

## DISCLOSING BRAND PLACEMENT TO YOUNG CHILDREN

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### ABSTRACT

As children may still be exposed to brand placement (despite the EU ban concerning children's programs), it is examined how different types of disclosures may enable them to cope with this advertising format. The first study showed that a visual cue was more effective than an auditory cue in triggering cognitive advertising literacy. However, this cue-activated literacy did not influence brand attitude. The second study showed that advertising literacy was higher when the cue was shown prior to than during the sponsored media content. This cue-activated literacy increased brand attitude, but only among children with low skepticism toward brand placement.

### INTRODUCTION

Public institutions and policy makers increasingly express concerns about covert marketing practices such as brand placement. As brand placement integrates sponsored content in non-commercial, editorial content, consumers are less likely to identify this format as advertising (Balasubramanian et al., 2006) and consequently, to activate their advertising literacy. In other words, they will not be triggered to critically reflect on the commercial intent and techniques of brand placement in coping with this format (see e.g. Nebenzahl and Jaffe, 1998). In order to counteract possible deception through unconscious (and perhaps unwanted) persuasion, the European Union (EU) has obliged broadcasters in 2010 to explicitly inform their audience when media content is sponsored, e.g. through sponsorship disclosures (Boerman et al., 2014).

Recent studies have found fairly convincing evidence for the effectiveness of brand placement warning cues in activating people's advertising literacy and/or altering their susceptibility for persuasion (see below). These studies, however, have all been conducted among adults. Nonetheless, and despite the EU ban, children may still be exposed to brand placement in many occasions, e.g. when they join parents watching adult TV programs. This implies that the need for disclosure is actually most pressing in the case of children as they are cognitively immature and more inexperienced as consumers (Rozendaal et al., 2011) and therefore less proficient in distinguishing commercial from media content than adults. Furthermore, it is not known which *types* of cues could be most effective in triggering children's advertising literacy to avert unwanted commercial influences. A small number of studies conducted among adults has already shown that cue effectiveness is highly dependent on the cue's features (see below). However, this dependency might be even more pronounced among children, as their limited cognitive resources may heighten their sensitivity for certain cue characteristics; making it all the more important to carefully consider the way in which cues may address their scarce attention. A final issue in most of the extant literature is the belief that cognitive advertising literacy must result in decreased persuasion. However, as children's advertising is typically highly cognitively and emotionally demanding, the assumption that they will be able and motivated to use their cognitive advertising literacy for critically processing integrated commercial messages might be untenable. Therefore, one should also consider the possible affective, attitudinal mechanisms which might cost children less effort to cope with advertising (Rozendaal et al., 2011).

To deal with these issues, the current study examines whether a warning cue is effective in triggering young children's cognitive advertising literacy and altering brand placement effects, and whether this effectiveness is influenced by the cues' perceptual modality (visual versus auditory) and the timing (before versus during the sponsored content). Additionally, it

is tested whether the relationship between the cue-activated cognitive advertising literacy and advertising effects is contingent on children's skeptical attitude toward brand placement.

### **Warning Cues for Activating Children's Advertising Literacy**

Warning cues are implemented in media containing brand placement because they are believed to trigger consumer's advertising literacy, in the first place by alerting them for the upcoming persuasive attempt, and by helping them to distinguish the commercial message from the editorial media content in which it is embedded (Tessitore and Geuens, 2013). The recognition of the advertisement as such should trigger consumer's persuasion knowledge (referred to as cognitive advertising literacy), i.e. make them reflect critically on the advertisement's commercial intent and persuasive tactics (Friestad and Wright, 1994). As this critical processing is believed to function as a 'cognitive defense' against the advertisement (Brucks et al., 1988), a cue is assumed to 'mitigate' advertising effects, such as brand attitudes (An and Stern, 2011).

Research conducted among adults indeed finds warning cues to be effective in activating advertising literacy and altering the persuasive effects of brand placement. I.e., these cues are found to temper intended effects such as brand recall and attitude (Campbell et al., 2013) and product claim acceptance (Dekker and van Reijmersdal, 2013). Other studies find that cues weaken brand placement effects (e.g. brand attitude and purchase intention) through activating advertising literacy (Boerman et al., 2012; Tessitore and Geuens, 2013), and sometimes identify an important mediating or moderating role for critical or skeptical attitudes, e.g. toward the advertisement and its message (Boerman et al., 2014) or toward the employed brand placement tactic (van Reijmersdal, 2015) and for the perception of this tactic as unfair (Wei et al., 2008).

It is not known, however, whether such warning cues are equally effective in the case of children. The nature of the contemporary, integrated advertising formats may pose considerable cognitive and affective challenges to children that could nullify the warning cues' purpose of helping them to recognize and reflect on the advertising's commercial intentions. Firstly, the highly entertaining and often overstimulating media in which the advertisement is embedded may demand most of children's already limited cognitive capacity (Buijzen et al., 2010; Lang, 2000), leaving few cognitive resources to identify the persuasive elements in the first place (Boerman et al., 2012). Secondly, even when a cue enables children to recognize the commercial content, they may not be motivated to subsequently reflect on the advertisement's commercial intentions, as children's advertising is all the more directed at fun and play (Wicks et al., 2009), increasing the chance that they will rather affectively engage with the entertaining content (Rozenaal et al., 2011).

A couple of studies indeed found warning cues to be ineffective in activating children's advertising literacy for new advertising formats, such as advergames (An and Stern, 2011; Panic et al., 2013). Advergaming, however, is a more exacting format as they embed advertising in a highly immersive game environment. Therefore, warning cues might be more promising in case of brand placement in 'traditional' media such as TV programs and movies.

### **Warning Cue Characteristics**

It is usually neglected that warning cues may adopt many forms (see e.g. An and Kang, 2013), which may yield differences in effectiveness. It has been suggested that when a warning cue is found to be ineffective, this may be due to deficiencies in the details of the cue itself (An and Stern, 2011). Among children, research in which cue characteristics (such as disclosure modality or timing) are linked to cue effectiveness is nonexistent. However, as children's cognitive resources are notably more limited than adults', it is all the more important to ascertain the most adequate ways in which cues may capture their scant attention.

*Perceptual modality of the cue*

As the effectiveness of disclosures for brand placement in traditional media has been studied almost exclusively by presenting the participant with visual warning cues, it is not known whether cues that differ in perceptual modality also vary in effectiveness. An and Stern (2011) have noted that most psychological studies consider visual stimuli to be superior, but in their own research on advergaming, they have found that an auditory warning cue was more effective than a visual ad break in mitigating advertising effects among children. As it is not sure which cue modality will prevail in the case of brand placement, the first study within this manuscript poses the following research question: *Will children's cognitive advertising literacy and attitude toward the brand be influenced differently when a visual warning cue is shown versus when an auditory warning cue is played before the media containing brand placement (than when no warning cue is presented) (RQ1)?*

Mentioned earlier is the possibility that children's (cue-activated) cognitive advertising literacy might not function as a 'cognitive defense' against advertising effects. Consequently, an additional research question is formulated: *Will this cue-activated cognitive advertising literacy significantly affect children's brand attitude (RQ2)?*

#### *Cue timing*

In a study among adults, Boerman et al. (2014) have already proven that disclosure timing strongly influences cue effectiveness, in that they have found that a warning cue shown prior to or concurrent with the sponsored content in a TV program more adequately facilitates people's recognition and critical processing of this content than a cue shown at the end of the program. Among children, however, significant differences in cue effectiveness may also be expected between a forewarning cue and a cue that is played concurrently with the sponsored content. On the one hand, one could argue that a forewarning cue will be more effective as it is more likely to fully direct children's already limited attention to the cue and its meaning, and to provide them with the time needed to prime their advertising literacy. On the other hand, children might be too young to keep the cue message salient in their memory and ready for application when subsequently exposed to the cognitively and affectively demanding media content in which brand placement occurs. Hence a concurrently shown warning cue may be equally suitable for children, as it may draw their attention more directly to the sponsored content. As it is not known which process will predominate among children, following research question is formulated: *Will children's cognitive advertising literacy and attitude toward the brand be differentially influenced when a warning cue is shown before versus concurrently with the media containing brand placement (RQ3)?*

## STUDY 1

### Method

An experiment was conducted ( $N = 98$ ,  $M_{\text{age}} = 8.45$ , 50% girls) in which the effects were compared of a visual versus an auditory warning cue (versus no cue), (dis)playing the message 'Caution, this program contains advertising', which preceded a kids' TV program excerpt about cooking 'sausage rolls', including a brand placement for a well-known ketchup product.

*Cognitive advertising literacy* was measured by adding the scores of the 'correct' answers (coded 1) on four questions (adapted from Mallinckrodt and Mizerski, 2007): 1) "Did you see a brand in the program?" (yes = 1); 2) "Who placed ketchup brand X in the program?" ('the teacher', 'the researcher', 'the kids channel/ketchup brand X' (1) and 'I don't know'); 3) "Why is ketchup brand X shown in the program?" ('to make me cook better', 'to make me like the ketchup brand X' (1), 'to make me happy', and 'I don't know'); 4) "Does this program want you to eat the ketchup brand X?" (yes = 1). This resulted an index ranging from 0 to 4 ( $M = 1.80$ ,  $SD = 0.93$ ).

*Attitude toward the brand* was measured by asking the participants three questions: 1) “How much do you like ketchup brand X?” (1 = ‘very much’ to 5 ‘not at all’); 2) “How much stars would you give ketchup brand X?” (1 star to 5 stars); and 3) “How good do you think ketchup brand X is?” (1 = ‘not good at all’ to 5 ‘very good’). After reverse-coding the first item, all three items were averaged to a single measure of brand attitude (Cronbach’s Alpha = 0.91,  $M = 3.59$  (on 5),  $SD = 1.17$ ), with a higher score representing a better attitude toward the brand.

## Results

A first ANOVA analysis revealed significant differences in cognitive advertising literacy between the experimental conditions ( $F(92) = 8.670$ ,  $p < .001$ ) (see Figure 1), and the Scheffé test showed that, compared to no warning cue ( $M = 1.26$ ), a visual cue ( $M = 2.18$ ,  $SE = 0.22$ ,  $p < .001$ ) was more effective than an auditory cue ( $M = 1.85$ ,  $SE = 0.22$ ,  $p < .031$ ).

A second ANOVA analysis showed small but significant differences between the conditions ( $F(97) = 3.368$ ,  $p = .039$ ) (see Figure 2), and the Scheffé test showed that a visual warning cue ( $M = 3.97$ ) led to a slightly better brand attitude than no cue ( $M = 3.23$ ,  $SE = 0.29$ ,  $p = .042$ ).

Using Hayes’ PROCESS macro for SPSS (Hayes, 2013; model 4), a simple mediation analysis (see Figure 3) confirmed that children’s cognitive advertising literacy was higher when the brand placement was preceded by a (visual) warning cue than when no warning cue was shown ( $b = 0.92$ ,  $SE = 0.21$ ,  $p < .001$ ). However, the activated advertising literacy had no significant effect on brand attitude ( $b = 0.09$ ,  $SE = 0.19$ ,  $p = .645$ ) in this mediation model, and an indirect effect of warning cue exposure on brand attitude through advertising literacy was lacking ( $b = 0.08$ ,  $SE = 0.22$ ; [-0.35; 0.50]).

## Discussion

Now that the first study has shown that the visual cue was more adequate than the auditory warning cue in activating children’s cognitive advertising literacy for brand placement, in the second study it is investigated if this visual cues’ effectiveness can be further enhanced when manipulating its timing. First it should be noted, however, that in study 1 children’s cue-activated advertising literacy had no effect on their brand attitudes. Therefore, study 2 will also take into account children’s affective attitudes toward the advertising format.

### *The moderating impact of skepticism towards the format*

Rozendaal et al. (2011) have observed that children’s advertising strongly appeals to their emotions, which may distract them from processing the commercial message in a more elaborate way, and may ultimately prevent them to critically evaluate the advertised brand. As the authors have argued that in conditions in which children’s cognitive abilities and motivation are put under severe pressure the processing of advertising may occur more effortlessly when it is done in an attitudinal rather than a cognitive manner, study 2 foresees an important role for children’s skepticism toward the brand placement format. More specifically a moderated mediation model is tested, as several studies conducted among adults have shown that a disclosure can modify advertising effects through the activation of cognitive advertising literacy, depending on people’s skepticism toward the covert marketing tactic (e.g. Wei et al., 2008). This leads to an additional hypothesis for study 2: *When children have a strong skeptical attitude toward the brand placement tactic, a warning cue will negatively affect their brand attitude due to a negative effect of the cue-activated cognitive advertising literacy on brand attitude. When children have a weak skeptical attitude toward the brand placement tactic, a warning cue will positively affect children’s brand attitudes due to a positive effect of the cue-activated cognitive advertising literacy on brand attitude (H1).*

## STUDY 2

## Method

An experiment was conducted ( $N = 142$ ,  $M_{\text{age}} = 9.04$ , 54% boys) in which the effects were compared of a visual warning cue presented prior to versus concurrently with an excerpt from a popular children's movie, including a brand placement for a well-known chocolate candy brand.

The items for measuring *cognitive advertising literacy* ( $M = 2.01$ ,  $SD = 1.04$ ) and *brand attitude* (Cronbach's Alpha = 0.89,  $M = 4.21$  (on 5),  $SD = 0.82$ ) were almost identical to those in study 1, except that 'ketchup brand X' was replaced by 'candy brand X'.

*Skeptical attitude toward brand placement* was measured by asking the respondents "How much do you like that brands like candy brand X appear in the movie?" (1 = 'not at all' to 5 = 'very much'; which was then reverse-coded so that a higher score on this measure represents a more skeptical attitude toward brand placement) ( $M = 1.96$ ,  $SD = 0.97$ ).

## Results

The A path of a moderated mediation analysis (PROCESS model 14; Hayes, 2013) (see Figure 4) showed that children's cognitive advertising literacy was higher when the warning cue preceded than when it was shown during the movie excerpt ( $b = 0.50$ ,  $SE = 0.17$ ,  $p = 0.004$ ). As concerns B path, the model turns out to be highly significant, and this time explains 35% of the variability in the brand attitude score ( $R^2 = 0.35$ ,  $p < 0.001$ ). The index of moderated mediation shows that the indirect effect of the (fore)warning cue on brand attitude through cognitive advertising literacy was moderated by children's skeptical attitude toward the brand placement format ( $b = -0.04$ ,  $SE = 0.03$ ; BCBI [-0.12; -0.01]). In particular, it is found that the cue-activated cognitive advertising literacy yielded a significant effect on brand attitude ( $b = 0.06$ ,  $SE = 0.04$ ; BCBI [0.01; 0.16]), but only at the lowest value of the moderator ( $M = 1.01$ ).

## Discussion

Study 2 showed that a forewarning cue was more effective than the concurrently played cue, indicating that it functions as a prime that gives the children sufficient time to activate their cognitive advertising literacy. The results also confirm that the warning cues' impact on advertising effects can be explained by children's cognitive advertising literacy, *if* their skeptical attitudes toward brand placement are taken into account. In particular, it was found that cognitive advertising literacy increased brand attitudes, but only among children with a low skeptical attitude toward the format. This suggests the children who recognized and understood the integrated commercial message had a better attitude toward the placed brand because they critically evaluated the used tactic in a positive manner.

## GENERAL DISCUSSION

The current article contributes to the academic, political and public debate on how to enable young children to cope with the contemporary, possibly deceptive embedded advertising formats directed at them. First, the finding that visual (versus auditory) warning cues presented prior to (versus concurrently with) the sponsored content are most effective in triggering advertising literacy forms a direct recommendation for academics and authorities that aim to design a cue that adequately enables young consumers to cope with brand placement. As these results differ from studies among adults and concerning other advertising formats, this study argues for academics to consider children's limited cognitive abilities to simultaneously process a warning cue and the branded media. Second, as the proposed moderated mediation model in study 2 explained a myriad of the variation in children's brand attitude, this research recommends academics interested in the relation between advertising literacy and advertising effects to acknowledge the indispensable moderating role of skeptical or critical attitudes toward the advertisement or its format; otherwise they may wrongfully

perceive warning cues as ineffective when not directly decreasing persuasion susceptibility. Relatedly, and important for public policy and legislation (and indirectly for advertisers), this finding suggests that one should focus on disclosures' potential to stimulate critical processing of advertising (of which the result could also be in favor of the advertised brand), rather than solely on the obstruction of advertising's intended effects. This critical processing can help both adults and children to actively use advertising to make conscious decisions about products and services, and, as stated by Friestad and Wright (1994), to "*adaptively respond to these persuasion attempts so as to achieve their own goals*" (Friestad and Wright, 1994, p.1).

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## FIGURES

Figure 1. Effects of warning cues on cognitive advertising literacy

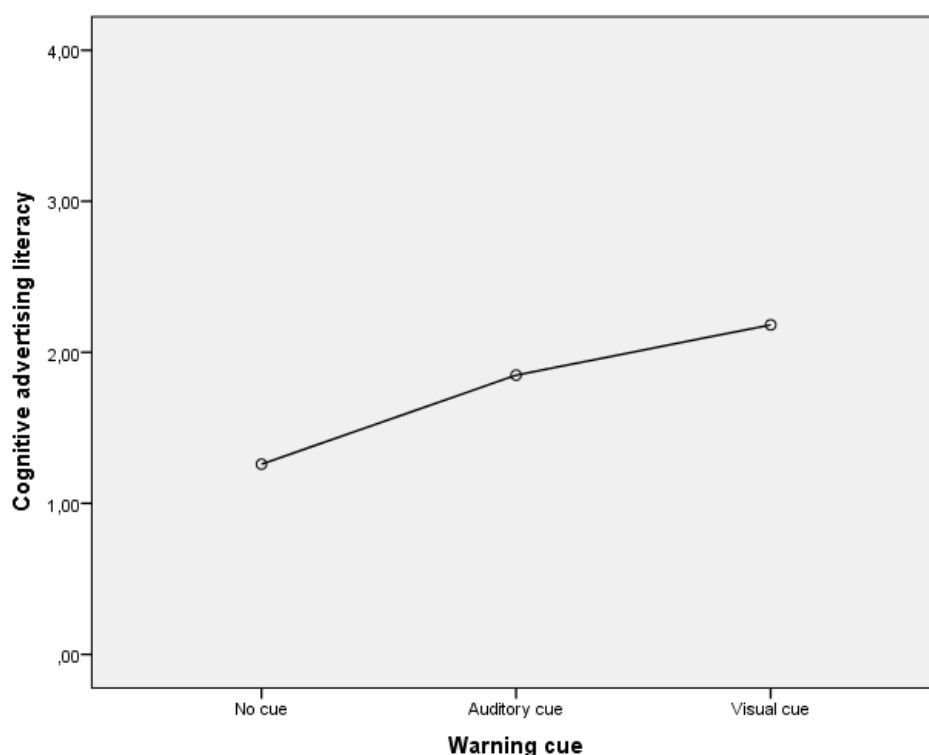


Figure 2. Effects of warning cues on brand attitude



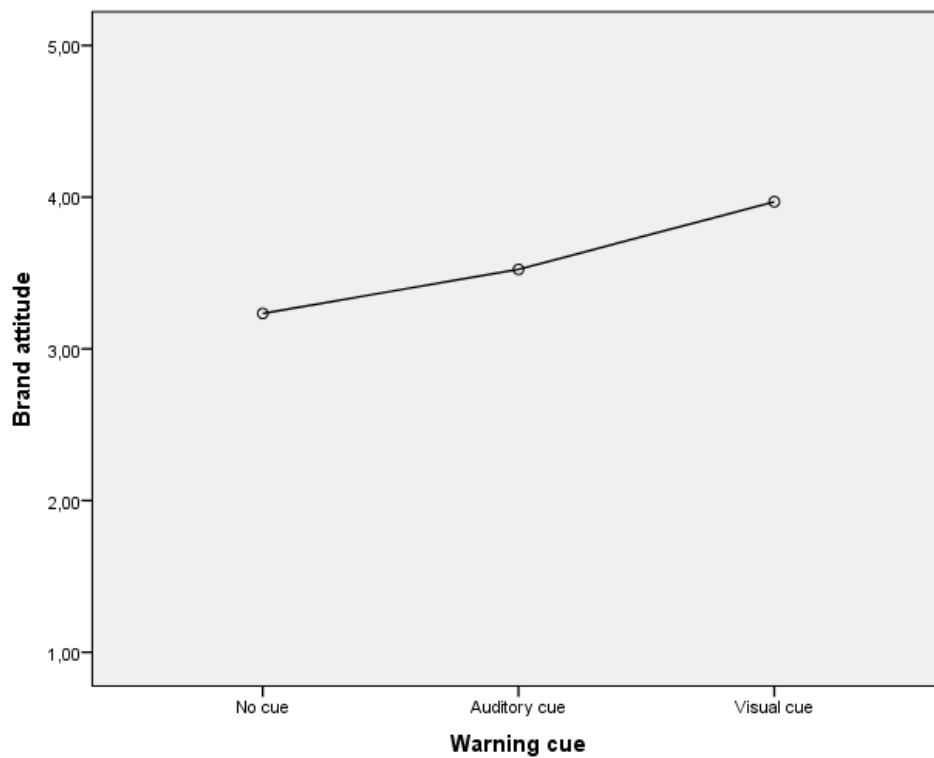


Figure 3. Conceptual model (mediation)

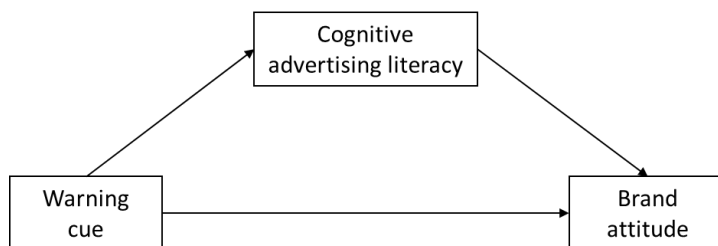


Figure 4. Conceptual model (moderated mediation)

