THE PRACTICE OF PRODUCT PLACEMENT

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Abstract
This article is going to cover the following sections: the definition and the regulation of product placement and sponsorship in the U.K, the history of product placement in the U.K and in the USA, the advantages and disadvantages of product placement, British examples of product placement, prop placement, ethical aspect of product placement, para-social theory, balance theory and conclusion. Clow and Baack (2010) deem that it is a well-known fact that creating brand awareness is hard and with the product placement technique, brand awareness in a positive way can be created. According to Gupta and Lord (1998), the high interest of producers on product placement has led to the need of specialisation in product placement. Thus, product placement agencies have been established and these agencies analyse movies scripts to find an appropriate spot to place a product. Demir and Gök Demir (2012:40) state that, “since audiences are skeptical towards commercials, advertisers have begun to turn to a variety of alternative advertising channels in order to reach customers”. Since product placement is a relatively recent area of research in Britain and there are key areas that need further research attention to investigate the context of product placement and significance of it. As Russell (2002:307) so aptly observes, “understanding how product placement works remain an open empirical question”. Keywords: Product Placement, Sponsorship, the U.K, the USA, British Television and Advertising

1. Definition of Product Placement
Most scholars and practitioners define product placement as an advertising tool used in films or cinema screen; several writers have also described product placement in different areas. While a starting point for understanding product placement in general, dictionary definitions do not take into account the place of placement within the broader models of advertising and marketing communications. According to d’Astous and Chartier, (2000:31), “product placement is the inclusion of a product, a brand name, or the name of a firm in a movie or in a television program for promotional purposes”. d’Astous and Chartier definition broadens definition by adding television programs but may still seem restricted. Such techniques, according to Gupta and Lord (1998), are also implemented in other forms of media such as video games, television shows, music, videos, and novels. Russell and Belch (2005:74) define product placement as “the purposeful incorporation of a brand into an entertainment vehicle”. Russell (2005) defines product placement as the deliberate inclusion of branded products in entertainment media. Similarly, Clow and Baack (2010) also mention branded entertainment and define it as the placement of a brand in a scenario of a film or a programme on television. Branded entertainment is not only seen on television, but also books, music (Clow and Baack, 2010). There is an important issue on television shows that when the placed brand is not outstanding, it may not be noticeable among other placed brands on the television programme (Clow and Baack, 2010).

Although all definitions might initially give away the same meaning, in fact they all are different.

2. Sponsorship
Egan (2007: 274) develops his definition about broadcast sponsorship in the following way; “broadcast sponsorship is when an individual or organization, other than the makers or broadcasters of the programme, sponsor all or part of the production and/or transmission costs in return for the right to promote its brand or other interests”.

According to Egan (2007), like sponsorship product placement also has the potential of evolving and should be examined under broadcast sponsorship. In this article, although there are other types of sponsorships, broadcasting sponsorship, which is more relevant to product placement, is going to be analysed.

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3. Broadcasting Sponsorship in the U.K

As Fill (2013) states that in the U.K there have been a rise in profits from 81.2 million pound in 2000 to almost 200 million pound in 2009 for broadcasting sponsorship because the sponsorship rules have been loosened.

Now it is possible to place the sponsor’s product with the sponsor’s name in bumper credits and the limitations on the use of slogans within bumper credits have been loosened (Fill, 2013). According to Thinkbox (2015) the length of the sponsorship credits varies between one channel and the other channel in the U.K. While Channel 4 and Sky channels have the same rules, ITV channel differs from them. The length of sponsorship credits for the beginning of a programme is fifteen seconds and for the closing credits is ten seconds on Channel 4 and Sky channels while the length of sponsorship for the beginning of a programme is fifteen seconds and for the closing credits is five seconds for ITV channel (Thinkbox, 2015). The length of sponsorship credits for the centre breaks is five seconds while the length of sponsorship for the centre breaks is ten seconds for ITV channel (Thinkbox, 2015). However, credits should not seem like a television commercial (Fill, 2013). There are several reasons why companies choose broadcast sponsorship over a TV advert (Fill, 2013). For instance, sponsorship is cheaper than a TV advert and audiences can associate the sponsor with the sponsored programme (Fill, 2013).

Channel 4 (2017) agrees with Fill (2013) develops the following statement; sponsorship is a great opportunity that allows companies to leverage a set of positive traits from the sponsored programmes. Last but not least, “it allows clients to avoid the clutter associated with spot advertising” (Fill, 2013:488). Channel 4 (2017) deems that the more the targeted audience is exposed to a brand or a product, the better chance they will have a tendency to purchase it. In contrast, Gurses and Okan (2014:56) disagree with Channel 4 state that “The increased number of commercials reduces the recall of audiences and consequently decreases the impact and value of commercials for advertisers”. Channel 4 (2017) continues the statement with the following sentence; audience responses positively to “proudly sponsored by” saying.

4. Regulatory Authorities in the UK

As House of Lords (2011) deems that the Office of Communications (Ofcom) has a co-regulatory agreement with Advertising Standards Authority (Asa). According to the House of Lords (2011:191)

“The key exceptions to this partnership are political advertising, programme sponsorship/product placement and investigation of complaints in relation to “participation TV”, which remain with Ofcom given the strong links between sponsorship and programming and editorial issues”.

Certain genres of programmes such as theological genres, hard news genres, news bulletins, help formats and kids programmes shall not include product placement while movies, soap operas, genres for sports and entertaining purposes are allowed to include product placement (Ofcom, 2017).

Office of Communications (Ofcom, 2017) states one of the regulations of product placement in the following way; the content of a programme shall not be affected when embedding a product and the content of a programme shall not be viewed as an advertising tool that companies can promote their products. Junk food, food for babies who are under twelve months of age, brewery, tobacco and tobacco relating products, betting, pharmaceutical products shall not be included in a programme as a product placement and any goods or services and identities of companies shall not be promoted in a programme (Ofcom, 2017). According to Ofcom (2011), the television channel shall inform audiences when a programme contains product placement deals with P logo, which must be shown in the beginning of a programme, after centre breaks of a programme and at the end of a programme. TaylorWessing (2011) states that the duration of the P logo must be three seconds. There is an important rule that product placement deals cannot be placed into any BBC channels because BBC channels are not commercial television channels (TaylorWessing, 2011). There is another important point that a placed product shall not be promoted in a very overt approach, otherwise they can end paying fees up to 250,000 pound (TaylorWessing, 2011). An example of this product placement logo in the U.K can be seen in Figure 1 below.
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British Broadcasting Corporation (BBC, 2018, p: 31) develops the definition of prop placement in the following way:

“Prop placement involves the supply of production props free of charge (or at a reduced cost) where the provision of the prop does not involve payment or other valuable consideration to the broadcaster, producer or a connected person and the prop does not represent a “significant” value to any of these parties (i.e. more than a trivial residual value”.

When it comes to what having a significant value mean, it can be defined as when a producer keeps a prop placement with the aim of selling it in the future, it is counted as product placement, so the regulation of product placement apply no matter if it is paid or non paid (ITV, 2011). In contrast, Kotler and Keller (2012) disagree with British Broadcasting Corporation (BBC, 2018) and develop their argument in the following way: companies may use product placement strategy without paying any fees by providing what is needed and wanted by film companies. For instance, the famous brand, which is Nike, provides its products to film companies and film companies integrate Nike’s products into their films free of charge. (Kotler and Keller, 2012).

5. Types of Product Placement

According to d’Astous and Nathalie, (1999), product placement is divided into three categories in terms of appearance such as implicit, integrated explicit and non-integrated explicit on the television. In implicit technique, a brand, a firm or a brand are shown without given information about it and does not play an important role (d’Astous and Nathalie, 1999). For example, wearing a sponsor’s t-shirt on the television can be one of the implicit product placement examples (d’Astous and Nathalie, 1999).

While in integrated explicit product placement, a product, a brand plays an important role in a story and tells about the benefit of products, in non-integrated explicit product placement, a brand or a product is not blended within a scenario, but is mentioned officially such as presenting a sponsor’s name at the beginning of a program or at the end of a programme (d’Astous and Nathalie, 1999). The third category is a controversial one because one person thinks that it should not be considered as a product placement (d’Astous and Nathalie, 1999).

According to Wenner (2008), there are various ways of product placement concept. First of all, a product can be used as a background or can be used during a film (Wenner, 2008). Second concept is that instead of showing a product, its identifying feature is seen such as a logo (Wenner, 2018). When it comes to third concept, a billboard or television commercial are embedded into a scenario as an ambiance in the background (Wenner, 2018). Without showing an actual product or its identifying feature, a product can be mentioned verbally (Wenner, 2018). Last but not least, a reference can be made to a brand without mentioning the brand (Wenner, 2008).

Their research illustrates that product placement in negative contexts in a film such as anxiety, hazard, threat boost brand salience more than positive and non-demonstrative contexts because audiences’ involvement grade tends to enhance brand salience when they are exposed to those negative contexts (Hong, Wang and De Los Santos, 2008). Hong, Wang and De Los Santos (2008) have another important point to mention is that although well integrated product placement fits scripts and stories, it boosts brand salience less compared with poorly integrated product placement because poorly integrated product placement tend to be prominent on the screen and attract more attention from audiences. Thus, higher grade of attention tends to ensure higher grade of brand salience in the memory. On the other hand, Russell (2002), states that congruency augments conviction, incongruent placements do not affect brand attitude positively because they appear spurious and it leads to be discounted. Kureshi and Sood (2010) agree with Russell (2002) develop their argument in the
following way, the placement of brands are so important for brand placement effectiveness and it should be decided very well before applying.

6. Ethical Aspect of Product Placement

According to Tiwsakul, Hackley and Szmigin (2015), there are ethical considerations about product placement. Consumers particularly show concern about the placement products such as medicine, weapon, alcohol and tobacco (Tiwsakul, Hackley and Szmigin, 2015). Additional to it, consumer also worry that product placement will act upon their subconscious in a subliminal way (Tiwsakul, Hackley and Szmigin, 2015).

6.1. Advantages of Product Placement

According to Demir and Gök Demir (2012), product placement technique has started to be one of the most important promotion mix components in the last two decades in consequences of audiences’ suspicious ideas about advertising.

Similarly, Waldt, Toit and Redelinghuys (2007), point out that audiences do not believe advertising since audiences deem that advertising is paid commercial.

This situation has led marketers to search for an alternative advertising technique to reach audiences. This technique is called product placement, which is placing or using branded products in movies and television programmes (Demir and Gök Demir, 2012). According to Lehu and Bressoud (2007), while traditional media is satiate, product placement uses the advantages of it. Consumers know that producer of a product pays for the advertisement and that is why consumers do not believe advertising (Waldt, Toit and Redelinghuys, 2007). There is a general sensation that products are placed in films or broadcast programmes are genuine (Waldt, Toit and Redelinghuys, 2007). To give an example of product placement, according to Devlin and Combs (2010), Samantha Jones and her friends in the Sex and City 2 series were exploring Abu Dhabi in Mercedes Maybach Cars. Mercedes Benz signed an agreement with the producers of Sex and the city to embed their Mayback cars besides E-class Cabriot cars, G-class and S400 cars in their series (Devlin and Combs, 2010). According to Clow and Baack (2010), the objective of product placement and brand entertainment is to boost brand awareness and they do not require an immediate activity. Clow and Baack (2010) agree with Devlin and Combs (2010) develop their argument in the following way; audiences have a tendency to like a placed product/a placed brand that their favourite characters use them in a programme and audiences attribute positive associations to the placed brand and the placed product. This can be an example of parasocial theory. Kjaernested and Nielsen (2012) claim that this theory is a way of increasing the effectiveness of product placements and help to create positive brand equity in consumers’ minds. According to Kjaernested and Nielsen (2012), Monolo Blahnik shoes which have been associated with the program Sex and the City received attention mostly from women. Russels and Stern (2006), balance theory is based on the understanding that a positive outcome of a product or brand is due to links between a triad of the consumer, the character and the placed product. This theory suggests a strong link between the valance of a characters attitude towards the product, the strength of a characters association with the product and how consumers are influenced by the character and their attitude towards them. Williams, Petrosky, Hernandez and Page, Jr (2011:19) say that

“the ideal product placement situation is win-win-win-win: customer gets to know about new and established products and their benefits, client gets relatively inexpensive branding of their product, media vehicle gets a brand for free or can reduce its production budget, and the product placement agency gets paid for bringing the parties together”.

Clow and Baack (2010) agree with Williams, Petrosky, Hernandez and Page, Jr (2011) and develop their argument in the following way: product placement offers a cheaper advertising technique especially for the cinema industry when it is compared with traditional advertising technique. For example, a cinema film is not only watched at cinema, but also it can be watched on the television or on a DVD and can reach many audiences and allow a placed product to be seen more and more (Clow and Baack, 2010). According to Cowley and Barron (2008), with the technique of product placement, unlike a commercial advert, the targeted audience is unlikely to skip product placement parts. It means audiences who cannot skip product placement are more likely to remember brands well than audiences who are able to skip traditional advertising.
6.2. Disadvantages of Product Placement

According to Abrahamsson and Lindblom (2012) females have less positive feelings towards product placement than men. In addition, people have negative feelings and find it inappropriate if guns, alcohol, cigarettes are placed in a placement (Abrahamsson and Lindblom, 2012). Bennett, Pecotich, and Putrevu (1999), although prior disclosure helps audiences recall brand, there is no evidence that it leads audiences to like the brand.

According to The Economist (2005), product placement carries more risk than traditional advertising. Furthermore, charging product placement is still a tricky problem because no one is sure about how to charge product placement, how much product placement deserves (The economist, 2005). Product placement is not a solely enough marketing technique to boost sales (Tiwsakul, Hackley and Szmigin, 2005).

7. The History of Product Placement and the Example of Product Placement in the U.K

According to Clow and Baack (2010), product placement was launched in the cinema industry with the integration of Lever Brothers’ soap in 1890s for the first time. A brand car, which was Buick, made an agreement with Warner Brothers and their cars were placed into its cinema films. According to Lewissilkin (2009), only prop placements and films with product placement that were shot abroad were allowed to be shown in the U.K because British broadcasters did not gain any benefits from films that were produced abroad and even programmes that were shot abroad had to be checked before airing in the U.K to make sure product placements were not shown in an overt approach. The reason for this strict rule was to make sure that adverts and the content of a programme were separated definitely (Lewissilkin, 2009).

Ofcom allowed product placement to be applied in a programme on 28 February 2011 in the U.K. The first product placement of the U.K is Nescafe’s Dolce Gusto coffee machine on a commercial channel, which is ITV (Taylorwessing, 2011).

According to ITV (2013), Nescafe’s Dolce Gusto coffee machine is the pioneer of product placement in the U.K. The profit for Nescafe’s first product placement deal was 525,000 pound (Taylorwessing, 2011). After Nescafe’s product placement deal, Nationwide cash machine was placed into a popular soap opera which was Coronation street in 2011. After Nescafe’s product placement deal, Nationwide cash machine was placed into a popular soap opera which was Coronation street in 2011. Some new examples of product placements deals can be seen in Figure 2 and Figure 3 below. ITV (2013) has conducted research whether product placement has an impact on the audiences’ enjoyment while watching the famous soap opera which is called Coronation Street, the findings show while ninety percent of audiences deem product placement has not made any impact on their joy, only seven percent of audiences deem product placement has made their viewing more joyful. Ninety three percent of audiences deem that product placement helps a programme to be seen more natural (ITV2013).

![Figure 2: Visa Contactless](image1)

![Figure 3: McCain](image2)

Source: Coronation Street, 2017), (Emmerdale, 2017)

Conclusion

In the last decade audiences have found ways to avoid traditional means of advertisement. Advertisers have had to find new ways to advertise products to consumers. Product placement is one of the new and effective advertising techniques. Although product placement has a positive impact on creating brand awareness and positive attitude towards a product that is embedded into a program, there is no definite link between product placement and the increased sales of a brand (Clow and Baack, 2010).
References


