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Separate and joint effects of advertising and placement

Rodrigo Uribe

Business School, Faculty of Economics and Business, Universidad de Chile, Diagonal Paraguay 257, Santiago, Chile

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ABSTRACT

This study explores the effects of the separate and joint effect of advertising and placement on consumer responses. Specifically, this paper examines these responses in terms of brand awareness, brand attitude, and purchase intention. The study results only show differences between exposure to advertising- or placement-only conditions and the control group in the case of brand recall (no differences were detected in the case of brand attitude or purchase intention). As was found in a previous study incorporating brand placement (van Reijmersdal, 2011), this paper cannot demonstrate the existence of synergy in the joint use of placement and advertising in the three dependent variables examined. The main implication of this study is to reinforce the relevance of advertising as promotional tool, particularly in order to increase brand awareness and proposes that if a company wants to use a placement, this kind of passive type seems not to be advisable.

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1. Introduction

The traditional definition of advertising states that advertisement is a structured, paid, and non-personal form of communication designed to disseminate information about goods, services, and ideas in a creative and persuasive manner. Although advertising may influence consumers in different ways, the primary goal of any campaign is to increase the probability that consumers exposed to a particular campaign will recall, think, feel, or behave in a particular way about a specific brand (Belch & Belch, 2004; Duncan, 2002). In order to accomplish that function, members of the audience must pay attention to the advertisement or the message will go unnoticed and not produce the desired effect. In other words, attention is central to advertising because attention allows the subsequent encoding and retrieval of the information contained in the piece of advertising (Lang, 2001; Rossiter, Silberstein, Harris, & Nield, 2001).

Thus, a primary problem for advertisers is that consumers have been increasingly able to avoid or manage mass media advertising, particularly in the case of TV. Today almost all TV sets have remote controls, and many people can watch previously recorded shows. Moreover, many paid on-demand broadcasting services are commercial free. Even if people decide to watch a commercial break, the level of attention to advertisements is significantly lower than the attention paid to the program content of TV (Greenwald & Leavitt, 1984; Gunter, 1987).

Since the effectiveness of TV advertising by itself has been repeatedly questioned as limited, practitioners and academics have emphasized the relevance of incorporating other promotional tools and media,

which has been labeled “integrated marketing communication” (IMC) campaigns (Duncan, 2002; Kliatchko, 2008; Olson, 2004; Voorveld, 2011). These integrated campaigns aim to coordinate messages for maximum impact through synergy, which proposes that the combined and coordinated effect of these diverse media and message formats exceeds the sum of their individual effects (Belch & Belch, 2004; Moriarty, 1996; Naik & Raman, 2003).

A significant number of studies on synergy have focused primarily on multimedia campaigns rather than on those using diverse message formats (Wang, 2006). Research has provided support to the idea of the synergic effect in the simultaneous use of different media. For instance, a recent study by Voorveld (2011) examines the effectiveness of simultaneous exposure to Internet and radio advertising. The rationale for this study is that people surf the Internet and listen to the radio simultaneously. He detects that combining online and offline advertising provokes a higher number of positive affective (brand attitude) and behavioral (purchase intention) consumer responses than using just one medium did (see also Dijkstra, Buijtel, & van Raaij, 2005; Chang & Thorson, 2004).

Studies incorporating different message formats or promotional tools are few and have almost exclusively examined the use of advertising and publicity actions. Moreover, many of them have focused on comparing rather than combining these tools (Kim, Hye, & Sunyoung, 2010; Micu & Thorson, 2008). In fact, only one study examines the synergic effect of incorporating a format other than publicity. That work by van Reijmersdal (2011) evaluates the joint use of advertising and brand placement in the context of radio programs.

Assuming the increasing relevance of product placement as promotional tool, its differences from traditional advertising, and the fact that

E-mail address: ruribe@fen.uchile.cl.

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Image 1. News clip with and without brand placement.

placement is regularly used in combination with advertising on TV, this investigation seeks to follow the research line of van Reijmersdal (2011), which was the first experimental examination of the joint effect of advertising and placement on TV. Moreover, that research incorporated a comparison with a control group, which also allows researchers to test the effect of the isolated use of these promotional tools.

2. Background of the study

2.1. The effects of advertising and placement

The main role of commercial communication is to influence consumers in different persuasive ways. The literature has described diverse effects on consumers, but the most frequently mentioned way to examine this issue is through a trilogy of communication effects in terms of the cognitive, affective, and behavioral impact of an execution or campaign¹ (Belch & Belch, 2004). In practice, this means that an effective communication should increase consumers' awareness of the product or brand, improve their attitude toward it, and/or increase the probability that they will purchase the advertised good.

2.1.1. Brand awareness

Awareness of promoted brands or products is the result of consumers' information processing of those messages, in which consumers encode and store in some way the content presented in the execution. This process leads to a subsequent retrieval of that information, which is the basis of brand or product memory (Lang, 2001). Brand recall has been described as an essential effect of the communications, because for a consumer to buy a brand they must first be made aware of it. Moreover, many researchers have noted that brand knowledge at the place of purchase might aid consumers in making brand decisions (Rossiter & Percy, 1987; Macdonald & Sharp, 2003). However several studies on the mediating factors of this process (ad execution, product category, prior brand attitudes, et cetera), also support the idea that brand awareness can actually be considered a primary effect of different marketing communication actions (Batra, Lehmann, Burke, & Pae, 1995; Keller, 1987).

In the particular case of advertising, different studies offer support to the idea that advertising can directly increase brand awareness. For instance, in a recent study Clark, Doraszelski, and Draganska (2009) examine a panel data set that combined annual brand-level advertising expenditures for more than 300 brands with measures of brand awareness from a large-scale consumer survey in the USA. The data revealed that advertising consistently has a significant positive effect on brand awareness. Rubinson (2009) studies whether the effectiveness of TV advertising had declined over time. A meta-analysis of seven different databases allows him to conclude that TV advertising appeared to be as effective as ever and has possibly even increased in effectiveness. In terms of specific marketing objectives, his evidence suggests that TV's impact is mainly by generating brand awareness.

¹ These three effects have been understood as representing a hierarchical model by some authors and as independent effects on consumers (see Vakratsas & Ambler, 1999).

In the case of the placement, brand awareness has been described as the main effect of this promotional tool (Gupta & Lord, 1998; Ong & Meri, 1994; Vollmers & Mizerski, 1994). The main body of research has focused on brands placed in movies or television programs. Research has frequently corroborated that consumers have a better recall of the brands that have appeared in movies (Vollmers & Mizerski, 1994). Johnstone and Dodd (2000) conduct an exploratory analysis of the effect of placement on brand awareness. The participants of the study showed a segment of a film with multiple brand placements and were given pre- and post-exposure questionnaires. The results suggest that placements increase levels of brand awareness. It is important to note that studies have detected that brand placements tend to generate short-term memory effects and that consumers are not necessarily able to retain the brand for long (Babin & Carder, 1996; Gupta & Lord, 1998; Karrh, 1995). Recent research efforts have focused both on exploring new media (Lee & Faber, 2007; van Reijmersdal, Jansz, Peters, & van Noort, 2010) and particularly on determining the factors that influence brand recall for product placements (Russell, 2002). In this regard, evidence has detected that dual-mode (audio-visual), prominent, and plot-connected placements tend to lead to better memory effect (Russell, 2002).

Consequently, and based on previous evidence about the relationship between brand awareness, advertising, and placement, this study posits the first two hypotheses and a research question:

H1a. Exposure to the advertising-only condition will increase the brand awareness of the advertised brand.

H1b. Exposure to the brand placement-only condition will increase the brand awareness of the particular brand presented in the program.

RQ1. Are there differences between exposure to advertising-only and placement-only conditions in terms of brand awareness?

2.1.2. Brand attitude

According to the literature, another potential effect of communication campaigns is the creation of a positive attitude toward the advertised brand. Evidence has demonstrated that on the one hand, advertising can play a role in attitude formation by either influencing a movement toward more favorable attitudes or by reinforcing the previous ones, while on the other hand, research on placement has been less conclusive in terms of providing evidence in favor of a change in brand attitude (Law & Braun-LaTour, 2004; Shrimp, 2003).

In the case of advertising, research conducted over the last 40 years has examined this issue with the explicit assumption that attitudes are good predictors of consumer behavior (Belch & Belch, 2004). For instance, Berger and Mitchell (1989) evaluate the relationship between different dimensions of attitudes—an evaluative dimension and one or more non-evaluative dimensions (e.g. attitude accessibility or attitude confidence)—in a sample of 104 university students. The results indicate that advertising exposure may influence not only the evaluative dimension of attitudes toward brands, but non-evaluative dimensions as well. In a more recent study,

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