



Contents lists available at ScienceDirect

## Journal of Business Research



# An investigation of brand placement effects on brand attitudes and purchase intentions: Brand placements versus TV commercials☆

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## ARTICLE INFO

## Article history:

Received 17 November 2015  
 Received in revised form 16 August 2016  
 Accepted 17 August 2016  
 Available online xxxx

## Keywords:

Brand placement  
 Advertising  
 30-second commercial  
 Brand attitude  
 Purchase intention  
 Attitude toward advertising

## ABSTRACT

Brand placements are gradually becoming an important part of promotional toolkit of many major companies. However, despite the increasing volume of research on brand placements during the last decade, several important questions still remain unanswered. The purpose of this research is to investigate the effectiveness of brand placements in television sitcoms and contrast it with the effectiveness of 30-second commercials. The authors administer a quasi-natural experiment to a sample of research panel participants to investigate how brand placements in television sitcoms affect their attitudes and purchase intentions. Results of the study suggest that people have a more positive attitude toward brand placements than toward traditional television commercials. Moreover, placements can be more effective than 30-second commercials when targeting audiences with low attitude toward advertising. Finally, a combination of a brand placement and a commercial within one program doesn't significantly increase brand attitudes and purchase intentions compared with sole exposure conditions.

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## 1. Introduction

Since the introduction of the first TV commercial in 1941, television has been one of the most important advertising media. However, because of the continuous growth of ad clutter (Jurca & Madlberger, 2015), media segmentation (Chan, 2012), the introduction of ad skipping devices (Bellman, Schweda, & Varan, 2010) and the rising cost of TV commercials (Shimp & Andrews, 2013) the future of the 30-second commercial has become a subject of debate among academicians and practitioners (Lynch, 2015; Poggi, 2014; van Reijmersdal, Smit, & Neijens, 2010). Russell (2002) claims that in order to remain competitive, marketers should use more efficient and unobtrusive tactics while targeting today's highly sensitive audiences. According to the research done by the Association of National Advertisers (2010), advertisers are keen to try new advertising formats and about 80% of surveyed practitioners are enthusiastic about branded entertainment. Many researchers claim that creative inclusion of brands into mass media programs, a practice that is known as brand placement, can serve as a cost-effective alternative to television advertising (Karrh, McKee, & Pardun, 2003; Russell & Stern, 2006).

Previous research in the area of brand placements has been primarily focused on memory-based effects such as recall and recognition

(Brennan & Babin, 2004; Bressoud, Lehu, & Russell, 2010; Gupta & Lord, 1998). A possible explanation for such attention is the fact that most industry practitioners use these measures when evaluating the effectiveness of brand placements (Karrh et al., 2003). However, memory based measures don't account for the complete spectrum of brand placements effects (Balasubramanian, Karrh, & Patwardhan, 2006; van Reijmersdal, Neijens, & Smit, 2009). Surprisingly, considerably fewer studies focus on the effects of brand placements on the determinants of brand image (e.g., attitude toward the brand) or behavioral outcomes such as purchase intentions (De Gregorio & Sung, 2010; Yang & Roskos-Ewoldsen, 2007). Moreover, the results of these studies are often contradictory and negatively affect the use of brand placements by marketing practitioners (Craig-Lees, Scott, & Wong, 2008).

This research study compares the effectiveness of brand placements and television commercials by investigating their influence on brand attitudes and purchase intentions. Specifically, based on the data from a nationally representative sample of respondents, our research addresses four issues. First, we contrast the effectiveness of brand placements to that of 30-s commercials and to the combined exposure of a brand placement and a commercial. Second, unlike previous studies that have been criticized for using, short episodes, subtle placements, or placements that were not well integrated into the plot or lacked association with a main character (Balasubramanian et al., 2006), we use full episodes of the television shows that feature prominent brand placements and the brand placements are both well integrated into the script and used by the main characters of the show. Use of such stimuli allows us to test the boundary conditions under which brand placements can be utilized successfully as promotional tools. Third, we explore the

☆ This work was supported by a grant from IC<sup>2</sup> Institute at The University of Texas at Austin.

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effects of viewers' personal characteristics (e.g., attitude toward TV advertising) on brand attitudes. Finally, we examine the effectiveness of placing food and beverage brands in the context of situational comedies, whose humorous nature is an ideal setting for brand placements (Ong, 2004). As such, this research not only contributes to the existing literature on brand placement effectiveness, but also offers a number of practical implications to marketing practitioners. Such implications should be helpful in developing effective branding campaigns and enable television producers to design meaningful pricing schemes for brand placement deals.

## 2. Definition of brand placements

Despite the growing popularity of brand placements, there is not one commonly accepted definition. Many researchers and practitioners use alternative term “product placement”, which, doesn't include the placements of service brands or organizations. As such, in this paper we will refer to the practice as brand placement.

Up to date there are >20 definitions of brand placements that are used interchangeably by scholars (Balasubramanian, 1994; Chan, 2012; Gupta & Gould, 1997; Karrh, 1998; Lehu & Bressoud, 2008; Russell & Belch, 2005; Williams, Petrosky, Hernandez, & Page, 2011). Some authors highlight the paid nature of brand placements (Balasubramanian, 1994; Gupta & Gould, 1997; Karrh, 1998); while others focus on placements in a specific medium (Lehu & Bressoud, 2008). However, these definitions don't take into consideration that brand placements are not always paid and are not restricted to television or movies. One of the most recent definitions of brand placement was suggested by Ginosar and Levi-Faur (2010), as: “the purposeful incorporation of commercial content into noncommercial settings” (p. 467). This definition avoids the shortcomings of the earlier definitions and will be used in this paper.

Similarly, researchers classify brand placements in different ways. For example, Russell (1998) offers a three-dimensional framework that classifies brand placements based on their visual component (whether the brand is shown or not), verbal component (whether the brand name is mentioned or not) and degree of the connection of a brand with a plot. Gupta and Lord (1998) classify brand placements based on their modality (audio, visual, audiovisual) and the level of prominence (prominent vs subtle). Furthermore, Yang and Roskos-Ewoldsen (2007) categorize brand placements based on whether they are shown in background, used by a character but is not central to the story and whether a brand plays a role in the story. Kamleitner and Khair Jyote (2013) suggest that featuring character-brand interactions instead of close shots of the brands enhances the level of brand integration into the plot and makes placement less obtrusive. It also improves brand attitudes and purchase intentions by facilitating the meaning transfer from characters to brands.

Overall, based on previous research, we can conclude that in order to be effective, brand placements should be prominent (brand identifier is highly visible on the screen), well-integrated into the plot and associated with the main character of the movie/show (Balasubramanian et al., 2006; d'Astous & Chartier, 2000; Gupta & Lord, 1998; Lehu, 2007).

## 3. Brand placements in television programs

Television is the most common medium for brand placements, as it attracts >71% of all paid placements (Schiller, 2007). La Ferle and Edwards (2006) report that there is at least one placement in every three minutes of programming at the major US networks (e.g., CBS, ABC, NBC). According to van Reijmersdal et al. (2010) and Karrh et al. (2003), program type affects the effectiveness of product placements. Goldberg and Gorn (1987) claim that television programs that elicit more positive emotions produce more positive responses, thus resulting in greater perceived ad effectiveness. Situational comedies provide greater flexibility for brand placements (than movies) and can be used

for showing brands in a more natural setting (Ong, 2004). Furthermore, situational comedies may be a suitable genre for brand placements, because they require higher suspension of belief from the viewers than other TV show genres do (e.g., dramas), as such sitcoms may give producers more freedom in placing selected brands. There is strong evidence from the industry regarding the effectiveness of brand placements in sitcoms (Russell & Stern, 2006), thus it is safe to assume that television situational comedies are a good setting for placing brands.

Many researchers claim that the effectiveness of traditional television advertising is negatively affected by the audience's level of sophistication, the highly segmented audiences, the adoption of ad skipping devices and the introduction of video on demand (Williams et al., 2011). Prior research showed that attitudes toward advertising can influence the effectiveness of the promotional messages. Specifically, attitudes toward advertising might affect attitudes toward specific ad, which in turn would affect the attitudes toward the brand featured in the ad (MacKenzie & Lutz, 1989). People's attitudes toward advertising also depend on the type of medium, for example, they are more favorable for print advertisements than for radio or television commercials (Shavitt, Vargas, & Lowrey, 2004). Furthermore, several studies confirmed that attitudes toward TV commercials are the least favorable compared to advertising in other conventional media (e.g., radio, catalogs, out-of-home), because most viewers perceive them as not useful and intrusive (Shavitt et al., 2004). Therefore, most people change the channel during a commercial break, leave the room or zip and zap through commercials (Fransen, Verleghe, Kirmani, & Smit, 2015; Williams et al., 2011).

Earlier studies on attitudes toward brand placements suggest that people have positive attitudes toward brand placements, if these placements don't contain ethically charged products such as guns, alcohol or tobacco (Gupta, Balasubramanian, & Klassen, 2000; Nebenzahl & Secunda, 1993). Several researchers claim that people have positive attitudes toward brand placements, as they think that brand placements add realism and credibility to movie scenes and help in character development (Russell, 2002).

Inspired by the success of earlier brand placement deals, contemporary marketers allocate bigger portions of their promotional budgets to this medium and the US market of brand placements has almost quadrupled over the last decade (PQ Media, 2006; PQ Media, 2015). However, the proliferation of brand placements negatively affects their effectiveness (Karniouchina, Uslay, & Erenburg, 2011). Over time audiences are becoming more savvy and knowledgeable about the tactics used by marketers and develop defensive mechanisms to avoid promotional messages (Friestad & Wright, 1994). Thus it might happen that their evaluation of the brand placement practice was changed during the last decade and brand placements are not perceived as positively as before. So, it will be useful to compare the general attitudes of people toward brand placements with their attitudes toward traditional TV advertising (e.g. 30-second commercials). Based on the provided discussion the following hypothesis is offered.

**H1.** People have higher positive attitudes toward brand placements than toward TV commercials.

Brand placements usually appear on a screen in small time portions and the message that the placement of the certain brand in the TV program tries to convey is usually secondary to the main content of the show. As a result, viewers that are focused on the primary attributes of the TV show (e.g., story or character development), are less likely to critically evaluate any information about the embedded brand and might make their judgements based on the existing heuristic shortcuts (Kim & Benbasat, 2003). As Cacioppo and Petty (1984) suggest, under such conditions, message sources might serve as shortcuts for attitude formation. In case of brand placement a source can be the show itself, a character using the brand, or any other stimuli associated with the show.

People perceive television commercials to be not trustworthy and not credible, as they are biased in favor of advertisers (Nebenzahl & Jaffe,

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