Is this the future of advertising?

An attractive woman comes up to you and asks if you'd be kind enough to take her photo in front of the Golden Gate Bridge. Naturally, you agree. As you're lining up a good shot, you can't help but notice the camera's sleek, lightweight design. Sucker.

By Drake Bennett  |  September 24, 2006

TWO WEEKS AGO, a bright, pretty 16-year-old girl named "Bree," who under the screen name "lonelygirl15" had posted a series of wildly popular video diary entries on the website YouTube, was revealed to be an actress, her online confessions written and directed by three aspiring filmmakers. In a note on a lonelygirl15 fansite, her creators wrote that, far from a mere hoax, lonelygirl15 marked "the birth of a new art form....A story that is interactive and constantly evolving with the audience."

Whether or not lonelygirl15 is art, it certainly owes its popularity to its willingness to blur the line between fact and fiction. It's a strategy that, online and off, has been popping up increasingly, not only in underground publicity stunts but formal advertising campaigns. Over the past couple years, movie studios have started including fake websites in marketing campaigns for films like "Godsend" (godsend.com) and "Eternal Sunshine of the Spotless Mind" (lacunainc.com), in each case portraying an ethically challenged medical clinic from the movie as a real-world enterprise. Corporate megaliths like Nike and the beverage giant Diageo have gotten in on the game as well, the former with a grainy online clip of Brazilian soccer star Ronaldinho performing a series of literally unbelievable feats with a soccer ball, the latter with a parody music video, released straight to YouTube, featuring a posse of rapping, Smirnoff-swilling preppies.
At the same time, companies are increasingly turning to so-called "word-of-mouth" advertising, in which products are hawked-sometimes by paid salespeople, sometimes just by volunteers-in ostensibly innocent everyday social interactions rather than traditional print ads or TV spots. In 2002, in a particularly controversial instance, Sony Ericsson dispatched 60 actors to tourist attractions to pose as sightseers and ask people to take their picture with a new camera phone before going on to extol its virtues-all without disclosing their connection to the company.

Of course, advertising relies on its ability to take certain liberties with the truth (drinking Gatorade will not, it's safe to say, allow one to "be like Mike" in any way other than the fact that he occasionally also drinks Gatorade). But watchdog groups like the Center for Digital Democracy and Commercial Alert have expressed concern that online ads like the Smirnoff clip-so-called viral ads, meant to be spread by word of mouth and consumer interest rather than through traditional media-cross a line. In early November, the Federal Trade Commission will hold hearings looking into the issues raised by new online advertising strategies, asking, among other questions, whether they mislead consumers.

Yet ads that pretend not to be ads are hardly new. Fake word-of-mouth campaigns and hoax advertisements go back at least to the mid-19th century, and the rise of each new communication medium, whether it's still photography, radio, or television, has presented new opportunities for advertisers to gull consumers. It's an open question how exactly the Internet and today's shifting media mix will change the advertising landscape. But growing concern about the efficacy of traditional advertising has left advertisers desperate for something more effective, and trying things they wouldn't have before.

"I guarantee with this pouring of money into the online space, there are going to be a lot of test cases," says Max Kalehoff, an executive at Nielsen BuzzMetrics, a company dedicated to figuring out how to measure the efficacy of interactive advertisements.

But, for now, despite all the talk of tectonic shifts, many advertising executives readily admit that we're still not sure how and even whether stealth methods work. "It's a spray and pray approach," says Rex Briggs, CEO of the marketing consultancy Marketing Evolution.

Certainly this starts with P.T. Barnum," says James Twitchell, a professor of English and advertising at the University of Florida. The famed circus impresario "seeded almost every audience with shills whose comments would be overheard by other people, whether in line waiting for the circus, or under the tent observing the freak show."

Twentieth-century advertisers weren't shy about borrowing Barnum's methods. According to Twitchell, liquor companies in the 1920s would often hire people to go into bars and talk up a particular brand of bourbon or scotch. Still, such practices occasionally provoked a backlash, perhaps most famously in 1959 in the "payola" scandal, when several of the country's best-known radio DJs were convicted of bribery for accepting money from record labels to play their songs.

"Truth in advertising," therefore, has been as much a matter of the form ads take as the claims they make. In television in particular, the Federal Trade Commission has concerned itself with creating a firm boundary between editorial content and advertising. According to Linda Goldstein, an advertising, marketing, and media lawyer and partner at the firm Manatt, Phelps and Philips, the FTC went after infomercials in the early 1990s, "essentially saying that these were deceptive formats." Since then, an infomercial is required to announce itself as a paid advertisement at its beginning, its end, and each time the viewer is exhorted to buy anything.

Increasingly, though, advertisers have started to collapse those boundaries, both on television and in other media. Five years ago, the sitcom "Friends" was already basing an entire episode on a character's Pottery Barn fetish, and recently more and more shows have started to weave products into shows, to such an extent that writers are starting to demand royalties.

Of course the reason advertisers have resorted to trying to slip their messages into TV programs is that the remote control, and now digital video recorders like Tivo, have given viewers the power to skip TV commercials altogether. There's a widespread assumption among advertisers that ads pretending not to be ads get around the barriers an increasingly media-savvy public have erected against commercial messages.

It's unclear, though, whether that assumption holds up. Advertising is a business in which it is notoriously hard to measure impact-one of the most often repeated lines in the business is that half the money spent on advertising is effective, but no one knows which half. Yet even by those standards, these newly popular marketing methods remain untested. "No one knows how effective these sort of campaigns are," says
Adam Hanft, CEO and founder of the advertising firm Hanft Raboy Unlimited.

There is some research suggesting that word-of-mouth marketing campaigns, if done well, can reach people who might have ignored other forms of advertising. The assumption has always been that these campaigns only work if the marketing "agent" covers up her connection to the advertising firm. Word-of-mouth, after all, doesn't really seem like word-of-mouth if someone is just a corporate shill.

That may not be the case, though. Walter Carl, a communications professor at Northeastern University, earlier this year published a study that looked at word-of-mouth advertising campaigns for a variety of products. In some of the interactions the people talking up a product (the agent) admitted that they were part of a coordinated advertising campaign, in others they didn't. What Carl found is that whether the person being talked up knew of the agent's ties or not made no difference in their overall impression of the product. In fact, finding out about those ties slightly increased the "pass-along rate" (the probability that the targeted person would in turn tell someone else about the product).

Carl is careful to emphasize that he simply found a "correlation, not a causation," but he has a hypothesis for why we may not mind finding out that our friends and neighbors have been enlisted in a campaign to sell us a new brand of mouthwash. Part of the reason we pass on information is that, as he puts it, "it gives us self-enhancement."

"If we know about this interesting product," Carl says, "we're hip and cool. We think it must be something unique, something worth talking about."

In other words, if Carl is right, the trick for advertisers may lie less in stealth advertising than in something more straightforward. We may be more likely to sit through a sales pitch if it flatters us than if it fools us.

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