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**Young Adults' Perceptions of Product Placement in Films:
An Exploratory Comparison between the
United Kingdom and Hong Kong**

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Introduction

Brands can be embedded within a variety of media content including film (e.g., DeLorme and Reid 1999), television (e.g. Russell 2002), music (e.g. Allan 2010) and video games (e.g. Cauberghe and De Pelsmacker 2010). Among all the media outlets, films are the most traditional and popular avenue for product placement (Jin and Villegas 2007). Product placement in films offers many benefits to marketers. Audiences are generally more involved in watching films because they actively choose which film to view and pay for. Audiences may pay more attention to the film, and consequently the product placement. In addition, brand integration in films typically faces minimal regulation compared to placements on television. The commercial benefit of this marketing communication practice has led to significant growth over the last decade (PQ Media 2013).

Films have increasingly become a 'global product' to target global audiences (Brennan, Rosenberger, and Hementera 2004, 12). In view of this, understanding different cultures' processing and interpretation of product placement has become more important (Chan 2012; Chan, Petrovici and Lowe 2015; Karrh, Frith, and Callison 2001). However, very little research on product placement has been conducted in Asian markets or in cross-cultural contexts. Some research has found that product placement is more acceptable in America than in European countries or China (Gould, Gupta, and Grabner-Kräuter 2000; McKechnie and Zhou 2003). However, these findings were restricted to acceptability and ethical issues about product

placement. Research on the perception and interpretation of product placements across cultures is more sparse, despite calls in the literature. For example, DeLorme and Reid (1999) reveal that American audiences have different perceptions of brands appearing in films and suggest that greater variation may be found among foreign audiences. Hudson and Hudson (2006) also suggest more cross-cultural research to be conducted to generate in-depth knowledge of the diverse factors that might affect the effectiveness of branded entertainment. This research responds to the calls by exploring consumers' perceptions of product placements in the United Kingdom (UK) and Hong Kong (HK).

The UK represents a relatively unique country to examine placement effects because previously product placement has been banned from television programmes (Tryhorn 2010). Nevertheless, UK audiences are not totally unfamiliar with product placement due to exposure to films and imported American dramas. Exploring British consumers' reactions towards product placement in films could help to shed light on consumers' processing of product placement. HK also represents an interesting and important context through which to examine product placement because of the size of its home-grown movie market. Although consumers from HK share many similarities with UK consumers, given historical ties, they differ significantly in some cultural variables. This study adopts past research into advertising and cultural differences as a framework to guide the development of research questions. It contributes to the literature on product placement by revealing moviegoers' rich descriptions of

the practice and illustrating the similarities and differences in their interpretations across cultures.

Theoretical background and research questions

Balasubramanian (1994, p.31) defined product placement as ‘a paid product message aimed at influencing movie (or television) audiences via the planned and unobtrusive entry of a branded product into a movie (or television program)’. Although placement deals between film producers and marketers have grown at an exponential rate, systematic scholarly work on this area spans just over three decades and tends to be quantitative in nature (Russell and Stern 2006). While qualitative elaboration and analysis are applied to explore practitioners’ views towards the placement industry, very few studies employ this interpretative approach to explore consumers’ opinions towards product placement. DeLorme and Reid (1999) called for more qualitative work on product placement in order to gain a more in-depth understanding about the practice. Hackley and Hackley (2012, 706) also note this methodological gap and observe ‘a relative lack of qualitative studies that theorise viewers’ subjective experience of product placement as part of their entertainment’.

Previous studies reveal divergence in the perception of advertising and product placement across countries. Research conducted in six European countries in 1990 shows that individuals from different nationalities perceive and describe advertising differently (Heyder, Musiol, and Peters 1992). Likewise, previous research illustrates that audiences in different

countries display varied attitudes towards product placement (Gould, Gupta, and Grabner-Kräuter 2000). For example, Hall (2004) found that European moviegoers dislike brand placement more than North Americans. Nelson and McLeod (2005) found that Hispanic, Black and Asian adolescents were more aware of product placement and liked the practice more than their Caucasian counterparts. Hudson, Hudson, and Pelozo (2008) found that product placement is significantly more acceptable among parents in Canada compared to the UK. Lee, Sung, and Choi (2011) also found that US and Korean college students perceive and evaluate product placement differently. Despite these apparent mixed views towards product placement across cultures, little is known about reasons behind these differences probably because of the quantitative approach adopted by previous studies. Scholars have called for further studies to enrich the scarcity of research output in this area (Gupta and Lord 1998; Karrh 1998; Gould, Gupta and Grabner-Kräuter 2000; Stern and Russell 2004; La Ferle and Edwards 2006; Homer 2009; Eisend 2009).

Broadly speaking, product placement is a form of advertising, designed for persuasive communication. It is the technique of presenting and delivering the message that marks product placement and traditional advertising apart. Unlike traditional advertising, product placement sponsors have relatively less control over how the brand appears and they may keep their identities hidden. It is perceived to be less intrusive and its selling intention is comparatively less explicit. Therefore it is anticipated that product placement may be perceived more

positively than traditional advertising. However, it is unclear if this holds true across cultures which leads to the first research question:

RQ1: Do young moviegoers across cultures exhibit different views towards traditional advertising and product placement?

The indirect and implicit nature of product placement may have led to variations in the processing of it and traditional advertising. It has become evident that individuals tend to store placement information with the storyline scenes (Roehm, Roehm and Boone 2004). In other words, brand image/information is more likely to be preserved in conjunction with events occurring in the story rather than its commercial nature. Past research has found that consumers from cultures which differ on the cultural dimensions assertiveness and performance orientation perceive traditional advertising differently (Okazaki, Mueller and Taylor 2010; Terlutter, Diehl and Mueller 2010). Assertiveness is ‘the degree to which individuals are assertive, confrontational, and aggressive in their relationships with others’ and performance orientation refers to ‘the extent to which a community encourages and rewards innovation, high standards, excellence, and performance improvement’ (House *et al.*, 2004, p. 30). Specifically, participants from more assertive and performance-oriented cultures are significantly more positive to advertisements adopting a soft-sell approach. Compared with traditional advertising, the selling intention of product placement is less explicit reflecting more of a soft-sell approach. It is unclear if this cultural difference also manifests within consumers’ processing of product

placement and how it links to the detection of selling intention. Cowley and Barron (2008) found that explicitly informing participants about the persuasive intent of product placement lowered their brand preferences. Would consumers from a particular culture be more adept in detecting the selling intentions of brand appearances in films and hence be less positive towards this marketing communication strategy? Therefore the second research question is proposed:

RQ2: Do young moviegoers across cultures process brands integrated in films differently, specifically in terms of the detection of its selling intention?

The compensation by brand owners represents another difference between product placement and traditional advertising. Traditional commercials generally involve direct payments, whereas, product placements are more likely to include barter deals or reciprocal promotions. It is interesting to explore how young consumers across cultures perceive film producers receiving money from advertisers for brand integration. Would they find it less ethical than in the case of traditional advertising? In addition, some consumer advocacy groups assert that product placement is deceptive advertising which leads moviegoers to purchase decisions that they are unaware of (Berkowitz 1994). There are frequent calls for policy officials to regulate the deceptive practice or even ban it. It is suggested that brands placed in films for which the producers receive payment, should include a disclosure at the beginning of the film (DeLorme and Reid 1999; Eisend 2009). It is unclear how moviegoers view this proposition and if there are any cultural differences with regard to further regulating product placement.

RQ3: Do young moviegoers support further regulation and prior notification of

product placement in films and if there is any cultural difference?

The current research extends DeLorme and Reid's (1999) work to a cross-cultural context, by focusing on UK and HK markets where the film industry continues to grow tremendously despite the economic recession. According to the UK Film Council (2012), the total UK gross box office receipts for 2009 were £944 million. The HK film industry receipts in 2010 totalled £128.2 million (HK Motion Picture Industry Association 2012). In addition, previous studies also call for future research to explore these two markets because HK films exhibit similarities to Hollywood films and the recent relaxation of regulation regarding product placement on British television. Moreover, the two social units resemble each other in terms of political, economic and social infrastructure but differ significantly in the key cultural dimensions making them highly appropriate for a cross-cultural comparison. HK is a diverse culture involving a range of British and Chinese traditions. It has a range of Chinese social origins. However, its law and education systems are inherited from the UK. This probably explains why many inter-cultural studies/scales tend to treat HK as a separate entity and rate it and the UK significantly differently on several key cultural dimensions (Hofstede 2001; House *et al.* 2004). Specifically, the HK culture scored much higher than the UK in terms of assertiveness and performance orientation. The current study captures the richness of young audiences' perceptions and interpretations of product placement across the two cultures by addressing the above three research questions.

Research plan and method

This research targets 18-34 year olds because they are major audiences of films, and are consequently the main target group for placement initiatives (Eisend 2009; Gupta and Gould 1997; Ofcom 2006). This generation was found to be fascinated by film and celebrity lifestyles and is often seen to watch films for amusement and also to escape from reality (Geraci and Nagy 2004). UK audiences watched on average seven films a month (UK Film Council 2012). Teenagers and young adults (aged 15-34) are the most active group of movie-goers. A similar pattern is found in HK. Young people in HK on average watch films in cinemas 2.2 times every month (Breakthrough Research Reports 2010). They also watched films from television and DVDs, 3.4 and 3.5 times every month, respectively.

Thirty-two intensive and semi-structured interviews were carried out in both the UK and HK. There was an equal distribution of male and female informants in the two samples and all of them were frequent moviegoers. A frequent movie-goer is defined as a person who watches films at least once a month. This is consistent with the definition adopted by the industry (Motion Picture Association of America 2005) and with more recent definitions from the literature (e.g., Chakravarty, Liu and Mazumdar 2010). The mean age of the UK sample was 21 while the mean age of the HK sample was 23. Some informants were still receiving their tertiary education while others were employed in a range of professions.

An interview guide was first developed to help structure the interview while at the same

time maintaining a considerable amount of flexibility. The interview was divided into three parts: (a) showing real examples of product placement and examining how young consumers perceive them; (b) general questions regarding the execution of product placement and informants' previous experiences with this marketing practice; and (c) informants' views of advertising and product placement in general. The interview guide was modified as the interviews progressed and the order of questions was rearranged based on participants' responses to make the interview process run more smoothly (Lindlof 1995).

An interviewer who is competent in both English and Chinese (Cantonese) conducted all the face to face interviews. Informed consent was obtained prior to the interviews. During the interviews, informants were first shown a five-minute video clip extracted from the middle part of the film *Sex and the City* (2008). This is a typical product placement film with a high frequency of branded products. The film was very popular in both the UK and HK. The video segment featured the main actress exchanging Christmas gifts with her personal assistant and later on attending a fashion show. The selected video segment has a total of five brands integrated (see Table 1). Although the main characters of *Sex and the City* are females, the product placements were not exclusively for female products. The extract consisted of female-oriented brands (e.g. a Louis Vuitton handbag), male-oriented brands (.e.g a Mercedes Benz billboard), and gender-neutral brands (e.g. Apple Mac book, Nissin noodles, etc.). It gave the informants a broad sense of the marketing communication strategy and was used as a driving

device to facilitate the discussion (McCracken 1988). After watching the video, informants were first asked about their leisure activities and questions about film viewing frequency for rapport-building. This was followed by the main interview questions. Different floating prompts and probes were used throughout to keep the interview flowing and to expand rich context (Miller and Crabtree 2004). All informants contributed on a voluntary basis and no monetary or other rewards were given.

[Please insert Table 1 about here]

All the 32 interviews were transcribed verbatim and cross-checked against the audio-recording for accuracy. Thematic analysis was used to guide the qualitative data analysis (Guest *et al.* 2012). All the interview transcripts were read through twice and categorised to identify the key and frequent emergent themes. The identified themes were further examined and verified by two other independent experts. Steps were taken to check possible alternative interpretations so as to minimise subjectivity in the analysis (Weber 2004). The two experts reviewed all the identified themes and cross checked with the transcripts for confirmation of the accuracy and clarity of the interpretations. Any discrepancies were reconciled by discussion.

Results and key findings

Altogether seven major aspects were identified and some key themes emerged which are interconnected with each other. The results are suggestive and represent a rich description of how informants in the two cultures decode and construct meanings for product placement.

Movie consumption habits and exposure to product placement

Consistent with findings from previous reports, the interviews show that young adults are heavy consumers of films. Most of them see films every week and some watch films almost every day. Watching films online and from DVDs has become more and more popular among this young cohort, providing further support for the cohort's applicability in exploring placement effectiveness in films. Results indicate that both the UK and HK samples had difficulties in recalling brands they were exposed to in the latest film they had seen. The low recognition of placed brands may be due to the fact that the films they had seen were not suitable for brand integration. That is, the films were either set in a historical period of time (e.g. *The King's Speech* (2010)) or were not featured in the real world (e.g. *TRON: Legacy* (2010)). However, as illustrated below, a few UK and HK informants did recognise and vividly recall the brands that appeared in the latest film they had seen.

I noticed that in the film *Little Ms Sunshine*, they have dinner together and there's a 'KFC bucket of chickens'. At the dinner, they said they'll have a bucket of chicken. When somebody said to you 'a bucket of chicken', you'll immediately think that they are going to KFC... [UK Informant 10]

In the film *Fear and Loathing in Las Vegas*, there're a lot of hotels and casinos because they're in Las Vegas. They showed the 'Flamingo Hotel' and also 'Caesars Palace'... [UK Informant 11]

In the film *Mighty Baby*, there're some slimming care products which I think are from 'Sau Sang Tong—Slimming and Beauty'... [HK Informant 5]

In the film *Marriage with a Liar*, there's a 'Playboy' condom appeared at the beginning...Its logo was shown obviously. I wouldn't know that this brand has a product line on condoms if they didn't show it explicitly in the film... [HK Informant 15]

Views towards advertising and product placement in general

De Mooij (1998) proposed that consumers' perceptions of advertising are influenced

by culture. This was evident in the interviews. Young consumers in both cultures understood the function of advertising but the UK sample was generally more positive towards advertising than their HK counterparts. Some UK informants regarded advertising as a good way to promote things and believe that it enables people to expose to good things.

Advertising is good versus advertising is exaggerated

UK informants viewed advertising as part of their daily lives which is essential to sponsor free entertainment (e.g. television drama series, sports events, etc.). They considered advertising an acceptable practice and found the current level of advertisements as acceptable.

Compared to the UK sample, HK audiences were less positive towards advertising as reflected

in the following quotes:

My first impression to advertising is 'exaggerating'. I really doubt about its credibility.
[HK Informant 5]

There are far too many ads in HK. They're everywhere and you can't avoid it. It's the result of capitalism and a tactic to drive you to consume. It's a by-product of a commercial society. [HK Informant 7]

Two HK informants (4 and 12) specifically pointed out that they were annoyed by advertisements and promotions about loans and slimming care products, which keep appearing on television commercial breaks. Despite the variations in attitudes towards advertising, the two samples unanimously agreed that they enjoy advertisements which are creative and sophisticated and they found product placement an acceptable practice.

Product placement is a win-win practice but can go wrong

None of the UK informants perceived product placement unfavourably and only two

HK informants were critical about it. Most informants believed that product placement helps to fund film production and demonstrate to audiences how the product is consumed which can also achieve a persuasive effect. Some informants actually expected products/brands to appear when they watch films as reflected in the quote ‘When you watch James Bond’s films, you are expecting some brands to appear. It’ll be strange if I don’t see any [HK Informant 16]’.

Although both samples appreciated that product placement adds realism to films, a few also mentioned some negative placement practices which may have upset them:

It depends on what kind of film. If you place brands in *Lord of the Rings*...it’ll be definitely odd. It’s okay for light entertainment films... [UK Informant 3]

It’s okay but when it gets repetitive, it’s annoying...probably showing three times will be the maximum. [UK Informant 9]

Some placements are too prominent. Films are a soft approach to promote cultural values or ideas. Product placement should be analogous to this... [HK Informant 2]

If it’s placed deliberately and looks very obvious then I’ll have bad feelings about it. We’re paying to see the film rather than advertisements. [HK Informant 3]

Processing of brand appearances in the video clip

Informants’ perception of and reaction towards different forms of placement execution were explored. Informants were asked to recall any brands that they had seen in the video clip. A pattern of brands recalled in relation to the execution characteristics was noticed (see Table 2). Brands which appeared longer and occupied a bigger size of the screen tended to be recalled better.

Taylor (2009) calls for more research to focus on the working model of product placement and how it can meet various communication goals. In this study, informants were asked to describe what came to mind when they saw brands appear in the video. It was found

that prominently placed products triggered more elaboration. Informants were driven to think about their value. One HK informant even considered the feelings that the actress may associate with the product.

I think it (a Louis Vuitton handbag placed) must cost a lot of money. It must be an important thing to the girl in the film as shown by her reactions. [UK Informant 15]

I think it must be very expensive and luxury. The two characters should be so rich and they tend to seek for quality of life. [HK Informant 5]

I think the emotions of audience are somehow linked to the emotions of the actor/actress in the film. As audience, we may sometimes think if I'm the actor/actress in the film, how will I feel? I guess many people are so fancy about branded products. [HK Informant 8]

Informants commented that the other brand appearances did not lead to strong counterarguments like the Louis Vuitton placement. No informants discussed about the DVD and the Nissin cup noodles. However, informants questioned the appearance of Apple Mac in the video and thought that it had appeared in too many films.

[Please insert Table 2 about here]

Perception of the degree of fit between placed brands and the plot/video

Informants did not express any surprise about seeing brands appearing in the video. The film is about fashion and luxury life hence some informants reported that they actually were anticipating some branded products to be shown. Both UK and HK informants have similar perceptions about the congruity between different placed brands and the video. Among all the brands appearing, the Louis Vuitton handbag was regarded as the most closely matched. Informants thought that Louis Vuitton was undoubtedly a well-known brand for luxury bags and the film was led by female characters who love fashion and design. Therefore the

placement fits with the film perfectly. The high degree of fit between Louis Vuitton and the plot even made a UK informant argue that it was not a product placement. The informant stated that she actually expected brands like Louis Vuitton to appear and believed that if it turns out to be a Marks and Spencer handbag for example, it would not be as appealing.

A few informants found the appearance of an Apple Mac computer fits with the story but not the Mercedes Benz billboard. Informants also commented that the appearance of the DVD and cup noodles in fact do not connect with the plot. The results show that when the product fits the storyline well, viewers may even not treat it as a placement. It suggests that a high degree of fit between a placed product and a plot may be able to disguise the promotional intention.

The detection of selling intention of the placed brands and the perceived influences

Although most informants agreed that the Louis Vuitton placement fits the story, substantial differences in the detection of selling intention were revealed between the UK and HK samples. Compared to the UK sample, HK informants were more ready to detect the promotional intent of placed brands and question its purpose as illustrated below:

It can be changed to another brand/ product without affecting the story. Maybe Louis Vuitton has sponsored a lot for the film so they have to show it... [HK Informant 2]
Maybe Louis Vuitton has sponsored a lot for the film. Perhaps those clothes and shoes are all sponsored so they need to show them from time to time. It's definitely a product placement...the film producer tends to zoom on the logo. [HK Informant 7]

Most HK informants argued that Louis Vuitton could be replaced by another brand without affecting the flow of the story. A few informants also found the brand appearance too

prominent. Therefore the HK sample was more likely to believe that Louis Vuitton had sponsored the film and the brand was placed deliberately. However, a few informants did point out that realising the promotional intent would not weaken their attitudes towards the film and the placed brand. It is possible that it might affect their brand evaluation subconsciously. Comparing to the HK sample, UK informants were less likely to attribute brand appearances to commercial intention. Most of them were positive about showing brands in films and believed that it could be quite effective.

Likewise, the UK and HK sample differ significantly regarding the perceived influence of product placement. Most of the HK informants expressed that product placement does not have any apparent influence on them and they would not be driven to try the brand/product merely because of seeing it in films. UK informants were more likely to be tempted to consume products appearing in films. They might be driven to try a placed product if it appeared desirable and they had a need for it. In other words, purchase intention depends on whether or not audiences are in a relevant purchase or consumption situation at that time. Informants specifically mentioned products such as fast food and restaurants, shoes and computers. Interestingly, these products coincide with those that they proposed as the most suitable to be placed in films.

Brands/products that are (not) suitable to be placed in films

The UK and HK samples converged regarding the product categories viewed as suitable

for placing in films and generally found that products consumers tend to use in daily life are appropriate (e.g., fashion and accessories, food and drinks, and cars and technological products). However, the samples exhibited different views about products/brands that were considered unsuitable. UK informants generally worried about the placement of ethically charged products such as cigarettes, alcohol, guns or drugs in films. This again echoes the stricter media regulations reinforced in the UK and the more conservative nature of products that could be shown in media. In addition, UK informants generally thought that both less known and well-known brands are suitable for placement. Some of them believed that lesser known brands are actually more suitable and can benefit more from placement as illustrated in the following quote:

It'll be nice to see some less well-known brands can have the opportunity to get into films. All the big brands have the most money and power. Less well-known brands are not necessarily bad, it's just because of money and power. So it'll be good for them to appear in films as well. [UK Informant 6]

On the contrary, most HK informants tended to believe that less well-known brands are not suitable to be placed in films. They found it strange if actors/actresses in a film were using unfamiliar brands. Informants explained that if a brand does not have many competitors (i.e., already very well-known and popular) in the market, it implies that it does not need to be promoted so extensively. In other words, it does not need the aid of placements to increase brand awareness. This greatly lowers informants' suspiciousness of its commercial intention. However, they appeared to become more alert when seeing less well-known brands appear in films and tended to associate it with some kind of promotional effort. They were also concerned

that less well-known brands may not be able to afford to be placed in films, and audiences probably would not notice these brands.

For products that are suitable to be placed in films, young consumers in general did not mind or find it ethically wrong if film producers receiving money or other compensation from brand owners. Some of them in fact believed that companies deserve the money because many people download films illegally. Both UK and HK informants understood that film production needs financial support though they exhibited different views towards further regulation of product placement.

Views about prior disclosure and further regulation of product placement

Most informants generally found it pointless to announce product placement at the beginning of the films. They believed that prior disclosure would not change anything because audiences will be exposed to the placed brands regardless of being notified. However, there were some differences between the two samples.

Prior disclosure weakens versus strengthens the selling intent

Some UK informants believed that prior disclosure implies that the film has permission to integrate brands, and that brands were not placed randomly. It might also lower the chance of receiving complaints from audiences. An informant pointed out that prior disclosure of placed brands weakens the perceived commercial intent of the placement. On the contrary, most HK informants believed that prior disclosure of product placement provides brands another

advertising opportunity.

Many HK informants stated that disclosing placed brands beforehand reminds them that the film was trying to promote something. The selling intention of the placed brands becomes too obvious. Prior disclosure may actually increase awareness towards the brand appearance. Few of them reported that they may even try to locate the brands in the film consciously. Therefore many of them suggested acknowledging placed brands at the end of the film instead. Although the UK and HK samples had different stances regarding prior disclosure of product placement, they do not see the need for further regulation of product placement as captured in the following quotes:

The amount of product placement in films is alright at the moment. The current regulation is good enough, nothing to be changed. [UK Informant 2]
Although there seems an increasing trend of using product placement, the amount of brand appearances is acceptable. It's not necessary to make the regulation stricter. [HK Informant 10]

Self-regulation by the film industry is good enough

The majority of informants in this study were satisfied with the current level of product placement and they had never found placements overwhelming. They suggested ways to further regulate placement if it becomes too excessive such as restricting the number of brands appearing in a film, regulating the frequency and size of brand appearances, and restricting the duration that each brand appears on the screen. Many HK informants thought that public opinion is a good alternative to monitor product placement. They believed that audiences will boycott the film if the film producer abuses the practice. Therefore they supposed that self-

regulation and censorship by the industry is effective enough.

Discussions and conclusion

Extending prior research in the area of product placement, this study responded to calls in the literature to conduct more product placement research cross culturally (e.g., Karrh, Frith, and Callison 2001; McKechnie and Zhou 2003). A qualitative framework was used, also responding to calls in the literature (e.g., DeLorme and Reid 1999; Hackley and Hackley 2012). The findings revealed that, although informants from the two cultures were heavy consumers of films, the two cohorts were predisposed to use a different lens in interpreting placement scenes. The following discussion identifies a number of research propositions emerging from the findings.

Results show that a few informants not only recognized the brands appeared in films, but also were able to recall the fine details associated with the placed product. Most of these films were comedies or dramas and some informants also suggested that light entertainment films are more suitable for placement (i.e. comedies, dramas or romantic stories). This is consistent with findings from previous content analysis studies that brands are more likely to appear in these film types (La Ferle and Edwards 2006; Pervan and Martin 2002). Roehm, Roehm and Boone (2004) believe that product placement fits well with the storyline of comedies and dramas. However, Agrawal, Menon and Aaker (2007) suggest avoiding placing brands in dramas because the emotional arousal provoked by dramas may deprive one's

opportunity to process placement information thus dramas may not be a good platform for product placements. The role of film genres on the perception of product placement remains under researched (Van Reijmersdal, Neijens, and Smit 2009). Future studies may consider examining if:

Research Proposition 1: some film types (e.g. comedies or dramas) are more appropriate/effective for product placement than others (e.g. historical or thriller).

Consistent with previous findings (Gupta, Balasubramanian, and Klassen 2000; Gupta and Gould 1997), informants from both the UK and HK are generally positive about product placement. However, HK informants expressed more negative feelings towards advertising than the UK sample. This suggests that attitudes towards product placement and conventional advertising can vary. As proposed by Hackley and Tiwsakul (2006), there could be different cognitive and emotional engagements with entertainment (thus product placement) than with advertising. A recent study in the field examined consumers' purchase intention towards brands placed negatively (Redondo 2012). The study envisaged that attitudes towards product placement in general may affect the effectiveness of negative placement. It assumed that attitudes towards advertising and attitudes towards product placement are the same and used the former to approximate the latter. However, the current results suggest that this assumption may not be valid. Future research may explore if the positive views towards product placement will translate into placement effectiveness. Therefore, it is proposed:

Research Proposition 2: there is a positive association between views towards product placement in general and placement effectiveness.

Although young consumers were quite positive about product placement, they were annoyed by excessive and repetitive brand integration. The UK sample was more concerned about the film style and found it odd if brands appeared in some film genres. Hong Kong informants had greater concern about the execution style. They get annoyed by brands which appear prominently and with an obvious selling intention. The prominence of brand appearances led them to have a greater elaboration of the placed brand. They had doubts about its value to the story. Hence prominently placed brands trigger more processing and stimulate informants to question their relevance. Specifically, some informants expressed concerns about advertisement placements (i.e., incorporating advertising material such as billboard into a scene) and found them fit the plot the least. It is envisaged that this placement type may be comparatively less persuasive. Consequently it is proposed:

Research Proposition 3: there is a negative association between level of elaboration of placements and placement effectiveness.

Research Proposition 4: advertisement placements are less effective compared to other types of brand integration.

The UK and HK samples differed noticeably on the detection of the selling intention of brand appearances. When seeing brands appear in films, most UK informants tended to consider ‘what is placed there’ while HK informants were more likely to question ‘why it is placed there’.

The HK sample was more sensitive and sceptical about the selling intent of product placement. Any close-ups on logos, zoom ins and locks on the product or repetition of brand appearances seemed to easily offend them. This may be attributed to cultural differences as well as the media environments. According to House *et al.* (2004), HK people are more assertive and performance-oriented compared to the UK cohort hence may be more alert and thus more defensive to the persuasive intent of product placement. It is worth noting that the UK is regarded as one of the countries with the strictest advertising regulations to protect their audiences (Dowell 2009). Bob Wootton, the media and advertising director of the Incorporated Society of British Advertisers, even claimed that British advertising regulations are the most stringent and effective in the world (Hall 2010). Therefore it is unsurprising to find that UK informants were generally positive about advertising. A previous study also shows that the British regarded advertising as a positive component of everyday life (Heyder, Musiol, and Peters 1992). HK informants have been bombarded by abundant advertisements which proliferate within their lives. Their unfavourable attitudes could probably be attributed to the saturation of advertising in the media. This is illustrated by the fact that television advertising clutter in HK was recorded almost twice as high as in the UK (Brown 2011). The perceived exaggeration in advertisements may arouse their scepticism towards the credibility of advertising which may have extended to product placement. The results suggest that a more subtle form of placement may appear to be less suspicious to the young generation in the HK

market. It is important that the inserted branded products are interwoven into the story to preserve the integrity and authenticity of the film. Therefore, we propose the following:

Research Proposition 5: cultural factors moderate the detection of commercial intent and thus placement effectiveness.

Morton and Friedman (2002) suggest future research to examine audience's interest and attitudes towards brands and branded goods in order to understand how it affects placement effectiveness. Gould and Gupta (2006) explored audiences' perceptions towards game shows and products placed for prizes. Informants in their study judged the appropriateness of placed products in terms of their relative financial value. In the current study, another dimension has emerged: the suitability of product placement largely depends on the awareness of and familiarity with the brands. Hong Kong informants found familiar and well-known brands more suitable for placing in films and were irritated by placement of generic brands. However, some UK informants believed that less well-known brands can benefit more from placing in films because it gives the brand greater visibility. De Gregorio and Sung (2010) argued that familiarity may lead to liking. Audiences who are familiar with a brand may possibly be more positive and behave more favourably when they see the same brand appear in a film. In fact, placed brands may not need to be shown very explicitly, if they are strong and well-known. For instance, young consumers in the interview tended to link a specific product with a particular brand even though the brand name was not explicitly mentioned (e.g., association of 'a bucket

of chicken' with 'KFC'). This highlights the power of well-known brands and product placement may further reinforce this association. Future studies may examine if:

Research Proposition 6: cultural factors moderate the appropriateness of placed brand and thus placement effectiveness.

A HK informant also pointed out that brands in a crisis or with a bad reputation are not suitable to be placed in films. This corresponds with a real case between Toyota and the American television programme *Modern Family* (Brian 2010). Toyota was experiencing a crisis when its automobiles were criticised for a safety defect, which may have had a negative impact on the television programme. However, unlike traditional commercials, which can be easily removed from a commercial break, it is more difficult to pull out brands sandwiched within media content, illustrating the lack of flexibility in product placement compared to conventional advertising. However, this is changing because of technological advancement. Virtual placement and post-production editing of placement scenes are increasingly popular now.

Managerial implications, limitations and future research

There are several examples where different brands have been integrated into films within different markets. For example, the film *The Matrix Reloaded* (2003) has one version for the global audience with an LG television screen placed and another version with a Zenith brand logo for the US domestic market. Dr Pepper was placed in *Spider-Man 2* (2004) in the original version and was replaced by a more internationally-known brand Mirinda to be

presented to global audiences. This study suggests that in addition to targeting different markets with different brands, perhaps multiple versions of placement scenarios (with different execution styles) should be produced to aim at different cultural markets. With technological advancements, targeting a specific cultural group with tailored virtual product placements has become more widespread nowadays and such regional product placements are envisaged to be a future trend. Recently a digital placement firm, Mirriad, has begun to retroactively place brands within music videos, highlighting the possibilities of targeting product placements based on audiences (Miller 2013). Marketers can place or even replace moving items or products in use by actors to be shown to a particular regional market. This can be achieved either proactively or retroactively for film reruns and other types of media.

This study also suggests that young consumers are not passive receivers in the communication of product placements. They were in fact well aware of the practice and actively engaged in interpreting and evaluating this as a marketing communication tool. The notion held by consumer advocates that movie-goers are unaware of the persuasive intent of product placement is subject to challenge. The cohort in this study expressed positive attitudes towards product placement as opposed to parents, consumer activists or policy makers who tend to be more critical about the practice (Hudson, Hudson, and Peloza 2008). They welcomed product placement as long as there was no infringement of the artistic vision of the film. Young audiences neither found it deceptive nor manipulative and they did not think they were being

taken advantage of. Although some informants believed that brand integration creates desire for wanting the product, the majority of the young generation perceived themselves as being able to resist the selling temptation.

It is generally believed that a product placement is more effective if characters in the programme are actually using and/or mentioning the product (Pervan and Martin 2002). Interestingly, informants in this study rarely mentioned any strong emotional attachment with film characters. The 'parasocial' relationship between audiences and film characters revealed in Russell and Stern's (2006) study was not found in the current research. Only two informants reported that obtaining the product appearing in a film could be a way to associate with the film characters. In other words, this cohort appears to be more mature and rational. They had low involvement with film stars and were more detached from them. Unlike adolescents, young adults at the age range of 18-34 probably have developed their own self identities. They are less likely to believe that consuming the same products as the film characters will make them look like the stars. Therefore although the use of celebrity endorsements has often been touted as an effective way to reach this generation (Thwaites *et al.* 2012), planning product placement with celebrity endorsements to target this group may not be as effective as previously thought.

Concerning the regulation of product placement, informants in general found that brand owners and film producers are disciplined in employing the marketing practice. No informants in the two markets complained that they were overwhelmed by brands in films. Unlike the

consumer advocacy groups, young consumers generally did not see the need for prior disclosure or further regulating product placement in films. They believed that the industry should be able to self-regulate. This reflects that film producers and brand owners generally value the quality and integrity of film content which safeguards audiences' positive feedback on product placement. Further regulation of product placement appears to be unnecessary, at least from the consumers' perspective. Similar to study conducted in other cultural context and more mature group (De Gregorio and Sung 2010), the findings reassure that product placement is a well-accepted means for marketers to communicate with young consumers. Younger consumers do not want to be lectured, they want to be entertained. It is believed that the study can aid practitioners in creating more effective placements to reach their global audiences and also shed light on media policy, especially on regulations relating to product placement.

Importantly, the preliminary findings revealed in this study provide some interesting insights for further research to enrich the field. However, the results are limited by the usual constraints given the study's exploratory nature, small sample sizes and the use of one film as the stimulus. Further research ought to test these propositions using larger samples and other more diverse stimuli. This study is also exploratory from a cultural perspective so the findings are suggestive instead of conclusive, and further research should consider young consumers' evaluation of product placement in a wider cross-section of cultures with an experimental approach (e.g., Chan, Petrovici and Lowe 2015). Further research could be conducted to

examine responses of consumers across cultures using other forms of media, specifically consumer behaviour in relation to video games is an important and growing area of research inquiry (Prugsamatz, Alpert and Lowe 2010).

The study helps to unfold how audiences across cultures interpret and assign meanings to product placement which is fundamental for gauging placement effectiveness. As pointed out by Gould and Gupta (2006, p78), placement effectiveness is ‘intertextually embedded in meaning, discourse and reflexivity; only through these can attitudinal and behavioural changes take place’. With technological advancement and more sceptical audiences, product placement can be an effective tool, but its implementation and effectiveness across cultures require more explicit research, as illustrated by the findings here.

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Media content and web database

Sex and the City 2008. Directed by Michael Patrick King, USA.

Spider-Man 2 (2004). Dir. Sam Raimi, USA.

The King's Speech 2010. Directed by Tom Hooper, UK.

The Matrix Reloaded (2003). Dirs. Andy Wachowski and Lana Wachowski, USA.

TRON: Legacy 2010. Directed by Joseph Kosinski, USA.

Table 1. List of brands placed in the video clip shown to the informants

| Placed brands | Type of placement and degree of connection |
|-----------------------|--|
| Louis Vuitton handbag | An audio-visual placement which is built into the plot. |
| DVD | An audio-visual placement which is highly connected to the plot. |
| Nissin cup noodles | A visual placement which is moderately connected to the plot. |
| Apple Mac Laptop | A visual placement which has a fair connection to the plot. |
| Mercedes Benz | An ad placement which is weakly connected to the plot. |

Note: “Highly connected” means that the product/brand is highly related to the scene and has high interaction with the film characters, e.g. the DVD was presented as a Christmas present to the girl in the video and was specifically mentioned;

“Moderately connected” means that the product/brand has some connection with the scene and has some interaction with the film characters, e.g. the Nissin cup noodles/the Apple Mac Laptop was being consumed by the actress in the video but it was not mentioned;

“Weakly connected” means that the product/brand has little connection with the scene and has no interaction with the film characters, e.g. the Mercedes Benz was placed as a backdrop of the fashion show in the video.

Table 2. Recall of brands placed in the video clip by UK and HK informants

| Placed brands | Mode | Duration * | Size ** | Position | Integration | Recall |
|----------------------------|------------------------|----------------------|-------------------|-----------------|--------------------|--------------------|
| Louis Vuitton (LV) handbag | Audio-visual | 32s | Full | Central | High | 11 (UK) 14 (HK) |
| Mercedes Benz | Visual (ad display) | 8s | 1/2 | Central | Low | 4 (UK) 3 (HK) |
| Apple Mac laptop | Visual | 6s | 1/12 | Central | Moderate | 5 (UK) 1 (HK) |
| DVD | Audio-visual | 5s | 1/2 | Central | High | 4 (UK) 0 (HK) |
| Nissin cup noodles | Visual | 5s | 1/16 | Peripheral | Moderate | 2 (UK) 2 (HK) |

Note: * stands for number of seconds that the placed brand appeared on the screen.

** stands for the proportion of the placed brand in relation to the screen, i.e. full = occupied the whole screen, 1/2 = occupied half of the screen, etc.