, drugs, slimming preparation, weapon and television games with a lot of violence.
6. ANALYSIS

6.1 PRODUCT PLACEMENT

6.1.1 THE NEW LAW

A participant in the focus groups believes that product placement increases because it is a very good marketing method. The interviewed agency claimed that the benefits for those involved in a placement are mutual; the production company gains properties for the production and the brand company gain unique possibilities of exposure. Homer (2009) states that even if product placement is not a new phenomenon, it is still growing and it is becoming more and more common in television and the agency claims the same thing. One of the participants believed this to be one of the reasons for the new Swedish Radio and Television law; it has increased very much and now it has to be regulated. Another reason mentioned was that the law came into effect in order to support the companies that works with product placement, for example if there would occur some kind of dispute between the companies they have the law to fall back on. The participants also mentioned that the law might have come into effect so that the movies do not get destroyed because of too much placements. The law might also regulate product placement in a way so that the purpose of the action are not only about advertising.

The product placement phenomenon has changed since the new Audiovisual Media Service Directive came into effect. The media services are divided into two different groups: Linear services and non-linear services. The Audiovisual Media Service Directive affects both these media service groups. In the directive minimum rules are introduced for the non-linear services, but the legislation for linear services becomes more modernized and a greater freedom is given. The regulations of commercial and also product placement are now more soften and the directive gives a clear legal framework for product placement. Ström also mentions this directive and states the same thing; today there is a greater freedom with commercial and a clear legal framework for product placement. During the investigation, Ofcom and were a channel broadcasts from was mentioned continuously by the different parties. Those channels in Sweden that broadcast from United Kingdom run under the Ofcom rules. At the moment, there are only a few television channels that have begun to show information about product placement and the main reason is because those television channels run under Ofcom. The Swedish Consumer Agency stated that some television channels are more distinctive in their way to inform the audience. One of the participants in the focus groups believed that she knows the reason for why only certain channels informs and she mentioned broadcasting from another country, but she did not mention Ofcom specifically. Some of the other participants know that some of the
television channels broadcast from the United Kingdom and therefore the information in the television channels.

In Sweden the new Radio and Television law came into effect in August 2010 and since then the use of product placement for the involved parties, has changed. The different parties had different opinions about if the law concerns productions that were produced before the law came into effect. One of the television channels believe that it does not and in the focus groups there were very different believes. Ström understand that this is seen differently and mean that it is the broadcasting company’s responsibility if something happens. According to the Swedish Consumer Agency many consumers are not aware of the law and what it means and not how to handle the law and this since the law is still under progress. The law, among other things, states that the television channels have to show information and warnings about product placement, but there are still those who do not. Some of the participants in the focus groups believed that the reason for this is simply because it does not figure any placements, but at the same time the participants found that difficult to believe. Ström stated that if there are no warnings or information one automatically assume that there are no product placements, but probably there are some kind of hidden placements instead. The Public Radio and Television authority understood that it is not peculiar the people assume that it does not occur any placements.

In the different interviews with the different companies, many of them mentioned that it is important for them to also consider the law about deceptive marketing and according to Ström the law about product placement are always the one to take into consideration first due to Lex Specialis.

6.1.2 GENERAL

According to Wnek (2005), product placement is an official marketing method and many companies clearly prefer this kind of method, but there are still those who do not. Product placements are becoming more and more common in television. This is evident in the interviews with both the production companies and the brand companies. They mean that the word ‘product placement’ has, right now, a negative meaning in Sweden, but since there now occur a law that regulates product placement, there are greater possibilities for companies to use this method and the method might become more accepted. The people in the focus groups points at that product placement is a relatively accepted marketing method amongst the viewers and they mean that today’s consumers are very insensitive with all the commercial clutter that takes place. One accepts very much, maybe even too much. As Bennett et al. (1999) and Wenner (2004) claims; consumers have found ways to manage all the clutter.
6.1.3 DEFINITIONS

There are different theoretical definitions of the product placement phenomenon, but only one of the mentioned definitions points out that product placement are a paid event, as the Swedish law states. According to the Public Radio and Television authority it is about who pays the fees and who receive the fees. This can be one of the reasons that the focus groups could not define exactly what product placement is, that it is about paying fees to gain a spot in a movie or television programme. Some of the participants believed that a production company only chose a product that fits into the context of the movie or television programme and with no agreement with the brand company in question, though there were those who question if that is allowed. They also mentioned the time a product would be shown in the movie or television programme; they ment that if a production company wants to use a company's products, the brand company can ask for more time in the spotlight, in return. To summarize, the participants in the focus groups had trouble to define exactly what product placement is and the fact that it is about paying fees to get a spot in the movie or television programme, was not something the participants first thought of. One of the production companies believes that product placement is all about to connect two brands; the production brand and the product brand and this can come through product placement or personal placing, where characters are used. Some of the production companies also mentions that it is significant with product placements that the products are shown in a natural context. This is the production companies' way to define the phenomenon. One of the companies that works with alcoholic beverages, claimed that they do not work with product placements, but that it also depends on how product placement are defined. In the focus groups, some of the participants stated that all marketing is good marketing, even if the brand company are not aware of the placement, but some of the participants thought the same as the alcohol companies; it depends on in which context the products are shown.

6.1.3 DIFFERENT PROCESSES

Five of the seven interviewed production companies, work with product placement and the four companies have two different processes when working with product placement. The first process refers to that the production company contact one or more companies who can provide with the products that the production needs. The second process refers to that a brand company contact the production company and asks them to use their product in the production; they ask if the can give them place and some time in the movie or television programme in question. The first process can be identified quite exactly with one of the processes mentioned by Chang et al. (2009), the opportunistic product placement where the initiative comes from the production company. One of the production companies interviewed, also worked a bit as consultants,
similar to what an agency does and one production company sometimes use an agency. An agency works as an intermediary between the brand companies and the production companies. The agency provides with different contacts and work both ways; both from brand company to production company and also production company to brand company, this to settle an agreement between the two companies in question. This can be compared to another one of the theoretical processes, the planned product placement where an agency often are used as intermediary and an agreement between a production company and brand company are settled. This is more of a formal type of product placement. The production companies that do not work with product placements had different reasons for that. One mentioned that it is a question of costs. The company also mentioned that they do not choose to work with product placement as the law define it, because when money are involved and a brand company pay a fee for a spot in the production, they can also require more from the production company.

No one of the interviewed companies working with alcoholic beverages, are marketing themselves through product placement. There were different reasons for the companies to not work with it: legal restrictions, budgets etc. One of the companies thinks that product placement is a ‘tacky’ method and that was one of the reasons for them to not work with it. That is has to be the right moment was mentioned by another company. One of the companies did not answer as clear as others: “I would not say that we work with product placement.” Sometimes the companies’ products occur in television, without the company being aware of it. This can be referred to one of the processes of Chang et al. (2009), the serendipitous product placement which can be seen more as an informal type of product placement. It refers to that a production company uses a brand or a product by accident and it is only short term, it is more of a coincidence. The alcohol companies overall thought that this kind of marketing is good, but it depends much on which context their products are shown.

One of the television channels does not work with product placement yet; this will be included more in the near future since the new law now states that it is allowed. The second television channel means that last year’s change of the law have given them the possibility to use product placement, but at the moment this is not the case. Due to this, there are no set processes for product placement for the television channels. One of the channels though mentioned that if they would work with placements in their own productions, it would be significant for them to find a product that contributes with something to the production and that it is in symbiosis. They also mentioned that if they buy a production that includes product placements, this is not something that the television channel has to take into consideration and that is not their responsibility. A more clear process will probably be developed in the nearest future since, as mentioned, product placement is legally allowed.
The focus groups mentioned the same two processes that the companies did. Some believed that if it is product placement, the brand companies contact the production companies, but if it is sponsoring, it is the other way around. After the legal definition of product placement was told to the participants, they also discussed who pays and who gets paid and claimed that it is not only about the liquid assets, but also a question about the product being shown in a natural context. They also questioned if a production company can use a brand or product without asking the brand company. At the same time they think that it is impossible for a production company to ask a brand company for every product used in a production. One person mentioned one of the processes; she believes that there are special companies only working as intermediaries. This can be compared with the planned product placement and also identified with the process with agencies that the production and alcohol companies mentions.

6.2 PRODUCT PLACEMENT AND CONSUMER MEMORY

De Gregorio and Sung (2010) mention that there are no studies about consumer attitudes with differences and similarities of demographic characteristics. Those made have been with college students and this is also the case in the focus groups were all participants study at the university. Though, the theory claims that there are differences in the result between college students and non-student adults. Ström also claimed the same thing when he said that the younger generation looks at product placement in a different way than the older generation and it is the older generation that set the laws and run the legislation in Sweden. Here, the agency which was not interviewed agreed in a way. They state that younger directors are more open to methods like product placement. This is also evidence that the younger generation are more open-minded than the older generation, both consumers and those that works practical with product placement.

Law and Braun (2000) state that there is one way to measure if product placements are effective is to investigate the consumer memory, but the result has never been conclusive. In their study they had a group of participant viewing a film including different brands and afterwards they were asked if they recalled any of the brands from the film. This is called an explicit test since the participants are tested directly on events from their past. In the focus groups a similar test were conducted. A short film clip with different placements was shown to the participants. Afterwards they were asked if they were aware of what was shown and after a while they began to recall different brands. Majority of the groups recalled many of the brands.
6.3 ETHICS

As noticed in the focus groups, consumers are today very insensitive with a lot of advertising and the theory also claims that consumers have found ways to manage a situation of an environment of commercial clutter. Bennett et al. (1999) and Wenner (2004) state that when marketers are using product placement as a marketing method, they can reach out to the consumers while their natural defence against commercial, are temporarily inactive. DeLorme and Reid (1999) agree and mean that product placement can affect people below the level of consciousness and they can then not control the acceptance or rejection of the message. One of the participants in the focus groups believed the same thing; a person’s brain cannot choose what to be affected by, instead the person can be affected by those placements that the person has some kind of relationship with. Another participant also mentioned that the media cannot affect one completely and he means that if one already has a relation to a product that would be the obvious choice. Also the production companies mentioned that they believe that product placements affect the consumers in one way or another. This can however result in an ethical issue. Gould et al. (2000) and Balasubramanian (1994) means that even if the product placement phenomenon is generally accepted by the audience, there are still those who see the ethical issue with it. In the focus groups people stated that since they do not always see the commercial in a movie or television programme, they do not react. This make the product placement method indirectly, more accepted. Some of the people in the groups found product placement as more accepted than, for example, a commercial clip, this because a placement would not be a disruption in the movie or television programme. One person mentioned that if she would buy a product because she has seen it in a commercial clip, she would become angrier than if she would buy a product because she unconsciously have been affected by a placement in a movie. She would feel more stupid because she was fooled by the commercial clip, it is too obvious. One of the production companies questioned of it is not a greater ethical issue to take a break in the middle of a movie for a commercial clip.

DeLorme and Reid (1999) claims that a concern with product placement can also be that it might cause consumers to involve in a purchase without being aware of that they have been affected by the placement. Some of the participants mentioned that many times they recognize a product, but they cannot recall where they have seen it. Still the product is recalled in their subconscious. The focus groups were asked if they could recall if they have ever bought something that they might believe could be caused by a product placement on television. Some of them could recall that they have specifically been involved in a purchase because of a placement while some could not. An example was one of the participants who were supposed to buy a book, but on order to
escape the hunt for a book among all the different books, she chose one she recalled from a television programme.

According to Gould et al. (2000) there are two different issues with product placement; the general ethic concerns and the ethical concerns about specific products, so called ethically charged products. The law regulates some ethically charged products such as tobacco, alcohol etc. but the legislation cannot forbid too many different products and according to Ström, this due to the law of freedom of speech. The participants in the focus groups believed that these products are products such as alcohol, tobacco, guns, drugs, games, slimming preparation, non-environmental friendly products and they also mention things that one can become addicted to and things that are based on age. The problem with the ethically charged products and product placement combined is that the audience is in a way captured when exposed to the placement. They do not want to zap away from the movie since it would interfere with the movie or television programme; it is not the same thing with a commercial clip where the viewer can chose to zap away from it. According to the interviewed agency 65 per cent of all commercial are zapped by. One of the participants in the focus groups said: "When there are product placements in a movie you do not switch channel because then you would miss the movie, even if you know that it contains advertising." Another participant said that since one can easily zap from the commercials, product placement is a more effective method for the brand companies. The agency stated that the viewers are exposed to the commercial in a natural context where they feel secure.

The production companies mentioned that some products are of course more ethically charged than others and the companies working with alcoholic beverages mean that there is an ethical issue with placing alcohol, but it depends on how it is placed in the context. One of the television channels did not agree; they instead believed that no products are more or less unethical than others. The production companies also mentioned that there are severe regulations around placing alcoholic beverages and that they cannot do anything against these. Some of the companies working with alcoholic beverages agreed and stated that alcoholic beverages are enormously ethical, but some of them claimed that marketing with alcoholic beverages are not ethically charged unless the marketing action are directed towards people that are under-aged. One of the productions companies stated that they do not use tobacco products in their productions since it is not allowed. With alcoholic beverages it is easier because it is legally allowed to market it through commercials in television. Therefore it also becomes easier to integrate these products into a production. An interesting aspect was brought up by one of the production company said that if one should be very consistent, a product like fuel should also be seen as ethically charged due to the harm it does to the environment, but that is not the case
today. The interviewed agency agreed with the other companies; it is not an ethical issue as long as the products feel natural in the scene. There were those production companies that mentioned controversial products such as tobacco and commercials to children. In general the production companies felt that it is both a question of personal opinions and general opinions. A problem can be when alcoholic beverages are consumed in the wrong way in a movie or television programme. For example, if a person drinks an alcoholic beverage with the purpose of getting drunk it becomes an issue. To conclude, the production companies and the companies working with alcoholic beverages do not see a significant issue with placing products like alcohol, but it is important that it is placed in a natural context.

One of the production companies though, stated that it is difficult to place products such as alcoholic beverages since there is the risk that the placement becomes more like advertising; it is difficult for that type of product to appear natural. The people in the focus groups had different opinions about placing alcoholic beverages. Some claimed that they did not see any specific issue with is as long as it was placed in a natural context and some felt that there can be an ethical issue with those types of products depending on who is exposed to it. For example, a person who has troubles with alcoholic beverages might see a problem with this kind of placements, but in general they did not see an ethical issue with it. The participants in the focus groups also began to question how alcoholic beverages can be seen on television even if the law does not allow it. They believed that alcoholic beverages might be placed through sponsorship instead, were the rules are different from the rules about product placement. To conclude, the empirical material does not confirm the theory about the issues with product placement and product placement with ethically charged products.

Another issue, mentioned by Wenner (2004) with product placement that does not refer to the consumer, is the issue concerning the artist's right and the influence on the creative integrity. The problem can be that the directors and the screenwriters are forced to make room for a placement in the script and automatically their creativity is intruded. According to one of the production companies, that is not often the case in Sweden since product placement is not a large niche. It is more difficult in Sweden than in the United States, to make the directors to work with placements in their productions. In the United States the director does not have the same amount of power as in Sweden. Another concern can also be that the placement can jeopardize the artistic integrity of the movie and it can become more of a long commercial. A majority of all the different interviewed companies stated that the most important thing with product placement is that is has to be seen in a natural context and fit into the movie or television programme. When succeeded with that, the placements are not that obvious and the movie or television programme does not become a commercial. One of the production
companies mentioned that one of the reasons for them to turn down a product placement offer from a brand company can be, for example if the product does not fit into the context. Ström claimed that there are different purposes for the different parties. For example, the production companies’ purpose with product placement is mainly to gain profits, while it for a brand company is more about to show their product in a natural approach.

6.4 THREE PHILOSOPHI ES OF ETHI CAL EVALUATION

Utilitarianism refers to the usefulness of society, according to Lacznik and Murphy (2006). They states that harmful products, such as alcohol, can increase perceived consumer benefits in one way, but it can also lead to long-term drawbacks in form of some kind of illness and premature loss of life. According to Gordon et al. (2010) alcohol consumption is today associated with a broad range of health problem, both when it comes to social and personal level and right now the consumption is increasing. There are unintentional factors that might influence drinking behaviour and alcohol marketing is one of them. Product placement is a part of, what is called the beneficial wealth creating machinery that sometimes deals with products that carry drawbacks and therefore product placement falls within conventional marketing. The companies working with alcoholic beverages, all felt that they have a social responsibility because of the products they try to sell. They are aware of the ethical charges that surround their products. So, they are aware, but CAMY did a report which indicates that between the years 2001 and 2005 the alcohol companies spent 45 times more money on alcohol advertising than on different social responsibility messages on television.

As mentioned, there are those consumers who believe that some types of products are ethical wrong to market, regardless of what marketing method that is used and products such as alcohol, tobacco, guns etc. are included. These are identified in the focus groups that represent the consumers; the majority of the participants felt agreed that these kinds of products are ethically charged.

Deontology, mentioned by Hackley et al. (2008), also refers to marketing of harmful and ethically charged products. Though, it also refers to the unethical methods of market ethically charged products. Product placement is a good example of organizational communication and can be seen as deceptive since the commercial purpose is not explicitly revealed. This can lead to distrust from the consumers’ side towards all kind of organizational communication related to marketing. This can be connected to the general assertion that product placement can be a deceptive and therefore an unethical marketing method. Though, this is, as mentioned, not clearly evident in the empirical material where some do not find product placement deceptive at all, while some had troubles defining it. One participant in the focus groups though mentioned
that if a company uses product placement, this can give the participant a bad impression of the company. Therefore, it is not possible to get a complete clear picture of the general opinion about product placement being deceptive or not.

Hackley et al. (2009) and Laczniak and Murphy (2006) also mention virtue ethics as one of the philosophies in ethical evaluation. Virtue ethics refers to the character and the intentions of the person who initiates the action, rather than the inherent ethical status of the act itself. It is important to also consider the intents, the ways in which a particular advertising campaign is performed and also the consequences of it. This can be connected to the Swedish marketing law that, among other things, handles deceptive marketing. It is stated that it has to be clear who is responsible for the marketing action and it also states that if marketing apparently or probably affects the receivers’ ability to make a well-founded business decision, it is deceptive. For marketers, this means that they have to consider what consequences the marketing action can have on those who are exposed to the action.

Hackley et al. (2008) mention that there are many consumers that claim that they are not affected by advertising, but this is not reasonable. It is also difficult to establish the extent to which even the sophisticated consumers (for example, high economic resources, appropriate education, etc.) are aware of the intent Hackley et al. (2008) mean that they are engaged in the enjoyment. Product placement becomes problematic because of its explicitness and it raises an ethical issue with more naïve consumers who are not aware of the marketers’ intent. Consumers that are less sophisticated, are often more easily vulnerable for manipulation due to low economic resources, lack of appropriate education. In the focus groups, all of the participants are studying at university level. They were first asked if they noticed anything in the small film clip that they were shown. A majority of the participants did not observe the different placements. Even though, they are well aware of that product placements occur in television. Many of the participants also stated that they have more knowledge about product placement now since they began to study and they mean that they have become more critical towards things like commercial. In the groups it was also stated that most of the participants do not get consciously affected by placements and it does not disturb them because they are aware of them, but there were those participants that believed that they were affected very much. Here it is evident that people with knowledge and education might not be that vulnerable for manipulation as people with lower education.
Gardner (1975) claims that it is necessary to translate the definition of deceptive marketing into legal terms in order to control it through legislation. In Sweden, this is not a problem since there are regulations concerning this. Though, the different parties interviewed in the empirical part did have separate opinions about what deceptive marketing is and according to Armstrong (1979), Gardner (1975) and Hyman (1990) it is critical that there is a clear, general and working definition of what deceptive marketing is. The interviewed (the different companies and authorities) and the focus groups did not everyone have the same opinion of what deceptive marketing is. Some did not consider marketing as deceptive in any way, while some believed that it is deceptive depending on in what context it occurs. Ström mentioned the Swedish law that concerns deceptive marketing; deceptive marketing is through its anonymity, deceptive. He also mentioned that the Radio and Television law are well aware of the marketing law and there is a rule for where the boundary line goes for product placement before it becomes deceptive marketing. Ström also states that a product placement can become deceptive if the viewer is not aware of it. He also means that product placement can easily become deceptive due to the fact that not many viewers read the text before and after the movie or television show. He claimed that the law states that deceptive marketing is misleading marketing, as many would define it. In the focus groups marketing towards children was mentioned by some of the participants. One of the participants also mentions that a problem with marketing can be if one does not understand what is supposed to be marketed, though the Swedish law states that it is not allowed that essential information is excluded in the marketing action. In essential information, the product or service that is supposed to be marketed should be included. The Swedish Consumer Agency compared product placement with deceptive marketing in, for example radio. A radio programme are not allowed to mention a brand accept when it is commercial breaks. To summarize, there are different thoughts and definitions about what deceptive marketing is and when it becomes deceptive.

Gardner (1975) states that one important question to be asked is what is deceptive and at the moment, it is relatively clear from the empirical material that there is discrepancy. In the focus groups, as mentioned earlier, they discussed that, for example, product placement with alcoholic beverages can be sensitive and problematic for certain people, perhaps those with alcohol problems. This can be connected to one of Gardner (1975) main questions when defining deceptive marketing: To whom is it deceptive? Theories states that many consumer advocates thinks that product placement is deceptive and maybe this is one reason for the new Swedish law that regulates placements. Even though, the participants in the focus group did not fully agree. The majority of the participants do not see any major issue with product placements and
Ström mentioned that the younger generation often does not see any problems with this kind of method, but the older generation does and it is the older generation that writes and contrives the laws. An issue with product placement mentioned by Bennett et al. (1999) is that the viewers are caught in a moment where their natural defence against advertising is not function as usual and according to Gould et al. (2000) some consumers feel that product placement is deceptive. According to the Swedish Consumer Agency, product placement becomes deceptive since the brand and product are placed in a natural context where the consumers are not aware of the attempt. Both of the interviewed television channels stated that they did not see product placement as deceptive.

6.6 WARNING PRODUCT PLACEMENTS AND ETHICALLY CHARGED PRODUCTS

Bennett et al. (1999) state that warnings for the viewer when product placements take place, has in the recent years, increased. This because to alert the viewer of the placements. One participant in the focus groups mentioned that she is more aware of product placements because of the information and warnings about placement that occurs on some Swedish television channels. Many viewers are not aware of the attempt and not aware of that it is a paid commercial insert. As in the focus groups, most of the participants did not see the placements in the short film clip. Product placements can penetrate a consumer’s traditional defence against advertising and some of the participants in the groups could recall invested in a purchase because of something they have seen in a movie or television programme. Cox et al. (1997) claim that much of the studies about warnings are related to, what they call, risky products, such as tobacco, alcohol, guns etc. products that have been referred to as ‘ethically charged products’ earlier in this thesis. People want more information, both voluntarily and through legislation. In Sweden this has been implemented and the law now states that there should be a warning when product placements occur.

Warnings can be good, but it has also been questioned. Can the warnings in any way be detrimental for the placed brands? Bennett et al. (1999) claim that warnings do enhance recall, but not in a way that is harmful for the placed brands, but marketers believe that the feeling and illusion of naturalness will be removed and therefore the effectiveness of the placement will be decreased. During the interviews this questioned was in a way raised. Can warnings be harmful for the purpose of product placement, and then also, of course, the brand? One of the interviewed production companies, do not believe that warnings will be harmful at all and mean that it would be positive for people to become more aware of the placements. In the focus groups, there are not the same thoughts about warnings. Some participants stated that the warnings will destroy the purpose of the placements. Brand companies want to show their products in a context to make it less obvious that it is marketing, but if a warning will occur, the
viewers will only become more aware of it. The viewers can get a bad impression of the brand company when they know that the company works with placements. Two participants in the focus groups said that this can be disturbing for the viewer and the viewer might begin to search for the brand in the movie or television programme and this is also something mentioned in the interviews with the production companies. In the focus groups one person felt that media and then also legislation has gone too far. Another participant questions what the state protects the consumers from. Overall, the majority of the participants felt that warnings about product placement can be disturbing and problematic for both the consumers and the placing companies and there are those theories that believe that there is a concern among marketers about the inclusion of warnings. One of the productions companies though mentioned that they believe that the warnings before and after a placement can be very good.

6.7 SPONSORSHIP VERSUS PAID PLACEMENTS

According to the new Radio and Television law, products like alcohol are not allowed to be used in product placement, as the law defines it. During the investigation, it became clear that the companies working with alcoholic beverages, do not market themselves with product placement as method due to the legislation. How come their products can be seen in different productions then? One of the alcohol companies mentioned that sometimes a production company chooses to use their products without any kind of agreement. As long as the product is seen in a good context, there is no problem. Another company stated that they do not use product placement, but that it depends on how it is defined by the head of marketing at the company. This company also stated that there is a lot of sponsoring going on and it can be everything from an inauguration to celebrity party to television productions.

In the Swedish Radio and Television law, sponsorship is mentioned, but nothing is mentioned about what types of products that can or cannot be used in sponsorship. Can this be a way for the companies working with alcoholic beverages to be seen in television instead of using the product placement method as the law defines it? One of the production company actually said: “To be able to do it (read: product placement) in any way, they are sponsoring instead, it is called sponsorship and many does it.” Another company said that they believed that brand companies sponsor with products instead. Some of the production companies stated that the line between product placement and sponsorship is a grey zone; it is called sponsoring instead of advertising. Another production company mentioned that in public service, where product placement and advertising does not occur, there can figure sponsorship instead. This can be seen as double standards since sponsorship becomes a type of advertising. As was stated in the focus groups; they cannot see any difference between if a product occurs in a television programme because it
is sponsored or if the product occurs because it is a paid event. It is obvious that companies working with alcoholic beverages choose to work with sponsorship in the form of implicit product placement as it is called by d’Astous and Séguin (1999) in order to expose their product in a natural context and where it is not too obvious.

Many people have the same thought about what sponsorship is. In the focus group many believed that sponsorship is more black-on-white and more obvious. An example is when it is stated in the beginning and in the end of a television programme and d’Astous and Séguin (1999) give an example: “This program (or segment) is (was) sponsored by...” (d’Astous and Séguin, 1999:898). They call it non-integrated explicit product placement. In the focus groups, the participant believed that sponsorship is when a company has contributed with some kind of financial support and they also said that products are not directly integrated into the production. One of the television channels stated the same thing; with sponsorship the sponsored material are not in the production. According to Russell and Belch (2005) that does not has to be the case. Sponsorship today ranges from subtle, with minor brand appearances on a set, to more elaborate products integrations. So, today’s sponsorship is also much about sponsoring with products and about to integrate them into production.

As mentioned by Gould et al. (2000) there are some ethical concerns with product placement as a marketing method and some of these concerns come from the consumers and advocates for the consumers. In the focus groups the participants discussed how they as viewers can see the difference between if it is a paid placement or a sponsorship. Some of the participant stated that they cannot see any difference; as long as they do not know the background of the production, they cannot know for sure. In the law it is stated that if a production is sponsored, as a whole or just a part of it, it should be information about who has sponsored and so on. Therefore, it might be possible for a viewer to notice if it is sponsorship or a paid, but as Ström said: “…who reads the text before and after a television programme...?” Ström also gave some examples of how easily there can arise diffusions between sponsorship and paid placements. He stated that it is difficult for the audience to know the difference and that is why it is stated in the law that it should be information about that a brand is exposed. Even though, there can arise a situation where there is no information, not before or after the television programme. Someone might believe it to be product placement, but at the same time the production company claims that it is not. He also mentioned that it is not allowed for a sponsorship to promote a specific product, only the brand name or identity. One of the television channels stated the same thing and gave an example: if ICA would sponsor with products in a television programme, they cannot promote their, for example, minced meat that is for sale a specific week. They can only promote their brand name. Otherwise, it becomes more like advertising. Anyway, for the audience, they cannot in the
moment know whether or not it is product placement or not. The ethical concern with product placement from the consumers can also arise even if it is sponsorship.

This does not mean that sponsorship is much easier than product placement. Maybe in one way, but when working with sponsorship the companies still has to take the law about deceptive marketing into consideration.
7. CONCLUSION

What impact has the new Swedish Radio and Television law had on the different parties involved in the product placement process?

How do the different parties involved in the product placement process reflect upon and handle the ethical issues around product placement, specifically with alcoholic beverages?

How do companies working with alcoholic beverages place their product in Swedish television?

Overall, the new Swedish Radio and Television law has affected all the parties, except the consumer, in a way where it is clearer for them what is regarded as product placement and what is allowed and not. It is interesting that the different parties have different interpretations of the law, for example regarding from when it is applicable. No one of the parties has yet begun to change their way to work with product placement since the law is still under the implementation phase. Product placement has existed before the law came into effect and made it legal. This is evident in the fact that the two agencies in the study are specialized on product placement and has been long before the new law. The consumers have not been affected by the new law due to their lack of knowledge about the regulations around it. The consumers do not know much about the new law and the regulations around product placement and a reason for this are the fact that the consumers are those who are exposed to and affected by the product placement phenomenon and they do not have the possibility to actually influence it. Even though, it was noticed in the focus groups that the consumers have thoughts and strong opinions about the phenomenon.

Product placement with alcoholic beverages is according to the law illegal, but those products are still seen on television. One way for the companies working with alcoholic beverages to still be able to place their products are through sponsorship in the form of implicit product placement. It is also possible for placements with this kind of products because the consumers do not have the knowledge about the regulations around product placement, which is one reason for why they do not react on those placements.

The companies working with product placement were all aware of that their products are ethically charged and they know that their products are more difficult to handle. Overall, the different parties did not have any major issues with product placement and not with product placements with products like alcohol.
8. REFLECTIONS

There are some aspects in the thesis that there are possibilities to change in order to get more reliable results. The first one is that the participants in the focus group could have been non students also, this to get a broader perspective. It would probably also become different results if the participant were in different ages, not only young people under the age of thirty years. So, if there should be any chance to generalize the results in a thesis like this, there has to be another type of sampling and also a broader group of participants. The research would also have been more reliable if the interviews where done personal instead by telephone. Personal interviews have been better because there is the possibility to see reactions and also to know that it is the right person interviewed. This was not possible because of geographical issues.

A reflection is that it is a new subject since the law was applied in August 2010 and thereby not all companies and people interviewed had knowledge about the new situation with the new law. The research would be interesting to replicate in a couple of months or a year, to see what and if anything has changed.

After the study we got very much new information and knowledge about product placement. We did not know that sponsorship has such a major value when placing products. If we have had this information from the beginning, other types of questions could have been questioned and the study might have been conducted differently. We find it impressive that the law has only been into effect in ten months and already, companies have found new possibilities and ways to go around it.
9. FURTHER RESEARCH

The subject for the thesis is continuously changing since the phenomenon product placement, is increasing. It becomes clearer how to manage it with the new law, but still there are many things that are unclear for the different parties involved in the product placement process. That is why further research is needed. There will be many changes in the nearest future and the parties way to handle the product placement phenomenon, will change. Further research should include how the different parties have applied the law and also how the regulations from the European Union affects product placement in Sweden.
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APPENDIX 1 - INTERVIEW GUIDELINE FOR EXPERT IN THE FIELD OF SWEDISH LAW

This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- The new Radio and Television law, can you shortly explain what it is about?
- Why has it evolved?
- Is the law applicable for only productions that are produced for television or is it applicable for everything shown on television? For example, movies.
- If not the same law is applicable for cinemas, how does it work when the cinema movies becomes television movies?
- Can the law be applied only for productions that are produced after the law came into effect or are the law applied to everything, also things that have been produced earlier?
- Is sponsoring a way for a company to "come around" product placement and avoid the regulations?
- Is there any ethical background for the law? Social responsibility, for example alcohol, tobacco etc.
- Can one regulate all different products? How far can one regulate without crossing the line? Is there any ethical issue with too many regulations? For example, an expensive sweater.
- According to the law about product placement it is not allowed to place alcoholic beverages, tobacco etc. What is allowed when it comes to sponsoring? Can a production company choose to use and show a product without sponsoring and without product placement?
- As a viewer one cannot see the difference between, for example sponsoring and product placement, how can one know the difference? Some viewers might see it as an ethical problem of being exposed to that kind of marketing?
- Why are not the channels that broadcast from Sweden presenting any kind of information of product placement? For example, TV3 and TV6 do. They follow the rules of Ofcom, but the Swedish Radio and Television law says the same thing; that information about product placement should be presented.
- SVT that is owned by the state works under public service, what are the rules for them?
- One purpose with product placement for a company is that the message and product are seen in a context and are quite invisible. If the new law states that information should be presented when product placement occurs, do not the purpose get ruined?
• Can you tell us about the AV-directive?
• Do you get many questions and thoughts about product placement? Have you noticed any change after the law was put into effect?
• How did product placement work before the new law? Was it always seen as deceptive marketing?
• Who's responsible is it that the law is followed correctly? What responsibility do every party have?
This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- **Do you work with product placement in your productions?**
  - If yes; how does your process look like?
    - If companies contacts you to place their products, is there any cases were you deny it? If you deny, which are the reasons?
  - If no; why not?

- **Do you know about the new Radio and Television law that came 2010 in Sweden?**
  - If yes; in what way have the law influence you?
  - If yes; have the law affected your usage of product placement?
  - If yes; have you noticed if product placement has increased or decreased since the new law was applied? (I.e. more or less productions with product placement?)

- **Have the new law affected your decision to work/not to work with product placement?**
  - Do you, as a production company, necessarily have to take the law into consideration or are the channels broadcasting responsible?

- **Do you see that some products are more or less ethical correct to place?**

- **What do you think about placing alcoholic beverages?**

- **Do you think that there is any difference between product placement and sponsorship in a case where the sponsored products are noticed in the movie or Television programme and not were the programme is sponsored by the company?**

- **Do you think that companies use sponsorship instead of product placement since it might be easier according to the law?**

- **The new law mentions that when there is product placement there should be some kind of warning about it, both before and after the programme, do you think the aim with product placement then is changed? (The aim is that product placement should be hidden, but with the warning the viewers know that it is there, is it then hidden?)**
APPENDIX 3 - INTERVIEW GUIDELINE FOR COMPANIES WORKING WITH ALCOHOLIC BEVERAGES

This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- How do you market your products?
- Do you see ethics in marketing?
- Is there any marketing that is more ethical than others? (I.e. method or products)
- There are some that thinks that alcoholic beverages are ethical charged products, have you meet that kind of criticism?
- Do you have a social responsible when market your products with alcohol?
- Do you use product placement?
  - If yes; what is the aim with using product placement?
  - If no; there are cases were production companies sometimes uses products in television in different context without telling the company with the product, what would you say if your products were used in this way?
- Do you know anything about the new Radio and Television law in Sweden, from 2010?
- Has the law affected your choice of marketing methods?
- Do you work with product placement in another way after the new law was applied?
- Some people think that product placement is an unethical way to market since it can be seen as deceptive, what do you think?
APPENDIX 4 - INTERVIEW GUIDELINE FOR TELEVISION CHANNELS

This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- Do you work with product placement in your own productions?
  - If yes; what does your process look like?
  - If no; why do you not work with product placement?
- Do you broadcast movies and/or television programmes that includes product placement?
- Do you think that there is any difference between product placement and sponsorship in a case where the sponsored product are noticed in the movie or television programme and not were the programme is sponsored by the company?
- Do you think that companies use sponsorship instead of product placement since it might be easier according to the law?
- Do you see product placement as something unethical?
- Do think some products are more unethical than others to place?
- Alcoholic beverages can sometimes be seen as an unethical product, do you see any problem with expose alcoholic beverages in a movie and/or a television programme, independent if it is product placement or sponsorship?
- Have you heard about the new radio- and television law in Sweden that came 2010?
  - If yes; in what way have the law influence you?
  - If yes; have the law affected your usage of product placement?
  - If yes; have you noticed if product placement has increased or decreased since the new law was applied? (I.e. more or less productions with product placement?
- The new law mentions that when there is product placement there should be some kind of warning about it, both before and after the programme, do you think the aim with product placement then is changed? (The aim is that product placement should be hidden, but with the warning the viewers know that it is there, is it then hidden?)
- If there are movies and/or television programmes that are produced before the new law was applied, do you take the new law into consideration before you broadcast the movie or television programme?
APPENDIX 5 - INTERVIEW GUIDELINE FOR PUBLIC RADIO AND TELEVISION AUTHORITY

This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- Can you explain shortly how you are working?
- In August 2010 there was a new law for radio and television broadcasting. Is this law supposed to be applied if the production, with product placement, is produced before August 2010?
- According to the law, there are supposed to be information both before and after the program that product placement occurs in the movie. We have seen this information at some channels, why on not all channels?
- What is needed for you to deny a program or a movie to be broadcasted?
- How are the different parties, involved in a product placement process, applying the new law?
- Is the law only applicable on television programmes and movies that are produced in Sweden?
APPENDIX 6 - INTERVIEW GUIDELINE FOR THE SWEDISH CONSUMER AGENCY

This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- Do you receive announcements that are about product placement?
  - If yes; what can the announcements be about?
  - If yes; how many announcements do you receive in a year?
  - If yes; have you noticed any difference in the announcements after the new law about product placement came in August 2010?
    - If yes; is it another type of announcements now?

- Is the new law just applicable on television programmes and movies that are produced in Sweden or is it everything that is broadcasted on television?

- Is the new law just applicable on television programmes and movies that are produced after the law came?

- We have seen information about product placement on two channels, TV3 and TV6, but not on other channels, why?
APPENDIX 7 - INTERVIEW GUIDELINE FOR AGENCIES

This is just a guideline for the interviews, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

- Can you explain a bit more detailed how your company works?
- How does the product placement process looks like? What do the steps include?
  - Do you know if there are other ways to work with product placement?
- Do you work with all kinds of products?
  - Do you see it as a problem to work with product placement when the products are ethical charged, as for instance alcoholic beverages?
- Do you see any trends within the field of product placement?
- Have you noticed if product placement has increased or decreased the last years?
  - Do you know why it might be this change? Can one reason be the new law?
- Are there any typically difficulties within product placement?
- Do you use products in productions where the placing company not is contacted? Or you are duty to inform them? Or you have agreements that treat this kind of duty?
- Do you have any social responsibility when working with product placement?
- Is it often that companies that would like to place their products, pays for it or is it more often that they sponsor the production with their products?
APPENDIX 8 - DISCUSSION GUIDELINE FOR FOCUS GROUPS

This is just a guideline for the focus group, not all questions might be asked and there might be some more questions, it depends on the answers in the interview.

The focus groups begin with a short film clip, both with and without product placements.

- Was there something you especially reacted on? (If they do not react on the placements, tell them and explain what it is.)
- Are you aware of product placements when you are watching television?
  - Have your consciousness changed during the last years?
  - Has it changed since you started to study?
  - Has it changed since you got to know what it product placement is?

One of the clips is shown for the participants one more time, the clip with the beer can.

- In this clip it is very clear that there is a beer can and also quite clear what brand it is. What do you think about that?
  - Is it good or bad?
  - Do you feel that there are any difference between sponsoring, product placement and the situation if a producer has just choosed to use the product?
- How do you believe the product placement process looks like, practical?
- How do you believe that people are affected by product placement?
  - Do you believe that you are affected yourselves?
- Do you see any problems with marketing, overall?
  - Do you see any problem with product placement as a marketing method?
- Do you believe that certain products are more difficult to place?
  - (If the participants do not mention it themselves) What do you feel about products like, alcoholic beverages, tobacco, prescription drugs, guns?)
- On some television channels, for example, TV3 and TV6, information about product placement are presented and it is informed when it is occurring. What do you believe is the reason that just a couple of television channels show this kind of information?
  - Are there no product placement occurring in other television channels?
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On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

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