CHAPTER 2

LITERATURE REVIEW

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CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

Using books and academic articles have been the primary means of finding data for this chapter. This chapter presents review relevant literature along with highlighting the research done in the area of product placement till now and also identifying the research gaps. At the end of the chapter a conceptual framework will be presented in order to narrow down the supply of literature to the most suitable theories in relation to the RQ’s.

The aim of this chapter is to analyze the relevant bodies of knowledge, in order to gain an understanding of what product placement is from an academic point of view, and to analyze how this form of brand communication is thought to influence the consumer. It will thereby be identified how effectiveness of product placement can be measured. Throughout the review, gaps in the current knowledge have been touched on, both to be able to design a useful experiment for this project and to recommend future areas of research.

To increase consumer awareness and hopefully have a positive impact on the consumer preference and intention to buy, advertisers and marketers include product placement in their strategies. Due to the increased usage of advertisements and the consequent difficulty in getting advertising messages to reach and influence customers, product placement appears to be a viable alternative to the traditional marketing communication media. Emphasis on product placement as a variable in the marketing communication strategy of organizations seems to be a relatively new focus. However, evidence exists that as early as the 1940s product placement was used in feature films to brand products and services. The initial use of product placements in feature films received new opportunities through the introduction of new electronic media, such as video, DVD, mobile messaging, electronic billboards, Internet clips and websites. Product placement is not confined to cinema feature films. New electronic media offer unique opportunities for product placement, which necessitated the renewed focus on product placement as a vehicle of deliberate product exposure within the broader integrated marketing communication (IMC).
context. The use of product placement has increased rapidly over the last few years. Product names are increasingly being featured in films and television programs. Companies are increasingly seeking to broaden their marketing campaigns to include product placement in broadcast media to confirm the product’s brand identity or to reach different audiences effectively. The core reason for the increasing popularity of brand placements is that consumers are not interested in advertisements themselves, and they even will intentionally avoid advertisement information. With the diversification of media and appearance of interactive media like the Internet, when you can use TiVo to record TV shows to avoid commercials, uniting business information with entertainment content becomes a natural choice.

Product placement in motion pictures received a boost from the unanticipated success of Reese's Pieces following its appearance in E.T. The Extra-Terrestrial. The film, released in 1982, prominently featured Reese's Pieces candy. While the brand was available prior to the film's release, appearance in the film is credited with stimulating a 65% sales increase. M&M/Mars had been approached first about a scene in which E.T. is coaxed out of hiding by a trail of candy. In a major blunder M&M/Mars declined the opportunity. Ray-Ban sunglasses experienced a 55% gain in sales following prominent use by Tom Cruise in 1983's Risky Business. Similar success stories for other brands firmly established the importance of product placement.

Brand placement may begin with one of several parties. Studio representatives, aware of script development, may approach brand marketers or their advertising agencies pitching the film and its placement opportunities. Alternatively, marketers interested in brand placement might contract with an agent to represent their brands to studios and producers. What is common among these groups is that scripts are developed, selected for production and then reviewed for placement potential. Scripts may then be forwarded to placement agents or advertising agencies where brand marketers assess the placement in terms of their marketing strategies. Should the marketer wish to proceed, negotiations are undertaken regarding payment, availability, merchandising opportunities, and promotion of the placement and film. Different rates are charged for placement, depending on whether a brand is mentioned in dialogue, is used by a "star," or is used by other characters or may just appear in the scene.
Brand placement offers marketers several advantages over other advertising media, especially cost efficient communication. Over the life of a film, including its theatrical run, premium cable appearances, other televised broadcasts and home video rental. Brands are also featured in a clutter-free environment devoid of competitive messages. It is possible to reach out to the target customers which otherwise could be difficult to reach using conventional advertising methods. Nearly three-fourths of the audience for theatrical films is 16-39 years old, a group highly valued in terms of being influenced by advertisers. Associating brands with particular actors, films or contexts allow the marketer to associate a brand with congruent lifestyle or usage situations. Finally, product placements are one means for overcoming the all-to-common problem of advertising avoidance via zipping, zapping and muting. Perhaps most important to the marketer is the captive nature of the audience. In terms of communication potential, the theatrical situation is ideal. Viewers are seated in a dark theater facing the screen with few other distracting stimuli. Brands are featured to fullest effect in naturalistic contexts readily understood by viewers.

2.1.1 Product Placement or Brand Placement

In one of the first reviews of brand placement, Karrh (1998) argues that although product placement is the most commonly used description, brand placement would be more correct. He argues that it is a brand (e.g. Bans) and not a product (e.g. sunglasses) that is placed. Obviously, an underlying assumption for this argument is the belief that sunglasses are products (and not a category of products) and that it is brands which are placed (and not a specific branded product). This assumption has, to my knowledge, not received criticism in recent papers, but it seems to make just as much sense to argue that it is a product (e.g. Nokia 7110) and not a brand (e.g. Nokia) that is placed. Hence, it is difficult to argue which is the most correct description. However, it is a fact that it would be an extremely rare occurrence for someone wanted to pay to place what Karrh (1998) calls a product. No umbrella organization has, to date, paid to get the product category placed anywhere. It is therefore arguable whether it is important to distinguish between the two descriptions, or whether they are, in principle, interchangeable.

The main objective of product placement is to increase consumer awareness, resulting in a positive consumer preference and a higher probability of a purchase being made
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(Fill, 1995 and D’Astous & Chartier, 2000). Product placement is one of the many communication vehicles available for marketers and advertisers to utilize.

According to Schneider (2005), Balasubramanian (1994, pg 31) made one of the first attempts to define brand placement, as ”a paid product message aimed at influencing movie (and television) audiences via the planned and unobtrusive entry of a branded product into a movie (or television program)”. Although this was a good attempt, there are a number of problems with this definition. Firstly, it is bounded to specific media, movie or television programs (Schneider, 2005). Obviously, the fact that video games, novels, music videos etc. are left out makes its value fairly limited in today’s media picture. Secondly, it is limited to cases in which payment is taking place (Schneider, 2005).

The problem of limiting brand placement to specific media was also addressed by Karrh (1998) who also questioned whether brand placements could always be considered ”unobtrusive”. For those reasons he argued that ”brand placement is better defined as the paid inclusion of branded product or brand identifiers, through audio and/or visual means, within mass media programming” (Karrh, 1998, p33).

Again, this definition assumes that payment is always made for the brand placement, which is only true if payment can also take place without the exchange of money, e.g. by agreeing mutually advantageous marketing campaigns (Gupta and Gould, 1997; Schneider, 2005). Product placement is best defined by Cappo (2003) and Kitchen and De Pelsmacker (2004:102): the use of a product or a product’s name within a programme, paid for by the marketer of the product, either by paying a television producer or film producer, or by providing the product itself.
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Figure 2.1.1: Difference between Product placement, sponsorship and advertisement.

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2.2 TYPES OF PRODUCT PLACEMENT

This section of the chapter focuses on the different types of product placement.

2.2.1 Dimensions of Product placement

The evidence regarding product placement and its affect on brand attitude is still an open empirical question (Russell, 2002). If they do affect the attitudes among consumers, the question remains whether some placements are more influential than others. She further states that it is easier to reach a clearer picture on this issue if product placement is divided into different categories. Russell (2002) brings up three dimensions of placement:

*The visual dimension* is referred to as a screen placement where the brand appears on the screen. This category is also divided into different levels depending on how many times the brand appears on the screen and in what way the camera shot the product, and so forth.

*The auditory dimension* is the type of product placement that is done verbally and refers to when the brand is being mentioned in a dialogue. This could also be done with different methods, depending in what way the brand is mentioned in the script, the context of the scene, when the brand is verbally spoken of, how many times it appears in the script, in what tone and which character that mentions the brand, all these factors are taken into consideration.
Plot connection dimension refers to when a brand is not only visualized or verbally placed into a program, but also integrated in the plot of the story. There are two different degrees of plot connection, lower or higher plot placement, whereas lower plot placement is less connected to the story and higher plot placement, contributes a lot to the story, meaning that the brand plays a major part in the story line or building the persona of a character.

Further Russell (2002) clarifies the differences between the three dimensions by explaining their characteristics. She refers the first two dimensions as modalities, although she suggests that they differ in the degree of meaning they carry for the context. The visual channel works in the context of creating a more realistic set, while the auditory channel carries the script of a movie. Because the script is more fundamental than the set and due to the fact that individuals can process auditory information even when they are not watching, leads to the conclusion that information presented verbally has a higher degree of meaning. The third dimension of plot connection is characterized as the most important dimension. As Higher levels of plot connection or in other words script integration i.e. when the product is being featured as an integral part of the story line and contributing to the story will help the brand with a more memorable image to the viewer.

2.3 PRODUCT PLACEMENT STRATEGIES

In movies product placement has been seen as the addition of brands, products and services in motion pictures for promotional purposes. This is a quite limited conception because showing the product is only one way of performing product placement, there are other ways to integrate a product to a motion picture. In the case of movies the product placement strategies can be classified into three main types; implicit product placement, integrated explicit product placement and non-integrated explicit product placement (d’Astous & Sequin, 1999).

Implicit product placement - An implicit placement is when the brand, product or service is maintaining a passive role meaning that it is presented within the program without being formally expressed. For instance: in Chak de – the McDonald Restaurant in a fight scene.
**Integrated explicit product placement** – When a placement is integrated explicit the brand or the firm is formally expressed within the program, in other words, it plays an active role. For instance, in a scene where everybody is starving and they decide to order pizza from Pizza Hut.

**Non-integrated explicit product placement** – The brand or the firm is formally expressed but not integrated within the program. The brand or the firms name may be presented in the beginning, during or after the program. For instance, “This movie is sponsored or the hospitality partners are Pizza hut”

D’Astous and Sequin(1999) claims that implicit product placement often is comparable to a visual placement of a product, while integrated explicit product placement are more connectable to auditory placements or placements where a product is used and mentioned by a main star of the television show. Furthermore, the authors state that the three different categories of product placement are not mutually exclusive, they could be performed in any given program by themselves or together. Moreover, the authors claim that there are few pieces of empirical evidence that can be used to predict the different impact on the consumers when using different product placement strategies. However, a study presented by d’Astous and Seguin(1999) reveals that product placement is preferable over traditional commercials. According to this study the movie audience found product placement less disturbing than the original commercials.

### 2.3.1 Integration of brand in the script

**covert / overt branding)**-Realism, Recognition, recall

Another element that needs attention when looking at product placement in films is whether the placing of products adds at all to the realism of the films or whether they can be seen as advertisements in disguise. This will be discussed in the following section. Film producers argue that placing branded products in films enhances realism by providing a realistic element of everyday life (Gupta, Balasubramanian & Klassen, 2000:43). However, some dispute that products give films an indelible imprint of realism. In real life, consumers eat, drink, wear and drive brand name products. It is
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part of consumers’ topography. Film producers argue that the use of a brand name in a feature film enhances the realism, due to the fact that it lends a natural “everyday” touch to its settings. To depict a film character entering a restaurant, a store or petrol station with no names attached to them would be meaningless (Gupta, Balasubramanian & Klassen, 2000:43). According to Monkey Junction (2003:2), product placement strengthens a film’s link to real life. Product placement therefore adds realism and authenticity to scenes in feature films. It is further argued that the use of products that consumers are already familiar with increases the credibility and power of the film as something the audience can identify with (Xroads, 2004:2).

The brand should be integrated in the script of the film, whether part of the entire theme or a particular situation. This means there is a natural flow, leading to the brand communication getting easily accepted. In the film Jerry Maguire, the theme and script gave a natural flow for Reebok to be highlighted and it came across well. Thus, Kapoor recommends that if the brand is integrated within the script it would have greater effectiveness. (Kapoor 2005). In-movie branding can be overt at one end and covert at another. Overt in-movie branding is all about the huge Manikchand glow-sign that keeps popping up in every dance sequence and the rather larger-than-life cut-outs of a Bournvita peeking out now and then from your favorite movies. Covert in-film branding is all about using the brand within the script in a rather non-intrusive manner. In a manner where it seems accidental, even. Manchanda believes that covert branding works better in films than overt. When brands are woven into scripts subliminally, and when the script itself speaks the language of the brand, efficiency is at its highest. (Manchanda J 2007).

Product placement is the compensated inclusion of a branded product or brand identifiers, through audio and visual means within mass media programming (i.e. films) for promotional purposes (Badin & Carder, 1996:140; D’Astous & Chartier, 2000:31; Morton & Friedman 2002:33). Belch and Belch (2001:458) regard product placements as a form of advertising without an advertising medium: “the audience doesn’t realize a product promotion is going on. Viewers tend to see brand names in feature films as lending realism to a story. Yet the impact on the buying public is
real.” Product placement makes a significant contribution to the story line of a film, adding realism and credibility, thus facilitating memory (Russel, 2002:308).

2.3.2 Prominent or Subtle brand placement- brand memory
Prominent placements are placements where the product (or other brand identifier) is central to the action in the scene or where the product is made highly visible by size or virtue and/or position on the screen. Subtle placements are opposite cases, here the product is either a background prop outside the main field of visual focus or lost in an array of multiple products or objects, low time of exposure or just small of size. Babin and Carder (1996) found evidence of brand recognition in films whereas the research of Gupta and Lord (1998) is more fine-tuned; they found a higher recall of the brand after prominent product placements than after subtle product placements. Brennan, Dumas and Babin (1999) found that brand recognition increases with 43.92% after being exposed to prominent product placement and with 13.84% after subtle product placement. According to Astous and Chartier (2000) brand recognition is significantly enhanced by the prominence of the placement but it has a negative effect on recall.

The most important finding of effects of prominence is that prominent placements in television programs or in movies lead to higher recognition (Babin & Carder, 1996; Brennan et al., 1999; Law & Braun, 2000; Russell, 2002) and higher recall (Gupta & Lord, 1998; Law & Braun, 2000; Yang, Roskos-Ewoldsen, & Roskos-Ewoldsen, 2004). In an experiment among students Brennan, Dumas & Babin (1999) showed that 28% of the subtle placements that appeared in Rocky III and Rocky IV were recognized by 20% of the audience, while just as many people recognized 87% of the prominent placements. In another experiment, Law and Braun (2000) showed that prominent placements in the sitcom Seinfeld were better recalled and recognized than subtle placements. Russell (2002) showed that prominent placements (connected to the plot or auditory) in a self created sitcom scored better on recognition than subtle placements. Gupta and Lord (1998) also showed that prominent placements in three different movies were better recalled (both aided and unaided) than subtle placements. These effects do not only hold for students, but also for children: in an experiment among second, fourth and sixth graders Vollmers (1995) found that they showed higher recall and recognition of prominent placements in the movie Lassie than of subtle placements. Explanation of these results is that attention is drawn to stimuli that
are clear, vivid, or prominent in the visual field (Gupta & Lord, 1998). According to Gupta and Lord’s (1998) definition of prominence, this is exactly what prominent placements are designed for: being the central focus of audience attention. Heightened attention for prominent placements active test processing of the stimulus, which can result in a memory trace in the brain (Yang, Roskos-Ewoldsen, & Roskos-Ewoldsen 2004). Thus, by drawing attention to the brand in the program, memory is enhanced. Furthermore, in the case of placements that are integrated in the plot, the connection to the story gives more meaning to the placement (Russell, 1998; Yang et al., 2004). The mental model theory might give insight in the process behind effects of prominence on memory. Audiences create mental models of media to understand what is received. These models are cognitive representations of situations in the broadest sense of the word (Garnham, 1997; Johnson-Liard, 1983). A brand placement that is connected to the meaning of a story or a situation is more likely to be represented in a mental model. If the placement becomes represented in the mental model, memory of the placements becomes much more likely (Yang, Roskos-Ewoldsen, & Roskos-Ewoldsen, 2004).

2.3.3 Modality of brand placement
(audio, visual, audiovisual)

Russell (2002) has investigated the role of modality (visual and auditory) and plot connection congruence in relation to the effectiveness of product placement (measured by brand memory and attitude). The research results show that brand recognition improves when modality and plot connection are incongruent. According to Percy (2006) the brand should be attended to consciously and positively link to appropriate associations in non-declarative emotional and explicit memory in order to have an effect on brand memory. The literature demonstrates that several researchers found evidence that brand recognition increases, although not under all circumstances. Brand awareness, is in most studies measured through brand recognition only and not through spontaneous brand recall, whereas the latter is a much stronger measurement of brand memory and brand recognition is much easier to obtain (De Pelsmacker, 2005). Turcotte (1995) distinguished visual only (the appearance of the product, service, brand name or logo), audio only (the authors in the programme 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). For example, Tom Cruise discusses the quality of an Apple computer in a movie and starts working on it. Gupta and Lord (1998) propose that any of those three modes can be prominent or subtle.

Three types of product placements exist, namely visual, verbal and hands-on placement. Visual placement occurs when a product, service or logo can simply be observed within the setting of the film (Monkey Junction, 2003). This visual placement is an example of a subtle descriptor. Verbal placement occurs when an actor mentions a product or service by name in the film. This is also an example of a subtle descriptor. An audio placement is, however, less subtle than a visual placement. A hands-on placement occurs when an actor actually handles or interacts with the product (Monkey Junction, 2003). Due to the fact that the audience eats, drinks, wears and drives brand name products, the use of these items can assist the film by invoking a certain time period or creating the feel of a specific location (Moster, Bryant & Sylvester, 2002).

2.3.4 Product Usage
The usage of the product is closely related to the product placement in the film. The most effective type of placement is a prominent product placement. This type of placement comes in the form of a hands-on placement. Another reason product placement is useful is that it often reinforces a film character’s personality or history. Unlike traditional advertising messages, product placement also provides a venue where products can be realistically portrayed, and possibly demonstrated in the context of a film scene (Curtis in Morton & Friedman, 2000). The naturalistic environment is not only important to film producers, but also to marketers, “With ordinary advertising you can only say so much. With placements you can hint at what kind of product it is far more effectively” (Murdock, 1992). Tom Hanks in Forrest Gump’s opening scene with his Nike training shoes is an excellent example of a humorous clip in a given time and space.
2.3.5 Frequency Of Brand Placement  
(message life)

Advertising learning theories also state that repeated exposure enhances memory (Krugman, 1972). Zielske (1959) showed that repetitive exposure to print advertisements increased advertising memory. Krishnan and Shapiro (1996) also showed that repetitive exposure to print advertisements positively affected brand recall and recognition. Similarly, in their study on sports sponsorship, Grohs, Wagner, and Vsetecka (2003) found that both aided and unaided brand recall increased when people were exposed to the event more frequently. Gupta, Balasubramanian and Klassen (2000:42) emphasise that product placement is seen as a unique way of popularising and immortalising brands because films provide excellent message reach and have a long message life. From the initial teaser, the feature film is on circuit for an average of at least 2 to 3 weeks. After two months, it is re-released on video and DVD. About six months later, the feature film can be shown on national television. Lastly, nowadays many successful movies in past are re-released in theatres in 3D technology too, providing a second chance of viewership that too highly captive. Product placement offers marketers several advantages over other advertising media, especially regarding cost-efficient communication. Over the shelf life of the film, including its theatrical run, television appearances and home video rental and re-releasing, the cost per viewer expenditure continues to decrease (Kinney & Sapolsky, 2000).

2.3.6 Attitude Towards Brand and Actor Credibility

The attitude consumers have towards the phenomenon of product placement, “audience attitudes”, has been widely researched (Nebenzahl and Secunda 1993; Karrh 1998; d’Astous and Seguin, 1999; d’Astous and Chartier, 2000; Karrh, Frith, and Callison, 2001; Nelson, 2002; Tiwsakul, Hackley and Szmingin 2005; Friestadt and Wright 1994) but not as a direct measure of the effectiveness of product placement. The influence of persuasion on Brand Attitude has only been demonstrated by Russell. Russell (2002) finds that persuasion is enhanced by a congruency between plot connection and modality. Russell, Norman and Heckler (2004) developed a construct of “connectedness” characterizing the degree to which TV characters appear
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as referent others for TV viewers. In this study evidence is found of the effect of connectedness on memory for brand and products placed in the program, but additional research was needed to study these effects at the attitudinal and behavioral level. Russell and Stern (2006) found that consumers align their attitudes toward products with the characters’ attitudes to products and that this process is driven by the consumers’ attachment to the characters of television serial comedies (sitcoms). It should be ensure that absolutely nothing is done to reduce the credibility of the brand under the pretext of creativity or entertainment. In fact, the credibility of the brand should be enhanced after in-film branding, so that the audience gets the brand's core values reinforced and the trust and faith in the brand reaffirmed. (Kapoor 2005)

Balasubramanian (1994) used the attribution theory to indicate the relevance of actor credibility and trustworthiness while using the placed product in a broadcast television programme and feature film. This theory predicts that the persuasiveness of an endorsement advertisement for a product may be adversely affected if the recipient believes that the endorser was economically motivated as this decreases message persuasiveness and is accompanied by insincerity and manipulative ness. Actors are employed by film producers and not by the sponsors of the product being placed in the film. Therefore, they apparently have nothing to gain financially by using the product in the film or broadcast television programme context. This allows the actor to be viewed as a credible and trustworthy source. Film falls into the category of mass communication and this article has therefore concentrated more specifically on products placed in film as a media vehicle with the intention of conveying a specific message, and how film attendees react to these placements. D’Astous and Chartier (2000) explain that the aim of product placement in film is to increase consumer awareness and impact on consumer awareness, preference and intention to buy. Product placement appears as an increasing alternative to traditional marketing communication tools.

Research by Du Plessis and Rousseau (1999:92-93) indicates a relation between product placement and the observation of product usage by actors in a broadcast television programme or film. The classical conditioning theory suggests that a desired consumer response may occur when a product (conditional stimulus) is repeatedly associated with a highly regarded principal actor (unconditional stimulus).
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Product placement permits repetition/reinforcement of the paired association between the product and the principal actor, in a natural fashion.

The modeling paradigm is relevant to persuading media audiences, and it is supported by the social learning theory. This theory maintains that individuals learn by observing others. Consumers identify with the principal actor and “model” their behavior accordingly in order to obtain the same satisfaction the principal actor received from using the product in the film. This experience allows the consumer to understand the “meaning” of the actor’s role and relate it to the placed product while watching the film and when the product is consumed at a later stage (Gupta 2000). When the behavior makes sense, it goes through the people’s minds and then they try it themselves. This process of learning combines watching, thinking and trying. When an actor shows satisfaction from the consumption of a specific product in a film, the audience encounter “model” behaviours that may lead to desirable consequences, as seen from the marketer’s perspective. For example, a film attendee observes an actor in a film quenching his thirst by drinking a specific cool-drink brand. The next time the individual is thirsty, he/she will remember this and purchase that specific brand name to quench his/her thirst too.

Products placed in feature films have a higher credibility than paid advertisements due to their perceived realism. Placing a brand name product within a film gives products an intensified sense of realism (Monkey Junction 2003). Most of the James Bond films portray the character 007 where he drinks Martini as part of the story line. In these scenes the brand name and product are featured within a real-life environment, which enhances the credibility of the product.

Since product placement is an effective communication vehicle for product branding, it is evident that coordination and integration should be a given. A brand can be explained as a name, term, phrase, design, symbol or any combination of these, chosen by an individual or company to distinguish a product from competing products (Bovée, Houston & Thill, 1995, and Klopper 2002). However, marketers in the broadcast industry refer to a brand as being more than that, because it also creates a certain amount of awareness, association, reputation and prominence in the eyes of the average film attendee (Weitz & Wensley, 2002). A good brand, according to
Hoffman (2003), should therefore attract attention, be memorable and help communicate the positioning of the product. The power of a brand lies in what resides in the mind of customers (Keller, 2003). Advertisers and marketers should strive to maintain a positive brand image, as Russell and Lane (2002) warn that the credibility of a brand name is important.

2.4 UNDERSTANDING OF PRODUCT PLACEMENT

2.4.1 Advantages Of Product Placements

De Lorme and Reid (1999) have combined and recognized numerous key advantages and disadvantages for both marketers and film producers when using product placements. Film producers are people who direct and produce the actual feature film. The advantages include the potential to offset movie product costs, reach captive audiences, provide relatively greater reach than traditional advertising, demonstrate brand usage in naturalistic settings, create more realistic film settings, provide relatively cost-efficient communication and offer an alternative advertising media option for alcohol and tobacco products, which are restricted from broadcast television. Belch and Belch (2001) and Fill (2002) put forward a number of advantages of product placements. The advantages of product placements include exposure to the product. Fill (2002) explains that the levels of impact can be high because cinema audiences are very attentive to large-screen presentations. On average, the lifespan of the film is estimated at three years. When this is combined by the video and DVD rental market and television broadcasting of the feature film, it is extended for a much longer period. The frequency of placement in the feature film relates to the manner in which the product is presented or used in the film. It could be repeatedly exposed during the duration of the film. Product placements could also be a support for other media. Source association is another advantage of product placements. When film attendees see their favorite film star using the product, the impact of this exposure could be high. The cost of placing products in feature films may range from free samples to millions of brands. The cost per minute of this form of advertising can be very low in comparison to other media, due to the high volume of exposure it generates. The average recall of products that were placed in feature films showed approximately 38% the next day (Gupta & Lord, 1998, in Belch & Belch, 2001). Bypassing regulations is another advantage of product placements in a
feature film. Product placements allow for cigarette and alcohol products to be exposed, circumventing these restrictions.

2.4.2 Captive or selective audience
One of the mediums in which product placement enjoys prominence is the feature film. Film attendees select a particular film. They book a seat at a particular cinema at a specific time. Efforts to view the film are in most cases planned and motivated. This audience is captured for a given time, where their sight senses perceive almost all the information, due to the darkened cinema. All other senses align with the visual incoming messages. Constant exposure to well-placed products will eventually impact on the cinema attendees. Selective audiences rent DVDs and videos to suit their particular needs. It is argued that certain themes or genres will ultimately suit particular selected audiences. Deliberate product placements to suit these needs will impact on the desired outcomes. In order for a brand to be recognized effectively in a feature film, it should have a reasonable length of exposure and a well-integrated placement.

On the flip side although marketers have inserted their products in movies, studies have found that watching the movie is the primary task for movie goers whereas processing advertisements embedded in the game is the secondary task. That is, the more attentional capacity that needs to be devoted to enjoying the story of the movie, the less will be available for processing brand information.

2.4.3 Disadvantages Of Product Placements
There are also some disadvantages associated with product placements in film. Belch and Belch (2001) highlight the following aspects: high absolute cost – while the cost per minute may be low, the absolute cost of placing a product may be high, pricing some advertisers out of the market. The time of exposure does not guarantee viewers will notice the product. If the product is not featured prominently, the advertiser runs the risk of not being seen. The appeals are limited to source association, use and enjoyment. Unfortunately, advertisers have little control over when and how often the product will be shown (Fill 2002). If product placements are too intrusive, film attendees may develop negative attitudes towards the brand. The appeal of product
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placements has led to increased competition to have one’s product placed. The result of this competition is higher prices and there is no guarantee that one’s product will be placed. Lastly, some products may appear in film scenes that are disliked by the audience or create a less than favorable mood, e.g. drinking Castle Lager beer after a murder. Regardless of the above criticism against the use of product placements as a communication vehicle, there are various reasons why marketers may prefer product placement to traditional advertising or a combination thereof. Some of the reasons include the relation between product placement and product usage by the actors. Another reason is the trustworthiness and credibility of actors who use the placed products in a feature film or broadcast television programme. Advertisers have no control most of the times on the way the brand is portrayed. As there is no possibility to modify the appearance of the brand (because the shooting is already done of course)

Placement may best serve as a means of maintaining visibility and top-of-mind awareness among target markets. Placement may be successful in terms of developing or strengthening brand preference, or viewers might perceive the brand to be endorsed by the star. Two other important media concepts, reach and frequency, are more difficult to quantify. If many people view a theatrical film through any outlet, reach may be high, especially among specific target groups. Generating frequency may be more difficult, unless a film is viewed several times. If a brand is featured more than once in a single film vehicle, frequency can be generated. Other media strategies may offer better frequency opportunities than brand placement. In the case of a television, a product featured in multiple episodes of a series will offer an opportunity to generate frequency.

2.4.4 Risk In Implementation Of Product Placement

However, according to De Lorme and Reid (1999:2) the risks are that advertisers and marketers have limited control over the brand placement process. They include the inability to guarantee the release date or the success of a particular film, the possibility of a brand being edited from the film, the risk of negative or unclear brand portrayal in the film setting, difficulty in measuring effectiveness and the lack of audience selectivity in the film medium. From the risks mentioned above management
can easily identify the obstacles that they may be faced with when working with product placement.

Product placement has been referred to as stealth advertising, yet not all placements are subtle and unobtrusive; advertisers pay to have their brands noticed.

With conventional advertising methods, marketers can demand guarantees regarding audience size (of course, in the case of theatrical films, there are no ratings or other estimates of audience size). Should the vehicle underperform, advertisers can demand makegoods. If a film fails, there may be no similar opportunity. This last pitfall is potentially disastrous if the marketer has built a comprehensive campaign strategy around the film. Similarly, other placement support strategies in the retail and distribution channels are jeopardized if a film does not open as scheduled.

2.4.5 Increasing Importance Of Brand Placement

Advertising clutter, commercial avoidance and the development of new technologies such as TiVo have forced advertisers to look for new and economically viable ways of disseminating their messages (D’Astous & Chartier, 2000; Gupta, Balasubramanian, & Klassen, 2000). Brand placement, the purposeful incorporation of a brand into editorial content, is an example of a potentially successful alternative to traditional advertising. Sears, for example, has integrated a number of their products in the reality series Extreme Makeover: Home Edition and has even been actively involved in shaping the content of the series. This is an example from a television program, but brand placement also appears in movies, games, magazines, books, newspapers, songs and websites. Brands placed in advantageous, natural and credible contexts offer advertisers a unique opportunity to raise awareness of their brands and to add favorable associations to their brands (D’Astous & Seguin, 1999; Karrh, 1998; Scherer, 1990).

Brands like to cut the clutter and be noticed. They try all elements of visibility, including television advertising, outdoor media, radio, and, of course, press advertising.(Kapoor 2005). The “re-invention” of product placement has gained new urgency because consumers increasingly have the technical power to avoid
commercial messages on TV. Consumers are exponentially overwhelmed by commercials, consequently irritated by them (Fennis and Bakker, 2001; Aacker and Bruzzone1985) and trying to avoid them (Woltman Elpers Wedel & Pieters 2003). Consumers were already using frequently the remote control in order to switch away (zapping) from TV commercials. As the convergence of TV and the internet continues at an inevitable pace, consumers will only gain more control over what they see and when they see it (Zutter, 2005; Woltman Elpers Wedel & Pieters 2003). It has become an important alternative to the tired methods of the past, as many consumers have reported negative attitudes towards conventional advertising and often use video technology to avoid advertisements with techniques such as ‘zapping’ (Avery and Ferraro 2000). Indeed the advent of the remote control, VCR, DVR, and expanded television channels from cable and satellite transmission have made it increasingly easier for consumers to avoid traditional advertising messages (Lee and Faber 2007) and the search for alternative channels that can capture and hold audiences’ attention has boomed.

2.4.6 Decreasing Effectiveness of 30 second TV commercials

A Forrester Research’s study of PVR usage by 588 users in the US found that 60% of their time, on average, was spent watching programmes that were pre-recorded or delayed, resulting in 92% of commercials being skipped. Thirty per cent of respondents said they watched no commercials at all (Zutter, 2005). Also in Europe the effectiveness of the 30 second TV commercial is declining dramatically. 78,2% of Germans are irritated by advertising, only 24% actually still watches it (Demin, 2006)

In a recent study in Europe (the Netherlands) the actual viewing behavior of consumers was measured (instead of measuring behavioral intentions). Research results indicated that only 19% of the TV-viewers could be measured as potential viewers of commercials, because TV-viewers not only switch to another channel (which is normally measured by audiometry-measurements) but also stop watching in order to do other things like going to the kitchen, bathroom etc. Since viewers’ attention to TV advertising has declined the last years (Woltman,Wedel & Pieters 2003; Rossiter and Bellman, 2005) major brand advertisers (top 130) responsible for $20 billion in ad spending per year are losing confidence in the effectiveness of TV advertising (Mandese, 2006). According to a survey released by the Association of
National Advertisers (USA) TV Ad Forum on March 22, 2006, more than three out of four advertisers (78%) say they have less confidence today in the effectiveness of TV advertising than they did two years ago. Instead, they are looking at alternatives such as branded entertainment within TV programmes (61%), TV programme sponsorships (55%), interactive advertising during TV programmes (48%), online video ads (45%) and product placement (44%) (Klaassen, 2006).

2.4.7 The rising importance of product placement

The overall value of the global product placement market, including the barter/exposure value of non-paid placements, grew 27.9% to $5.99 billion in 2005, and is projected to expand another 24.3% to $7.45 billion in 2006 (PQ Media, 2006). It is forecasted that global paid product placement spending will grow at a compound annual rate of 27.9% in the 2005-2010 period to $7.55 billion, as product placement growth continues to significantly outpace that of traditional advertising and marketing. The overall value of the worldwide product placement market, including the barter/exposure value of non-paid placements, will increase 18.4% compounded annually to $13.96 billion in 2010 (PQ Media, August 2006). It is therefore not surprising that the concept of product placement is daily discussed, applied, and reported in the world of professional marketers (Russell and Stern, 2006; Levin, 2006; Karrh, Mckee & Pardun 2003). Advertisers are now paying Hollywood studios $360 million a year to feature their products (McNatt and Oleck 2000) and they regard product placement as the most cost-effective and precise method of targeting specified, pre-segmented audiences (Matthes 2007) since it costs less than a 30-second advertising slot at the same time in the television schedule (Wells 1996).

2.5 ETHICAL ASPECTS OF BRAND PLACEMENTS

Brand placement in feature films and other entertainment contexts has been criticized on aesthetic and public policy grounds. Film critics suggest that brand placement compromises the artistic integrity of films. Many contend that films have become little more than elaborate advertising vehicles used by marketers to showcase brands. And, since marketers are more likely to prefer upbeat, positive contexts to promote brands, film exploration of dramatic or controversial material could decline if studios rely more heavily on placement to underwrite film production costs. Product
placement professionals readily admit that the most important placement execution characteristic is the product being portrayed in a favorable light. Product placement agencies carefully distribute their products to studios and production companies with stipulations such as the product not being shown in a negative way or not being used by a "bad guy."

Public policy critics maintain that brand placement is nothing more than subtle advertising, interjecting a commercial message where no message is expected. These critics suggest that the selling message is more powerful, given the relaxed state of the viewer. If a consumer does not expect to be sold, mechanisms for evaluating sales messages might not be activated. Some policy groups have suggested that brand placements be banned or identified in opening or closing credits. The Center for the Study of Commercialism proposed petitioning the FTC (charged with regulating advertising) to force movie producers to run disclaimers acknowledging paid product placements. As of this writing, no identification is required, although filmmakers are free to note placements, if they wish to do so. Another concern of placement critics is the prevalence of alcohol and tobacco brands in films. Current broadcast regulations deny access to tobacco products; alcohol is absent from broadcast TV due to self-regulation (beer and wine do appear in commercial broadcast channels.) Films offer these marketers their only opportunity to portray these brands in a full usage situation. Criticism focuses on imagery portraying smoking and drinking activities as common, powerful or seductive. Also, when films are broadcast on commercial television outlets, brand placements allow tobacco marketers to circumvent broadcasting regulations, thereby exposing the brand and its use to millions of viewers.

2.6 SUMMARY OF PAST RESEARCH INTO PRODUCT PLACEMENT

A thorough review of the literature dealing with product placement research has led to the conclusion that to date, there have been seven major dimensions of product placement research –

1. Content analysis of films, television programs and music videos;
2. Investigation into practitioner attitudes and practices regarding product placement;
3. Research dealing with audience attitudes towards product placement (often with a focus on ethical issues);
4. Analysis of the impact of product placement on brand awareness via recall and recognition tests (i.e. memory-based research using explicit measures);
5. Examination of behavioral impacts such as purchase intention and changes in brand image and brand attitudes (using both explicit and implicit measures);
6. Cross-cultural studies comparing how different cultures respond to one or more of these aforementioned dimensions;
7. Broader exploratory qualitative research

Alternatively, this same research could be categorised into three broader but related strands: practitioner attitudes and practices regarding product placement (1, 2, 7); consumer attitudes to product placement (3, 6, 7); and effects measurement (4, 5, 6, 7)

Practitioner focused research is important because it aids our understanding of practitioner concerns and skills and identifies information shortfalls. Understanding consumer attitudes to product placement is also useful because this can give insight as to whether product placement is viewed in a positive or negative light, which in turn can affect processing. However, research measuring product placement effects is the most relevant to this study as we seek to understand what objectives are feasible, what effects are possible and the best ways to assess them.

2.6.1 Investigating practitioner attitudes and practices regarding product Placement

In measuring and understanding product placement effects, it is important to understand what practitioners believe to be the goals of product placement and what effects they hope to achieve. In the early days especially, decisions regarding what made a good product placement were made on superficial grounds (e.g. portraying the product favorably, price of the placement, theme of the movie) (Karrh 1995; Pardun and McKee 1996; Pardun and McKee 1999). Over time though, Karrh, McKee and Pardun (2003) and Craig-Lees, Scott and Wong (2006) found that practitioners began to think more broadly and considered more factors to be pivotal to a product placement’s success. These included using the brand onscreen, having no competitive
brands appear in the same program, and ensuring that the brand has a natural relatedness to the program content.

However, there still remained a high degree of reliance upon subjective criteria for decision making across these studies, with the results of the Karrh, McKee and Pardun (2003) study indicating only a mild move towards more quantitative measures of product placement effectiveness. Craig-Lees, Scott and Wong (2006) found sales and purchase intention to be the benchmark of success amongst Australian practitioners. These responses raise the question as to what objectives are being set and why effectiveness is being measured in so many different (and potentially unsuitable) ways. Qualitative work by Russell and Belch (2005) offers good insights here. Russell and Belch conducted interviews with 56 American product placement practitioners and found that in many organizations, product placement was not part of the integrated marketing plan, but rather an additional activity, tacked on the side, often with no real objectives of its own, except for gaining exposure or to match competitor behavior. Furthermore, they found that there were no agreed-upon ways to assess product placement’s effectiveness and value (even regarding whether such testing should be done at all), with some focusing on the monetary value of the product placement, some focusing on outcomes such as recall and association, and others simply satisfied with “impressions and/or ego involvement objectives” (p38).

Most interesting however was the suggestion that product placement agencies appear not to advocate any form of measurement to avoid being held accountable for their performances and for fear that product placement does not actually work. Other practitioners believed that the limited financial investment did not necessarily warrant much attention being paid to the returns. This may be an acceptable excuse on an individual company level, but not on a billion-dollar industry level which does need to be accountable. Indeed, as Russell and Belch (2005, p83) state “without knowledge of how and when placements work, the value of product placement in marketing planning is greatly reduced”. Perhaps it is best left to academics to take on this task, if there is too much vested interest from industry to do this (i.e. potentially showing that all this money spent does not have any impact). Therefore, there is a major need to assist practitioners in understanding what objectives and effects are reasonable and explaining how product placement works on an individual processing level.
2.6.2 **Understanding audience attitudes and perceptions about product placement**

How audiences view product placement as a commercial activity can impact on brand attitudes and/or preferences. Although it may not have an effect on the quality of the memory trace during the consumption of a placement, it could affect the global set of brand associations that the product placement produces (Edell and Burke 1987; Holbrook and Batra 1987).

Research has consistently found positive attitudes to product placement, including high levels of awareness and acceptance. As early as 1993, Nebenzahl and Secunda found that 70.1% of their sample had positive attitudes towards product placement, and that these attitudes were more positive than those towards commercials. Furthermore, 77.9% agreed that they would allow product placement with varying degrees of encouragement or restrictions. Morton and Friedman’s (2002) findings echoed those of Nebenzahl and Secunda nearly ten years earlier, confirming that consumers do not want product placement prohibited, and that they are not willing to pay more for a movie that contains no product placements. The only objections to product placement have been made on ethical grounds, with guns, cigarettes and alcohol considered less acceptable than other products, especially to women (Gupta and Gould 1997; Gould et al. 2000). It has also been consistently found that people who watch more movies find product placement more acceptable (Gupta and Gould 1997; Argan, Velioglu and Argan 2007). International research has found that there is general support for product placement across all cultures, especially American (Gould et al. 2000; Karrh, Frith and Callison 2001; McKechnie and Zhou 2003), Turkish (Argan et al. 2007) and Indian (Panda 2004) consumers. Gould, Gupta Grabner-Krauter (2000) found that there was no difference between American, French and Austrian consumers in accepting non-ethically-charged products. Generally however, the Americans found product placement the most acceptable, with the Austrians finding it the least acceptable. Karrh, Frith and Callison (2001) found that there was no difference between the amount of attention paid to product placement by Americans and Singaporeans. However, American audiences were savvier, being more likely to believe that brand appearances in programs were the result of paid advertising efforts. Singaporean audiences had more ethical and regulatory concerns...
about the practice. Similarly, McKechnie and Zhou (2003) found that Chinese consumers were less accepting of product placement than American consumers. Yet unlike American consumers, male and female Chinese consumers differed little in terms of their attitudes towards the placement of ethically-charged products. Argan, Velioglu and Argan (2007) found that there was a favorable attitude towards product placement amongst Turkish moviegoers, but extensive commercial activity in movies was perceived as less ethically acceptable. Finally, Indian consumers were also positive about product placement, describing it as acceptable, frank, amusing and pleasant (Panda 2004) Mediaedge:cia found that in all countries, 16-34 year olds were the most likely to notice product placements and to consider trying the products they see in films. They also (more than any other age group) felt it makes sense to see brands in films (Hall 2004). Furthermore, Nelson and McLeod (2005) found that those adolescents who were more attuned to brands and were more brand conscious were more aware of product placements and were more favourable towards the practice. Adolescents also considered other people to be more influenced by product placements than themselves, especially those peers that they were not as close to (i.e. other classmates as opposed their own friends). Baby boomers have also been found to have a positive attitude, regardless of level of movie going consumption. Any concerns this group had related to ethically charged products or product placement activity directed towards children (Schmoll, Hafer, Hilt and Reilly 2006).

Attitudes to how products are portrayed in programs have been found to be affected by a number of factors. For example, d’Astous and Seguin (1999) found that consumer evaluations of product placements differed depending on the type of program in which they occurred, with evaluations most negative when they featured in a mini-series / drama. In contrast, high sponsor-program congruity led to better evaluations and better ethical judgements about product placement. They also found that implicit placements (i.e. subtle, background placements) were perceived as less ethical than more explicit placements.

Russell (2002) and Panda (2004) found that a high level of congruence between the brand and the storyline was received more favorably by audiences and that when the brand looked out of context or was forced upon the plot, it created irritation among the audience. Panda (2004) also found that the consumer’s evaluation of an explicit
integrated product placement was more positive than that of an implicit product placement and that implicit placements were judged to be significantly less ethical than explicit placements, confirming the earlier research by d’Astous and Seguin (1999). Therefore, we can see that product placement is a widely accepted activity across all genders and ages and people from all countries, meaning that people should be quite receptive to processing product placements and forming positive brand associations. Teenagers are particularly receptive to product placement, however given their potential vulnerability (see Sections 1.2 and 1.7.2), effects of product placement on this group should be better understood. The only consistent concerns relate to the placement of ethically charged products and a dislike of placements that are out of context or too surreptitiously placed.

2.6.3 Past research measuring product placement effectiveness

Considering its use in practice, there has been relatively little research regarding product placement effectiveness. Past research has primarily focused on examining the impact of various executional elements of product placement and can be divided into two groups. The first group, started by the earlier researchers, and which is by far the biggest group, employs explicit memory-based research, generally aided or unaided same-day or day-after recall or recognition (e.g. Steortz 1987; Sabherwal, Pokrywczyńska and Griffin 1994; Babin and Carder 1996; Gupta and Lord 1998; Brennan et al. 1999; d’Astous and Chartier 2000; Law and Braun 2000; Russell 2002; Scott and Craig-Lees 2003; Brennan and Babin 2004; Russell et al. 2004; Scott and Craig-Lees 2004). The second group of researchers have measured effects implicitly (e.g. Law and Braun 2000; Auty and Lewis 2004a; Law and Braun-LaTour 2004; van Reijmersdal, Neijens and Smit 2007). Early studies (e.g. Steortz 1987; Ong and Meri 1994; Babin and Carder 1996) found relatively mild and mixed effects on memory from product placement, suggesting that not all product placements are equally effective. Indeed, the mixed and weak results of these early studies on effectiveness are in part because they generally failed to recognize the multi-dimensional nature of product placement. They aimed to determine how many brands could be remembered and made no attempt to explain why this may be. In doing so, they tended to define product placements as similar, regardless of their modality, prominence, or level of plot connection, and considered all audience members to process placements in the same way. Recently however, there have been some studies that have attempted to
consider these complexities. Gupta and Lord (1998) were the first researchers to extend the product placement literature, by considering the effects of prominence and mode of product placement on recall. In doing so, they demonstrated that some placements were better recalled than others. For example, prominent placements accrued higher recall than subtle placements. Brennan, Dubas and Babin (1999) also concluded that prominent placements were better recognized than subtle placements and determined that prominence accounted for a greater percentage of variation in viewer recognition than that which was explained by placement exposure time. d’Astous and Chartier (2000) also found that prominence enhanced recognition (but had a negative impact on recall).

Research addressing the effect of aural versus visual versus audio-visual delivery on product placement recall and recognition has produced conflicting results. Sabherwal, Pokrywczynski & Griffin (1994) found that audio-visual placements accrue the highest recall, as did Law and Braun (2000) who found that audio-visual placements have the highest recall, followed by visual and then aural placements (although audio placements are better recognized than visual placements). However, Russell (2002) and Gupta and Lord (1998) found that audio placements led to higher recall than visual placements. The role of plot connection and integration has been researched by Russell (1998) and d’Astous and Chartier (2000), and is an important area to understand given that the success of product placement is supposedly grounded in the notion of seamless integration between product and plot. A brand with a higher plot connection contributes much to the story, providing a major thematic element due to its high integration to the story (Russell 1998). d’Astous and Chartier (2000) found that integration of the placement with the plot had a positive impact on consumer liking and acceptance of the placement, but a negative impact on recall. This finding was reinforced by Russell (2002) who found that incongruent placements (i.e. those that were visual and had high plot connection, or aural and had low plot connection) were better recalled than congruent placements. This was particularly the case for visual placements – plot connection did not have significant effects on recall of audio placements. However, like d’Astous and Chartier (2000), Russell (2002) also found that congruent placements led to greater attitudinal / persuasive changes than incongruent placements. The impact of audience characteristics on product placement processing has had limited attention, but the effect of connectedness on recall is one
aspect that has been studied. Connectedness refers to the intensity of the relationships viewers develop with television programs and the characters in those programs (Russell et al. 2004). The authors suggest that the processing and storage of program-specific information will differ between high and low levels of the connectedness construct, with highly connected viewers finding the information in the program to be more essential to their lives than less connected viewers. Highly connected viewers consider the content more important and relevant to their world and may even mould characteristics of their lives to match those depicted in the program, forming relationships with the characters who then become a source of influence, especially in relation to their product consumption. Therefore Russell, Norman and Heckler (2004) hypothesised that as connectedness increased, memory for product placements would improve, and found that highly connected viewers recalled significantly more brands than low-connected viewers. Extending this research, Russell and Stern (2006) looked to answer the question of how characters’ relations to placed products and consumers’ relations to those characters may affect consumers’ attitudes to the product. They found that consumers align their attitudes towards products with the characters’ attitudes to the product, and that this alignment process is driven by the consumers’ extra-program attachment to the characters. This demonstrates the character’s effect on viewers’ attitudes towards product placements, especially when the character’s attitude towards the product is positive. In the one study, Scott (2002) aimed to identify which audience characteristics and which product placement characteristics led to improvements in recognition, and found that pleasure, cognitive effort and star liking had positive relationships with recognition, as did product placements which were visual in nature, had a high amount of screen time, and depicted products that were familiar to the audience. Prior to this research, no single study had investigated so many variables that could impact conscious memory, or considered both audience and executional perspectives. Of particular interest and significance was the concept of movie involvement (comprised of both emotional and cognitive aspects), which was considered in product placement research for the first time. Despite using explicit measures herself, Russell (2002) recognized the limitations of pure explicit memory-based research, stating that the reliance on brand recall and recognition measures presumes that the effects for memory are similar to the effects for attitude, and pointed to the absence of correlations between memory and attitude measures often found in the persuasion literature (e.g. Petty, Cacioppo and Schumann 1983) which suggest that the memory-attitude relationship is not necessarily linear. Since recall
may be a poor predictor of persuasion (Mackie and Asuncion 1990), she suggested that research on the effectiveness of product placements should investigate both memory and attitude effects. Her study supported this contention, showing that conditions that maximized memory did not necessarily maximize persuasion. Whilst incongruency between modality and plot connection improved memory, congruency enhanced persuasion (Russell 2002). However, Law and Braun (2000) were the first researchers to consider using implicit measures to explore product placement effects. In doing so, they found that although placed products were chosen more frequently than products that were not placed, this choice was not found to reliably correlate with recognition or recall. Auty and Lewis (2004a) also found that there was no difference in the product children chose following exposure to a film, regardless of whether they could recall the product placement or not. van Reijmersdal, Neijens and Smit (2007) used implicit tests to look at the effects of product placement on brand image – something that had previously remained unstudied, which is surprising given that brand image change is often mentioned as one of the benefits of using product placement (Karrh 1998; DeLorme and Reid 1999). They found that brand image changed in the direction of the program and that there was no effect of conscious brand memory on brand image. Therefore, without consciously remembering having seen the product placement, exposure to the product placement still affected brand image. These memory results are in line with Law and Braun (2000) and Auty and Lewis (2004b) who showed that product placement effects on brand choice were unrelated to explicit memory. They also indicate that brand image is influenced implicitly, which means that image is influenced without conscious memory of the exposure. In sum, these results support the idea that brand image and brand memory are processed differently, and are in agreement with the evolving view that different measures are needed to estimate the different effects of product placement, depending on the goals of that product placement.

2.7 RESEARCH GAPS

Despite the growth in the practice and the circumstantial evidence of its success, the literature is divided on both the purpose of product placement and its effectiveness. The positivist managerial literature tends to argue that ‘memory based evaluation is an appropriate way to test the effectiveness of product placement because the increased brand awareness is the primary goal of product placement’. Many studies focus on
recall of the brand after exposure to a product placement incident. But this ignores the fact that many product placements appear to be designed to support positioning strategies rather than reach new audiences. Despite the apparent promise of recall measurements there was only a minor 16% increase found in purchase intention. However very few studies were conducted in the Indian context even though the Indian Film Industry on the whole being the second largest in the world.

After reviewing the literature, four aspects of empirical work on product placements are worth highlighting. These have driven the design of this research and justify its importance to the continued development of this research area. Firstly, only a few studies exist, especially relative to the level of real-world commercial activity. Secondly, some of the empirical findings do not converge, meaning that there is a strong need for further validation and generalization. Indeed, because of the relative “newness” of the research area, and the absence of a clear research focus or strategy, researchers have tended to conduct ad-hoc and disparate studies and not made it a priority to validate previous results. Furthermore, inferences about product placement fail to converge not only across empirical studies, but also across practitioner sentiments and insights from qualitative inquiries (Balasubramanian et al. 2006).

Thirdly, much of the empirical research to date concerning product placement has focused only on one or two executional variables (i.e. product placement characteristics) under the control of the sponsor and program creator (e.g. placement modality, prominence). In doing so, these studies have ignored how different product placement characteristics impact on consumer reactions and memory differently and how they interact with each other. Moreover, past studies have also ignored how characteristics of the audience member themselves may make them more or less likely to remember, counter-argue or be persuaded by the message. We cannot assume that all people watching the same program will process the same product placement in the same way. Indeed, product placement effectiveness may well be a function of individual processing styles, engrossment with the program and brand familiarity, but this is yet to be fully explored.

Finally, previous studies generally restrict attention to a few measures of message effectiveness (namely recall), meaning that the research emphasis has remained
uneven across the effectiveness variables that could be relevant (Gupta, Balasubramanian and Klassen 2000), and has often used an inappropriate form of memory test to test for an impact.

What appears to be lacking is a strong conceptual foundation and a clear understanding of the possible effects and viable tools to measure these. There remains no theoretical framework that describes how product placement are processed. Do we know what factors affect the processing of product placement? Does this processing differ between individuals, even those exposed to the same placements in the same program? Do all product placement have the same effects? The answers to all these questions is likely to be no, yet researchers and practitioners have almost blindly run ahead without properly considering these issues.

But there is some evidence of negative attitudes emerging where entertainment marketing practices are not well integrated into the entertainment vehicle, but appear so obviously contrived that they disrupt the entertainment narrative (Barn 2005). Still, it is hard to qualitatively assess the integration of a brand identifier into a piece of media content. This is why the study of how people process brand messages embedded in such entertainment media has emerged as an important research topic in advertising and information-processing literature (Gupta and Lord 1998). However, it is important to note that prior research has focused on memory, equating the recognition and recall with the effectiveness of product placement (Babin and Carder 1996; Matthes 2007). However, some researchers suggest that placement recall might be independent of placement evaluation and attitude (Russell 2002; Vollmer and Mizerski 1994). At the very least, it seems safe to say that there are different cognitive and emotional engagements for consumers with entertainment than with advertising (Hackley 2006) and this interaction is still not fully understood or addressed to satisfaction in present literature.

Yet past studies have generally ignored how audience characteristics (basic demographics) may make people more or less likely to counter-argue or be persuaded by a product placement or impact consumer reactions and memory differently. That limited attention has been given to this area also relates to the lack of a viable framework and suitable tools to test this framework. Whilst Balasubramanian, Karrh
and Patwardhan (2006) have recognized the need to investigate the role of the audience member by including various individual factors in their theoretical model of product placement.

**2.8 CONCEPTUAL FRAMEWORK**

When analyzing the issues concerned with product placement as a communication tool, a conceptual framework has been developed in order to provide guidance when collecting and analyzing data. All of the selected theories have been chosen primarily on their strengths as guidelines for collecting data. The conceptualizing framework is presented in ascending order in connection to the research questions.

According to Maxwell(2005)the main function of a conceptual framework is to present the reader with a conception or model of what is out there, which you plan to study. Justification of the selected research area can also be achieved with a conceptual framework. These are two key factors to take in to consideration when constructing the conceptual framework:

1. The proposed research needs to correlate well with what is already known, meaning that the existing theories need to contribute to the topic.
2. A summarization of previous theories is not the objective in this section in contrary the proposed study should be based on relevant previous work, which gives the reader a clear sense of your theoretical approach to the phenomena that will be studied.

**2.8.1 Conceptualization – Types of Product Placement (RQ1):**

The theoretical literature that is included and used in this thesis for comparing and analyzing the empirical data collection on the types of placements is (Avery and Ferraro’s 2000) theory on the types and tone of program where a product placement is apparent . The benefits of using this theory is that it likewise this thesis has its focus on product placement in television . Moreover , it put emphasis on a broad variety of aspects regarding the issues of product placement :

*Mode of Presentation*

- **Visual**- The product is visually apparent
- **Audio**- The product is mentioned verbally
- **Audio/Visual** - The product is both mentioned verbally and apparent

**Relation to the program**
- The audience becomes deeply involved with the context of the program
- Programs have the ability to create a symbolic value
- Programs have the potential to generate new customers for the product by being convincing

**Tone of program**
- Humorous
- Serious
- Competitive
- Informative
- Science-fiction
- Reality based

**Level of prominence**
- Prominent - Highly visible in both size and screen position and if the product is repeatedly or if it constitute an essential part of the dialogue. It is also considered prominent is central to the action in the scene.
- Subtle - The product may be more difficult to distinguish and to identify.

**Type of pairing with the character**
- Explicit - The product is verbally mentioned by the character
- Implicit - The product is being used, worn or handled by the character.

**Figure: 2.8.1 Factors influencing Memory**

The intention of the placement
- Placed- paid for placement
- Included – non-paid for placement
- Engineered- paid for integrated placement

2.8.2 Conceptualization – Affects of Product Placement (RQ2, RQ3,RQ4)
In order to understand how the persuasive nature of product placement as a communication tool affects the viewers, reliance upon one of the theories previously presented in the literature review will be made. The theories by Russell(2002) have been chosen for further analysis on the basis that they correspond well with my research purpose. Two other factors that constituted have a decisive factor for selecting Russell(2002) is that her study is fairly recent and has a clear focus on product placement in television shows which correlate excellent with our forthcoming data collection (for hindi movies). The results from Russell’s will work as our guideline for describing the affects of product placement:

2.8.3 Conceptualization - Attitude (RQ5,RQ6,RQ7)
- Incongruency – Has a negative affect on attitude
- Congruence-Has a positive affect on attitude

2.8.4 Conceptualization –Recognition (RQ8,RQ9)
- Incongruency- Has no affect on recognition
- Congruency- Has no affect on recognition
- A placement with high level of plot connection or an audio placement has a positive affect on recognition
- A placement with low level of plot connection or a visual placement has a negative affect on recognition

**Figure:** 2.8.2 Factors influencing Brand Recall

\[\text{Involvement} \rightarrow \text{Brand Familiarity} \rightarrow \text{Brand Recall}\]

Gupta, Balasubramanian and Klassen (2000) put emphasis on three theories why product placement is preferred over traditional advertising; the attribution theory predicts that if the viewers believe that the endorser was economically motivated for participating in an advertisement there is a high risk for the product to be attenuated. On the other hand, associating the product with a movie actor in a film or TV-show may increase credibility since they apparently have nothing to gain financially by using the product within the movie context. Second, classical conditioning theory suggests that product placement enables marketers to demonstrate the product in a way that is more natural and less expensive than would be the case with traditional forms of advertising. Third, the modeling paradigm implies that individuals learn by observing others, in other words, when a product demonstrated by a highly regarded actor in a positive way it may lead to desirable consequences of the audience.

2.9 CONCLUSION

The rest of this thesis attempts to address this issue by developing a conceptual model of Product placement processing and ensuring that the factors identified in this model are operational. This study is anchored from the perspective of the individual audience member to show that each individual processes the same product placement differently depending on certain characteristics. This chapter provided an analysis of the current state of product placement research, and has demonstrated that research in the area needs to be continually updated to capture the dynamic nature of the technique and the changing practice in its use especially in Indian context. Several gaps and shortcomings of present product placement literature have been identified, namely the practice’s poor conceptualization and the lack of focus on the role of the audience member in making a product placement successful.