

# Stealth Advertising: The Commercialization of Television News Broadcasts in Canada

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***Abstract:***

This two-phase study deals with the phenomenon of “stealth advertising” in Canada. This concept refers to the encroachment of commercially tinted messages into broadcast news segments. Different theories of commercial speech were used as a theoretical framework. The study combined mixed methods, content analysis and in-depth interviews. The first phase concentrated on the frequency and actual time spent airing commercially influenced messages in television newscast segments. The sample consisted of eight randomly selected English-language markets across Canada including news stations affiliated with CBC, CTV and Global. Seventy-five newscasts were recorded and content-analyzed. The analysis demonstrated that private television stations used more explicit and aggressive stealth advertising than publicly owned ones. In subsequent interviews, the news directors and sales managers of some of these stations denied that they yield to outside commercial pressures but admitted they may include messages with commercial content if these have public interest value. In the second phase thirty-nine newscasts of a news station affiliated with Global were recorded and content-analyzed, showing high numbers of commercially influenced messages and corroborating previous research findings. Subsequent interviews showed some news decision-makers accept the inclusion of commercially tinted news segments, thus eroding the divide between editorial and commercial contents. This study is intended to contribute to the empirical basis for pursuing the question of corruption of news by surreptitious commercial content.

***Keywords:*** Commercial Influence; Commercial Speech; Local Television News; Private Television Stations; Product Placement; Public Television Stations; Segment Sponsorship; Stealth Advertising; Video News Releases

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**Résumé:**

Cette étude en deux phases aborde le sujet de la “publicité furtive” au Canada. Ce concept réfère à l’empiétement de message publicitaire dans des segments de nouvelles radiodiffusées. Différentes théories de discours marchand ont été utilisées comme cadre théorique. L’étude a utilisé la combinaison de méthodes mixtes; l’analyse de contenu et des entrevues. La première phase se concentre sur la fréquence et le temps réel de diffusion de messages influencés par le commerce dans des segments de journaux télévisés. L’échantillon est composé de huit marchés anglophones canadiens, sélectionnés au hasard, incluant des stations de nouvelles affiliées à CBC, CTV et Global. Soixante-quinze bulletins d’information ont été enregistrés et ont été sujets à une analyse de contenu. L’analyse a démontré que les stations de télévision privées utilisent plus de publicités furtives explicites et agressives que les stations publiques. Dans les entrevues ultérieures, les chefs de nouvelles et les gestionnaires des ventes de certaines de ces stations nient avoir cédé à des pressions marchandes extérieures, mais ont admis la possibilité d’inclure des messages avec un contenu commercial si ces messages ont une valeur d’intérêt public. Dans la deuxième phase, trente-neuf bulletins de nouvelles provenant d’une station affiliée avec Global ont été enregistrés et analysés, démontrant un grand nombre de messages influencés par le commerce et confirmant les résultats de recherches précédentes. Des entrevues ultérieures démontrent que certains décideurs dans le domaine des nouvelles acceptent l’inclusion de segments contenant des nuances de message commercial, effaçant ainsi la division entre le contenu éditorial et commercial. L’objectif de cette étude est de contribuer à la base empirique pour suivre la logique de la question de la corruption des nouvelles à contenu commercial.

**Mots-clés:** Commandite de Segment; Communiqués de Presse Vidéo; Discours Commercial; Influence Commerciale; Nouvelles de Télévision Locale; Placement de Produit; Publicité Furtive; Station de Télévision Privée; Station de Télévision Publique

Several communication researchers have recently raised concerns about the impact of commercialization on the quality of news in the U.S. (Soley, 2002; Powers, 2001; Goodman, 2006). As one scholar put it, “Sad to say, there has not been as favourable a time to study the commercialization of news since the Yellow Press around the turn of the 20<sup>th</sup> century. Instances abound” (MacManus, 2009: 23). These concerns are not new, but academics have launched more systematic studies of the phenomenon lately.

Despite a growing number of the U.S. studies in the news commercialization field, the scope of commercial content in Canadian local television news has not been studied empirically. Although there have been some studies of news commercialization in Canada, they mostly deal with the broader social implications of this process (Hackett, 1983; Leiss, Kline, Jhally & Botterill, 2005). Hackett’s writing on Canadian news and democracy focused on the pro-business

stand of the broadcast media, but he placed his study in a broader sociological context. It is also important to study news commercialization in Canada because the television news industry in this country not only has many privately owned stations, but there is also a strong news presence of the publicly owned company—the Canadian Broadcasting Corporation (CBC).

This empirical study deals with one aspect of the phenomenon of news commercialization, the rise of “stealth advertising”. This concept refers to the encroachment of commercially tinted messages into broadcast news segments. For example, advertising of a product may be packaged as business, technology news. Similarly, segments such as the weather may be sponsored, or newscast wardrobe providers may be credited as part of the newscast. Unlike the explicitly promotional character of commercial advertising, stealth advertising carries implicit promotional content into the newscasts themselves. Promotional materials do not necessarily fly under the radar of news gatekeepers and audience awareness. Rather these messages are frequent enough and crafted in such a way (often with the help of PR professionals) that viewers get used to them. Since it is framed as part of the “news”, not “advertising”, blurring the line between journalism and outright commercial promotion can result in a more subtle and speciously authoritative cultivation of the audience, an “added value” actively pursued by the public relations and advertising industries.

Commercial encroachment can also limit the role of the news as a source of information about issues of public importance, one of the key functions of the media in democratic society.

This two-phase study is designed to assess the level of stealth advertising in local evening television newscasts across Canada and to explore the role of television news directors and sales managers in allowing commercial intrusion. The first study employs a mixed methods design, including content analysis and in-depth interviews. The fall, 2007 survey draws from a nationwide sample of Canadian public and commercial local television station broadcasts. The study gauges the prevalence of stealth advertising and whether the pattern of ownership and a market size affect this phenomenon. Subsequent interviews with news directors and sales managers assess whether or not commercial pressures affect editorial decisions. The second study deals with commercial intrusion in newscasts aired by a single private television news station in 2008. This study was designed to confirm the empirical findings of the first phase. Further interviews with news directors and a sales manager focus on how they define a legitimate business news story and why they allow for instances of stealth advertising to appear in their newscasts.

### **The Commercialization of Television News: Theory and Practice**

The presence of stealth advertising in the news is explained by the dual nature of television news stations: as journalistic outlets and business ventures. Soley (2002: 29) argues that the growth of stealth advertising is driving increased competition among radio and television stations. In a competitive situation, “advertisers can move from one (broadcast) station to another in search of lower advertising rates, or can move from one to another if angered by programming content”. Increasing client satisfaction might involve segment sponsorship opportunities, creating business profile segments or encouraging commercial preference of prospects over non-clients. In this approach, competitive pressures might also encourage gatekeepers to relax restrictions on commercial content in news broadcasts to keep clients happy.

Powers (2001) maintained that, as increased competition diminishes broadcast stations’ market share, news independence could be compromised. The stations have to either expand time on air, or yield to financial pressures, especially in small markets, shrinking the news slots

to place commercial messages. “In smaller markets only the most financially secure, number-one-rated stations would risk adding more news time than competitors to their programming”. In other words, newscasts are vulnerable to commercial encroachment as smaller stations struggle to maximize advertising time and revenues.

The paralysing impact of commercialization pressures on marginal stations in the U.S. was noticed more than a decade ago: “Some reason exists to believe that small, financially insecure newspapers or broadcast stations are more likely to be influenced by outside pressure than the large, financially stable ones” (Krugman, Reid, Dunn & Barban, 1994: 141). As market challenges grant ever-greater concessions to advertisers, pressure also builds on market leaders to match these concessions to protect their competitive position.

Several recent studies investigate the theoretical (Goodman, 2006; Post, 2000) and practical (Upshaw, Chernov & Koranda, 2007; Wood, Nelson, Cho & Yaros, 2004) aspects of news commercialization. This study builds on these developments.

Goodman and Post consider two theories of the place of commercial speech in public discourse presently competing in the field. First, the theory of communicative action prioritizes the public interest. Second, the theory of strategic action gives more weight to particular business interests.

Goodman contends that Habermas’s theory of the public sphere concentrates on speech that makes sincerity and truth claims to validity in order to stimulate public discourse. The claims of commercial speech do not seek truth and sincerity. Indeed, PR professionals are eager to mask promotional messages in order to increase their believability. Audiences might interpret elements of commercial speech in the news as belonging to the realm of discourse about matters of public importance. However, as market challenges grant ever-greater concessions to advertisers, pressures also build on market leaders to match these concessions to protect their competitive position.

Commercial speech in the form of news can have a format similar to other news segments, but the intent differs. However, Habermas distinguishes between advertising and editorial areas of speech. He assigns a subordinate role to the former, arguing that advertising effectiveness rests on the strength and the quality of the latter. As soon as advertising becomes dominant in the news, the quality of the editorial side deteriorates because “its ‘promotion’ and ‘exploitation’ goes beyond advertising; it invades the process of ‘public opinion’ by systematically creating news events or exploiting events that attract attention” (Habermas, 1989: 193). According to the theory of communicative action, public discourse makes democracy possible, and it is created for common understanding and agreement on public issues (Habermas, 1984). But the goal of strategic action is influence, not understanding. Strategic action means obtaining private financial gains from the public sphere (Goodman, 2006: 116). Habermas’s theory shows that the use of commercial speech and its framework of strategic action exploits public discourse, with consequent deception of the public. This leads to loss of trust in the media and harms democracy.

This distinction is important for the current study because the dual nature of news media as sources of information for public discourse and as business vehicles to generate profits leads to symbiotic combinations of strategic and communicative actions.

Recently, Rotfeld (2008: 66) has pointed out that consumers feel more favourably toward messages with commercial elements that are presented as *bona fide* news stories. However, commercial intrusion can distort and undermine non-commercial public communication. “In the end, covert marketing is not going into more credible formats or breaking out from the clutter.

Instead, it creates new areas of consumer distrust with even more message clutter in new areas of the public space”. Commercial content becomes even more misleading when television news stations use video news releases (VNRs), a special type of promotional material produced by public relations agencies. VNRs are not only disguised as the news, but their sources often are not disclosed by the news stations. As Nelson, Wood, and Paek (2009: 221) assert, “The audience is unable to judge the credibility of the news story without knowing the source, which makes reasoned decision making very difficult”.

Of the different tools used to disguise commercially influenced materials in the television news, framing is one of the most important. A frame in news framing is understood as “an emphasis in salience of different aspects of a topic” (de Vreese, 2005: 53). Such frames modify core news facts as specific textual and visual elements (de Vreese, 2005). Specific frames place commercially influenced messages into the news context as belonging to information of public importance (Upshaw, Koranda & Chernov, 2007). Baysha and Hallahan (2004) offered a distinction between neutral and biased frames that creates a continuum from detached reporting to growing advocacy of an issue or topic. This distinction allows us to understand and detect not only commercial inserts in the news, but also how biased such reports are. Reporters add positive tones to their narration in the stories about businesses in such cases. Framing plays an important role in at least one of the forms of stealth advertising, news framing of business.

General agreement exists that commercial influence is detrimental to the quality of the news. Stealth advertising replaces hard news and undermines credibility of the news. Upshaw, Chernov and Koranda (2007) and Wood, Nelson, Cho, and Yaros (2004) measured the amount of commercial intrusion in local television news. The key findings were that smaller stations tend to air more commercial content and that this content seems to be more explicit than in the content aired by larger stations. However, these studies did not deal with a comparison between commercial intrusions in privately and publicly owned news television stations. The CBC is allowed to have advertising in the television newscasts, but its mandate has a very strong emphasis on serving public interest. The above theoretical statements, which served as foundations for previous empirical studies, apply to Canadian public local television news because the CBC model also has a commercial component.

### **Study 1: Cross-Canadian Sample and Commercial Pressures on the News Directors and Sales Managers**

The first-phase study aims at establishing how prevalent stealth advertising is in the local news television newscast in Canada. It seeks to answer the research question: What is the role of commercial pressures on news directors’ editorial decisions to include stories with commercial content in the newscasts?

The scope of commercial intrusion in television news has not been measured previously. In-depth interviews with news directors and sales managers of the news stations give clues how strategic and communicative actions (Goodman, 2006; Habermas, 1989) blend together in editorial decisions. Based on the above review, we propose the following hypotheses:

H1A: Privately owned television stations show more instances of commercially influenced materials in their newscasts than publicly owned stations.

H1B: Privately owned television stations spend more time showing commercially influenced materials in their newscasts than publicly owned stations.

H2A: Smaller television stations spend more time showing commercially influenced materials in their newscasts than larger ones.

H2B: Smaller television stations show more instances of commercially influenced materials in their newscasts than larger ones.

H3: Privately owned television stations show more commercially influenced stories belonging to the promotional category than publicly owned television stations.

## Method

For this study, the author used an explanatory approach of mixed-methods research. It starts with the quantitative data collection/analysis phase. Qualitative exploration and explanation of the particular results follow (Creswell & Plano Clark, 2007). Statistical analysis captures the characteristics of commercial influence in quantitative terms. In-depth interviews look into conditions forcing news directors and sales managers to allow for commercially influenced messages to enter their newscasts.

The current study relies on four well-established categories of commercially influenced materials, first developed by Upshaw, Chernov, and Koranda (2007).

*Promotional tone or content.* This usually involves a TV news story in which a local company is both star and beneficiary: Its name, spokespersons, product brands, or other company-specific identifiers are shown or discussed on-screen and the company is portrayed in a generally positive context. This category includes all video news releases (VNRs).

*Product placement.* For a company to get its products onto a news set or into the hands of an on-camera reporter is a coup. “[P]lacements have demonstrable persuasive effects” by increasing recognition and the “strength of association” when a person encounters a brand seen on TV (Andriasova & Wagner, 2004).

*Segment sponsorship.* An advertiser may sponsor segments of newscasts, sometimes paying for a segment that appears journalistic in nature and may impart some news but clearly gives the company an edge over its rivals. Example: A hospital sponsored newscast might include segments on women’s health that mention the sponsor and feature only that hospital’s staff in interviews (Kaiser, 2002).

*News framing of business.* This is newscast content in which the topic is civic, economic, or other legitimate news for which the station chooses a particular local company or product to exemplify the story’s theme. One such case involved a TV report on consumers’ need for provisions and snow shovels as a heavy storm approached.

These four categories are designed to capture commercial influence that fails the test of newsworthiness. Stories about the economy, labour relations and the impact of business activities on the communities are considered to be legitimate news. Stories belonging to three categories—promotional tone or content, product placement, segment sponsorship—do not create the methodological problem of confusing them with genuine news stories. The commercial intent is

obvious in them, and their news value is either limited or non-existent. The stories belonging to the fourth category, news framing of business, by definition might overlap with actual news stories, but all the stories which potentially might belong to this category were analyzed individually in order to determine whether a story was significant news or a staged pseudo-event. Usually, there is a broad agreement in the industry about what counts as commercially influenced material. As the Canadian Press Stylebook (2006: 66) puts it: “The litmus test is: Who will benefit from the story—the source or the reader?” However, more stringent and precise academic evaluations—mutually exclusive content analysis categories, in-depth interviews and intersubjective agreement among the news directors on what a business story is—were applied to avoid confusing promotional materials with business stories of general interest.

Previous research determined the procedure for counting the actual time dedicated to airing commercially influenced messages (Upshaw, Chernov & Koranda, 2007; Wood, Nelson, Cho & Yaros, 2004). Some messages have the commercial element lasting through the whole segment/report, while others take only a portion of the airtime. However, these elements tint the whole message with commercial undertones. That is why the holistic approach was taken: when commercial influence gives its connotations to the entire story, the total time of a report has to be counted.

### *Quantitative Sample*

The strategic random sample consisted of eight markets including English-speaking news stations affiliated with CBC, CTV and Global. French-speaking news stations were omitted from analysis because the author is not proficient in the French language and the cultural particularities of the news in Quebec might need additional exploration. Purposive sampling was used in regards to the market size. As Upshaw, Chernov, and Koranda (2007) demonstrated, small and large television markets differed substantially. To keep this distinction, Canadian markets were broken to those large (one million and more potential viewers) vs. low-range middle and small markets (350,000 and less) in the system. Every second large market was chosen from six large markets, and every fifth market was chosen from 28 small markets. Three markets—in Edmonton, Toronto and Vancouver—were classified as large, and five others—in Sudbury, ON, Saint John, NB, Halifax, Medicine Hat, AB and Victoria, BC—as small. Such a division helps make the compared groups roughly equal because Sudbury and Medicine Hat had only one local news television station each.

Seventy-five newscasts were recorded and content-analyzed during the fall of 2007 using the stratified sampling procedure. The author randomly selected two days of newscasts a month. Riffe, Lacy, and Fico (2005) considered this sampling rate efficient for the television news, and a similar procedure proved successful in a previous study (Upshaw, Chernov & Koranda, 2007). The taping dates were September 9 and 14, October 22 and 26, and November 19 and 23, 2007. The volunteers and the author of the study taped only early-evening newscasts on the premise that many people tend to watch local news after they get home from work and studies.

To assess intercoder reliability, two coders, the author of this study and a trained university student, independently coded the same three newscasts. Cohen’s kappa was employed to measure reliability. The score was 0.82, and it reflected an assessment across all coding categories. A score around 0.80 is considered as a strong measure.

### *Procedures*

The T-tests, which are the most appropriate for two-group comparisons, were conducted to evaluate differences between the means of large and small markets, and between the means of public and private television stations. Indices included the number of instances of, and the amount of time devoted to, commercially oriented news content. The sample size was determined on the basis of the previous study (Upshaw, Chernov & Koranda, 2007). The sample size of 60 newscasts achieves the test statistical power of 0.90, which is considered to be high (Lenth, 2001). However, 75 newscasts give even greater certainty that a T-test is appropriate for this study.

### *Qualitative Interviews*

In-depth interviews were conducted with the news directors and sales managers of several television news stations in fall 2007 and winter 2008. According to Johnson (2002: 106), this method enables researchers “to achieve the same deep level of understanding” as those who are involved in the activities under study. The five interviewees worked for local television stations in Edmonton, Calgary and Medicine Hat. Alberta was chosen because two sample markets were located there and it was the closest to the author. The author visited four interviewees to conduct on-site interviews and conducted one interview on the phone. Logistical problems did not allow for a face-to-face interview with the news director from Medicine Hat and all communications were maintained by email. Each interview lasted for about an hour and a half. The interviews were audio-recorded and transcribed later. The following initial questions helped to gauge the research question:

Questions to sales managers:

Do you receive pressure to include advertisers within the news (hard or soft news)?

If so, from whom does this pressure come?

Has this pressure increased compared with the past?

If you have asked to, or chosen to, arrange coverage of advertisers or potential advertisers as part of news content (outside commercial breaks), can you give some examples?

Questions to news directors:

Are you receiving pressure to use the news as an advertising vehicle?

If so, who is applying that pressure?

Has that pressure increased compared with the past?

Can you give examples of special treatment of advertisers you have been asked to, and/or did, provide in your newscasts?

After covering these questions, each interview evolved into a discussion of the specific situations of the news stations and hypothetical situations drawn from content-analysis categories.



## Results and Discussion

### *Quantitative Results and Discussion*

Only the hypothesis that privately owned television stations show more instances of commercially influenced materials in their newscasts than publicly owned stations was confirmed, as seen below in *Table 1*.

**Table 1: Differences between public and private television stations and small and large television markets in the number of instances of, and amount of time for commercially influenced materials aired in the newscasts**

Instances. Public vs. private stations	Amount of time in seconds. Public vs. private stations	Instances. Small vs. large markets	Amount of time in seconds. Small vs. large markets
Public M=0.85 Private M=2.54	Public M=83.48 Private M=68.75	Small M=2.31 Large M=1.78	Small M=88.57 Large M=67.60
Public sd=0.75 Private sd=1.21	Public sd=88.35 Private sd=77.97	Small sd=1.26 Large sd=1.38	Small sd=85.38 Large sd=85.28
t=7.26 (P<0.01)	t=0.7	t=1.05	t=1.69

Privately owned market newscasts on average showed more instances of commercially influenced materials (M=2.54, SD= 1.21) than publicly owned stations (M=0.85, SD=0.75). The test was significant,  $t(3,56)= 7.26$ ,  $P<0.01$ . Means represent number of instances per newscast.

The hypothesis that privately owned television stations spend more time showing commercially influenced materials in their newscasts than publicly owned stations was not confirmed.

The hypotheses that smaller television stations spend more time showing commercially influenced materials and show more instances of such materials in their newscasts than larger ones were not confirmed.

The hypothesis that privately owned television stations show more commercially influenced stories belonging to a promotional category than publicly owned television stations was not confirmed.

Privately owned market newscasts on average did not show more commercially influenced stories belonging to the promotional category (M=0.56, SD=0.69) than publicly owned television stations (M=0.3, SD=0.47). The test was not significant,  $t(3,56)= 1.56$ ,  $p=0.08$ .

The study concentrated on the frequency and actual time spent airing commercially influenced messages in newscast segments, i.e., outside regular commercial slots. The results indicated that on average, the newscasts of CBC affiliates aired about one commercially influenced message per newscast while privately owned news stations aired approximately 2.5 such messages. One of the unexpected findings was the fact that CBC affiliates do not spend significantly less time on airing commercially influenced materials than privately owned stations. This finding might serve as an indication that CBC stations are under commercial pressure, and

they have to adjust to a new pro-commercial mode that dominates the television news sphere. Another reason for this finding is that on average, CBC affiliates showed fewer commercially influenced materials belonging to the segment sponsorship category. These segments count as commercially influenced instances, but they are shorter in time duration than segments belonging to other categories.

One of the most intriguing findings was that CBC affiliates air stories that promote businesses that deal with “green” products or business. Not questioning their good motives, researchers may question these doubtful means to achieve socially desirable goals.

The fact that smaller television stations did not spend significantly more time showing commercially influenced materials and did not show more instances of such materials in their newscasts than larger ones is counterintuitive and is not in line with previous studies. However, the results point to the direction of hypotheses. Further studies with larger newscasts’ samples are needed to achieve a certain conclusion about whether small television markets’ newscasts in Canada are more prone to commercial intrusion than larger ones.

### *In-Depth Interviews’ Findings and Discussion*

In-depth interviews were conducted with news directors and sales managers from privately and publicly owned news stations. Respondents consistently expressed an understanding that editorial decisions should not depend on the advertising interests of a station. News directors from CBC, Calgary, Global, Edmonton, and CHAT-TV, Medicine Hat denied any overt pressure from sales departments or any other sources to include commercially influenced stories. However, sales people sometimes suggested events related to their clients. The implicit idea was that the clients were valuable, and the events could be of public interest. The news director from Calgary said he would consider such requests only when there was a public interest component. The Global director said that if a news day is slow, a suggested story can end up in the newscast provided it is newsworthy. The main finding emerged during discussions of specific categories of commercially influenced content. The news director found nothing wrong in airing stories showcasing businesses that are making significant contributions to local communities. Representatives of private stations interpreted what constitutes legitimate business news more loosely than existing studies suggest, but there was a discrepancy between how academics and practitioners understood what constitutes commercially influenced content.

Sales managers were interviewed to assess the relationship between the editorial and commercial policies of the news stations. They denied any explicit pressure to include advertisers in the newscasts. However, they admitted that they receive requests from advertisers to cover different events, especially charities, in which the companies are engaged. The sales manager from Global, Edmonton sees a higher occurrence of requests from advertisers during sweep months. He also indicated that, based on the character of the news during particular days, the sales department may suggest inclusion of more coverage of community related events when Global partners are involved.

Previous research has demonstrated that local television news in Canada is vulnerable to the intrusion of commercially influenced messages (Chernov, 2009). These findings are in line with other studies that assess the level of commercial intrusion inside news segments (Wood, Nelson, Cho & Yaros, 2004; Upshaw, Chernov & Koranda, 2007). Researchers established that stealth advertising happens due to economic pressures, i.e. as a consequence of running media as a business (Powers, 2001). This position finds a theoretical justification in economic theories of

commercial speech (Goodman, 2006). Despite the fact that commercially influenced materials are abundant in television news content, sales managers and news directors deny any breach in the “Chinese wall” between commercial and editorial policies (Upshaw, Koranda & Chernov, 2007). This conclusion suggests that the way news directors define commercially influenced content (and they do not admit that they have stealth advertising stories) warrants further exploration.

## **Study 2: Case study of a Single News Station and What News Directors Consider a Business Story**

The purpose of the second-phase study was two-fold: a) it tested whether previous aggregate findings about commercial intrusion in the news can be confirmed at the case level; and b) it explored how news directors define and frame business related stories.

One television station was analyzed for commercial intrusion in the newscasts. The rationale is that in a case when two newscasts a month are chosen, there might be some unusual events that could affect how many commercially influenced materials are aired. A large number of the newscasts analyzed in the case study aims at detecting any substantial difference in prevalence of stealth advertising from the first study.

The qualitative part of the study is expected to show a disconnect between the proffered principles of independence of the news from advertising, and real relationships between commercial and informational blending in individual decisions over the content of particular stories.

Previous theoretical discussion and the outcomes of the first study lead to the following research questions:

Will the high occurrence of stealth advertising persist over an extended period of time?

What kinds of news frames are used to legitimize commercially influenced messages in the news?

How do news directors and sales managers of local stations define and interpret editorial and commercial content in a way that blends the border between them?

## **Method**

### ***Quantitative Sample***

The sample consisted of eight randomly selected weeks of local news that aired on the Global, television station in Saskatoon. This station fits the category of smaller markets. This fact can bring about expectations of substantial number of commercially influenced stories. Recording this station’s newscasts was feasible and visiting Saskatoon was convenient for the author. Thirty-nine newscasts were recorded and content-analyzed over four final months of 2008 using the constructed week sampling procedure. Every second week was selected and taped. Only weekdays’ newscasts were taped because weekend newscasts differ from them: content is much lighter, fewer staff members might work, and the audience might diminish. These factors can

affect the news in many unpredictable ways. Early-evening newscasts were taped for the same reason as in the first study.

### *Qualitative Interviews*

The first phase of qualitative interviewing contained more general questions about the news directors and sales managers' attitudes toward the influence of commercial speech on editorial content. In-depth interviews look into the conditions and interpretive schemes through which news directors and sales managers allow for commercially influenced messages to enter their newscasts.

The news directors from Global and CBC Toronto, and the news director and sales manager from Global, Saskatoon were interviewed in fall, 2008 and winter, 2009. Toronto was chosen as the market geographically different from Western Canada, which might give a slightly different perspective on stealth advertising from the first study. The author visited the interviewees to conduct on-site interviews. Each interview lasted about an hour and a half. The interviews were audio-recorded and transcribed later. The second phase included more questions about how the news directors would define and treat specific instances of commercial intrusion in the news:

How would you define a business story?

Would you run a story about a charity event or support for a community initiative where the sponsor of the event is a well-known auto dealer or company?

Have you ever seen, in your practice, a product placement instance outside usual commercial slots? Can you justify it?

Have you ever seen, in your practice, coverage supporting local businesses? Can you justify it?

Is a 5-second segment labelled "supported by" considered to be part of a commercial slot or the news?

After covering these questions, each interview evolved into a discussion of how the interviewees defined business news stories and what amount of commercial information could be allowed. It is important to explore whether financial interests can be integrated into issues of public interest without explicit intent. Open-ended interviews probed this question. Specific examples of the stations' use of stories belonging to the content analysis categories were also discussed.

### *Framing*

News frames are "conceptual tools which media and individuals rely on to convey, interpret and evaluate information" (Neuman, Just & Crigler, 1992: 60). The key goal of the news is to convey information of public interest, which is distinct from promoting the financial interests of individual businesses. However, it is also important to explore whether financial interests can be integrated into issues of public interest without explicit intent. Open-ended interviews can probe this question.

The tools, which were adapted from previous studies, were also used to analyze frames in the newscasts. We checked whether a commercially influenced story was reported in a well-recognized television news format and raised an issue of public interest (Upshaw, Koranda &

Chernov, 2007); whether leads, source and quote selections, shots, logos, concluding statements and other framing devices emphasized commercial content of a story (Tankard, 2001), and finally, whether a report contained mostly neutral or affective, positively biased information and comments about commercial content (Baysha & Hallahan, 2004).

### ***Statistical Procedure***

Statistical analysis captures the characteristics of commercial influence in quantitative terms. The second study, therefore, relies on the four categories of commercially influenced materials used for the first study -promotional tone or content, product placement, segment sponsorship, and news framing of business. Only descriptive statistics are needed for this phase in order to compare the prevalence of commercial content in different types of television news stations.

## **Results and Discussion**

### ***Quantitative Results and Discussion***

Content analysis of commercial influence at Global Saskatoon was consistent with the results of previous studies. It showed higher averages for privately owned television news stations than for publicly owned ones at smaller markets. According to previous research (Chernov, 2009), privately owned news stations aired approximately 2.5 such messages. Global television news stations had 2.7 messages during newscast on average. Smaller stations aired 3.2 messages per a newscast. On average, the number of commercially influenced messages aired at Global, Saskatoon was 3.7 per newscast. Their running time for the eight-week period averaged 2 minutes, 22 seconds per newscast. The results also demonstrated that 21 promotional reports and 20 materials framed as business topics were aired. That is close to the numbers in the previous study, but the incidence of business topic's stealth advertising grew from 0.4 messages per newscast to 0.5 messages per newscast. There were also four product placements over the period; this is in line with findings from other small markets (about one instance in ten newscasts).

The goal of studying a single market was to investigate whether the inclusion of stealth advertising is consistent with the national sample's findings, and this replication matched them.

### ***Framing of Commercially Influenced Materials***

In framing business stories, the key word is bias. It is explicit when reporters or interviewees refer positively to covered businesses, and implicit when the tone of the coverage suggests positive connotations. Some stories contained images and wording that focused specifically on the potential contribution of certain businesses to the public good and well being of communities with complete omission of any possible commercial motives.

The leads of some commercially influenced reports often started with stating the problem or concern of public interest, then shifting to showing how businesses and business employees solve or address these problems. Shots were edited in a manner that companies, their representatives and/or their products appeared in a favourable light at the most important point of the story. The reports set up such business activities as newsworthy, community-related events.

### *Qualitative Findings and Discussion*

*Business story definition.* Most of the news directors separate general business stories from specific ones. The first category embraces reports on the state of national, provincial and cities' economy. Specific stories deal with news related to individual businesses. The qualities of the business story that justify its coverage include newsworthiness, human interest and the effects of business activities on general public, according to the news director from CBC, Toronto. The news director from Global, Saskatoon, depicted the relationship with the sales department as one in which editorial remains open to story suggestions, but that the news department rarely runs such "news". The rule is no general news sponsorship. Softer segments, like health or weather, might get both sponsorship and individual business coverage. The latter might happen, for example, if a health insurance group gives obvious benefits to the general population, which were not accessible before. She maintained that news does not say "no" simply because these stories are about businesses. The news section looks at the informational and public merits of suggested stories. The news director from Global, Toronto added to his peers' insights the view that business news should be relevant to a large audience to be aired. Such news may encompass a wide range of issues from the general economy, to corporate events and developments, individual businesses or labour issues. As an example, the release of new video games may be covered by private stations, but it would be done from a cultural angle. Such coverage may be beneficial for a company, but it is not the purpose of the coverage. A story must be about how it affects the general public, and it should be of interest to larger audiences. News has to reflect what people talk about.

*Questions about specific commercially influenced materials:* Stories framed as a business topic belong to a category that is considered to be the most innocuous from an ethical standpoint. Most of such stories depict businesses as contributing to the development or enrichment of a community through investments, charitable donations, creating new jobs and so on.

For example, the news director from Global, Toronto said they cover charity events sponsored by corporation or auto dealers, because they are community events. It may be beneficial to a dealer or a corporation, but benefit to the community comes first. When an event is the first of the kind then it will likely be covered, not-think twice.

*Sales managers' perspective on commercially influenced stories:* The sales manager from Global, Saskatoon was interviewed to assess the relationship between the editorial and commercial policies of the news station. The sales manager from Global, Saskatoon, mentioned news conferences held by certain businesses announcing activities that affect general public. The decision to cover such events and press conferences depends on how good the cause is, how newsworthy a press conference is and so on. Requests from businesses about these types of events are in files and could be used for news in slow days, when no breaking news happens. He also said that Global partners have more chance to be covered. He contended that he does not push the news director to include stories about certain businesses, but the sales department may make suggestions or make the news department aware of them.

Television news practitioners distinguish between "hard" and "soft" news. The former consists of breaking news, reports on politics, economy, crime and community events while the latter cover sports, weather, entertainment and so-called human interest stories. The Global, Saskatoon sales manager acknowledges that more business related announcements and materials are placed in these soft news spots.

*Framing analysis.* Two commercial content categories-segment sponsorship and product placement-do explicitly support products and businesses, but they are tied to the news either directly (mentioning news in their message) or contextually (referring to community and/or consumers' concerns). Stories belonging to the promotional category used leads, visuals and conclusions that underlined public importance of the promoted business activity. For example, opening of a new restaurant was framed as an event that contributes to job creation and culture enrichment in the community. Both the promotional and business framing categories framed stories as recent newsworthy events; they were packaged as all the other news stories were, and reporters' texts indicated that the events were of public interest. The difference lay in a more neutral, detached tone used in the stories belonging to the business framing category, whereas the promotional stories had direct, biased references to good qualities of businesses or products promoted.

### **Conclusion and Limitations**

This study demonstrated that local television news stations in Canada use substantial airtime to show, intentionally or not, materials that could be qualified as stealth advertising. This phenomenon demonstrates that strategic action plays a significant role in editorial decisions.

The significance of determining the relative frequency of commercially influenced messages with exploring the motives and rationale driving the news directors and sales managers to include these materials in the newscasts is twofold.

First, the scope of commercial intrusion in the local news was empirically demonstrated and it is shown that both private and public broadcasting are prone to it. A case study of a single television news station confirmed previous findings. It found substantial presence of commercial content in local news. It is another reason to believe that commercial content finds its way more generally into what audiences consider to be news.

Second, interviews showed news decision-makers reject the inclusion of content due to advertiser pressure. However, they accept the inclusion of commercially tinted news segments. They assume such segments cover business activities relevant to the community's interests, blending the divide between editorial and commercial content.

Commercially influenced messages were framed as regular news reports. Framing analysis revealed that such messages contain certain news values-relevance, immediacy, and visible impartiality-that lead the audience to understand these messages as regular editorial content. These frames underlined an intent to contribute to the public good without questioning commercial interests.

The scholars pointed at the negative impact of commercialization of the news for the democratic process (Soley, 2002; Goodman, 2006). But this study suggests that this impact goes beyond private media, and raises questions about a contradiction with the CBC mandate of serving public interest. The CBC recognizes that "the sale of commercial time or space on its television and new media services provides an important source of revenue. However, the CBC/Radio-Canada's first priority is to deliver distinctive, high-quality programs to its citizens and not consumers to advertisers" (2006). The current findings suggest that certain commercial interests in line with a strategic action complement this priority. They also give rise to the question about consequences of commercialization for editorial content. The CBC, as a publicly owned company accountable to all Canadians, is expected to deliver its promise to the audience.

A key limitation of the study is that it is unclear whether the audience might find this commercial intrusion questionable or unacceptable. It may well be that people raised in consumer society now consider the abundance of such messages as the norm. In particular, it may be that popular resignation or acceptance of commercial intrusion reflects decreasing faith in the democratic function of the media to illuminate and defend the public interest. Another limitation is related to the sample size -the differences in stealth advertising between small and large markets might be found in Canada if more newscasts were analyzed (Upshaw, Chernov & Koranda, 2007).

Future studies should therefore concentrate on what audiences think about commercialization in the news and whether their thoughts are in line with their patterns of media use. It is also important to further explore how serious the impact of commercialized news can be for democracy in Canada, with case-by-case analysis serving to expand qualitative and ethical dimensions of the problem.

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