CHAPTER 2

REVIEW OF LITERATURE
2.1

SCOPE OF REVIEW

With meteoric rise in product placement since the successful product placement of Reese's Pieces candy in Hollywood movie *Extra Terrestrial* [1982], academicians and researchers began to take active interest in this form of marketing, fully understanding its commercial impact (Caro, 1996).

A stream of research on product placement in movies and TV serials appeared since the increase in its popularity. These studies discussed product placement in movies and TV from various perspectives. This chapter reviews these studies which fall under one or more of the following perspectives:

- Product placement as marketing communication tool
- Content analyses of product placement
- Qualitative studies of product placement
- Product placement practitioners' beliefs
- Effects of product placement exposure
- Ethical considerations of product placement
- Cross-Cultural Studies in Product Placement

2.2

THEORETICAL BACKGROUND

Modern marketers have adopted the *Holistic Marketing* concept which recognizes that everything matters with marketing: the consumer.
employees, other companies, competition, as well as society as a whole. Integrated marketing is one of the dimensions of holistic marketing, which states that the marketer's task is to devise marketing activities and assemble fully integrated marketing programs to create, communicate, and deliver value for consumers (Kotler, Keller, Koshy & Jha, 2009).

The integrated marketing mix consists of the four Ps: Product - having the product the buyer wants, Price - at the right price, Place - where the buyer wants it, Promotion - letting the buyer know about it (Kotler, Keller, Koshy & Jha, 2009). Modern marketing calls for much more importance of the fourth P of Promotion. It is not sufficient to develop a good product, price it attractively, and make it accessible. Companies must also communicate with present and potential stakeholders, and the general public. For most companies, the question is not whether to communicate, but rather what to say, how to say it, to whom, and how often (Kotler, Keller, Koshy & Jha, 2009).

Marketing communication is the means by which firms attempt to inform, persuade, and remind consumers - directly or indirectly - about the products and brands that they sell; it represents the voice of the brand and is a means to establish a dialogue and build relationships with consumers. Done right, marketing communication can have a huge payoff (Kotler, Keller, Koshy & Jha, 2009).

The crucial role of marketing communication has to be played in an increasingly tough communication environment in recent times. Communication gets harder and harder as more and more companies clamor to grab an increasingly empowered consumer's divided attention. Technology and other factors have profoundly changed the way
communication is processed by consumers. Consumers themselves are taking a more active role in the communication process and deciding what they want to receive and how they want to communicate to others about the products and services they use. To effectively reach and influence target markets, marketers are creatively employing multiple forms of communication.

The marketing communication mix consists of two major categories: mass communication and personal communication (Kotler, Keller, Koshy & Jha, 2009). Although there has been an enormous increase in the use of personal communication by marketers in recent years, the fact remains that mass media, if used correctly, can still dramatically improve the fortunes of a brand or company. Marketers are trying to come to grips with how to best use mass media in the new communication environment.

Mass communication uses various communication tools like Advertising, Sales Promotions, Events and Experiences, and Public Relations (Kotler, 2009). One tool that has not been mentioned in the above list but is more common according to several authors is Product Placement (Balasubramanian, 1994; Gupta, Balasubramanian & Klassen, 2000).

**2.3 PRODUCT PLACEMENT AS MARKETING COMMUNICATION TOOL**

In order to expose media audiences to product-related information, two mass communication tools are often relied upon - advertising and publicity. While advertising refers to communication that is paid for and which clearly
identifies the message sponsor, publicity represents messages that are not paid for, and which do not identify the sponsor (Cohen, 1988).

These definitions yield an asymmetric structure of advantages and disadvantages with respect to advertising and publicity, considering the two basic elements of marketing communication - the message and its perceived source.

With respect to the first element, the message, the sponsor has control over its content and format in advertising which is a key advantage. But in case of publicity such control is the media's prerogative, which is a key disadvantage (Cohen, 1988).

The second element, the perceived source, is important because it directly influences message credibility. Since publicity messages do not identify the sponsor or the actual message source, audiences tend to perceive the media as the legitimate source of any featured brand-related story. As a result, publicity messages appear credible and objective, which is a key advantage. In contrast, these desirable message qualities are less often associated with advertising, given its obvious purpose of financial gain to the sponsor (Schudson, 1984). Typically, advertising messages tend to evoke widespread skepticism (Calfee & Ringold, 1988). This is a key disadvantage of advertising.

Viewed from the marketers' perspective, both advertising and publicity have shortcomings. Neither advertising nor publicity provides the desirable benefit-mix whereby the sponsor retains control over the message while the audience perceives the message as credible. Product placement, another distinct tool of marketing communication, promises this benefit mix.
2.3.1
PRODUCT PLACEMENT: A COMBINATION OF ADVERTISING AND PUBLICITY

Product placement is a combination of advertising and publicity, designed to influence the audience by unobtrusively inserting branded products in entertainment programs such that the viewer is unlikely to be aware of the persuasive intent (Balasubramanian, 1994).

Balasubramanian (1994) defines product placement specifically with respect to the media of movies and TV programs as a paid product message aimed at influencing movie (or television) audiences’ product beliefs and/or behaviors favorably via the planned and unobtrusive entry of a branded product into a movie (or television program).

According to Balasubramanian (1994), product placement is one type of hybrid message; hybrid messages include all paid attempts to influence audiences for commercial benefit using communications that project a non-commercial character wherein audiences are likely to be unaware of the commercial influence attempt and/or to process the content of such communications differently than they process commercial messages.

Communication in this genre can be characterized as hybrid messages because they creatively combine key elements from the definitions of advertising and publicity (i.e., they are paid for and do not identify the sponsor) such that their respective advantages are consolidated, and their shortcomings are avoided. Because they are paid for, hybrid messages provide a basis for the sponsor to control key message aspects such as its
content and format; because they covertly or overtly disguise their commercial origins, hybrid messages may appear believable.

As Balasubramanian (1994) noted, product placements are generally paid for, just as advertising, but are not identified as paid persuasion efforts by sponsors, which makes them similar to publicity. Therefore, the sponsor gets the best of both the traditional forms of communication, i.e. advertising and publicity. In spite of the sponsor having some limited control over the communication (subject to editorial considerations of the movie or television show), the communication is not usually identified explicitly as a persuasion attempt by the audience.

The above discussion is pictorially depicted in Figure 2.

Fig 2. Product placement as combination of advertising and publicity

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<td>Control over message</td>
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<td><strong>Disadvantage</strong></td>
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<td>Identified source</td>
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<td>No identified perceived source</td>
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2.3.2
PRODUCT PLACEMENT: A COMPARISON WITH TRADITIONAL ADVERTISING

Traditional advertising in this context refers to TV commercial advertisements which are telecast during program breaks, or commercial advertisements which are shown in theatres before the beginning of the movie or during intermission.

According to Nebenzahl and Jaffe (1998), product placements in movies and TV serials can be contrasted with traditional advertising (and other marketing communications) along two dimensions: (1) the extent to which the sponsor of the message is disguised, that the message is a paid advertisement is disguised, or both (2) the extent to which the persuasive message is secondary to the main message of the communication.

In case of traditional advertising, the product sponsor is not disguised and the persuasive effort by the sponsor is generally clear to the audience. With respect to the second dimension, the advertising message is the salient part of communication and not secondary to any other message in traditional advertising. In contrast, a good product placement is different from a traditional advertisement on both of these dimensions. The placement of the product in a scene in a movie or TV serials is not connected with the company as an explicit attempt to persuade, and the brand is presented in the context of a story. Considering the second dimension, the persuasive effort is generally secondary to the main communication of the movie or television serial.
Friestad and Wright's (1995) Persuasion Knowledge Model is relevant to considerations of how product placements may differ from traditional advertising. Persuasion knowledge is a set of interrelated beliefs consumers hold related to persuasion attempts by marketers. These beliefs focus on the perceived goals and tactics marketers use to persuade consumers, the perceived appropriateness and effectiveness of these tactics, as well the consumers' perceptions of their own ability to cope with marketers' persuasion efforts.

Friestad and Wright (1995) suggested that when consumers are confronted with communication that is recognized as an attempt to persuade, a fundamental change of meaning occurs. The communication is processed differently when recognized as a persuasion attempt, as against when no such recognition occurred. Consumers may get distracted from the message, disengage from the communication, and develop assessments of the persuasion effort and the company related to the communication. When consumers view a traditional advertisement, their evaluation of the message occurs in the context of this persuasion knowledge generated by the awareness that the advertisement is a persuasive communication. For a product placement in a movie or television show, however, a consumer's persuasion knowledge may not be activated because there is a lack of identification of the placement as a persuasion attempt. Therefore, the hidden and secondary nature of product placements may not activate the processes that typically put a consumer on guard in the case of traditional advertising.

As also noted by Grigorovici and Constantin (2004), compared to traditional advertising, product placement is less likely to be recognized
as persuasive, and thus prevents viewers from counter arguing, scrutinizing, or rejecting the message.

In a similar discussion by Lee and Faber (2007), it was noted that consumers may be looking differently on product placements in entertainment media than on traditional advertising in a couple of ways. With traditional advertising, consumers typically recognize the function of the brand message, which activates consumer skepticism and persuasion knowledge, which in turn can serve to counteract and limit persuasive effects. Product placement is less likely to activate these defense mechanisms. When watching a movie or TV drama, consumers' defenses are weakened and they become more receptive to the messages. Moreover, when attending to traditional advertising, the brand message is the primary focal activity for the viewer. With product placement, however, consumers are consciously attending to the entertainment content, which occupies their primary attention and the brand message is secondary to the entertainment content.

According to Martha and Kirk (1994), product placement affects the consumer's subconscious and hence is a subliminal stimulation. Different viewpoints exist regarding the effectiveness of using subliminal stimulation to communicate the brand message. Some researchers contend that such subliminal stimuli are usually so weak that not only is the recipient unaware of them but the stimuli do not have any sensory effect at all, thereby making the effect of the communication negligible (Broyles, 2006; Andriasova & Wagner, 2004). However, other researchers believe that subliminal advertising can actually work
and that its use by marketers to influence purchase decisions is justified (Cristel, 2002; Moore, 1982).

According to Russell (1998), product placement differs from advertising in that it is mostly indirect and does not usually intend to provide the viewers factual information about the product. Hackley, Tiwsakul and Preuss (2008) suggest it may be the implicit and potentially deceptive nature of product placement which makes it attractive to brand owners.

Wells (1989) discussed two kinds of advertising formats: lectures and dramas. Lectures are advertisements that present outwardly to the audience, similar to what a speaker would do in a lecture hall. The television audience is spoken to and is presented with an argument and evidence. According to Wells (1989), an effective lecture presents facts to be believed and should be credible in the presentation of these facts; it is generally clear that there is a persuasion attempt being made. In contrast, Wells suggested that a drama advertisement draws the audience into a story. Drama advertisements are like movies, novels, and other stories in that they can present a lesson about how the world works. An important aspect of drama advertisements is that they work by allowing the audience to make an inference about the advertised brand from the story that is presented in the advertisement; this inference may provide a stronger impression than if the audience had been told the point through a lecture format. Wells (1994) indicated that an effective drama advertisement must engage the viewer and must be believable as a story. Part of the effectiveness of drama advertisements is that they draw the viewer into the story in such a way that the viewer forgets that the story is a persuasive attempt. With drama advertising, the normal skepticism that consumers may have with respect to
advertisements is reduced when they see the product in the context of a story.

This idea is consistent with the work of Deighton, Romer and McQueen (1989) on the use of drama to persuade. In the case of drama commercials, compared with argument commercials (i.e., lecture advertisements), they found that viewers are less disposed to argue and believe the appeal to the extent that they accept the commercial's verisimilitude and respond to it emotionally. A product placement could therefore be considered as the ultimate form of drama advertising. The product is in the context of a story, but rather than being in a story of a few seconds, the product is in a story that lasts for the duration of the movie or TV program.

These discussions indicate that the noncommercial and somewhat hidden secondary nature of product placements make them inherently different from traditional advertising. This suggests that viewers may not process them in the same way as they would an advertisement.

2.3.3
THE PSYCHOLOGICAL PROCESS OF PRODUCT PLACEMENT

In one of the earlier studies, Sutherland (1981) associated the mechanism of product placement with agenda-setting theory. According to Sutherland (1981), if something appears frequently in the media, it is raised up on our agenda of things to think about. In effect, consumers infer what is popular from movies, television programs, and pop songs without the media explicitly calling attention to specific products.
Furthermore, product placements render brands more instantly accessible in memory, which is a key component of brand development (Sutherland, 1981).

In the late 1990s, researchers started considering the multidimensional nature of product placements and how they can differ on each of these dimensions. This brought forth the possibility of a variety of psychological processes operating when a viewer sees a brand in the context of a movie or television show.

McCarty (2004) has noted three levels in the psychological process of product placement. At the most basic level, the process may be akin to affective classical conditioning, especially when a product placement is merely seen or mentioned in a story. Affective classical conditioning is pairing an unconditioned stimulus with a conditioned stimulus so that good feelings associated with the scene are transferred to the brand (Baker, 1999). Russell (1998) suggested that products in the background of a scene may often be processed by this non-conscious association between the brand and the scene. The conditioning process simply requires a viewer to make an association between the response to the scene (i.e., the good feelings) and the brand that is placed.

If affective conditioning is indeed the process at work for simple and brief product placements, a potential complication for the placement of a brand arises. When viewers are watching a movie or television show, they typically experience a variety of both positive and negative feelings during the course of the story, including joy, anger, fear, disbelief, hatred, and sadness. It may be difficult to predict which feeling will be associated with the brand. There is the possibility that a negative feeling
will be linked to the brand. For example, in a scene of the movie *The Silence of the Lambs* [1991], crumpled wrappers and cups of Arby's, a fast food restaurant chain, were among the debris in a rather shabby house of a serial killer in the movie. Focus group respondents reported a negative association between Arby's and the character in the movie, indicating that if they ate at Arby's, they would be reminded of the killer (Fournier & Dolan, 1997).

At the second level of the psychological processing is the construct of the mere exposure theory. Mere exposure suggests that viewers will develop favorable feelings toward a brand simply because they are repeatedly exposed to the brand (Baker, 1999). Janiszewski's (1993) work showed that mere exposure may result in more favorable attitudes toward a brand, even though the viewer does not necessarily recall the exposure to the brand. It would seem that mere exposure may help explain some types of product placements, particularly ones involving brands presented as props in one or more scenes of a movie.

A third and higher order of psychological processing is the transformational processing, which may occur when product placements are more involved than a simple mention of the brand in the dialogue or the logo visible in the scene (Russell, 1998). Product placements may have more plot connection in the story and not simply be a prop used in a scene. Transformational processing occurs in transformational advertising, wherein the experience of using a product is transformed or changed such that the product becomes more than it would otherwise be, making it richer, warmer, more exciting, and/or more enjoyable (Puto & Wells, 1984). Transformational processing also occurs in lifestyle advertising, wherein a product is associated with a way of life, perhaps
presenting it in the context of glamorous life or the good life (Solomon & Englis, 1994).

In a similar way, a viewer's experience of using a brand can be transformed by product placements, because the product is not merely seen in a functional sense but becomes part of the story context and is endowed with characteristics associated with the movie or TV program. A product placed in a movie or TV program can profit from the way of life that the story presents.

Thus, many product placements are more than just a matter of a brand being seen or mentioned in a movie or TV program, they benefit from their connection to the plot (McCarty, 2004). Connection to the plot makes a placement a different phenomenon and brings to bear a whole set of psychological processes that are likely to be absent for a prop· placement. Therefore, product placement is a complex, multidimensional concept that may operate at different levels and affect viewers through a variety of psychological processes (McCarty, 2004).

2.4 CONTENT ANALYSES OF PRODUCT PLACEMENT

Content analyses of product placement deal with examining the use of brands in movies and TV serials. Researchers have quantified and examined the prevalence of product placements through various content analyses studies. Of special interest are placements of cigarettes, tobacco and liquor, as these are not advertised directly in many countries.
Troup (1991) sampled 25 top-grossing Hollywood movies of 1989 to analyze the frequency and characteristics of brand placements in the movies. On an average 18 product placements per movie were found, with comedies having the most placements, followed by dramas. Most brands were displayed in positive or neutral settings. Low-involvement consumer products such as soft drinks accounted for 68% of all brands in the movies examined.

In a follow-up of Troup's (1991) study, Sopolsky and Kinney (1994) sampled 25 top-grossing Hollywood movies of 1991. An average of 14 product placements was found in the movies. Automobiles and foods were most frequently reported product categories. Comedies and dramas were found averaging the same number of brands, followed by action movies. No differences were found in the frequency of brands in positive, neutral, or negative contexts. Low-involvement consumer products accounted for 70% of all brands in the movies.

Brands have been found in television programs too. A content analysis of 112 hours of prime-time television programming from sports to news to reality shows during the spring of 1997 found that there were close to 30 brand appearances per hour (Avery & Ferraro, 2000).

In a study by Galician (2004) of 15 top grossing movies released in the years 1977, 1987 and 1997, automobiles turned out to be the most dominant type of product placement with 21% of the appearances featuring an automobile.

According to a report by PQ Media (2005), majority of spending in the US and other markets was derived from five key product categories:
transportation and parts, apparel and accessories, food and beverage, travel and leisure, media and entertainment.

Prevalence of product placement in Hindi movies was studied in a content analysis of 20 hit movies from 1997 to 2006 (Vora, 2008). The average placement per movie was found to be in the range of 9-14 placements. Soft drinks and automobiles were found to be the more frequently placed products, with Cola giants Coke and Pepsi taking away most number of placements in all the years. Also, it was found that movies in 2006 used more effective modalities of product placement as compared to 1997.

There is evidence that product placement of ethically-charged products has been increasingly used both in movies and television programs. The ethically-charged products were defined by Gupta and Gould (1997) as products which specifically aroused ethical concerns. Ethically-charged products included alcoholic beverages, tobacco and guns. These products were considered especially harmful for vulnerable teen audiences.

Several content analyses of television and movies suggest that cigarettes appear in movies at a much higher rate than they should, given the prevalence of smoking in the general population (Christenson, Henriksen, & Roberts, 2000; Everett, Schnuth, & Tribble, 1998; Sargent, Tickle, Beach, Dalton, Ahrens, & Heatherton, 2001; Stockwell & Glantz, 1997). It has been noted by Karrh (1998) that tobacco firms have made efforts to place their brands in movies and television programs; for example, Brown & Williamson Tobacco Corp. placed its
cigarette products in movies *Where the boys are* [1984] and *Rocky IV* [1985].

A study of the top 25 US box-office movies from 1988 to 1997 showed that 32% of those movies rated for adolescent audiences contained tobacco brand names (Sargent, Tickle, Beach, Dalton, Ahrens, & Heatherton, 2001).

Another content analysis of 200 movies from 1996 and 1997 found that 89% of all movies included references to smoking or smoking behavior, and 17% of the characters who appeared to be under the age of 18 smoked (Roberts, Henriksen & Christenson, 1999).

Diener (1993) found increased incidence of alcohol consumption displayed in daytime television dramas in 1991 compared to 5 years earlier. In a content analysis of four episodes of 42 of the most popular television shows among adolescents and adults in 1998, Christenson et al. (2000) found that approximately 22% of all television episodes contained either references to smoking or smoking behavior, though smoking occurred more often in shows aimed at adults than in shows aimed at adolescents.

### 2.5

**QUALITATIVE STUDIES OF PRODUCT PLACEMENT’S MEANING TO AUDIENCES**

Researchers carried out qualitative studies in order to find the audience’s interpretation of product placement. In a qualitative study, DeLorme,
Reid and Zimmer (1994) studied a homogeneous sample of 29 college students who were frequent moviegoers. A focus group was conducted to better understand moviegoers' interpretations of product placement. The respondents were shown a 15-minute custom-made videotape of brands in different movie clips. The findings of the study are discussed next.

The study uncovered three interrelated movie-specific themes: appreciating realism, noticing the familiar, and relating to characters. Participants liked subtle use of brands in movies because it added realism to the stylistic aspects of movie scenery. Product placements were judged to add authenticity to movies when associated with a particular setting, time period, or context. Generic products were irritating because they interfered with realism and involvement; though excessive brand exposure was disliked because it was distracting.

Respondents particularly noticed and liked familiar branded products and services that they themselves had previously purchased and consumed in their everyday lives.

The respondents also felt that product placements provided relevant information about the character's personality, lifestyle, and role in the movie plot and compared that information with their own lives. Product placement enabled them to empathize with and relate to characters and further involved them in the movie.

DeLorme and Reid (1999) extended their earlier qualitative work among college students to 99 non-student movie-goers of varying ages and frequency of movie attendance, thus maximizing differences among
heterogeneous sample groups that included both frequent and infrequent moviegoers and two age brackets (younger/older). Based upon focus groups and depth interviews, experiences and interpretations of non-student respondents were purposefully collected so that constant comparisons could be made with the previous college student-only sample. The findings of the study are discussed next.

Over and above the three movie-specific themes uncovered in 1994, this study came up with four new consumption-specific themes: tools for purchasing decisions, tools for identity and aspirations, change and discomfort, and belonging and security. Each of these themes represent interpretations that not only are linked to movie-specific aspects of brand prop exposure, but also extend beyond the movie viewing experience to larger, everyday aspects of moviegoers' consumer behavior.

➤ Tools for purchasing decisions:
Product placements were associated with consumption patterns and decision-making. Interpreted apart from the movie itself, product placements were thought to perform such everyday marketing-related functions as reinforcing consumer confidence, reducing cognitive dissonance or standing as symbols of distrust. In the context of everyday life, product placements were judged significant because they assist in providing useful information for making or reinforcing purchased-related choices, even though their promotion intent was acknowledged by the respondents. In particular, older infrequent moviegoers expressed distrust of brands placed in movies. They tended to interpret product placements more in relation to their own consumption experiences and
apart from viewing experiences and interpretations than younger or frequent moviegoers.

➢ Tools for identity and aspirations:
Product placements allow the reliving of past (nostalgia) events and the vicarious experience of living others' experiences. As such, product placements were part and parcel of the everyday aspects of social experience, enabling individuals to compare their consumption worlds with those depicted in movies. Brands in movies also were seen as significant in that they enable further understanding and appreciation of the respondents' social worlds. Product placements were judged to provide information beyond the specifics of the viewing experience, including a measure of how respondent worlds compare with the worlds featured in movies, irrespective of arguments about realism and fantasy. Exposure to previously purchased brands was judged to validate and reinforce identities, consumer decision making, and purchasing patterns.

➢ Change and discomfort:
To the older respondents, product placements represented signs of cultural change, emotional discomfort, and feelings of concern. Many in the older quadrants reported remembering in their lifetime when movies generally did not have actual brand names placed in the context. To them, brands in movies were associated with the changing nature of everyday life, including the movie viewing experience--from the theater being a 'sacred' atmosphere to being a less sacred, more commercial place. More accustomed to a brand-free experience than their younger counterparts, older respondents associated product placements with feelings of insecurity, frustration, and fear of change. They interpreted encountered brands as threats to, infringements on, and pollutants of the
sacredness of the viewing experience. The older moviegoers associated product placements with manipulative power and negative consequences for the viewing public, especially children.

➢ Belonging and Security:
To the younger respondents, product placements were associated with an invitation to cultural belonging and feelings of emotional security. Such moviegoers had grown up with brands in movies and were accustomed to the practice. In addition, these younger people had grown up with much more marketing and advertising in general and therefore they expected to encounter brands in movies. Product placements encountered in a particular movie are associated with viewers’ own self-impressions as consumers. As such, product placement information is used by viewers to confirm or disconfirm identities and lifestyles.

To summarize the qualitative study by DeLorme and Reid (1999), whether product placements are judged to be excessive, inappropriate, or unrealistic, moviegoers were aware of the persuasive intent of product placements. As in the 1994 study by DeLorme and Reid, respondents considered themselves immune to the persuasive power of brands encountered in movies; they believed that the appearance of brand in movies was neither deceptive, nor manipulative, nor harmful. Regardless of age or movie-going frequency, respondents were active participants in the viewing experience and interpret brands encountered in movies; brands in movies symbolized social change to the older movie-goers and belonging and security to younger ones.
2.6

STUDIES BASED ON PRODUCT PLACEMENT PRACTITIONERS' BELIEFS

Karrh (1995) conducted the first published study of practitioners' beliefs about product placement. It was a small-scale survey of 23 members of Entertainment Resources and Marketing Association (ERMA), the leading product placement industry group in US. The respondents included product placement agents, studio representatives, and corporate marketing executives. The survey was organized around four categories of items: the executional factors believed to be most effective in product placement, the brand characteristics believed to contribute to effectiveness, the measurement tools most appropriate for capturing placement effects on movie audiences, and beliefs about the practice itself.

It was found that practitioners believed unaided recall to be the best measure of placement success. Audience size and placement cost have been viewed as important factors; these variables enable some comparison to other marketing communication tools via a cost-per-thousand framework. Respondents believed that product placement is most effective when the product has a recognizable package or design, is positively portrayed in the movie, and there is additional promotional support (movie trailers or advertisements). The practitioners consider the best measures of product placement effectiveness to be recall and recognition.
Pardun and McKee (1996) carried out a survey of 89 media directors at full-service advertising agencies in United States in order to gain a better understanding of practitioners’ perspectives on the practice of product placement as part of an overall media strategy. Pardun and McKee (2000) again did a survey of 106 professionals at public relations firms.

Majority of the respondents in both the studies by Pardun and McKee (1996; 2000) were found to be relatively knowledgeable and enthusiastic about the practice of product placement in movies. Respondents in both the studies acknowledged the positive and long-term role of product placement in movies, considered the potential for a national audience to be the most important benefit, and expected to increase their usage of product placement in the future. They considered the potential for a national audience, price of the placement and theme of the movie as the most important factors in deciding upon inclusion of product placement in movies.

In a similar study by Karrh, McKee and Pardun (2003), 28 members of ERMA, the leading product placement industry group, were surveyed. The purpose of this study was to examine practitioners' perceptions of product placement usage and effectiveness and to compare the results with previous surveys of practitioners (Karrh, 1995; Pardun & McKee, 1996, 2000). The findings of the study are discussed next.

➢ Beliefs about executional factors:
Compared to the respondents from Karrh (1995) study, practitioners in 2003 believed showing the brand in use, omitting competing brands, and gaining publicity for the placement itself are more important for success.
One potential tool - *aided recall* - was judged as a more appropriate measure than was the case eight years prior.

➢ Beliefs about brand characteristics:
As was the case with potential executional factors, there was a substantial jump in the importance assigned to individual brand characteristics for effective placements as compared to earlier study (Karrh. 1995). Respondents placed more importance on six of the eight brand characteristics presented to them: a very recognizable package or design; an already well-known brand; a number of strong competitors; a brand that was new to the market; a brand that most program viewers already used; and a product that had been shown in a number of other movies.

While there was some apparent contradiction in beliefs, for example, *brand is already well known* and *brand is new to the market* were both viewed as more important to placement success, the substantial increase in importance assigned to six of eight brand characteristics suggested that practitioners saw a more complex set of success factors at the brand level.

➢ Beliefs about appropriate measure for effects of placements:
Change in sales was believed to be the most appropriate measure for showing the effects of placements. Apart from change in sales, other measures included tracking viewer recall, using control-test groups, consumer brand awareness, press coverage, return-on-investment (ROI) measures, cross-national responses, company productivity and return on investment, and visits to related internet sites.
Measures actually used to evaluate placements:
While increased sales and increased press coverage were mentioned, respondents also said they evaluate the number of impressions of films or television programs; the actual length of the placement itself, including whether a verbal mention is included; and calculations of pro-rated media values of placements. Other evaluative tools included client satisfaction and whether the product or service is associated with the lead actor.

To summarize the results, this study by Karrh, McKee and Pardun (2003) indicated only a mild move toward more quantitative measures of product placement effectiveness. Unaided recall and brand recognition were still the two most popular means of assessing product placements, although the tracking of subsequent related sales, the measurement of trade and general press coverage methods were growing in use. The only significant change from the prior survey (Karrh, 1995) was practitioners' belief about aided recall being an effective measurement tool as well.

2.7 EFFECTS OF PRODUCT PLACEMENT EXPOSURE

The most active area of academic research on product placement relates to the effects of product placement on viewers. Product placement has established as an effective marketing communications tool that has the ability to build awareness, generate recall, shape attitudes and purchase intention towards the brands placed. Audience recall of placed brands is
the measure most widely used and cited by practitioners to represent product placement effectiveness (Karrh, McKee & Pardun, 2003).

Previous research suggested that product placement can influence brand recognition, recall and attitudes (Babin & Carder, 1996b; Brennan, Dubas & Babin, 1999; Karrh, Frith & Callison, 2001; Gibson & Maurer, 2000; Gould, Gupta & Grabner-Kräuter, 2000; Gupta & Lord, 1998). There have been studies investigating the impact of product placement on consumer purchase intention (Baker & Crawford, 1996; Gould et al., 2000; Karrh et al., 2001; Morton & Friedman, 2002).

Karrh (1994) studied 76 undergraduate students using experiment method to assess communication effects of five brands placed within 33-minute clip of *Raising Arizona [1987]*. It was found that brand recognition and recall did exist, though there was no significant difference in brand evaluations.

Ong and Meri’s (1994) theatre exit survey of 75 theatre goers found low unaided recall of product placements. Recall ability and patterns differed greatly among individual respondents, with 78% of the respondents correctly recalling the brand Coke. Other brand appearances were recalled in rates ranging from 4-40%. The respondents who did remember brands in movies did not indicate increased purchase intentions.

Vollmers and Mizerski (1994) sampled 71 college students in experiment method to assess communication effects of one brand placed within a six-minute movie clip of *Gorillas in the Mist [1988]* and one brand placed within a six-minute clip of *Mr. and Mrs. Bridge [1990]*.
High unaided recall of brands placed within the movie clips was found, but no significant difference between the treatment and control groups in terms of affect for the products appearing in the movies was noted.

Baker & Crawford (1996) studied 43 postgraduate students in Scotland after exposure of a particular full-length film containing several brands; found high levels of aided and unaided recall as well as a higher level of short-term purchase intention for the product embedded in movies.

Vollmers (1995) sampled 140 second, fourth and sixth grade children using experiment method to assess communication effects of children's exposure to eight placements within the movie Lassie [1994]. Subjects recognized brands in the movie, but no change was found in affect or immediate preference toward the placed brands.

In another similar study, Babin & Carder (1996b) sampled 98 college students to test viewers' recognition of 36 brands appearing in each of the full length movies Rocky III [1982] and Rocky V [1990]. It was found that respondents correctly recognized brands appearing within their respective movies and could distinguish them correctly from brands not present in the movies. Eighteen of the brands in Rocky III [1982] and twelve of the brands in Rocky V [1990] had recognition rates of over 30%. This is the cut-off that some professionals use to mark a placement as successful (Steortz, 1987).

Babin and Carder (1996a) again sampled 108 college students using simulated theater viewing experiment method to assess communication effects of 39 brands placed within full-length movie, Rocky III [1982]. It was found that brand memorability was significantly greater for
treatment than control group for more than 25% of the 39 brands appearing in the movie. No significant differences were found between groups in terms of attitudes towards 15 of the brands examined.

The studies of Gould et al. (2000) and Karrh et al. (2001) supported the result that product placement positively influenced purchase intention. Morton and Friedman (2002) focused on the relationship between product placement beliefs, such as perceptions, awareness and feelings, on behaviors like trial intention or purchase intention. Their findings showed a correlation between consumer evaluation and purchase intention.

According to Bhatnagar, Aksoy, and Malkoc (2002), people had stronger memories for brands and claims that were placed versus those that were traditionally advertised. Of the people who remembered the brands and brand claim, more had difficulties in remembering where exactly placed messages were encountered, which raised the possibility that the effects of placed messages were more powerful, yet the internalization process was subtler when compared with the effects of advertised messages.

Nielsen Media Research carried out a Product Placement Valuation Study in the context of TV programs in US wherein more than 10,000 individuals participated in the screening of 50 programs across various channels (Czaja, 2006). The aim was to demonstrate and quantify the value that product placement contributes to traditional television advertising. The key findings of the study are discussed next.
The reinforcement of a commercial spot with a placement for the same brand during the program is a very effective way to boost brand awareness. Specifically, 46.6% of viewers exposed to a brand in the form of a standalone commercial were able to recognize it, but that rate climbs to 57.5% when a product placement was combined with the commercial.

The addition of a product placement to a commercial spot for the same brand does not appear to have an edge over a standalone commercial in terms of motivating viewers to purchase that brand. Whether the brand was presented as a product placement, commercial or both, a little more than one third of all viewers expressed high interest in the brands they were able to recognize.

Product placements appear to be at least as effective as a commercial spot in improving viewers’ general attitude toward a brand. Nearly 60% of all viewers felt more positive about the brands they were able to recognize in a placement.

The findings of these studies on effects of product placement on consumers were conflicting at times. This could possibly be due to a failure on researchers’ part in considering the multidimensional nature of product placements (McCarty, 2004).

2.7.1 MULTIDIMENSIONAL NATURE OF PRODUCT PLACEMENT

Researchers started considering different dimensions of product placement execution in movies and TV programs in late 1990’s and
thereafter. Much of the research on product placement in movies and TV programs has focused on explanatory variables describing the various dimensions of the product placement execution.

The multidimensional nature of product placement in movies and TV programs has been explained by variables such as: modality, i.e. audio, visual, and audiovisual (Law & Braun, 2000; Russell, 2002), congruity with the plot (Russell, 2002), type of movie or TV program, i.e action, romance, quiz/variety, mini-series/drama, and information/service (d'Astous & Seguin, 1999; Roehm, Roehm & Boone, 2004), exposure time (Brennan, Dubas, & Babin, 1999) and prominence. Various researchers have discussed and/or operationalized prominence as the size of the product or logo, centrality in the screen, integration into the plot, centrality to the plot, number of mentions, duration on screen, strength of the placement and/or modality (Auty & Lewis, 2004; Babin & Carder, 1996b; Bhatnagar, Aksoy & Malkoc, 2004; Gupta & Lord, 1998; Law & Braun, 2000; Russell, 2002). These are also the variables that determine the amount a marketer is willing to pay for the placement (Bhatnagar, Aksoy & Malkoc 2004).

Researchers have widely categorized product placements in different forms based on one or more of the dimensions mentioned above. For example, Shapiro (1993), in the context of movies, classified product placement into four types: a. That provides only clear visibility (product/brand name shown); b. That is used in a scene; c. That has a spoken reference; d. That provides hands-on use and mentioned by a main star.
Turcotte (1995) distinguished three types of product placements: visual only (the appearance of the product, service, brand name or logo), audio only (the authors in the program report the product, service, brand name or logo) and combined audio-visual (showing a brand and at the same time mentioning the name of the brand or conveying a brand-relevant message in audio form).

D' Astous and Seguin (1998) defined three types of product placements: Implicit, Integrated Explicit and Non Integrated Explicit. An implicit product placement is one where the brand, the firm or the product is present within the program without being formally mentioned. It plays a passive, contextual role. In the implicit product placement, the logo, the brand name, or the name of the firm appear without a clear demonstration of product benefits. A product placement is integrated explicit whenever the brand or the firm is formally mentioned within the program, that is, it plays an active role. In this type of product placement, the attributes and benefits of the product are clearly demonstrated. A nonintegrated explicit product placement is one where the brand or the firm is formally expressed, but is not integrated within the contents of the program. The sponsor name may be presented at the beginning, middle or end of the program, or it may be part of the program title.

Russell (1998) categorized placements along three dimensions called the Tripartite Typology of Product Placement: visual, auditory, and plot connection. The visual dimension refers to the appearance of the brand on the screen. So-called screen placements can have different levels, depending on the number of appearances on the screen, the style of camera shot for the product, and so forth. The second dimension is
auditory or verbal, and it refers to the brand being mentioned in a
dialogue. Such script placements also have varying degrees, depending
on the context in which the brand is mentioned, the frequency with
which it is mentioned, and the emphasis placed on the brand name (tone
of the voice, place in the dialogue, character speaking at the time, etc.).
Finally, the plot connection dimension refers to the degree to which the
brand is integrated in the plot of the story. Whereas lower plot
placements do not contribute much to the story, higher plot placements
constitute a major thematic element (Holbrook & Grayson, 1986), taking
a major place in the story line or building the persona of a character. A
mere mention of the brand or a brief appearance of the product on the
screen would be considered lower plot. However, cases where a brand is
closely tied to the plot or closely connected to the characters constitute
higher plot placements. For example the internet service provider AOL
was intimately tied to the plot and closely connected to the characters in
the movie *You've Got Mail* (1998), much like the use of BMW cars in
James Bond movies.

The Tripartite Typology of Product Placement (Russell, 1998) had
special importance in measuring the effectives of product placement.
Earlier studies of product placement measured effectiveness of product
placements in terms of how well they were remembered (Babin &
Carder, 1996b; Gupta & Lord, 1998; Steortz, 1987). This reliance on
brand recall and recognition measures presumed that the effects for
memory are similar to the effects for attitude.

However, the absence of correlations between memory and attitude
measures often found in the persuasion literature (e.g., Petty, Cacioppo,
and Schumann 1983) challenged this assumption and suggested that the
memory-attitude relationship is not necessarily linear. Since recall may be a poor predictor of persuasion (Mackie and Asuncion 1990), it was suggested that research on the effectiveness of product placements should investigate both memory and attitude effects.

2.7.2

INFLUENCE OF PRODUCT PLACEMENT DIMENSIONS

The Tripartite Typology of Product Placement (Russell, 1998) allowed a dual focus to studies of effectiveness of product placement by determining not only how a placement is cognitively processed and thus whether it will be recalled, but also how it affects consumers' attitudes. The processing and persuasive impact of each type and combination of placements is discussed next.

Research on modality of presentation in audiovisual contexts suggested that the visual and auditory channels indeed differ in the amount of meaning that they carry. The visual channel serves to create the context in which the story is set. For instance, branded products are used as props to make television set more realistic (Solomon & Englis, 1994; Solomon & Greenberg, 1993). The auditory channel, on the other hand, carries the script of a television program, and as a result, information presented verbally is inherently more meaningful than visual information. Because individuals can process auditory information in a television program even when they are not looking, the auditory modality serves as a conveyor of semantic information through speech (Rolandelli, Wright, Huston & Eakins, 1991). In fact, as compared with visual stimulation, auditory information is often characterized by its greater intrusiveness and intrinsic alerting properties (Posner, Nissen &
Klein, 1976). Each modality of presentation, i.e. audio and visual, thus contributes a certain level of meaningfulness to the story.

These modality characteristics are important because meaningful stimuli become more integrated in a person's cognitive structure (Lehnert, 1981), are processed more deeply, and thus generate greater recall (Craik & Lockhart, 1972) and elaboration.

The third dimension of the product placement framework, plot connection, also characterizes a dimension of meaning. Higher levels of plot connection characterize instances when the brand makes a significant contribution to the story and will thus facilitate memory. This effect of meaning was found in several studies of the influence of narrative structure and story on the recall of information from movies. Roberts, Cowen, and MacDonald (1996) showed that recall of implicit primary information from constituent parts of the narrative was better than recall of secondary explicit information because its meaning depends on the story and is therefore linked to important information via the macro-structure. Therefore, the level of plot connection determines the role and meaningfulness of a placement in a story and qualifies the effects of modality, as specified next.

In considering the different combinations of modality and plot connection, it is clear that there can either be a match or a mismatch between modality and plot connection. Matches can take the form of higher plot audio placements, where verbally mentioned brand names that contribute to the narrative structure are indeed highly connected to the plot, or lower plot visual placements, where visual brands that should serve an accessory role to the story are indeed lower in plot
connection. On the other hand, mismatches occur when audio placements are lower in plot connection or visual placements higher in plot connection.

This conceptualization suggests a turn to the congruency/incongruency literature to understand the memory and attitude effects associated with each type of placement. The incongruency literature maintains that, while little elaboration occurs when information is congruent, incongruency triggers cognitive elaboration (Mandler, 1982). As a result, incongruent information is memorable because it prompts attention and provokes elaboration (Heckler & Childers, 1992). Mismatches between modality and plot will thus improve memory for the placement. However, empirical evidence also supports the fact that the increased elaboration associated with extreme incongruency has an adverse effect on evaluations (Lee & Mason, 1999; Meyers-Levy & Tybout, 1989). Indeed, while increasing attention to the placement, incongruency will also prompt viewers to think about the reason for the brand's presence in the show. This brand-relevant thinking will result in corrective mechanisms, such as counter argumentation or reactance, if the placement is perceived as inappropriate (Friestad & Wright, 1995).

Therefore, while congruous placements will be perceived as acceptable, incongruous placements are likely to raise viewers' suspicion and prompt counter argumentation. Conditions where modality and plot connection match will thus lead to greater attitudinal evaluations than those where modality and plot connection do not match. The fact that information incongruency affects memory and attitude measures differently suggests that the combined effects of modality and plot connection will differ depending on how well the plot connection
matches the modality of presentation of the brand. In other words, the plot connection will interact with the modality of presentation of the brand in affecting memory and attitudes.

The literature reviewed above suggests that (1) auditory stimuli are more meaningful than visual stimuli and thus generate more elaboration (2) higher levels of plot connection also trigger more elaboration (3) incongruency between modality and plot connection increases elaboration but adversely affects attitudes. Since increased elaboration leads to improved memory, auditory placements will be remembered better than visual placements, regardless of their plot connection.

However, among visual placements, higher plot ones only will result in greater memory, because of their unexpected use of the visual modality for carrying central information. Higher plot visual placements will thus be remembered better than their lower plot, congruous, counterparts.

The expected attitudinal effects are drawn from the incongruency literature discussed above. Congruous placements, higher plot audio and lower plot visual, appear acceptable to the viewers and do not prompt them to think about the reason for their presence in the show. In contrast, incongruency between modality and plot connection is likely to raise viewers' suspicion and counter argumentation. This incongruency happens when the mention of the brand in the dialogue is not justified by the story (lower plot audio) or when a visual brand becomes an obvious focus of the story when it should serve an accessory role (higher plot visual).
Based on the Tripartite Typology of Product Placement (Russell, 1998) and congruency/incongruency literature, Russell (2002) carried out an experimental study with 107 TV program viewers. It was found that higher plot visual placements were remembered better than lower plot visual placements, but the level of plot did not affect memory for the audio placements. Russell (2002) also found that lower plot visual placements were more persuasive (result in greater attitude change in the positive direction) than higher plot visual placements, and higher plot audio placements were more persuasive than lower plot audio placements. Thus, incongruent placements were remembered better than congruent ones; however, attitude toward the brands changed more in instances with congruent placements.

In another study with 103 movie-goers, D’Astous and Chartier (2000) classified product placement into various types based on congruency with a scene, degree of appearance, and association with a movie star to examine the effectiveness of product placement. Their findings showed positive attitudes toward product placement were obtained in three kinds of situations: (1) when the product appeared with a movie star; (2) when the product placement was congruent with a scene presented; (3) and when the product was shown prominently. Moreover, even though placement associated with the movie scene brought positive attitudes toward product placement, it reduced consumer recall and recognition of brands embedded in a movie.

Law and Braun (2000) attempted to understand the impact of product placements as a function of the nature of the measurements (explicit memory and implicit choice), the centrality of the placement to the plot, and the modality of the placement. An interesting finding of their study
was that products that were seen, but not heard, were least recalled but had more influence on choice than those only heard or seen and heard. The researchers suggest that this has implications for the way viewers process product placements in that placements that may not be consciously remembered may nevertheless have influences on viewers' brand choices.

Brennan, Dubas and Babin (1999) differentiated the prominence of on-set placements, which are paired with a character or otherwise conspicuously displayed, from creative placements that appear only in the background of a program. The effect of type of placement (on-set or creative) and exposure time on the recognition of the placement was investigated. In their study, greater brand recognition was generated from prominent onset placements. Further, exposure time positively affected brand recognition, but only for prominent, on-set placements, indicating that the type of placement was a more influential factor in consumers' recognition of the product appearing in movies than the exposure time of the product.

Gupta and Lord (1998) examined the impact of product placement on consumers' recall in terms of product placement types, such as prominence/subtlety and audio only/visual-only presentation. The study differentiated prominent placements (shown in foreground as opposed to background, shown by itself as opposed to sharing visual fields with other brands, and having a long time of exposure) from subtle ones. The result found prominent appearance of a product brought better consumer recall compared to TV commercials as well as a subtle appearance of product. It was also found that an audio mention of the brand without a visual depiction produced a higher recall rate than did a visual
placement without audio reinforcement. These studies suggest a hierarchy of memory effects according to placement modality of a visual-verbal combination, followed by verbal-only and then visual-only placements.

Zimmer and DeLorme (1997) sampled 52 non-student moviegoers in order to determine the effect of placement type and a disclaimer on recall, recognition, and attitude toward product placement. Simulated theater viewing experiment method was used involving a full-length movie containing 16 brands. An average recall level of 33% and average recognition level of 55% across the 16 brands was found. Results showed a positive effect on memory for placements in the foreground of a scene, verbally mentioned, that used humor, and that involved character usage. A disclaimer heightened recall and recognition in some instances, though negative attitude was expressed towards the disclaimer.

Karrh (1994) studied 76 undergraduate students using experiment method to assess communication effects of five brands placed within 33-minute clip of Raising Arizona [1987]. It was found that prominent product placement can lead to higher recall/recognition. Brand salience, i.e memorability of a brand relative to other brands in its product category, was significantly higher only for one brand that was prominently and repeatedly displayed. There was no significant difference in brand evaluations. Product placement may heighten brand salience for less familiar products and when the brand is the focus of a scene or an integral part of the movie plot.
Sabherwal, Pokrywczynski, and Griffin (1994) sampled 62 undergraduate students to test aided and unaided recall and brand associations in different types of placements in a ten minute movie clip from *Days of Thunder* [1990]. It was found that audio-visual placement can lead to higher levels of recall/recognition than visual only placement. Combination of audio-visual product placements seemed to foster information processing and subsequent brand name recall.

Steortz (1987) sampled 304 theatergoers in theater exit survey and telephone survey using Burke day-after recall method to assess the communication effects of 29 brands placed in six different full-length films. The study found that aided recall scores averaged 38%. However, recall depended on placement characteristics, with visual/verbal placements averaging 57% recall followed by verbal endorsements (51%), visual implied endorsements (33%), background props (8%), and the presence of a logo or brand name (8%). Also, character usage of brands produced significantly better recall than brands displayed as background props.

Vollmers (1995) sampled 140 second, fourth and sixth grade children through experiment method to assess communication effects of children's exposure to eight placements within the movie *Lassie* [1994]. Brand recognition seemed to be influenced by placement type.

Some dimensions seemed to have limited or no effect on the effectiveness of product placement. According to a study by d'Astous & Séguin (1999) with TV viewers, exposure time influenced recognition only when the product placements were central to the story. The sponsor image (i.e., positive, negative, or neutral) had no significant impact on
consumers' evaluative and ethical judgments; but viewers were found to better evaluate product placements within television programs when the product is clearly related to the contents of the program (d'Astous & Séguin, 1999).

In another study by Pokrywcynski (2005), a prominent, on-set product placement were found to be successful regardless of the viewer involvement with the scene.

Among the very scant research done in India on effectiveness of product placement, Panda (2004) sampled 80 postgraduate student respondents in a post-exposure scenario using product placements within movie clips selected from four successful Hindi movies. High recall, recognition and positive attitude was reported. There was 100% recall and recognition rate for brands like Coke, probably due to higher placement of that brand in the sequences selected for the study. Well-known brands were recalled more than lesser-known brands. Explicitly placed brands had higher recall (aided recall of all brands > 60) and recognition rates than brands which remained in the background. The type of product placement was found to be significant, irrespective of the brand being well known or lesser known.

2.7.3

INFLUENCE OF CONTEXTUAL DIMENSIONS

Various studies have examined the influence of contextual dimensions on the effectiveness of product placement in movies and TV programs. Contextual dimensions include characteristics like consumer's product involvement, program liking, program involvement, brand familiarity
and brand consciousness. Various studies have examined the influence of these dimensions on effectiveness of product placement.

There exists enough research that confirms the effect of the mood induced by television program content on viewers' responses to traditional TV commercials (Kamins, Marks & Skinner, 2001; Axelrod, 1963; Goldberg & Gorn, 1987). Murry, Lastovicka and Singh (1992) found that viewers' liking of programs positively influenced the attitude toward the advertisement and the attitude toward the brand.

Past literature has shown that program-induced psychological responses influence processing of traditional commercials placed within the program. For recall, most studies have shown the intensity of the program involvement negatively affects memory due to attention or cognitive capacity deficits (Thorson & Reeves, 1986; Lord & Burnkrant, 1993). Because consumers attend to and process central information from the medium, they do not have the capacity to also attend to non-central elements such as advertisements or brands.

Previous research hypothesized that high product involvement led to positive consumer evaluations of advertising. Involved consumers felt that the products were especially relevant to their lives (Flynn & Goldsmith, 1993), and participants paid greater attention to and showed greater interest in advertisements under high product involvement conditions. Higher levels of product involvement produced more elaboration, and led to positive attitudes toward the advertisement and the brand (Celsi & Olson, 1988). When applied to product placements, highly involved consumers were more likely to pay attention to movie scenes featuring a target product and tend to exhibit more positive
reactions to the target brand than consumers with low product involvement.

Lord and Gupta (2002) noted a negative relationship between cognitive program involvement and product placement recall.

Russell, Norman and Heckler (2004) developed a construct of connectedness characterizing the degree to which TV characters appear as referent others for TV viewers. In this study evidence was found of the effect of connectedness on memory for brand and products placed in the program, though the study did not examine these effects at the attitudinal and behavioral level.

The study by Pokrywczynski (2005) found that viewers highly involved in the scene showed slightly higher overall brand recall for a variety of products featured in a movie. It may be that high involvement viewing conditions offer the opportunity for more brands, particularly those that have a less prominent role as props or background material, to register among viewers.

Russell and Stern (2006) found that consumers aligned their attitudes toward products with the characters' attitudes to products and that this process was driven by the consumers' attachment to the characters of television serial comedies.

Nelson and Devanathan (2006) studied 86 Indian college students living in the US for less than 1 year. It was found that movie involvement had negative impact product placement recall; whereas brand-consciousness was positively related to product placement recall.
In a study by Choi (2007), it was found that respondents with high product involvement exhibited more positive reactions to the placed products than those with low product involvement.

According to a study by Cowley and Barron (2008), prominent placements can negatively impact brand attitudes of viewers who report high levels of program liking. Conversely, viewers reporting lower levels of program liking shift brand attitude in a positive direction after exposure to a prominent placement. However, the positive shift in brand attitude for participants with lower program liking disappears when a persuasive-intent prime precedes exposure to the placement. Subtle placements are less likely to result in negative shifts in brand attitude.

2.8 ETHICAL CONSIDERATIONS OF PRODUCT PLACEMENT

The study of ethics has roots in ancient Western and Eastern philosophies which try to answer questions such as what is the good life or what is the highest good? These philosophies result in two sides of the means and ends debate about the control of marketing communications messages.

On one hand, marketing communications messages in capitalist democracy are an integral part of the free expression and interchange of ideas. Consequently, it can be argued that nothing should be allowed to limit the content or extent of promotional messages.
On the other hand, it can be argued that marketing communications messages should be controlled on grounds of morality and social policy. The ethics of marketing communications depends upon how they are carried out (content and media targeting) and the individual’s ethical judgments because in themselves these activities can be seen as ethically neutral. Promotional messages are a central dynamic of wealth creation in advanced economies; they facilitate competition and communicate offers.

Thus ethical considerations in marketing communications, including product placement, present debatable problems for researchers. Product placement is not without controversy (Gupta & Gould, 1997; Vollmers & Mizerski, 1994). Ethical concerns surrounding product placement practices can be viewed in terms of two main aspects: general ethical concerns about the practice and specific concerns about particular product categories (McKechnie & Zhou, 2003; Gould, Gupta & Grabner-Kräuter, 2000).

2.8.1
GENERAL ETHICAL CONCERNS AND ACCEPTABILITY OF PRODUCT PLACEMENT

Critics have already voiced their concern about the increasing embeddedness of marketing efforts within the popular culture and the intensifying commercialization of films (Wasko, Phillips & Purdie 1993). Ethical issues that arise from product placement include general ethical concerns, such as the potentially excessive, influential or even subconscious’ nature of some product placements.
One of the strongest criticisms of product placement concerned the feeling that it entails 'subliminal' or 'subconscious' promotional effects (Morton & Friedman, 2002; Gupta & Gould, 1997). It can affect people below their level of conscious awareness, so that they are not necessarily able to control their acceptance or rejection of the product placement messages. There was evidence of public and regulatory concern regarding deliberate use of subliminal and messages by marketers, especially for alcohol and cigarette products (Chen & Simpson, 2000).

Another major concern with the practice of product placement is that some people perceive product placement as a deceptive practice because it causes people who are unaware of the persuasive intent of the product placement to engage in purchase behaviours (Gupta, Balasubramanian & Klassen, 2000; DeLorme & Reid, 1999; Karrh, 1998).

A key element of product placement is that its promotional motive is hidden (Balasubramanian, 1994). Conventional advertising often meets with consumer skepticism and resistance. Because of this hidden character, product placement is able to circumvent consumers' critical faculties.

Nebenzahl and Jaffé (1993) argued that product placement would be less ethical than traditional advertising because it represented a hidden, disguised persuasion attempt.

Movie critics have expressed concern that product placement jeopardizes the artistic integrity of movies. For example, Miller (1990) criticized the motion picture industry not only for excessive product
placements, but also for the movies themselves, which were claimed to becoming just long advertisements.

The first published study of general audience attitudes towards product placement practice came from Nebenzahl and Secunda (1993). A group of 171 American college students was asked open-ended conceptual questions about the practice of placement, in addition to a number of closed-ended questions. In general, the respondents did not object to placements in movies; they also reported preferring placement to more overt forms of in-cinema advertising. Over 70% of the concepts mentioned from the open-ended questions were positive in tone. About 25% of respondents consistently indicated that placement should be banned or strongly restricted, generally on ethical grounds. Although respondents view product placement as an effective marketing tool, they would accept it only to a certain extent. For example, the use of product placement for authenticity was found acceptable, because it added to the realism of the movie. However, product placement probably seemed to be excessive (both in time on screen and/or in being given blatant or obvious prominence) or overly influential. A small minority of respondents objected to product placement because they felt it was deceptive.

Ong and Meri (1994) included two items tapping perceptions of the ethics of product placement in exit surveys of cinema audiences. Respondents generally disagreed with the statements "product placement is unethical" and "I am opposed to product placement". Respondents had generally positive attitudes toward the practice of product placement.
In a study by Baker & Crawford (1995) with 43 postgraduate students in Scotland, it was found that most respondents had a neutral attitude towards product placement and recognized it as an element in promotional mix. While 48% of their subjects considered product placement a form of subliminal advertising, only 19% had an overall negative attitude towards the practice and 23% felt movies containing placements should include some sort of disclosure statement to the audience.

Gupta and Gould (1997) studied American moviegoers' perceptions of ethics and acceptability of the practice of product placement in movies. In a survey of 1012 American college students, a generally positive attitude towards placement was found.

Similarly, a study by Zimmer and DeLorme (1997) with 52 non-student moviegoers also found that respondents had generally positive attitudes toward the practice of product placement.

According to Simmons National Consumer Study in US in 2005, it was found that 46 percent of audiences did not mind product placement in movies (Sauer, 2005).

In a study by Argan, Velioglu and Argan (2007) among Turkish moviegoers, a generally favorable attitude toward product placement was found, though extensive commercial usage of product placement in movies was perceived as ethically less acceptable.
2.8.2 ETHICAL CONCERNS ABOUT SPECIFIC PRODUCT CATEGORIES

This ethical aspect was concerned with the use of specific products in the practice of product placement, the so-called ethically-charged products. The ethically-charged products were defined in the study by Gupta and Gould (1997) as products which specifically aroused ethical concerns. Ethically-charged products included alcoholic beverages, tobacco and guns. In general, marketing and advertising of ethically-charged products are very controversial and raises moral questions.

The ethical concerns about the placement of ethically-charged products were more controversial if it involved vulnerable audiences, especially children, since their sensitivity to this type of subtle promotional tool may not have developed (Avery & Ferraro, 2000). In addition, children saw these placed product categories even though they are not supposed to (Gupta, Balasubramanian & Klassen, 2000).

According to Gupta and Gould (1997), ethical concerns about product placement were viewed as a precursor of attitudes towards the placement, towards the brand and towards the purchase. Therefore, practitioners should be aware of ethical concerns of their practices, considering where the consumers draw the line between realism and relentless commercialization.

With regard to product placement this concern was greater because of the lack of control regulatory authorities can exercise over promotions in this context (Gould, Gupta & Grabner-Kräuter, 2000: Gupta,
Balasubramanian & Klassen, 2000; McKechnie & Zhou, 2003). Product placement deals are often struck between the studio and brand owner, evading the scrutiny of bodies responsible for advertising and promotion.

According to Ong and Meri (1994), certain product categories such as alcohol, cigarettes and guns were judged less acceptable for product placement than others. Similarly, Gupta and Gould (1997) also found that respondents perceived ethically-charged products in product placement as less ethical than other product categories. These more controversial products were viewed less favorably than other products.

In a study of viewers' evaluations of product placement in movies, Gupta, Balasubramanian and Klassen (2000) found that the attitudes towards product placement for ethically-charged products were significantly more negative for the “like advertising less” segment when compared to the “like advertising more” segment. Both segments perceived ethically charged products less acceptable than other product categories.

2.8.3
INFLUENCE OF CONSUMER CHARACTERISTICS

Various studies have investigated whether consumer’s acceptability of product placement was influenced by their characteristics like gender, age, frequency of watching the program, level of brand-consciousness (Ong & Meri, 1994; Burkowski & Ugras 1998; Gupta Balasubramanian & Klassen, 2000; Peterson. Baltramini & Kozmetsky, 1991).
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Gupta and Gould (1997) noted that general acceptability of placement was higher for more frequent movie viewers. It was found that males held more positive attitudes towards the placement of ethically-charged products (e.g. cigarettes) than females (Gupta & Gould, 1997; Gupta, Balasubramanian & Klassen, 2000; Milner, Fodness & Morrison 1991).

Nelson and Devanathan (2006) studied 86 Indian college students living in the US for less than 1 year. It was found that consumer's individual difference of brand-consciousness was not positively related to attitude toward product placement but brand-consciousness was positively related to attitude toward product placement as means to enhance a movie's realism.

The study by Argan, Velioglu and Argan (2007) among Turkish movie-goers found that movie-going frequency positively affected the attention paid to product placement, whereas gender, age, education and income level did not affect attitudes towards product placement.

2.9 CROSS-CULTURAL STUDIES IN PRODUCT PLACEMENT

Cross-cultural consumer studies are often used to examine the consumption patterns and tastes across nations. According to an empirical research by de Mooij & Hofstede (2002), it was concluded that cultural differences will lead to more heterogeneous behaviors and that culture has become a more useful explanatory variable than national
wealth for predicting and explaining consumer behavior across a range of European countries.

Much of the world’s advertising is converging with the development of global media vehicles, agreements among nations for common advertising regulations and the implementation of global advertising strategies. But the question remains whether the consumer’s beliefs about advertising practices are really converging or not.

One key to understanding similarities and differences in responses to product placement is to understand attitudes towards the media in general, which may influence the effectiveness of advertising messages within those media. For example, in a cross cultural study by Chen and Allmon (1998), it was found that compared to USA and Australia, the Taiwanese had more positive views of print-based media and more negative views of electronic media.

Knowing consumers’ beliefs about product placement practices across cultures has important consequences. If both media programs and product placements are created on the assumption of converging attitudes, while the attitudes in fact remain divergent, then many global advertising and promotion strategies will fail. If the consumers’ attitudes vary across countries, marketing a standardized campaign across cultural boundaries may have varying effects, some of which could be negative (Neal. Quester & Hawkins. 2000; de Mooij & Hofstede, 2002). This is in line with Wang’s (1996) tripartite approach which suggests that three variables should be taken into account when formulating a global strategy: country, product and consumer segment (individual
differences), with any combination of interaction between these variables requiring standardization strategy modifications.

Thus it is important to replicate research on product placement across cultures. Replication means the reproducibility or stability of research results (Monroe, 1992). Replication has an acknowledged role in marketing and the social sciences and its advancement (Monroe, 1992; Easley, Madden & Dunn, 2000; Hunter, 2001). Replication contributes to the establishment of external validity, by enabling the generalization of findings to other populations (Easley, Madden & Dunn, 2000).

Although product placements are being used around the world, (Britt, 2002), most research has been conducted with US consumers. DeLorme and Reid (1999) suggested the need to investigate product placements internationally because many brands may mean nothing to foreign audiences; others may be associated not with just brand-specific consumption, but also with larger cultural values and lifestyles. Foreign audiences may also interpret international and domestic brands differently within their own domestic films.

Gould, Gupta and Grabner-Krauter (2000) were the first to study the impact of product placement on consumer attitudes and potential purchase intention cross nationally in three countries - Austria, France and the United States. The results showed that consumers of the United States were more likely to accept product placement compared to other countries and also more likely to purchase products appearing in the movies, although product category and individual differences were significant as well. Moreover, consumers of the three countries had varied attitudes towards the placement of ethically-charged products. US
respondents were more favorable towards product placements than were Austrians or the French for ‘non-ethically charged’ products. Males were more accepting than women were of ethically charged products across countries.

The study by Karrh, Frith and Callison (2001) made cross-cultural comparisons between Eastern and Western culture, in contrast to the study by Gould, Gupta and Grabner-Krauter (2000), which was tested among countries in Western culture only. The study by Karrh et al. (2001) compared audience attitudes toward product placement between Singapore and in United States. It was found that both sets of respondents paid attention to brands in movies and TV; US respondents paid more attention to their social identities; Singaporeans were less likely to perceive brand appearances as paid advertising, were more concerned about ethics of brand placement and more supportive of government restrictions on placement activities.

McKechine and Zhou (2003) studied differences in viewer attitudes toward product placement in movies between China and the United States. It was found that the Chinese were less likely to accept product placement in movies and their acceptability was less influenced by the frequency of watching movies, as compared to the United States consumers. Meanwhile, both the Chinese consumers and the United States consumers were more concerned about placing ethically charged products like cigarettes and alcohol than other product categories.

A quasi-experimental study was carried out in Germany and USA in order to detect awareness and attitude effects of the respective placements as well as general evaluations (Patrick Rössler & Julia
Bacher, 2002). The results indicated small but noteworthy differences between the American and the German audience. To a certain degree, product placement was more effective on the awareness dimension in Germany and more effective on the evaluative dimension in the USA (a result that may be traced back to the perceived function of creating a realistic impression). High placement awareness led to smaller attitude effects in Germany, while a lower degree of awareness in America enhanced the impact on product assessment.
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