Research of effect of product placement in different movies research proposals ex...

Business, Marketing



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- CHAPTER ONE

#### 1. 1 INTRODUCTION

Product placement is advertisement done through various forms of media. At times, it appears as straight forward where consumers see the product, its price and its use. The practice has been commonly been used in movies. It is currently easy to pinpoint product placement in various movies. This paper seeks to explain how product placement has been developing overtime, how it has been used in various movies and its benefits. It shall also seek to ascertain whether product placement and response from customers is affected by movie genre.

#### 1. 1. 2 Background

Product placement first came into the public consciousness in 1982

Spielberg's movie popularly known as Extra-Terrestrial (ET). It was in the movie that product placement was born. Through the movie, sales of Reese's Pieces were amplified intensely. Currently, product promotion is valued at \$

1. 2 billion annually. Prior to ET, product placement was a sophisticated subbusiness practice that to date, it is bringing revenue of about \$ 1. 9 billion annually. However, it can arguably be seen that the practice actually started in the mid 1890s with the after the birth of motion pictures projection. The term product placement first came into trade use in the early 1980s (Newell, Salmon & Chang, 2006).

Over the years product place has been growing successfully and many businesses have used it as a marketing tool. This can be attributed to the success that has been witnessed in intermixing commercial and artistic endeavors (Lehu, 2007). Movie directors have perceived it as a cost sharing initiative that has consequently reduced the cost of producing movies since it appears like a cost sharing strategy. The exploration made for this thesis is necessitated by the fact that of product placement is becoming a very prevalent way to advertise and it needs to be well comprehended so that it can effectively be used in marketing. The other motive is to ascertain the best ways of product placement so that forthcoming product placements can be done more effectively (Newell, Salmon & Chang, 2006). Additionally, this research elucidates the progress of mass media business justifications for product placement.

### 1. 1. 30bjective of the study

# General objective

The fundamental goal of the research is to determine product placement has been used in various movies and how both directors and viewers benefit from product placement.

## **Specific objectives**

- 1. 1. 4 Research questions
- What are some of the movies that have effectively used product placement?
- What are the most beneficial types of product placement in movies and what are the motives behind its use?
- What are the effects of product placement on sales revenues?
- 1. 1. 5 Scope and limitation of the study

I will engage in a participant-observation over a period of two weeks and will basically interview regular movie watchers or persons who are exposed to mass media (Lehu, 2007). The interviews will be structured so as to provide quality reliable information as per the required standards. However, it will not go into the costs associated with product placement. Participants' attitude towards product placement shall also not be within the scope of the paper. However, it shall concentrate on a small sample population due to financial and time constraint.

- CHAPTER TWO
- LITERATURE REVIEW

Different studies have conducted to show the effect of product placement in different movie types. In 1896, the first brand placements in movies came about. The movies that showed the product replacement included the washing day in Switzerland and the parade of the 8th Battalion. These two movies advertised the Sunlight soap product which had been manufactured by a U. K based company. The individual who I regarded as the father of product placement in movies is known as Thomas Edison. The man was

popularly known because he was a prominent business man and a great inventor. Edison introduced product placement by utilizing the short films in the freight trains which advertised the products of his company (Tan, 2008). He also went ahead to advertise any products of the companies that he cooperated with so that he could boost the sales of his products.

The great inventor started by introducing the use of banners and posters which were joined to the trains. This made his products well known to the people since many of them realized that certain products existed. A large population used the railway means of transport and hone could find long queues when people went to purchase for tickets (Cordoba, 2010). At the end, Edison had advertised his products in more than fifty movies of which mostly were shot in the United States. In his films, the companies and manufactures of the products that were advertised took full responsibility to finance the production of the films.

After the 1st brand placement in movies, the trend is changing on a very high note. There is no a specific way to rate the success of product placement in movies but in 1934 a lot had changed. The movie known as, it happened in one night, introduced a very unique strategy. Clark Gable was a character in the movie and the fact that he was not in an undershirt, the plummet sales declined countrywide. This was the first significant change to be realized in the sales gathered after selling products. The Walt Disney productions started to sell products in 1991 and it used its images for the purpose of marketing of the products. In the Year 1945, the first movie star engaged directly in an advertisement (Felber, 2004). Joan Crawford was the first movie star to get involved in product placement and this was seen in a

movie known as Tie-in Advertising produced in 1951. She was advertising a drink known as Jack Daniels Liquor and this sent a message of awareness to many viewers.

The E. T movie has recorded huge achievement by popularizing Hershey's Reese's Pieces as sales increased by 66%. Despite the fact that The E. T movie went ahead to advertise the Audi 5000 and Coca-Cola products, there was no much success associated with these products. Reese's pieces recorded the increase in sales since they had not been known before like the Audi or Coca-Cola Company (Felber, 2004). This movie is regarded as one enlightened the world to realize the benefits that accompanies product placement in movies.

The movies that are associated with James Bond also indicate aspects of product placement. Despite the fiction that lies within the movies, it is evident that a lot of products including GM models, Sony, BMW and Omega Watches are advertised in his movies. There is a section where James Bond drives a Ford Mondeo at the same time using a Sony Erickson phone. This movie really emphasized on product promotion compared to the rest (Cordoba, 2010).

The island movie was so controversial since it presented a lot of products and it was clear that the storyline was not worked on. The products advertised included Nokia, Puma, Adidas, NFL, Reebok, Calvin Klein, Aquafina and Mack Trucks (Tan, 2008). The brand placement in the island movie did not succeed as the viewers were disturbed by different appearance of the products. The movie faced a lot of critics and it affected the entertainment scenes because of its idea of creating a bad image in product placement.

Directors began to make their movies closer to reality in the 1960s. This was achieved by placing the actual product brands and advertisement banners or/ and images in the movies. Due to the economic benefit that was realized from this placement, it became the new trend and way of advertising. The leading studio owners recognized product placement as a way of subsiding the production and advertising costs during the movie making and marketing process. The financial struggle in the 1970s increased the rate of using product placement as a source of income for the movie studios. This was further encouraged due to the decline in film tickets and high budgets. The rise of candy by 65% over a period of three months due to the placement in Steven Spielberg's e. t: The Extraterrestrial and Hershey's Reese's Pieces, made marketers realize the potential of product placements and made them seek for the same. The product placement effectiveness encouraged Hollywood to incorporate product placement which was met by a growing line of corporate market suitors on the wait. Since the use of product placement in the movie E. T: The Extraterrestrial, the product placement has experienced a lot in the movie industry. The production of movies with product placement has evolved a lot though most of the placements have remained the same in the way products are implemented in them. Currently, product placement is a routine in every movie studio which means that most movie studios are incorporating some product placement in every movie they produce. It is important to note that the placement can be as small as a Coca-Cola bottle or as large as a cruise ship or a football team (Felber, 2004). It is evident and true to say that product placement is visible in all media that surrounds us. Product placement has become important in

the existence of the current movie industry. A fact is that, product placement movies were the first movies to be made and from them there emerged the current movies; especially the plot and the storyline in the modern movie industry. For that case, the consumer, who's the most beneficially, should be thankful for the first product placement movies.

Products that combine each of the James Bond movies together are the gadgets and watches used in the movies. However, the cars which have been driven by either James Bond or his Nemesis are also another example of t products. There is no any difference in the movies Casino Royale or Quantum of a Solace. Brands such as Sony, Ericsson, Aston Martin, Alfa Romeo 159, Omega Watches, Range Rover Sports, Sony Computers and Ford are promoted in the two James Bond's movies mentioned above. The Quantum of Solace features two models of Ford the Ka 2009 model and Edge Hydrogen of the same year (Cordoba, 2010). However, the movies had many product placement which are not shown clearly thus not visible by the viewer. Despite the name of the product not being mentioned, the logos and symbols makes the viewer identify the products. The placement of the products in the movie is not disturbing but r5ather to make the movie more realistic. The movie, Quantum of Solace, had the largest budget in the bond's movie as also can be seen in various products placements. In the movie transformers of 2007, products placed in the movie were eBay, Panasonic, General motor's vehicles, Apple, Hewlett-Packard, Mountain Dew as well as Nokia which in a scene is said to originate from Japan but it is quickly corrected to originate from Finland. In general terms and observation, the movie contains big amount of product placement since all

the main characters are car that already exist (Zillmann, 2000). The second Transformer movie features products from Suzuki, Audi, General Motors, LG, Garmin and Panasonic. However, these products are used in advertisements rather than being included in the story-line. The most disturbing scenes are the scenes with LG products; they can be seen in more than one scene either as television screens or mobile phones. However, the viewing experience is much more interesting due to the special effects as well as the scenery. The products in this movie were successful in promoting the new car models and the electronic products in them.

- CHAPTER 3
- . RESEARCH METHODOLOGY

#### 3. 1. 1. Introduction

The chapter is structured to discuss about the design, research population, sampling technique, data type and source, collection of data, survey instruments and data analysis and ethical issues involved in the proposed research.

#### 3. 1. 2. Research design

This field expounds on the details of the design that is used while carrying out the research and the procedures to be followed while carrying out the research (Johnson, 2008). The key objective of the research is to determine the impact of product replacement in movies and the relationship between levels of product in the movies and their difference in brand attitude before and after watching the movie. In order to be able to gather sufficient primary data, an exploratory research design will be applied. To derive secondary data a descriptive survey will be used.

The descriptive research will be effective in developing factors that are linked with particular occurrences and incomes. The respondents were movie viewers who freely opt for one in all the eleven movies designated in one in all three movies rental retailers within the region. The sector for our study was Paris. The form was administered once they came back the optical disk, the day once that they had watched it (Cunningham, & Johnson, 2012). Compared to a moving picture seen in an exceedingly theater, DVDs build it easier to gather information and record the approach placements area unit dead so as to outline their characteristics.

All people returning DVDs of 1 of the flicks designated for the study in one in all the 3 video rental retailers were consistently asked to answer the form. They were asked to require half in an exceedingly study on the moving picture that they had simply came back, while not being told that it absolutely was regarding complete placements. A complete of three, 532 people, or quite 300per moving picture, united to participate. Every individual was asked regarding only 1 film so as to limit the testing impact that may diminish the already fragile internal validity connected to abroad study in real exposure conditions (Cunningham, & Johnson, 2012). owing to the characteristics of the video retailers designated their neighborhood location and therefore the interest of the analysis topic, solely six people refused to require half within the study, speech that they had no time (Johnson, 2008).

## Questionnaire

Product placement questions

- How old are you?
- [A] At Least Eighteen years
- [B] Eighteen To Thirty Five years
- [C] Above Thirty Five years
- Are you a male or female?
- [A] Male [B] Female
- What do you do for the living/occupation?
- What type of movies do you prefer to watch in your free time?
- [A] Action [b] Comedy [c] romantic [d] Thriller [e] Animation
- Have you ever watched a movie with product placement?

## Yes [ ] No [ ]

- If yes, how many times?
- Please circle all the items that you have observed when watching any movies

## Audi Mustang Pepsi Nokia NFL

BMW Adidas Coke products Calvin Klein Reebok

Chevrolet Bell gap Heineken Aguafina Ameritech

Ford Mack Trucks Fruit of the Loom

- If there are any other brands that you are popular with when watching movies and are not listed above, could you kindly right them down here [A] [b] [c].... [d] [e].
- When James Bond was driving and using a mobile phone, what brand of the

phone was he using?

[A] Sony [b] Nokia [c] LG [d] Samsung [e] Blackberry

- Have you ever purchased a product because of watching it in a movie?

  [A] Yes [b] No
- How do you feel after watching a movie with product placement?
   [A]Neutral [B]good [C] Better
- How do you feel after watching a movie without or have less product placement?

[A]Neutral [B]good [C] Better

- Are there lessons learned from impacts of Ethics in product placement?[A] Disagree [B] Agree [C] Strongly Agree
- How long have you been watching movies with product placement?

  [A] One year [B] at least five years [C] above five years
- Can you spot product placement in every movie you watch?[] yes [] no
- Do you see future evolution of product placement in movies
  [ ] yes [ ] no

If yes how long will it take

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