Stealth marketing is anchored on the premise that word of mouth remains the most effective form of promotion and that peer group recommendation is the ultimate marketing weapon. Stealth marketing campaigns help marketers to cut through the clutter of traditional advertising. Since wary and cynical viewers are bombarded with an ever-increasing number of advertising messages, they immediately tend to put up their defenses as they detect they are being sold something. Marketers must therefore rely on more subtle methods of communicating a message to their consumers. Stealth marketing attempts to catch people at their most vulnerable by identifying the weak spot in their defensive shields. Stealth marketing represents the latest in a long line of marketers’ attempts to get their brands noticed in a crowded marketplace by flying below the consumers’ radar. It is considered to be a viable alternative to conventional advertising because it is perceived as softer and more personal than traditional advertising.

Basically, stealth marketing attempts to present a new product or service by cleverly creating and spreading “buzz” in an obtuse or surreptitious manner. Instead of aggressively shouting to everybody at the same time, stealth marketing tends to whisper occasionally to a few individuals. It loads a product or service with attractive features that make it “cool” or “in” and relies heavily on the power of word of mouth to encourage customers to feel they just “stumbled” upon the product or service themselves.

The main objective is to get the right people talking about the product or service without it appearing to be company-sponsored. Essentially, it creates a

The authors thank the anonymous reviewers and Professor Ralph W. Giacobbe of Southern Illinois University at Edwardsville for their valuable and constructive comments on previous versions of this article.
positive word-of-mouth environment whereby selected consumers become spontaneous carriers of the message. Eventually, the message is diffused in concentric circles, from the trendsetters to mainstream consumers. The initial message can be conveyed in a variety of ways: physically (celebrities or trendsetters may be seen with the brand); verbally (people sneak the brand name in on-air or off-air conversations); virtually or virally (message is transmitted via internet chartrooms, newsgroups, or weblogs); or in any combination thereof. If consumers like the new product or service, they will be delighted to mention it to their friends and colleagues who probably know people just like themselves. By attempting to incorporate the product in the target audience’s lifestyle, stealth marketing tends to present products and services by the softest sell of all.

Brand managers looking to move beyond the traditional reliance on 30-second TV commercials should explore the feasibility of using stealth marketing techniques. While stealth marketing is an emerging phenomenon, it will become more popular as marketers find it harder and harder to reach their target market.

The Growing Popularity of Stealth Marketing

The growing popularity of stealth marketing derives from three factors that contributed to the diminishing effectiveness of television advertising and other traditional techniques. The first factor is the growing criticism of the advertising industry in general. For example, the hierarchy-of-effects model, the most sacred cow in the advertising business for more than 100 years, has been openly challenged. According to this theory, consumers tend to move through some type of measurable mental process on the way to purchasing a product or service. Weilbacher argued that the hierarchy-of-effects models are flawed. He presented four main reasons why these models have not and cannot be validated. He concluded, “These models have never been explicitly validated — hierarchy models are little more than rationally and intuitively sensible.”

Wielbacher’s article was so controversial that a rebuttal and counter rebuttal ensued.

Additionally, at least two books critical of the advertising industry were published in 2002. Sergio Zyman argued that 30-second television commercials are not sufficient to build awareness, and that the advertising industry must rethink its model. Likewise, Al and Laura Ries argued that PR should lead any new product introduction to be followed by advertising. The cost effectiveness of stealth campaigns is implicit in those authors’ recommendations to embrace non-traditional techniques. In a presentation in Chicago, Al Ries attributed the successful introduction of Botox to skillful use of PR. He argued that Botox has become a $300 million brand with absolutely no advertising whatsoever. Krispy
Kreme also became a cult favorite in the U.S., with very little traditional advertising. The doom and gloom warnings expressed in these publications are not ignored by other marketers.

The second factor contributing to the diminishing effectiveness of advertising is that marketers are finding it more difficult to track down potential customers because audiences are more and more fragmented. As the number of television channels, radio stations, and consumer publications proliferate, audiences are fragmented into smaller groups thereby making it more difficult and expensive to reach an audience of a given size. For example, in the 200-channel TV universe, individual programs are drawing considerably fewer viewers than in the past. More alarming is the fact that recent research reveals that a growing number of young males are watching less television and playing more video-games. A 2003 Nielsen study concluded that young men between 18 and 34 years were watching 7.7% less prime-time TV than a year ago. With commercial clutter mounting and media audiences fragmenting, serious cracks are appearing in marketers’ devotion to a medium operating in a world of diminishing returns whereby they are being charged ever-escalating prices despite ever-declining viewership/readership.

Other technological threats to traditional TV advertising are also contributing to the popularity of stealth marketing. Even when marketers succeed in tracking down their prospects, they tend to confront a bigger challenge. They are finding that it is more difficult to convince their potential customers to sit through the TV commercials. Thus, the third factor contributing to the growing popularity of stealth marketing is the advent of personal television recorders (PVRs) or digital video recorders (DVRs). TiVo and Replay TV are the leading brands of PVRs. To marketers and advertisers, the most disturbing feature of this device is its ad-skipping ability, allowing users to skip or eliminate commercials with a click or two of the remote control. Some TV executives perceive the ad-skipping feature as a greater threat to the television industry than Napster was to the music industry. While FCC Chairman Michael Powell called TiVo “God’s machine,” it is considered a four-letter word on Madison Avenue and has been aptly dubbed “the commercial killer.”

Some surveys revealed disturbing findings for the TV advertising industry. A study revealed that the number of TV commercials needed to reach 80% of 18- to 49-year-old women increased from three ads in 1995 to 97 ads in 2000. Another survey aptly titled “Will Ad-Skipping Kill Television?” polled 112 marketing executives from the Association of National Advertisers. Seventy-six percent of the respondents indicated that they would reduce advertising expenditures when PVRs reach 30 million homes. Additionally, the survey revealed that nearly half indicated they would increase spending on program sponsorships and product placement deals, which are not so easily bypassed. More alarming, the survey found that 68 percent of the marketers believe that their respective ad agency is not equipped to assist with the ad-zapping predicament. Additionally, Forrester Research predicts that PVRs will be in 30 million homes...
before 2007 as satellite and cable operators incorporate the technology into their set-up boxes.11

Frustrated with limitations of the traditional 30-second commercial, and fearful of gadgets that empower viewers to skip ads altogether, marketers need to explore new ways of driving their message home. More specifically, they should attempt to create “zap-proof” formulas by relying on more subtle messages that are harder to avoid. To this end, they need to explore different types of stealth marketing techniques as viable alternatives to reach an increasingly fragmented audience.

Types of Stealth Marketing Techniques

There are a variety of stealth marketing techniques that can be utilized to gain competitive advantage. The six main types of these marketing techniques are: viral marketing; brand pushers; celebrity marketing; bait-and-tease marketing; marketing in video games; and marketing in pop and rap music. While these campaigns come in many disguises, and some seem to be stealthier than others, they each represent a viable alternative to traditional advertising. The most successful form of stealth is when consumers do not even notice the commercial messages.

Viral Marketing

The term “viral marketing” was coined by venture capitalist Steve Jurvetson in 1996 when he described the marketing strategy of the free e-mail service Hotmail whereby each e-mail sent arrived with the appended message “Get your private, free e-mail from Hotmail at http://www.hotmail.com” along with the sender’s implicit recommendation. Thus, viral stealth marketing is simply “word of mouth” via a digital platform. It involves spreading the message via “word of mouse” and ensuring that the receivers have the interest to pass along the message to their acquaintances.12 More specifically, brand pushers are recruited to pose as regular Internet users who casually trumpet the benefits and exotic features of products or services to other young people in Internet chat rooms, newsgroups, and weblogs. By generating word-of-mouth to create “authentic” experiences, viral marketing attempts to harness the strongest of all consumer triggers—the personal recommendation. Receiving a personal recommendation via e-mail from someone you know is by far more credible than an anonymous e-mail. Viral Internet campaigns can also be perceived as more benign by projecting an unbiased image. Essentially, viral stealth marketing tends to use “seeded” e-mails to reach hot prospects, innovators, and early adopters. Consider how Dr. Pepper deployed weblogs to spark chatter on the Internet for its new product.

Dr. Pepper took advantage of the exploding popularity of the weblog, also commonly known as a blog. Blogs are diary-like personal web sites and on-line soapboxes that have become one of the Web’s hottest trends, particularly with young web surfers.13 Unlike old-fashioned personal home pages, blogs are
online diaries often written by trendsetting teens. They are typically filled with brief entries that are updated regularly, thereby hooking visitors to come back for the author’s latest ruminations. Essentially, blogs empower individuals to share commentary with like-minded people on issues of their choice, thus establishing interactive dialogues. They tend to include embedded links to other websites and other blogs and can cover a variety of topics ranging from technology, media, and entertainment to politics, economics, and culture.

While the popularity of blogs has flourished by generally exposing things to the public, Dr. Pepper used it to surreptitiously hype a new product to unsuspecting customers. The new product is a milk-based soft drink with such flavors as “Chocolate Insanity” and “Pina Colada Chaos.” To create a nation-wide buzz for the product, Dr. Pepper established an in-house blog that narrates the adventures of a fictitious cow. To appeal to the young crowd, the company created a belligerent bovine mascot dubbed Mad Cow, which was quickly changed to Ragging Cow to avoid any association with the livestock disease. The company also recruited young adults with popular blogs. The bloggers, who are in their late teens to early 20s, were flown to the company’s headquarters in Dallas with their parents for a week of orientation.

The main task was to spread the word about the new product by developing a “blogging network,” whereby the new product was hyped by the young recruits who shared their enthusiasm about the product via their respective blogs and linking to the company’s site without disclosing their assignments. While these young recruits are not compensated with cash, they were rewarded with promotional items such as samples of the product, logo merchandise, and Amazon.com gift certificates.

**Brand Pushers**

Brand pushers are hired novice actors and actresses who approach unsuspecting people in real-life situations by personally slipping commercial messages in trendy bars, music stores, and tourist hot spots. These actors must come off as genuine by being personable, approachable, and attractive, but not too attractive to be believable. Their main task is to act nice and slide the brand under the prospect’s nose. This tends to create a chain of influence by exposing a product or service to a few trendsetters who in turn influence hundreds more. They are required to maintain utter secrecy about their occupations by signing confidentiality agreements that prohibit them from divulging their secret assignments.

Consider the case of Sony Ericsson Mobile Communication. In April 2002, the company began a stealth marketing campaign to launch its combination cell phone and digital camera. The stealth marketing campaign involved recruiting novice actors and actresses to be embedded as couples at tourist hotspots such as the Seattle Space Needle. These “fake tourists” asked unsuspecting tourists to snap their picture using the new T68i cell phone. The objective was to intrigue unsuspecting tourists with the new high-tech gadget and allowed them to discover the product on their own by actually using it on site. It was also designed to engage consumers interactively in an unconventional manner.
Thus, the unsuspecting tourists received a marketing message coupled with a spontaneous demonstration not from a corporate pitchman, but from a much more powerful endorser: an enthusiastic “user” of the product. Sony Ericsson also implemented another stealth marketing tactic whereby two young recruits were planted at opposite ends of a trendy bar playing a video game against each other on their cell phone.

The music industry also uses clandestine marketing initiatives by planting hip-looking guys as “fake shoppers” in a music store where they chat about a great new artist in the presence of unsuspecting store customers. By overhearing the chat, the real customers are inclined to buy the talked-about CD. Other companies have resorted to similar stealth marketing tactics whereby brand pushers are recruited to sing the praises of new products or services in a crowded subway or airport lounge. Even soccer moms were recruited to chatter about sneakers in games. Likewise, in 2001, Italian scooter maker Piaggio hired young, good-looking recruits to ride around Los Angeles and Houston on its colorful, stylish Vespa scooters and park them in places-to-be-seen around town. While the paid drivers did not attempt to sell the scooters, their main task was to create buzz and a cool image.

Additionally, some cigarette makers employ a team of pretty women to flirt with male bar patrons and get to ask them for a smoke. To overcome the indoor bar smoking ban, these women invite unsuspecting patrons to join them outside to sample a new kind of cigarette. Most male bar patrons are unaware that the women are brand pushers. Another stealthy tactic involves recruiting female brand pushers to hand out a packet of cigarettes to unsuspecting smokers by claiming it does not fit in their purses. College students are also considered to be good candidates as brand pushers in undercover operations. They are recruited to pass out coasters advertising a certain brand of beer at college parties. Other students are recruited to encourage their friends to visit a local record store.

Actually, brand pushers represent a clever reincarnation of an old technique. The genesis of this tactic can be traced to the 1920s when Macy’s reportedly attempted to unload a large inventory of unsold long white gloves. The retailer hired 25 well-dressed women to done the gloves on the subway. Riders were bemused and asked the women about the gloves. It took the retailer only a few weeks to sell out of the gloves. The alcohol and tobacco industry also used the “seeding” technique in the 1980s by hiring good-looking brand pushers to offer unsuspecting strangers particular brands of alcohol, cigarettes, or snacks. Some alcohol makers recruit a team of pretty young women as “leaners” to pose as patrons in a crowded bar. They literally “lean” into the bar and ask other patrons to order Brand X for them. To complete the transaction, leaners hand the money over to the middleman who in turn hands back the drink. Since the middlemen in a crowded bar tend to have their guards down, they are more receptive to receiving commercial messages. These unsuspecting prospects are more inclined to think they discovered the brand themselves. Another stealth marketing tactic involves recruiting brand pushers who pretend to celebrate
their birthdays by offering unsuspecting hip-looking bar patrons a drink of Brand X to generate local buzz and assess their reaction to it.

Celebrity Marketing

As stealth marketing techniques are becoming more pervasive, some tactics seem to be more controversial than others. Some critics argue that at least one industry has hijacked this tactic by pushing the envelope to the edge. They claim that the pharmaceutical industry has gone too far with the strategy. Much to the chagrin of the major TV networks, their news programs are being used by drug companies to air paid celebrity endorsements posing as unpaid testimonials. Essentially, unbeknownst to viewers, some celebrities are hired by large pharmaceutical companies to discuss their medical ailments and mention specific drugs while they are casually chatting with a talk-show host on the air without disclosing these financial arrangements. Critics claim that such a technique is a commercial masquerading as an interview.

Consider three cases where the major TV networks served as marketing platforms for the health care industry. In March 2002, when Lauren Bacall was interviewed by Matt Lauer, the co-host of the Today show, she mentioned that one of her friends is partially blind due to an eye disease called macular degeneration. Ms. Bacall referred to a new drug, Visudyne, which is intended to treat the ailment. She failed to mention, however, that she was paid by the maker of Visudyne to plug the brand. In July 2002, Ann Wilson, lead singer for the 1970s-80s rock band, Heart, was hired by the maker of a weight-loss device called the Lap-Band. Ms. Wilson appeared on CBS’s The Early Show to tout the device, which surgeons placed around her stomach to restrict food intake. She failed to disclose her financial ties with the maker of the device. Additionally, in August 2002, actress Kathleen Turner discussed her struggle with rheumatoid arthritis on ABC’s Good Morning America and CNN, respectively. While she did not mention any specific company or brand, she referred viewers to a web site co-sponsored by Amgen Inc. and Wyeth, which market Enbrel, a drug that battles her medical condition. Ms. Turner failed to disclose that she was paid for her public appearances by the maker of Enbrel.

Stealthy celebrity endorsements allow pharmaceutical companies to bypass FDA requirements that stipulate that all drug advertising messages should include cautions about a medication and spell out the anticipated side effects. Generally, these side effects are hurriedly mentioned at the end of the message by an announcer in low monotone voice. By using stealthy celebrity endorsements, drug companies tend to directly flout FDA requirements by skipping the side effects altogether.

Bait-and-Tease Marketing

Some companies are resorting to covert bait-and-tease campaigns to launch their respective new products. Consider the case of Mercedes-Benz in Britain. In July 2002, the German carmaker spent $7.9 million to produce a mock trailer for a fictional movie as a ploy to launch the new top-of-the-line SL
roadster in Britain. The mock trailer was for a fictional movie called *Lucky Star*, a reference to Mercedes’ three-pronged logo. The mock trailer was directed by Michael Mann, the Oscar-nominated director behind *Heat* and *The Insider*. The action-packed trailer depicted Oscar-winning actor Benicio Del Toro being chased by the authorities and making pulse-pumping escapes in a Mercedes SL 500. While the Mercedes was shown in the trailer, it was never mentioned.

The trailer was shown on TV and in movie theaters across Britain. To project a sense of authenticity, the carmaker persuaded movie theater chains to run the mock trailer during the trailers slot of movie previews rather than being sandwiched with other commercials. Additionally, the end screen emulated the credit screen depicted at the end of genuine movie trailers. At the end of the 60-second TV and movie “trailer,” viewers were invited to visit a *Lucky Star* web site, where it was eventually revealed that the trailer is fictitious and that Mercedes was behind it. The main objective of the campaign was to create a nation-wide “buzz” through word-of-mouth and media coverage. To accomplish this objective, the carmaker and its advertising agency had to operate in utter secrecy.

While the idea of using a mock movie trailer to promote a new product is rather innovative, a similar approach was used by archrival BMW a year earlier. Research revealed that a typical BMW buyer rarely watched TV but surfed the Internet a great deal. To reach its typical buyers, the company decided to follow them into their computers. It hired renowned directors to produce a series of five short Web-based films about its cars. BMW reportedly spent approximately $15 million to produce the hard-driving mini-movies. In the spring 2001, the carmaker launched the 5-to-7-minute “mini-movies” on a new web site called bmwfilms.com. The site was heavily promoted via TV and print ads inviting viewers and readers to visit the web site. In movie theaters, the mini-movies ran among the regular ads, not the movie trailers.

The company struck gold with these car-chase movies, which have been streamed 13 million times by individuals during the first few months. Its success has prompted BMW to commission a sequel of three new mini-movies. While the original BMW commercial vignettes were available only on the Internet, they are now shown on satellite and cable television also. The success of these mini-movies reinforces the claim that if an advertising message is delivered in a compelling way, consumers will not avoid it. In this case, consumers went the extra mile to seek it.

**Marketing in Video Games**

While corporate marketers have for decades vied to embed their respective brands in movies and television shows, some are beginning to focus on subtler efforts by embedding brands and logos in electronic games. The “advergaming” industry allows corporate sponsors to connect with young consumers' lifestyles. While brands embedded in movies or television programs are received by the viewer passively, the effect of brands placed in video games is much more intense because the user becomes part of the entertainment while interacting with the game. Additionally, unlike movies or television programs, which are
typically viewed only once, video games are played numerous times by millions of active gamers.\textsuperscript{16}

An empirical study attempted to assess the effectiveness of embedding brands in racing games. It revealed some interesting findings for the video gaming industry. Gamers recalled 25 to 30 percent of brands directly after game-play and about 10 to 15 percent at a five-month delay. Gamers were also positive toward brand placements in games and did not consider the practice deceptive.\textsuperscript{17}

Video game makers have long featured real brands and logos in sports games, such as car racing, to make their virtual world more authentic and realistic. Video game makers often sought out popular companies and in most cases had to pay them for using their logos. In fact, some had to pay a licensing fee to use other companies’ logos in their games. For example, Electronic Arts, one of the world’s biggest producers of video games, paid millions of dollars to the National Football League for its “Madden Football” game series.

In the last few years, the economic relationships have changed whereby the game makers have gained more control. Nowadays, corporate sponsors are the ones paying for the privilege of embedding their products in a game. In September 2002, Electronic Arts signed contracts to receive more than $2 million for including McDonald’s and Intel in its games. Gamers can participate in \textit{The Sims Online}, an Internet version of the popular PC game, in which the objective is to control virtual characters as they go about their lives. Players can play on PCs blazed with Intel’s logo and are able to buy a McDonald’s kiosk and sell its fast-food fare.

While auto makers were among the first to embed their models in video games,\textsuperscript{18} they are currently using them as platforms to introduce new models in games years before the actual launch date for the real model. Essentially, video games are becoming the new virtual design studios and showrooms for automakers. For example, Mazda embedded the RX-8 in Sony’s \textit{Grand Turismo 3} video game two years before the real model debuted at the Detroit auto show in January 2002. Auto makers are moving into online games because that is where their customers and prospects are. The demographic profile of gamers tends to be very attractive to carmakers. According to the market research firm NPD, gamers represent 18-35 year old men with adequate disposable income to purchase $1.7 billion worth of racing games in 2002.

Overall, the economics of computer gaming have come a long way from the drop-a-quarter-in-the-slot days. Forrester Research provided the most optimistic prediction for the gaming industry. It predicted that corporate sponsors will spend $750 million in 2005 to have their products embedded in electronic games. Additionally, video games tend to rival the movies in popularity and revenue. According to NPD, the video game industry, with $6.4 billion in annual revenue in 2001, is approaching Hollywood’s domestic box office receipts of $8.4 billion. While videogames are one of the fastest-growing forms of entertainment in the U.S., they remain a relatively untapped market for marketers. Of the $230 billion-plus spent annually on advertising in the U.S., only a tiny fraction is
spent on videogames. It behooves corporate marketers to capitalize on the ever-growing popularity of video games and their ability to reach a huge audience.

**Marketing in Pop and Rap Music**

Stealth marketing also involves embedding commercial messages in pop and rap songs. Historically, rock and pop artists have long had a cozy relationship with the corporate community. For example, the Four Seasons and the Supremes recorded advertising jingles for Coca-Cola in the mid-1960s. Likewise, in 1986, Run D.M.C. was paid $1.5 million by Adidas after the fact to use the group’s “My Adidas” song in promotions.

More recently, singing the praises of prominent brands became a way of life in rap music. Traditionally, a brand has found its way into a rap song mainly because of the artist’s preference for the brand. Since hip-hop artists tend to sing about life that includes accumulating certain products, they can easily incorporate specific brands in their songs. While product boasting had been a part of rap since its earliest days, it has grown increasingly over the years. In 1979, the Sugarhill Gang rapped about their “Lincoln Continental and sunroof Cadillac.” Likewise, prominent brand names have benignly appeared in lyrics, such as Janis Joplin’s “Mercedes Benz” and Dr. Hook’s “On the Cover of the Rolling Stone.” Additionally, LFO, a male singing trio, embedded Abercrombie & Fitch in their song “Summer Girls.” While the clothing retailer did not pay for the lyrical exposure, the group was offered an endorsement package after the song’s success.

A web site, *American Brandstand*, tracks down lyrics and counts the number of brands mentioned in pop and rap songs. Being the darling rap brand for many years, Mercedes secured the first place in 2003 by garnering 112 mentions. This represent more twice its next competitor Lexus (48 mentions), followed by Gucci (47 mentions), Cadillac (46 mentions), and Burberry (42 mentions) for the top five spots. Brand managers are ecstatic that hip hop artists voluntarily used their brand names in their songs since it generates free advertising providing a nice return on no investment.

The situation has changed over the years. Nowadays, some brand managers are shifting from a reactive to a proactive strategy whereby they are actively pursuing artists to include product mentions in the song itself. For example, Jay-Z received Motorola products to promote the company in his music. Motorola claims that sales of its pagers increased drastically after Jay-Z mentioned the pagers on his album. Furthermore, some record companies are so strapped for cash amid flagging CD sales that they are actively recruiting sponsors to buy ad spots on their artists’ records. More corporate sponsors are courting hip-hop artists to buy placements in their lyrics and music videos.
Strengths and Weaknesses of Stealth Marketing

While the popularity of stealth marketing is expected to surge as the effectiveness of traditional advertising continues to diminish, it is important to point out that the two are not interchangeable. Before embarking on a stealth marketing campaign, it behooves brand managers to take into account the following significant differences between the two approaches by focusing on the main strengths and weaknesses of stealth marketing.

Message Content

Traditional advertising tends to allow far more control over message content. While marketers can dictate exactly how a message will be communicated in electronic and print media, there is much less message control in stealth marketing. For example, it is difficult to anticipate how a celebrity will present a product while casually chatting with talk-show host Larry King. Likewise, stealth messages tend to become distorted as they are passed from person to person.

Additionally, not all brand managers are delighted when artists use their brands in songs due to the inherent risks associated with the process. These risks stem from marketers’ lack of control as to how the brand is used. Recording artists might “hijack” the brand by mocking and trashing it in their respective songs. Consider the case of Barbie, the world’s most popular doll. In March 1997, Aqua, the Danish music group, released a song entitled “Barbie Girl” that parodied Barbie and the values she represents by describing her as “a blond bimbo girl” who loves to party and who lives her “life in plastic.” Mattel came to Barbie’s defense by filing a lawsuit against MCA Records and other record labels that produced and distributed the Aqua album that included the song. Mattel claimed that the song infringed on its copyright and its most valuable trademark. Mattel also stated that the lyrics were damaging “to Barbie’s pure image.” Incidentally, the back of the album contains a disclaimer indicating that the song “is social comment and was not created or approved by the maker of the doll.”

A federal court judge in Los Angeles threw out the case before trial, upholding the group’s right to freedom of expression. The judge stressed that nobody would have assumed that Mattel had authorized the lyrics. The 9th Circuit Court of Appeals also dismissed the case in July 2002. It rejected the claim by holding that the name Barbie is not simply a brand name for a doll, but a cultural icon that has become an integral part of our vocabulary. In October 2002, Mattel appealed to the Supreme Court by arguing that the 9th Circuit’s approach cut a large loophole in trademarks by enabling upstarts to piggyback on famous brands, so long as they made fun of them. The Supreme Court declined to consider an appeal by Mattel that the song infringed on the Barbie trademark and sullied its image. Essentially, the Supreme Court declined to protect the iconic doll from alleged insulting lyrics of the 1997 song. Thus, the uncontrollable nature of stealth marketing may not be for the faint of marketing hearts.
Cost and Audience Reach

A well-executed stealth campaign tends to create “evangelical” customers and is also inexpensive relative to conventional advertising. For example, the free e-mail service Hotmail reportedly gained 12 million subscribers in 18 months at total cost of $500,000, compared to $20 million spent by its nearest competitor, Juno. However, while traditional advertising is more expensive relative to stealth marketing, it tends to be less risky in terms of audience reach. For example, marketers can definitely reach a target demographic by advertising on television shows such as *Friends*.

On the other hand, stealth marketing provides little, if any, way to assess a campaign’s success. Nonetheless, some companies are devising means of measuring the effectiveness of their stealth campaigns. By establishing a *Lucky Star* web site for its “bait-and-tease” campaign, Mercedes could easily track the effectiveness of the campaign and declare that it was a resounding success by accurately determining that the mock trailer was downloaded 50,000 times during the first four months. More importantly, Nielsen recently announced plans to introduce a new service to help advertisers evaluate the effectiveness of videogame ads, similar to its Nielsen Media Research that rates television shows.²⁴

Type of Product/Service and Situation

While many products tend to be good candidates for stealth marketing campaigns, some products seem to be immune to it. Stealth marketing tends to work best in high-interest products because of their technical complexity, physical intimacy, and status-enhancing capabilities. On the other hand, stealth marketing tends to be inappropriate for such products as oil, gas, chemicals, railroads, insurance, and utilities.²⁵

While the type of product or service is an important factor, the type of situation also matters. Certain situations can make innocuous and mundane products buzz-worthy. While office products are not perceived to be that buzz-worthy, they can generate more buzz when they are placed in the right setting and situation. Consider how a regular stapler generated a lot of buzz when it was taken to Hollywood. When the producers of the film *Office Space* approached Swingline’s top management to contribute for embedding their stapler in the movie, top management declined the offer because it was believed that traditional customers were unlikely to trade up. Nevertheless, the gratis product placement featuring a red Swingline stapler in *Office Space* became a huge cult classic and sparked unexpected demand for the “unique” product. Incidentally, at that time Swingline did not even produce a red stapler. It took the company three years to launch a “Rio Red” stapler that was sold exclusively through its web site for $28.99 while a black counterpart was sold for $15 in retail stores.

To determine if a product is a good candidate for stealth marketing, corporate marketers have to explore whether the target consumers are buzz-prone. The network of people in that market will shed some light on how the message is expected to diffuse from trendsetters to the mainstream consumers. The key
to finding out how to reach consumers surreptitiously is in understanding their behavior by relying on more sophisticated techniques developed by ethnographers, psychologists, and neuroscientists.26

Possible Backlash

Stealth marketing techniques risk being perceived as too underhanded. For example, had Hotmail appended its promotion as part of the sender’s message instead of a separate note at the bottom, the stealth marketing campaign might have failed before it got off the ground. More alarming is the fact that the covert nature of stealth marketing has a tendency to backfire unexpectedly. Instead of delighting or surprising consumers, the surreptitious campaign could negatively impact the brand because consumers feel they have been duped. This could fuel a public-relations nightmare if the corporate marketer is not prepared to handle such a backlash. For example, when the stealthy nature of Dr. Pepper’s Raging Cow campaign was uncovered, it annoyed some members of the blog community who considered honesty and integrity to be integral to the blog medium. The uproar culminated in at least one boycott effort against the new product.

Effectiveness of Different Stealth Marketing Techniques

Some stealth marketing techniques tend to be more effective during different stages of the hierarchy-of-effects models. The following generalizations about the effectiveness of different stealth techniques are, of course, subject to further empirical testing. Overall, viral and real-life stealth marketing campaigns tend to excel in generating awareness and creating interest. Celebrity, bait-and-tease, and videogame stealth marketing tend to be more effective not only in generating awareness and creating interest, but also in the evaluation stage. Finally, stealth marketing in music tends to encourage trial and adoption. For example, some liquor companies witnessed dramatic increases in sales resulting from mentions in rap songs. Prominent cognac brands became popular on the hip hop scene when cognac was adopted by rappers as the preferred party booze. Cognac is affectionately referred to as “yak” by the hip-hop crowd. The popularity of Courvoisier in the hip-hop community grew significantly after Busta Rhymes’s song “Pass the Courvoisier.” Overall, the favorable publicity has fueled a dramatic increase in total cognac consumption in the U.S., where the number of imported cases of cognac surged from 1.3 million in 1993 to 3.37 million in 2002.27

Emerging Ethical and Legal Issues

In evaluating the strengths and weaknesses of stealth marketing, corporate marketers also have to consider emerging ethical issues. While stealth marketing is perceived as an innovative way to get a brand to stand out in a crowded marketplace, it is setting off alarms with consumer watchdog groups. Some critics claim that these stealthy efforts are most definitely pushing the
commercial envelope. For example, Consumer Alert, a consumer advocacy organization co-founded by Ralph Nader, argues that stealth marketing is an act of desperation on the part of the advertising industry. Members insist that it is not only unethical to deceive people by hiring performers to pose as tourists, but it is also as intrusive as telemarketing. Other critics also claim that viral stealth marketing seems to be going too far. Knowing that consumers’ confidants and “so-called” friends may in fact be recruited brand pushers might make individuals more wary of one another.

Critics also claim that the latest trend of embedding products in songs is an invasion of music lovers’ privacy. They insist that such moves tend to come across as little more than crass commercialization, a cheapening of an art form. They question whether the line between art and advertising has at last completely disappeared. Consumer Alert is lobbying Congress to force record artists to disclose when payment is accepted for embedding brands in their songs. The critics insist that “Parents’ Bill of Rights” would prevent corporate advertisers from sneaking spots into songs that are perceived by parents to be ad-free.

Furthermore, some critics also question the appropriateness of allowing brands to be associated with video games exhibiting excessive violence. Nonetheless, some carmakers are tempted to allow images of their vehicles to be used in games featuring drive-by shootings. The biggest temptation is the fact that some gory games are flying off the shelves. For example, with the racy Grand Auto Theft game selling 9.1 million copies, Ford allowed Electronic Arts’ new James Bond Nightfire to include an Aston Martin to be driven by 007.

While Mercedes’ bait-and-tease campaign was accepted in Britain, American critics claim it is the most extreme example yet of the ever-blurring line between entertainment and conventional marketing. U.S. critics argue that marketers are disguising their advertising messages by creating a fraudulent movie trailer. Some critics claim that this campaign tends to raise serious questions about truth in advertising. They insist that American consumers will not accept the invasiveness associated with such a stealth campaign.

Other critics insist that stealth marketing campaigns attempt to tinker with consumers’ minds. They claim that a suspicious reaction to stealth campaigns tends to emanate from the memories associated with subliminal advertising whereby messages are aimed at the subconscious level of awareness, circumventing the audience’s perceptual screen. This issue of subliminal marketing is an extremely controversial topic. While subliminal advertising has been universally condemned as manipulative, research has shown that subliminal messages cannot force receivers to purchase goods or services that they would not consciously want without the messages.

While critics tend to play an important role in our economic system, the all-important arbiters in the marketplace are the savvy consumers who can choose the messages they want to engage with while ignoring the vast majority of ad clutter. Proponents of stealth marketing claim that stealth marketing tends to be more credible than traditional advertising by pointing out that few consumers believe Tiger Woods drives a Buick after tournaments. Additionally, since
most Americans are media savvy, they will tune out commercials disguised as entertainment. After all, marketers are dealing with shrewd, trend-setting consumers who cannot be fooled. Ultimately, consumers will determine when stealth marketing has crossed some ill-defined line. For example, if it appears that a recording artist is blatantly plugging a product in lyrics or music videos, vigilant music lovers will likely tune out.

To avoid government regulations, the recording industry is resorting to self-regulation by cracking down on blatant product placement in songs and music videos, just as it does for sexual content and violence. For example, MTV was so concerned that its savvy teens and young-adult audience would rebel against blatant product placement that it issued new internal guidelines making it more difficult for artists to air videos containing references to specific brands, especially products to which artists have financial ties. Under current guidelines, MTV insists that record companies blur out certain brand names or logos that are featured in music videos. It has placed the burden of disclosing such financial dealing on the record companies. The new MTV guidelines were triggered after two videos: Busta Rhymes’ song “Pass the Courvoisier Part Two” that featured Napoleon’s nightcap and Sean “P. Diddy” Combs video that prominently featured fashions from his successful Sean John line of sportswear.

Additionally, television network executives cracked down on celebrity stealth marketing to guard against airing paid celebrity endorsements posing as unpaid testimonials. Fearing that their venerable news programs are being used as infomercials for large drug companies, these television executives are exercising greater care to uncover corporate ties of celebrity guests who intend to discuss health matters. They have implemented policies mandating full disclosure of commercial endorsements for any guest appearing on their networks. Television executives insist either that their guests disclose their financial ties on the air or that the interview be killed altogether.

The Future of Stealth Marketing

Despite the criticisms from various quarters, stealth marketing is here to stay. It has a powerful role to play when it is tastefully implemented. As traditional television advertisements continue to lose their effectiveness, brand managers are being pressured to think outside the box by going undercover to reach consumers. To capture the attention of jaded, fickle consumers, they will continue to devise new approaches that are harder to detect. Brand managers are gambling that the benefits of stealth marketing will outweigh the castigations by critics.

The future of stealth marketing is rather rosy since large advertisers are embracing the concept with open arms. Consider how P&G legitimized the concept when it created Tremor to help handle its stealth marketing campaigns. Tremor recruits a national network of stealth brand pushers composed of 280,000 gregarious teenagers, ages 13 to 19, with an average of 170 names on their buddy list. Prospective Tremorites are enticed to join by the promise that
they would have the ability to influence companies and the exclusivity of being “insiders” whereby they would explore cool new products before their friends do. While the stealth missionaries receive few orders to secure converts, they are encouraged to spread the gospel about new products or services with their peers in school cafeterias, by cell phone, or via e-mail. Since the young acolytes are not compensated with cash, they are kept motivated by receiving coupons and free product samples such as exclusive music mixes. While Tremor was created mainly to spread the gospel about P&G’s products, its services are also rendered for a fee to other large companies such as AOL, Coca-Cola, Kraft, Toyota, and Valvoline, among others.28

As traditional media channels fragment and consumers zap commercials faster than they can say “TiVo,” stealth marketing will inevitably grow more common. Savvy marketers need to stay abreast of fickle consumer trends to anticipate what frantic shoppers are going to need. The challenge for marketers is to cut through the intense advertising clutter. The tough part is integrating the brand in such a way that the message is not so blatant. Indeed, the growing popularity of stealth marketing could be its undoing: as more and more corporate marketers resort to this tactic, it tends to lose its stealthy nature. The anticipated glut of stealth marketing campaigns will eventually force corporate marketers to seek even more creative tactics to stand out in the competitive marketplace.

Notes


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