

# Product placement in movies as a marketing tool has many advantages assignment

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Product placement in movies as a marketing tool has many advantages 1.

Introduction Since the invention of personal video recorder (PVR) such as TiVo which enable consumers to zip and zap 30 seconds commercials on TV, the effectiveness of traditional advertisements has fallen. Advertisers now realise that they need to find more effective ways to expose their message to the consumers. Recently, the phenomenon of product placement has become popular among the marketers and advertisement agencies. They have come to recognize that the consumer is more likely to accept product placement in movies compared to traditional advertisements.

Therefore, there is no doubt that product placement has a huge probability of success as a marketing tool, as a substitute for the ineffective traditional advertising. Although some people argue that product placement has many negative effects on the consumer such as endorsement of tobacco and alcohol shown in the movie, there is strong evidence that product placement carries a big benefits such as increasing of sales of products and services, enlarging brand awareness of the products or services and attracting audience's attention.

This essay will argue that product placement as a marketing tool has many advantages which indeed outweigh the drawbacks. Product placement is defined as an introduction of the products or services to the consumer by using television and cinema as the media (Nebenzahl & Secunder, cited in Drennan and McDonnell, 2005). Also, Gupta & Gould (cited in Drennan and McDonnell, 2005) define product placement in more detail as “ incorporating brands in movies in return for money or for some promotional or other consideration”.

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In the recently released Hollywood movie Iron Man 2, it is clear that the product placement is being used when Tony Stark drives an Audi R8 Spyder car. In the movie the Devil Wears Prada many products are placed prominently such as Mercedes Benz cars, Prada bags, Starbucks, Clinique, Calvin Klein etc. The exposure of products in these movies lead to an increased popularity of these brands among consumers. 2. Body First and foremost, research finds that product placement leads to an increase in the purchase intention of consumers (Gould, Gupta and Grabner-krauter, cited in Wiles and Danielova, 2009).

Likewise, Gupta, Balasubramanian and Klassen also point out that purchase intention is affected positively by placing products (2000). Take Riece's Piece chocolate for example, after being exposed in ET, sales of the chocolate has been increased rapidly by about 60% (Newell, Salmon, and Chang, cited in Gregorio and Sung, 2010). Similarly, the movie The Italian Job, which promoted the Mini Cooper car, successfully attracted many new consumers. Nielsen media research has conducted a survey about relationship between product placement and purchase intent by asking 10. 45 people who watched 50 programs that comprised of 199 brands. The survey found that consumer's willingness to purchase the product rose by approximately 38 % compared with traditional advertising only increased nearly 36 %. According to a 2006 survey by Nielsen media research, the purchase interest of consumer with product placement has rocketed to about 145 % as shown in table 1. For this reason, it is probably true that product placement is more useful than traditional advertising in influencing consumers to buy certain products. Table 1

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Another advantage of product placement involves the ability to get audience attention (D'Astous and Chartier, 2000). Particularly, the use of endorsed advertisement by brand ambassadors is able to draw audience attention effectively. There is a certain possibility that a huge influence can be obtained when consumers readily notice their admired movie artists using the product. In addition, audiences are more likely inspired by popular stars; for these reasons, they feel more enthusiastic to possess the product that has been exposed in the movie.

For example, Apple Computer Company was struggling with declining sales over the years due to financial crisis. Apple Computer Company focused their efforts at increasing sales and developing a positive attitude towards their products in their consumers' minds. They used the popular actor Tom Cruise to promote the Apple notebook in the movie Mission Impossible; as a result, the sales of notebooks grew gradually. Meanwhile, a large number of moviegoers can be enticed by careful product placements in popular movies such as Sex and the City and Iron Man2.

Audiences will pay a great attention when watching their favorite movies; they will be aware of the product placement in the movie and then this will lead to an increase in the purchase intent of the consumer. Furthermore, research points out that an increase in brand awareness is brought about by product placement (D'Astous & Chartier, 2000: 31). Similarly, Walt, Nunes and Stroebel argue that "simple exposure of a product in a film may enhance brand awareness" (2008: 114). Brand awareness is successful when

consumers recognize the name of the product and then decide to buy and consume the brands.

For example, as can be seen from table 1, more than three-quarters participants recognized the appearance of Starbucks coffee in the movie Shrek 2, in the following 65 % correspondents are aware of McDonald's as a restaurant which has been exposed in Coming to America. However, just below half percent for the others brands respondents noticed the products that were shown in the Tree Movie Clip; probably as a result of those brands being exposed rarely. Hence, it may be true that when products are exposed to consumers frequently, it will increase brand awareness. Table 2

Recognition of the audiences to product placement in movie

Frequency	Percent	McDonald's	McDowell's	Other/No Answer
137	64.9	67	31.8	7
211	100.0	160	75.8	51

  

Frequency	Percent	Starbucks	Farbucks	Other/No Answer
160	75.8	47	22.3	4
211	100.0	87	41.2	124

  

Frequency	Percent	Sony	Suny	Other/No Answer
87	41.2	29	13.7	95
211	100.0	33	15.6	178

  

Frequency	Percent	Oster	Foster	Other/No Answer
33	15.6	133	63.0	45
211	100.0	45	21.4	166

Source: (Anderson, 2006) In comparison, unlike traditional advertising where the research found that over 70 % of the moviegoers avoided watching commercials on TV by switching the channel (Stumpel and Levi, cited in Blonde and Roozen, 2007), consumers' option to avoid advertisements is disabled through product placement.

In other words, it is impossible for consumer to avoid the advertising without leaving the movie. In addition, the advertisement costs of product placement could be less than a 30 seconds TV commercial (Jaffe, cited in Lehu and

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Bressoud, 2008) because advertisers share production movie costs such as marketing and promotional costs with Entertainment Company. In a 30 second TV commercial, a company should cover the whole cost of the advertisement by itself which is in a way more expensive than product placement.

The survey further indicates that there are 23 % increase (from \$1. 35 in 2003 million to 1. 67 million in 2007) in the average cost of 30 second commercial (Nielsen) On the other hand, according to the literature on media violence consumers tend to dislike products that are placed in movies with excessive violence (Bushman 2005). Such negative feelings might affect the worth of product placement (McCracken, cited in Wiles and Danielova, 2009).

Moreover, opponents also state that exposing violent in film resulted in lower purchase intentions (Bushman, 2005). Some studies also argue that consumers are overwhelmed by the many advertisements in movies; they expect films to be free from commercial convincing (Wiles and Danielova, 2009). Therefore, they will respond unenthusiastically during the period of the movie when the product is shown. As a consequence, the reputation of the product that it is placed in movies might be damaged and result in negative perception among consumers.

In spite of the criticism product placement has many benefits as a marketing tool, there are several reasons why advertisers still prefer product placement. Firstly, there is no strong evidence showed that placing products in violent movie lead to a decrease in consumers' purchase. As it can seen, introducing the motorcycle manufacture Ducati that has been placed in the

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violent movie Blade II which still can obtain positive results and raise the sales of this product. Similar thing also occurred in the movie Sideways in which Pinot succeeded in boosting sales of the products.

Furthermore, the role of endorsed advertisement can offset the pessimistic response from consumers who have seen product in another violent movie; that is, the credibility of the actor who uses product is more likely to affect consumer perceptions positively even if the product has been replaced in the wrong movie. 3. CONCLUSION In conclusion, it can be seen that product placement is an effective communication vehicle in marketing because it can increase the purchase intent of the consumer, enhance the audiences' awareness and draw the attention of consumers.

Besides, product placement might offset the ineffectiveness of traditional advertisements where consumers frequently skip and zap the channels. However, in order to make product placements more effective, advertisers should investigate the attitude of the audiences or their preferences before placing product. It is believed that there is a strong possibility that product placement will be a prominent tool in the future; therefore marketers and advertising agencies should adopt product placement to enable companies gain more profits in the future. 1500 words) REFERENCES Anderson, C (2006), 'Recall and recognition of brand-modified product placement in movies', Thesis, Brigham Young University, viewed 1 June 2010, Business Source Premier Database. Blonde, K and Roozen, I (2007), 'An Explorative Study of Testing the Effectiveness of Product Placement Compared to 30-Second Commercials', Paper, Vlerck-Business School Brussels, Belgium,

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