

Embedded Marketing Kills Media Independence

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During the just concluded legislative session, the Legislative Yuan adopted an amendment to the Budget Act that restricts the government from using embedded marketing in its publicity campaigns. Embedded marketing is when mass media place certain information in newspapers or radio and TV programs upon an advertiser's request in a non-ad format in a bid to masquerade the advertisement message as news. Such placement of paid news has long plagued Taiwan's media. But as political confrontation intensified in recent years, particularly after the government of President Ma Ying-jeou took office, the practice has gotten rampant and even become a tool for the government to bribe the news media, triggering widespread concern. That the legislature moved to restrict the government from placing paid news is owed to months-long civic group efforts, including vocal demands by the "Alliance Against News Media Bribery," which more than two hundred civic groups founded in mid-January.

How serious is embedded marketing in Taiwan? As an advertiser the government is a big customer. From the central to the local governments, from state-run enterprises

to government-invested businesses and government-funded non-profit organizations, all frequently use news or programs that are not marked as advertisements to spread government propaganda or showcase the achievements of individual government leaders. Over the past three years the Ma government blanketed Taiwan with so much embedded marketing for the Economic Cooperation Framework Agreement (ECFA) and the 2010 Taipei International Flora Expo that the public couldn't stand it anymore.

Private sector industry is actually an even bigger advertiser than the government when it comes to embedded marketing. From "business services," to "business support," and "symposiums" offered by the print media to "information services" and "special reports" provided by the electronic media or even TV dramas and other programs, all are full of embedded marketing. Moreover radio stations outsource time slots. Since those who buy them want to see a return on their investment, it has become normal that there is no distinction between programming and advertising anymore. There has always been a measure of control over private embedded marketing, in the past by the Government

Information Office (GIO) and now by the National Communications Commission (NCC). The main reason cited by the NCC when it revoked the license of ERA TV's variety channel late last year was excessive embedded marketing. Since no similar regulatory controls exist for the newspaper business, embedded marketing has gotten even more rampant there in recent years. As a sunset industry the newspaper publishers are in dire financial straits so that some newspapers embrace embedded marketing like a drowning man will clutch at a straw.

On the one hand, embedded marketing by industry and commerce is severe and its scale does not pale in comparison with embedded marketing by government agencies. It also reflects the Taiwanese media's eagerness to curry favor with business. News reports often adulate rich tycoons, damaging the professional respect and reputation of news journalists and also undermining media independence. Yet embedded marketing by private sector business draws by far less attention than the Ma government's practice of buying news with public funds.

The government's embedded marketing has drawn fire from the public, not just for one reason. Looking at the nature of these practices, the Ma government has revived the old party-state system, which is exceptionally

good at controlling the media, and took control of the Public Television Service and other public media. Embedded marketing is an important government tool for wooing the media. The newspapers with the highest occurrence of embedded marketing, the China Times and the United Daily News, report most favorably about the government.

But what has triggered an even greater backlash is that Ma is constantly flip-flopping, that his deeds don't match his words, and that he doesn't keep his promises. When the Chinese Nationalist Party (KMT) was still the opposition party, Ma in his capacity as KMT chairman strongly attacked the then ruling Democratic Progressive Party (DPP) of "engaging in embedded marketing." When running for president, he declared that "the government must not use embedded marketing that contains political objectives." When just elected he signed a pledge to halt the government's embedded marketing. However, once in power he seemed to have forgotten his past stance and pledges. Over the past three years the Ma government has flooded the media with embedded marketing. This has not only triggered resentment among the public in Taiwan, but also sparked "Freedom House" and other international human rights organizations to criticize that embedded marketing throws into question the

independence of the Taiwanese media and that press freedom is on the decline.

When the Legislative Yuan adopted the ban on embedded marketing by the government it seemed compelled to do so because the ruling party holds a majority in the legislature. However, the ban is not exhaustive enough, because it only bans “political” embedded marketing and only stipulates the ban in the Budget Act. This leaves a loophole for government-funded non-profit organizations and government-invested businesses. Therefore it is likely that paid news will continue to appear in a new guise. Considering that Ma has repeatedly defaulted on his political pledges in the past, we should not think that the adopted law has put an end to embedded marketing by the government once and for all.

If the rampant use of embedded marketing by the Taiwanese media is to change, we need to simultaneously focus on the news media as the suppliers in paid news deals. The practices of the Ma government and big business of “engaging in embedded marketing by buying the media and providing for the media” is, of course, malicious. But if it wasn’t for the media, whose greedy for profit even allow news to be sold and collaborate in duping the readers in violation of the most basic professional and ethic principles of

news journalism, the situation would not have reached such a dire state. Precisely because the media forget all moral principles at the sight of profits, they become accomplices in the embedded marketing conspiracy, voluntarily or even on their own initiative. In recent years even hostile China struck embedded marketing deals with Taiwanese media. And although under the law this is clearly illegal, the Ma government turns a blind eye to all that. This is exactly the challenge that Taiwan’s democracy faces today: There’s hardly anything that society can do given that the “grand fourth estate” has sunken so far that it does not know anymore what self-discipline means. **B**