

Product Placement: Does It Lead to Brand Recall among Indian Consumers

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Abstract

The marketers are in constant hunger to promote and reinforce their brand name in the customer's mind. Product placements started way back in early 1950's which is now used as a powerful tool to promote brands within the context of movies, television shows etc. Product placements are clever marketing tactics used to increase visibility of the product, signage, trademark or logo in the motion picture. It should be seamlessly done to create a sense of realism so that the viewer in no way feels disconnected while watching the screen. Conceptually, Alain d'Astous and Francis Chartier (2000) have asserted that product placements are channels which successfully draw attention of the viewers leading to acceptance of the brand placements followed by brand recall while shopping. The paper also attempts to investigate various other dimensions associated with product placements viz; celebrity endorsements, references and emotions which contribute to recall of the brand and therefore customer satisfaction. From a pragmatic viewpoint it may be construed that by understanding influences of various variables and types of product placement, marketers are likely to envisage and plan the actions in leveraging the channel. The objective in the present study is to identify whether product placements particularly influences a customers' decision to increase possibility of purchase by recall.

Keywords: product placement, advertisement, consumer buying, brand recall, customer satisfaction

1. Introduction

Product placement, or embedded marketing, is, according to the European Union "any form of audiovisual commercial communication consisting of the inclusion of or reference to a product, a service or the trade mark thereof so that it is featured within a programme". Product placement stands out as a marketing strategy because it is the most direct attempt to derive commercial benefit from "the context and environment within which the product is displayed or used". However, the Merriam Webster dictionary defines it as "the inclusion of a product in a television program or film as a form of paid advertisement."

The advertisers, today, are facing major challenges in order to establish the brands in the minds of the consumers due to the ever changing mass media. Marketers, therefore have adopted an alternative to advertising, which is through product placement in Television shows, Movies or any another similar form of entertainment. It uses specific platforms to integrate the brands and thereby get the maximum attention in the consumers mind. Change is inevitable with the "on the move" culture of audience who now respond to product placement strategies developed by marketers over the traditional advertising practice. Product placement refers to the placement placing of brand logo, trademark, signage, package etc within a motion picture, music videos and television shows. It efficiently lowers the cost of advertising and also reaches out to larger audiences in a record time. The present study has been conducted to substantiate product placements successfully lead to a brand recall in the consumer's mind during purchase. The impact of product placement is more likely to be noticed effectively since consumers seek entertainment from television shows and movies (almost 50 hours a week). This promotional tool used by marketers has a potential impact on increased awareness and purchase intention.

The study conducted by Nielson product placement valuation cited that the product placement has been found to be as effective as a commercial spot in improving consumer's awareness. Nearly 55 % of viewers felt positive about the brands they could recognize in a placement during television shows, movies etc. The brand

recollection and the attitude towards it were found to be associated with the level of knowledge a customer had with the product.

2. Literature Review

The literature was studied keeping in view the effectiveness of product placement and the factors which influenced the product placement.

2.1 Product Placement

Alain d'Astous and Francis Chartier (2000) have stated that there are majorly three reasons for product placement by advertisers. Firstly, watching movies is a highly concentrated activity. Due to comfortable seating arrangements and minimum external noise decibels and it is bound to have high level of consumer attention. Secondly successful movies have large number of viewers who may be a target audience with ease and efficiency. It is more economical also in terms of costs per viewer. Finally, placing a product in movies is a non - invading, natural and subtle way of entering into marketing of products. It has been observed that marketers, earlier, focused on placement of the product but neglected the consumer response towards it. This failed to realize whether the audience reaction is of happiness/sadness/boredom or excitement. Prior research has revealed that the type of placement (subtle or prominent) and repetition (low or moderate) does impact the judgment of product purchase. Subtle placement has positive a effect where as repetition of prominent products has a negative effect as stated by Homer, Pamela Miles (2009).

2.2 Brand Recall

This is another important factor where the marketers need to make a choice between the complete brands being showcased or a mere mention of the brand name is sufficient for advertising. This depends on the decision whether the memory evaluation can be done for brand recall as postulated by Penchmann and Shih (1999).

2.3 Frequency of Display

Karrh, Frith and Callison (2001); Smit, Van Reijmersdal and Neijens, (2009); Van Reijmersdal (2009). Law and Braun (2000) have suggested that product placement can be categorized into three categories namely the audio, visual and audio-visual mode. The audio is where the clip is played in the background, while visual is where the product sign or logo can be seen whereas the audio-visual in which the audience can both hear and see the product. However, they do include a risk of going unnoticed by the audience in their flow of watching. Overtly usage of this display may annoy the audience and cause negative attitude towards the product.

2.4 Attention

The product should be connected to the theme which would highlight the potential moderating factor for an individual to recollect the brand. Skilful integration of the product, therefore, produces an assimilation effect and thus pulls the viewer's attitude towards it as proposed by Sukki Yoon, Yung Kyun Choi, and Sujin Song (2011). The prominence and perfect integration of the structural elements with the theme alleviates the positive consumer response as suggested by Alain d'Astous, Chemsî Berrada (2011).

Existing literature suggests that the underlying premise is the increase in exposure from a low to moderate level provides higher opportunity to reason out the content of the message, to develop familiarity with the placement, and to examine relevant details and characteristics of the message, thus leading to an improvement in the retention of memory. However, attention should be given at higher levels of exposure as the recipient becomes fully habituated to the stimulus and boredom/irritation and satiation tend to result in message reactance, increased counter-arguing (Cacioppo & Petty 1979), and viewer wear-out (Calder & Sternthal, 1980).

2.5 Acceptance

Researchers have suggested broadly two types of acceptance behavior which influences the buying behavior of the consumers. This includes general acceptance and acceptance concerning the insertion of specific products. Firstly, general acceptance indicates that some consumers consider product placement as treachery and should be restricted from telecasting. (Miles Homer, 2009; Rothenberg, 1991). Secondly, acceptance also depends upon the product that is shown in the movie, with products like cigarettes, alcohol, cars, toothpastes and sunglasses where though the acceptance is high but for ethical reasons there seems to be bias on the showcasing such products (Gupta & Gould, 1997).

2.6 References

A reference concerns recommendation by friends or family about the product placements. Placements are a medium to gain exposure for a brand, and this leads to placements having the potential to be persuasive because

of its implied character endorsements (Babin & Carder, 1996; Smit et al., 2009).

2.7 Emotions

It has been emphasized that emotions seems to play a vital role in the acceptance of product placements. Prior research indicates that there are two types of emotions related to product placements. The types are resonance between advertisement-induced emotions and consumers' incidental emotions. These emotions facilitate message processing. (Petty & Wegener 1998). Movies induce emotional states that are incongruent with emotional states which are for products or brands seen like cars, soft drinks, and other commonly placed categories. However there needs to be a tap on the emotional or cognitive overload which can be a failure for subsequent product placements.

2.8 Celebrity Endorsements

Balasubramanian, Karrh and Patwardhan (2006) have postulated three outcomes of product placement which may be summarised as purchase intentions, brand choice, and brand usage behaviour. However, to enhance the realism of placement in the movie the true efficacy of celebrity endorsements must ensure that these factors ultimately translate into firm value.

3. Purpose of the Study

The purpose of this research is to diverse alternatives to optimize product placements in various mediums. The author also aims to observe purchase and subsequent repeat purchase of brands placed during various programs and to evaluate the product category which gets maximum responses through product placements. The research also endeavors to appraise whether the product placement leads to a better recall. Finally, it intends to assess whether this leads to an increased customer satisfaction.

3.1 Hypotheses

H10: The dimensions of celebrity endorsement, attention to the product, acceptance of the product, emotional connect and the references do not predict buying preference among consumers.

H1a0: There is no significant association between Celebrity endorsement and Consumer buying preferences in terms of product placement.

H2a0: There is no significant association between attention given to the product and Consumer buying preferences in terms of product placement.

H3a0: There is no significant association between acceptance of the product and Consumer buying preferences in terms of product placement.

H4a0: There is no significant association between the emotional aspects and Consumer buying preferences in terms of product placement.

H5a0: There is no significant association between references made and Consumer buying preferences in terms of product placement.

3.2 Research Methodology

The study comprised of preparing a questionnaire for viewers which had various parameters to judge the effect of brand recall and purchase behavior through the placement of products. The survey was done over viewers featuring a variety of demographic and socialization characteristics across Mumbai, India. The study is exploratory in nature and the sample chosen was using the convenience sampling method. The analysis was done using SPSS 14.0. Both Univariate and Multivariate statistics were performed and the authors have also tried to study the model using the Confirmatory Factor analysis. The study was conducted over 104 respondents comprising of 38 males and 66 females. The questionnaire comprised of 39 questions on brand recall through product placements.

4. Results and Discussion

The means, standard deviations for the dimensions of Product placement and consumer purchase intention as presented in Tables 1 and 2 have been found to be comparable to sample means as reported in previous researches. Following the suggestions by Gregory (2000), Nunally (1979) a Cronbach's alpha of 0.70 was set as the criterion for minimum internal consistency. The scale revealed an alpha coefficient of 0.896, (N = 103) indicating good reliability (Gregory, 2000). The data was tested for normality and other assumptions of multivariate data analysis and no deviations were found (Tabachnick & Fidell, 2001).

The internal consistencies for correlations were calculated for the various dimensions of product placement as

reported in Table 1. As is evident, the correlations have been found to be statistically significant. As indicated the inter correlations have also been found to be significant which suggests that the dimensions are all inter related. The correlations for the dimensions of acceptance (0.886), emotions (0.886), and references (0.858) emerged as the most significant. Note, that the R scores range from 0.612 to 0.886. All correlations are positive, supporting the hypotheses. The preliminary results of correlation proved to be the derivation for hypothesis testing. Correlated data suggested none of the variables were so highly inter correlated as to preclude performing a regression analysis.

The previous research as mentioned above has suggested that having appropriate integration of brand can lead to positively influencing the audience. The researchers are emphasizing on the impact of variables like celebrity endorsements in movies in highly saturated market of brands. The subtly placed products are observed to have more impact on audience compared to prominent and repetitive placements. It has been observed that acceptance, attention and emotions regarding product placements are strong predictors in brand recall as per Table 1. Alain d'Astous and Francis Chartier (2000), Pechmann and Shih (1999), Gupta and Gould, (1997). As is evident from Table 1, therefore the Null Hypotheses H1a0–H5a0 are rejected.

As stressed by Alain d'Astous, Chemsî Berrada (2011) and Sukki Yoon, Yung Kyun Choi, Sujin Song (2011) attention and emotions predominantly influences the brand recall. It is also observed that viewers feel positive on watching their favorite brand or product which seamlessly boosts the level of credibility of the movie. Researchers have noted the dimensions like celebrity endorsements which build interest in the viewer to stay glued and recall the logo while purchase.

Table 1. Intercorrelations among dimensions of product placement and consumer purchase intentions

	Mean	Standard Deviation (S.D.)	1	2	3	4	5
Celebrity endorsement	3.003	0.864	0.631**	0.641**	0.765**	0.658**	0.817**
Acceptance	3.359	0.661		0.624**	0.721**	0.835**	0.886**
Attentions	3.216	0.654			0.612**	0.630**	0.848**
References	2.677	0.957				0.762**	0.858**
Emotions	3.064	0.795					0.886**
Preferences in consumer purchase intentions	3.142	0.624					

Note. ** p < 0.01.

4.1 Regression Analysis

The theoretical framework suggests and it has also been proven through correlation that the four dimensions of celebrity endorsement, attention to the product, acceptance of the product, emotional connect and the reference have significant influence on buying preferences among consumers. However, the overall impact of these five dimensions with respect to consumer purchase intention was examined using multiple regressions as reflected in Table 2. The five variables accounted for 99 percent of the variation in consumer purchase intention.

The dimension of celebrity endorsement were found to be significantly associated (standardized $\beta = 0.155$, $t = 10.306$, $p < 0.01$) with consumer purchase intentions. This suggests that consumers are more likely to purchase a product if the endorsement of the brand is by a celebrity whom they like. Further, the dimension of acceptance and attention were found to be significantly associated (standardized $\beta = 0.280$, $t = 16.256$, $p < 0.01$) (standardized $\beta = 0.338$, $t = 26.307$, $p < 0.01$) with consumer purchase intentions respectively. This leads us to conclude that consumers find it correct for a brand to be endorsed within a movie as long as it is placed correctly within it. They are also likely to pay attention if there is a logo or a visual shown and it is well integrated in the storyline of the movie and they are familiar with the brands showcased. Lastly, the dimensions of references and emotions were also found to be significantly associated (standardized $\beta = 0.176$, $t = 10.47$, $p < 0.01$) (standardized $\beta = 0.203$, $t = 11.049$, $p < 0.01$) with consumer purchase intentions respectively. This implies that the consumers would certainly think about it before making the purchase and doing so makes them happy and

gives them pleasure.

Table 2. Regression results

Variable	Regression Coefficient	Standard Error	t-statistic	Sig.	Standard Coefficient
Celebrity endorsement	0.112	0.011	10.306	0.000	0.155
Acceptance	0.264	0.016	16.256	0.000	0.28
Attentions	0.322	0.012	26.307	0.000	0.338
References	0.115	0.011	10.47	0.000	0.176
Emotions	0.159	0.014	11.049	0.000	0.203
Intercept	0.085	0.034	2.484		

Note. $R^2=0.992$, adj. $R^2=0.992$, ** $p < 0.01$.

5. Discussion and Implications

The above results support the hypotheses and tend to incline strongly towards the consumer purchase intentions. Extant research suggests that the consumer purchase intention is strongly influenced by the dimensions of celebrity endorsement, attention, acceptance, reference and emotional connect with the products as discussed earlier in the literature review. They are envisaged to be strong predictors of consumer buying preferences in terms of product placement among consumers. Attention of the consumer has been found to have the greatest impact than all other dimensions. Consumers have been found to be more attentive when the brand has both been shown as well as being talked about during dialogue in the movie (Alain D'Astous & Chems Berrada, 2011). Consumers have been found to prefer watching product being shown through movies rather than traditional advertisements. The acceptances of the product due to the product placement have been found to be relatively high among consumers. Consumers accepted that the brand shown/incorporated during the movies makes it more realistic (Gupta & Gould, 1997). It may be further deduced that consumers tend to remember the brands and think about the advertisements/ movies where they were shown before purchasing the products as suggested by Babin and Carder (1996); Smit et al. 2009. Finally, the marketers should integrate the various dimensions when placing the products so that it leads to a higher recall and thereby increased consumer purchase intentions.

5.1 Managerial Implications

Multiple brands are available for every product. It is imperative for marketers to ensure that the brand visibility of their brand is maintained. Product placements in movies or TV serials is a way for ensuring higher brand visibility which leads to higher brand recall. Higher the brand recall higher is the sales. Managers need to find the way to get the attention of viewers in movie/TV serials which have greatest impact on brand recall. Managers can plan a mix of advertisements including product placement for greater penetration there by resulting into greater degree of sales. Product launch or just making noise before launch of a product can be done by product placement. Managers can create a brand recall in a particular region through regional movie. Managers can cater to a group of customers who speak common language with a customized product through product placement in their language films/TV serials.

6. Conclusion

The bottom line for all this product-placement fever is for brands to find ways to cover the loss of viewers who skip commercials with their remote controls or, more ominously for advertisers. There should be a control over skipping an advertisement and other promotional placement strategy by the Minister so that the viewer doesn't have a choice to omit and play the recorded content. The visibility of the product and interweaving of the product with the story line is a must for effective branding. Because of not too less ads and not to more clutter the sales of the brands are bound to rise. The culture and demographics play an important role in making a purchase decision. Thus it varies individually and a different strategy has to be adapted to various segments.

6.1 Limitations and Areas for Future Research

The present study has all the limitations found in a cross sectional study. However, the strength of the study lies in the fact that it went beyond the studies earlier conducted in this area and have looked at other dimensions which are significant in the Indian context. The authors have also not looked at the effects (if any) that may occur owing to demographic variables. Certain studies have focused on the ethical aspects of product placement

which the researcher has not measured in the present study. The authors opine that this may lead to certain significant consequences which may add a novel perspective to this area of research. Going forward, however, we see two important research agendas. Firstly, research should help us know the outcome of diverse cultures that may have sufficiently increase or decrease the consumer purchase intentions due to the product placement. Secondly ethical considerations could be looked at as an imperative aspect towards product placement.

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