

Effectiveness of product placement of cars



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Product placement is a marketing tool where a product is put into a movie scene where it is heard or seen, or its brand name heard (Lehu and Bressoud 2008). This marketing practice has since mushroomed in movies. The communication potential of product placement in the movie is considered as a feasible and attractive branding method (Cowley and Barron 2008).

As a marketing strategy, product placement has been regarded for its advantages such as a “ captive audience” (Cowley and Barron 2008); “ lack of clutter” (Belch and Belch, as cited in Lehu and Bressoud 2008); and “ exposure, frequency, support of other media, source association, cost and recall such as other advertisements” (Belch and Belch, as cited in Lehu and Bressoud 2008, p. 92).

Among the very first industries to use product placement as a marketing strategy has been the auto industry. Car makers were among the first to use the technique because of the potentially very large audience for a low cost (Parrish, as cited in Cowley and Barron 2008). For the year 2007 alone, total spending for product placement reached \$2. 9 billion in the United States, with the car and apparel industries claiming the biggest chunk (Pope 2008).

British luxury carmaker Aston Martin has been in the business since 1914 and is known for its high-profile product placements in popular films. Aston produces high-end and low-volume cars that fit the company’s image of sophistication, elegance, credibility, and glamour. The company’s marketing strategy has been closely associated James Bond films. Its relationship with the Bond franchise has been one of the most popular partnerships and has contributed to the company’s image worldwide. Starting with Sean Connery

in the 1964 Bond installment “ Goldfinger,” Aston has sustained its product placement strategy with the most recent placement of Aston Martin DBS for the 2007 film “ Casino Royale” (Superbrands 2009).

Studies have suggested that product placement boosts brand recall and promotes greater brand exposure for a product. In a study by Delorme and Reid (1999), product placement appeared to have influenced the audience to develop familiarity and a sense of belonging associated with the brand shown in the movies. The study also concluded that the context in which the brand appears in the movie is also important for brand exposure and that young people are the most susceptible for product placement. DeLorme and Reid (1999) said that, “[They] had grown up with much more marketing and advertising... therefore, they expect to encounter brands... in present day movies” (p. 83).

Another study also examined what forms of placement are most effective in boosting brand recall (Sapolsky and Kinney 1994). The researchers found that a combination of visual cues and verbal references to the brand in the scenes of a movie are the most effective and also the most expensive placements. Brand recall is also high when a product appears jointly with a major character or the star in the film and provides it with greater visibility.

Companies that have used product placement have reported a boost in sales after movie releases. For instance, Reese’s candy experience an escalation of sales by 70 percent when the movie “ ET: The Extra-Terrestrial” after the blockbuster movie was released. Reese’s candies were featured in several scenes in the movie. BMW AG also experienced a spike in profits as

customers decked the showrooms after the release of the 1996 Bond installment “ Golden Eye” featured its Z3 roadster (Pope 2008).

Determining how effective product placements are has been a focus of a study by Morton and Friedman (2002). The researchers explained that the brand performance of a product as a result of product placement strategy could be measured according to different variables: revenues, sales or hits at the official company website. The authors suggest that product placement is an effective type of product promotion. Audience receptivity as a result of product placement is key to achieving sales or profitability objectives or not achieving them entirely. Marketing practitioners and executives should ensure that product placement results to the reflection of greater profitability outcomes.

Furthermore, researchers have also concluded that the role of marketing executives is to obtain access to opportunities for product placement and guarantee that the appearance of the product works synergetically with the company’s image and market positioning (Morton and Friedman 2002).

Research Question and Research Objectives

This study aims to investigate how product placement is as a marketing strategy in Aston Martin and evaluate its effectiveness. The central research question for the proposed study is: How effective is product placement as a marketing strategy for luxury carmaker Aston Martin?

There are specific sub-questions to the main question, to wit:

How is product placement used as a marketing strategy at Aston Martin?

What are the perceived benefits of product placement as a marketing strategy?

Is it an effective marketing strategy in terms of a) producing brand and company awareness; and b) generating sales for the company?

The objectives of this study are:

To trace, identify, and describe product placement in the company's history since it first placed Aston Martin DB5 in the 1964 James Bond film "Goldfinger" until present.

To gather the perceptions of the marketing practitioners at Aston Martin on the benefits of their choice of marketing strategy.

To gather the perceptions of the marketing practitioners on how placing Aston Martin cars in movies offers competitive market positioning for the company.

To collect information on revenue and sales of Aston Martin cars as a result of product placement.

Philosophy of the Research Design and the Methodology to be Used

This study will be a qualitative case study research in design. This study follows the qualitative tradition of research and will be guided by a detached social constructionist approach. Qualitative research is characterized by an open research design that is suitable for studies which are small-scale in scope. The social constructionist perspective " views the social as the

process of articulating individual selves and the world. It is a challenge to the primacy of the individual, in effect, placing relationship, the social, as prior and primary” (Stacey 2001, p. 51).

This study proposes the case study methodology, which is “ a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson 2002, p. 178). The phenomenon to be investigated for this study is product placement as a marketing strategy and how it contributes to positive profitability outcomes. The researcher in a case study uses multiple sources and methods (Yin 1994).

Following the multi-method focus of qualitative research, this study proposes to utilize primary and secondary sources of data. Primary data will be gathered by interviews with marketing executives of Aston Martin. Interviews will be necessary in order to understand the reasons behind their decisions on marketing strategy as well as their opinions on how marketing strategies are effective in fueling company growth. Moreover, interviews provide the opportunity to obtain answers by allowing interviewees to explain and build on their responses. Secondary data will be used to triangulate primary data sources. Among the targeted sources of secondary data will be company revenue statistics, company documents, archival material, and news articles that could verify and elaborate on the responses in the interviews.