



Product Placement and its role in customers purchase behaviour

Dr. Sushil Raturi

Professor, Department of Fashion Management Studies, National Institute of Fashion Technology, Mumbai, India

sushil.raturi@nift.ac.in

9820024791

Abstract

Indian market is filled with multiple brands in different product category. The brands have been making their strategies revolving around 7 Ps of Marketing, of which one of the P is promotion. Traditionally advertising has been a major force in Promotional activity of brands but the brands have realized that customers want something more than advertising. The studies on buying perception and attitudes have found out that customers are looking for an emotional connect and experience with Brands. Product placement which is the integration of brands in a content as background has been emerging as one of the promotional strategy for the brand. Multiple studies have been done in the area of Product placement as strategic tool. But their influence on customers purchase behaviour with reference to a particular demographic characteristics in Indian context have not been found. The researcher realizing a gap of knowledge attempted to study and bring out the influence of Product placement on customers purchase behaviour. Through this paper, the author attempted to fill this knowledge gap by studying data of 1100 respondents interviewed during 2021. The data collected using scientific method of data collection and analysis concluded that the Product placement role was limited to creating awareness, giving information and knowledge to viewers about the brand but was not found to be influencing viewers emotional attitude, intent to purchase and actual purchase.

Keywords: Product placement, Buying attitude, Cognitive attitude, Emotive attitude, Conative attitude, Purchase intention.

Introduction

This research paper, written with the purpose of understanding the concept of Product placement and its influence on viewers buying attitude, explored literature related to the subject. This section brings out review of literature related to Product placement. The research works of large number of researchers were studied and the same has been summarized below.

Koch & Andersen (2009) defined traditional advertising as marketing communication which is one-way, persuasive like TV commercials, advertisements in print media, radio advertisements, web advertising. It was further pointed out that due to stiff competition between brands regarding advertisements bombarded on customers, brands felt to have a unique promotional strategy.

The brands started with Product placement as a unique way as part of their promotional strategy. A promotional tool wherein a brand name, product, package, signage, or other trademark merchandise is placed /shown or used in a motion picture, television, or other media vehicle for commercial purposes. In product placement a product is placed /shown or used in a movie or television show in exchange for payment of money (Gupta & Gould, 1997). First traces of Product placement were seen in the nineteenth century when Jules Verne published the adventure novel "Around the World in Eighty Days" (1873). His fame had led transport and shipping companies to lobby to be mentioned in the story. One of the earliest example of Product placement in movie is The Garage a 1920 American silent comedy film which featured the logo of Red Crown gasoline in several scenes.

In the last few decades, the initial practice of product placement has matured and become more sophisticated. The first traces of Product placement can be found in film industry in the United States at beginning of the 1930 where Product placement began with the appearance of a UK soap manufacturer, Lever Brothers, in a French film in 1896 (Newell, et al., 2006). With launch of television in the 1950s, brands started placing themselves in this new platform. During this period a total of 18 Programs were sponsored by brands after their names (Hudson & Hudson, 2006). The concept was taken seriously only during 1970s, when sale of Reese's candy grew by 65 percent within a month of it appearing in the movie "The Extra-Terrestrial by Steven Spielberg" (Tsai, Liang & Liu, 2007).

During 1980s it was treated as 'hybrid forms' of promotion and defined it as a paid form of including products in films or television programmes to influence audiences who do not explicitly identify with the sponsor (Balasubramanian, 1994). Patil and Bisoyi (2012) reports that the practice of placing brands in Bollywood films for money began in the late 1990s.

Panda (2004) defined Product Placement as the process wherein the involved audience gets exposed to the brands and products during the natural process of the movie, television program, or content vehicle. Stephen and Coote (2005) explained about Product placement that though this is riskier than traditional form of advertising but it is becoming common and preferred tool of brand promotion wherein products and brands are placed in various

media like TV, films, video games, radio, internet, to name a few. Kiley (2006) found out in his research that more than 60% of viewers of TV skip commercials or surf channel as the commercials are irrelevant to them. A study by Mackay, Ewing, Newton, and Windisch (2009) indicated that due to emergence of large number of media players and format of media; product placement is emerging as an effective and efficient way to reach out to customers. In 2009, a study by Smit, van Reijmersdal, and Neijens observed that companies consider product placements as future of advertisement in Television. According to Falkow (2010), in product placement a company or advertiser produces some content to seek attention of viewers with an intention to sell products of their company. Ginosar and Levi-Faur (2010) defined Product placement as the purposeful incorporation of commercial content into non commercial settings, that is, a product plug generated via the fusion of advertising and entertainment. Product placements are often initiated through an agreement between a Brand and the Production house in which the production house receives economic benefit.

There are three types of Product Placements

- i. Visual Dimension : Brands or its logo are shown in a shot at the background or character using or consuming the brand
- ii. Auditory Dimension: The character is heard mentioning the name in a dialogue or song or any other form of content
- iii. Plot connection : The brand is an integral part of the storyline and is weaved in the content

The current paper attempts to bring out influence of Branded entertainment on viewers buying attitude. According to Kozary and Baxter (2010) attitude comprises three dimensions :

- Cognitive stage: When a person is exposed to information, mental processing occurs. This mental (thinking) process leads to awareness and knowledge about the communicated brand. A person through cognition becomes aware of the brand.
- Affective stage: A person responds to the brand emotionally and associates the brand with his or her feelings. At this stage, emotive attitudes toward the brand are formed.
- Conative stage: Concerns behavioral actions that a person engages in, such as buying or talking about the advertised brand. Once this attitude is developed, the customers intent to purchase is developed and eventually the actual purchase happens.

In the above sections of the literature review the researcher has brought out the concepts of Product placement as a modern tool to promote brands, how has it evolved and has also summarized on the three attitudes of customers buying behaviour. The review of literature above brought out through various research work done by researchers have clearly pointed out importance of Product placement and some researchers have also established relationship between Product placement and attitude towards purchase.

In the next section the researcher has brought out objectives and methodology followed by analysis and business implications of the outcome.

Research Objective

To study role of Product placement on customers purchase behaviour

Hypothesis

On the basis of research objectives hypotheses were formulated which are as:

H1: There is a significant positive influence of Product Placement on customers Cognitive attitude .

H2: There is a significant positive influence of Product Placement on customers Emotive attitude

H3: There is a significant positive influence of Product Placement on customers Conative attitude

Methodology

The study was conceptualized in March 2021. The data collection was done during May -Sept. 2021. Primary Data was gathered using Online Personal Interview as a mode of data collection using structured questionnaire .The major source of secondary data in the review of literature were research papers published in National and International Journals. The sampling type for the viewers' was Non Probability Sampling method. Within Non Probability sampling method, judgmental sampling method was used. The sample size for viewers' survey was 1200, of which after editing 1100 responses were processed for analysis. The sampling frame comprise of individual male and female in the age group of 15-60 years, residing in metro cities and are in the social and self esteem needs of Maslow Hierarchy of needs. The Primary data from viewers were collected from Delhi, Mumbai, Chennai, Bangalore and Hyderabad as per Table 1 below.

Table 1: City wise Sample size for Viewers survey

S.No	City	Number of respondents
1	Delhi/ NCR	350
2	Mumbai	300
3	Bangalore	250

4	Chennai	100
5	Hyderabad	100
	Total	1100

The researcher has used structured questionnaire with close ended questions, Likert scale questions and respondents profile in terms of demographic , geographic , psychographic and behavioral characteristics. After developing questionnaire and before starting the survey, a pilot test was conducted to find out whether respondents are comfortable to answer the questions. It was also tested to see if they understand the questions in terms of language and technicalities. The pilot testing was done by interviewing 45 viewers whose profile matches with the profile of the respondents who were in the sampling frame of the research study. On the basis of problems found out while filling the questionnaire, changes were made and a final questionnaire was prepared for the Interview. The data analysis was done using frequency table, means and t test using SPSS 18.0 Version.

Analysis

The viewers perceptions were studied to determine influence of Branded Entertainment on their Cognitive attitude, emotive attitude and Conative attitude. The opinion of viewers was sought using five point Likert scale. The analysis of the opinions of the respondents on these five attributes is presented in Tables below .

The frequency data is presented in Table 2 to Table 4.

Table: 2 Influence of Product Placement on Viewers Cognitive Attitude

	Frequency	Percent
Strongly Disagree	180	16.36364
Disagree	156	14.18182
Neutral	131	11.90909
Agree	332	30.18182
Strongly Agree	301	27.36364
Total	1100	100

The table 2 clearly indicates that 57% of the respondents are in agreement to the opinion that Product placement influenced their cognitive attitude .

Table: 3 Influence of Product Placement on Viewers Emotive attitude

	Frequency	Percent
Strongly Disagree	314	28.54545
Disagree	317	28.81818
Neutral	141	12.81818
Agree	165	15
Strongly Agree	163	14.81818
Total	1100	100

The table 3 above shows that around 30% of the viewers indicated that Product Placement influenced their emotive attitude and 57% did not accept that Product Placement was able to influence their emotive attitude.

Table: 4 Influence of Product Placement on Viewers Conative Attitude

	Frequency	Percent
Strongly Disagree	315	28.63636
Disagree	351	31.90909
Neutral	196	17.81818
Agree	121	11
Strongly Agree	117	10.63636
Total	1100	100

The table 4 above shows that only 21 % of the respondents felt that their Conative attitude was influenced by Product placement and a large 60% felt that the product placement was not able to influence their Conative attitude.

The discussion of frequency tables above clearly indicates that the influence of the product placement was limited to influencing viewers Cognitive attitude but could not influence their emotive and Conative attitude .

The above result was also tested using Mean values of the opinions. The scales used were 1 to 5 (where 1 is strongly disagree, 2 is Disagree, 3 is Neutral, 4 is Agree and 5 is Strongly Agree). A mean value above 3 indicates that the opinion is averaged towards the agreement on the opinion.

The following table indicates mean values

Table 5: Customer perception –mean value

Statements related to Influence of Product Placement on Viewers purchase behaviour	N	Mean	Std. Deviation
Product Placement influences customer cognitive attitude	1100	3.83	1.54
Product Placement influences customer emotive attitude	1100	1.61	1.61
Product Placement influences customer conative attitude	1100	1.112	1.22

As can be seen from the table above the product placement influencing Customer Cognitive attitude has shown mean value above 3 which indicate agreement of the respondents to the statement that the product placement influences customer cognitive attitude. While in two cases the mean value is below 3 which indicate disagreement of the respondents on the two statements i.e the product placement influences customer emotive attitude and the product placement influences customer conative attitude.

The opinions were finally tested for significance. To test the opinions for the significance, the following hypothesis were used.

H1: There is a significant positive influence of Product Placement on Viewers Cognitive attitude .

H2: There is a significant positive influence of Product Placement on Viewers Emotive attitude

H3: There is a significant positive influence of Product Placement on Viewers Conative attitude

Table: 6 T test for viewers perception of influence of Product Placement on Viewers Buying

Test Value =3			
	T	Df	Sig. (2-tailed)
Product Placement influences Viewers Cognitive attitude	11.271	1099	.000
Product Placement influences Viewers Emotive attitude	-11.315	1099	.013
Product Placement influences Viewers Conative attitude	-12.709	1099	.000

Results

On the basis of the T test results above in Table 6 , the following can be interpreted for the hypothesis.

- There is a significant positive influence of Product Placement on Viewers Cognitive attitude in Pre COVID-19 era
- There is a no significant positive influence of Product Placement on Viewers Emotive attitude in Pre COVID-19 era
- There is no significant positive influence of Product Placement on Viewers Conative attitude in Pre COVID-19 era

Thus it can be interpreted from the results above using frequency , means and T test results that the product placement was reported to be significantly influencing viewers cognitive attitude but was not reported to be influencing viewers emotive and conative attitude.

Discussion and Conclusions

In this study, the influence of the product placement on viewers Buying attitude was examined. The lack of research about the influence of the product placement on viewers Buying attitude in context of Indian retail Industry and the interest for the topic led the author to undertake this study and develop research paper.

The author reviewed the research work done by various researchers in this area and compiled the same in the form of review of literature. On the basis of review of literature, the gap was identified and research objectives ,

hypothesis and research methodology were formulated. This was followed by primary data collection where customers were interviewed through structured questionnaire to capture their perception about the product placement influence on purchase behaviour of customers.

The findings brought out that there is a significant influence of the product placement on viewers Cognitive attitude and no influence on viewers emotive and Conative attitude .

The actual purpose of the product placement will not be achieved until emotive and Conative attitude is influenced. The retailers need to strategize their the product placement strategies in such a manner that it is so impactful that it not only drives viewers intent to purchase but they actually purchase.

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