

PRODUCT PLACEMENT, ITS SUPPORTERS AND DETRACTORS:

A QUEST FOR BALANCE

Karine Charry

Tina Tessitore

IÉSEG School of Management, France

CNRS-LEM, UMR 9221

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Abstract

Purpose: This chapter takes a wider approach to the increasingly popular advertising tool of Product Placement (PP), discussing the tool, its usage and the consequences of its usage both from a marketing and a consumer welfare perspective. It also tries to balance these contradictory perspectives to achieve a common and positive ground for all stakeholders.

Methodology/approach: A literature review of PP research findings from both a marketing and public policy perspective is used to arrive at a more balanced viewpoint on PP.

Practical implications: Marketers are advised not to fight against regulations for PP, but rather develop their creativity to avoid consumers rejecting the disclosed placement. Public policy makers are recommended to improve the current regulations in terms of disclosure and media types (that would be consistent wherever the program is produced or broadcasted) in order to help consumers to become savvier.

Social implications: We address consumers' ability to raise a protective shield in a PP situation. More specifically, we explain how certain disclosures may work better than others to inform about the commercial intent of PP and as such, will empower consumers to manage their own behavioral decisions. Then, we describe how PP can be used to educate consumers about pro-social issues in an entertaining, non-patronizing way.

Originality/value of paper: This chapter proposes to go beyond the usual divide between advertisers and policy makers and to balance those views, considering the positive role that PP may play in education while its potential negative impacts could be alleviated through effective training of consumers.

Key words: product placement, educational placement, disclosure, consumer welfare, public policy, persuasion

Viewpoint

Introduction

One of the most popular advertising formats nowadays is *product placement (PP)*. Product placement is the paid visual and/or verbal inclusion of branded products or brand identifiers in mass media programming, like movies, television programs, video games, etc. (Karrh, 1998). Although the first product placement finds its roots in the eighties (i.e., Reese's Pieces in E.T. in 1982), the popularity of this marketing tool has particularly grown in the last fifteen years. Examples are prevalent. Remember Tom Hanks in *CastAway* struggling to survive on a desert island after his plane crashed, opening FedEx packages that drift ashore, and talking to a Wilson volleyball. Do you recall James Bond conspicuously using luxury brands such as Aston Martin, BMW, Martini, Brioni suits, Omega watches, Samsung cellphones, etc.? Some brands even succeed in rewriting some of the famous quotes of James Bond. Indeed, in *Skyfall* agent 007 did not drink his favorite Vodka-Martini "shaken, not stirred", but he went for Heineken instead. A sign of the time that James' preferences are changing? Probably more a sign of a very juicy PP contract.

Worldwide, \$8.25bn was invested in PP in 2012 and this number is predicted to double within the next five years (PQ Media, 2012). Moreover, per movie that hits No. 1 at the US box office, an average of 13.3 PPs was measured in 2014 (Brandchannel, 2015). These recent numbers demonstrate that PP is an increasingly popular marketing tool. One of the main reasons for its popularity is most certainly the decrease in effectiveness of traditional advertising (Balasubramanian, 1994). Television viewers do anything they can to avoid interruption of their television experience. Skipping or fast-forwarding traditional advertising as a result of subscriptions like NetFlix, downloading, online streaming, digital television (DTV), digital video recorder (DVR) is a common phenomenon (Elpers, Wedel & Pieters, 2003; Wilbur, 2008). This trend necessitates marketers to search for advertising formats that consumers cannot avoid. And, what is more inevitable than advertising that is embedded in consumers' must-see entertainment programme of which they do not want to miss a second?

The growth of this embedded advertising format seems to go hand in hand with an increase in regulation. Regulatory bodies all over the world have regulated the practice. Generally, PPs are allowed in television programmes as long as certain requirements are met. In the European Union for example, viewers should be clearly informed about the presence of PP in

the television programme by means of disclosure. Moreover, vulnerable audiences like children are more specifically protected against the practice. This increased regulatory approach is the answer to the concern of consumer advocates and public policy makers who deem it deceptive to “hide” advertising in entertainment (Cain, 2011). While advertisers have been all too eager to exploit the tool, public policy makers watch its development with great apprehension.

Obviously, these two strands of opinion are difficult to reconcile, but at least they should be balanced. It is precisely this quest for balance that will be the focus of this chapter. To achieve this, it is essential to first evaluate both sides of the weighing scale. As such, this chapter will start by reviewing literature (1) on the effectiveness of PP which rationalizes the enthusiasm of marketers and (2) on consumer protection and disclosure which responds to the concern of public policy makers. This chapter simultaneously reviews both perspectives on PP and in a last section, we try to balance them. In this quest, new ideas are provided to reconcile marketers and public policy makers.

Marketing perspective

The first question this chapter will try to answer is: “Is the enthusiasm for PP by marketers indeed warranted, and what exactly makes PP such a valuable communication tool for marketers?”

PP as an alternative to traditional advertising

The tremendous cost of communication and a fierce competitive environment makes marketers question and compare the efficiency and effectiveness of each available tool in the communication mix. To answer our first question, we start by considering what makes PP so different from traditional advertising.

First of all, PP is cost-efficient as its return on investment is much higher than the one of traditional advertising (Wenner, 2004). PP is embedded in entertainment content, so it has a long lifetime, it can break through advertising clutter, and it can overcome zipping (i.e., fast-forwarding the commercial break) and zapping (i.e., changing television channels) (Smit, van Reijmersdal & Neijens, 2009). Second, in case of traditional advertising, the commercial motives are clear, probably because the formats of traditional advertising are well identified by

consumers (ads are in commercial breaks, posters are on billboards, etc.), so people are aware that they are confronted with a persuasion attempt. However, PP usually has the power to hide and to strike like highwaymen, and to pass under consumers' skeptical radar. Consumers do not realize that it is advertising (Balasubramanian, 1994; Bhatnagar, Aksoy & Malkoc, 2004), so they are less likely to activate their skeptical mindset or their "*persuasion knowledge*". "*Persuasion knowledge*" is people's understanding of persuasion tactics that helps them to identify when, how and why they are confronted with a persuasion tactic (Friestad & Wright, 1994). *Persuasion knowledge* helps people to reflect on a persuasion attempt in a skeptical way and to adequately cope with (i.e., respond to) this persuasion attempt (e.g., by resisting the influence of the persuasion attempt on their buying behavior). As PP tends to activate less PK, it renders PP more persuasive than traditional advertising.

How exactly is persuasion by PP established? Different mechanisms that occur either subconsciously or consciously could explain this. We will detail those below.

A mechanism that has been put forth to explain subconscious PP effects is "*mere exposure*". Have you ever heard a song that you really did not fancy in the first place but got used to and finally ended up liking? This phenomenon, called *mere exposure*, can also occur in case of exposure to a PP. Exposure to a brand can put the brand into our implicit memory (i.e., subconscious memory) which can influence our evaluation of subsequent events even though we cannot consciously recall the prior exposure (Jacoby & Kelley, 1987). Indeed, putting the brand in implicit memory makes the brand seem more familiar and as a consequence, we increasingly like the brand (Zajonc, 1968). For example, exposure to a brand name in a movie may have positive effects on attitudes or behavior toward that brand without consumers remembering the PP (Auty & Lewis, 2004; Cowley & Barron, 2008; Law & Braun, 2000; Matthes, Schemer & Wirth, 2007; Russell, 2002).

Another theory that has been built on to account for subconscious placement effects is the classical conditioning theory (Balasubramanian, 1994; Russell, 1998). Placing a product in entertainment can easily create paired associations between product and entertainment content. For example, the image you have of your favorite star in the movie can transfer onto the product. Similarly, the mood that the programme induces could carry over to the brand (i.e., mood spillover effects) (Balasubramanian, Karrh & Patwardhan, 2006; Karrh, McKee & Pardun, 2003). Not surprisingly, marketers try to keep as much control as possible on how, in which

scene, with which actor, etc. their brand is depicted. For example, marketers may pay more to place their product in a happy programme or scene as it may evoke a happier mood in viewers (Goldberg & Gorn, 1997) which could transfer to the brand.

Another theory that can explain subconscious PP effects is the Cultivation Paradigm (Russell, Russell & Grube, 2009; Russell et al., 2014). This paradigm proposes that the more individuals are exposed to specific representations of the world through television, the more they will tend to believe that these illustrations represent reality (Gebner et al., 2002). PP may cultivate the real-life dimension of behaviors. It indeed increases the perception of real-life usage of some placed products (Hirschman & Thompson, 1997). Consequently, any additional exposure to behaviors may render these behaviors more socially acceptable, which also increases the probability that they will be adopted.

However, PP can also influence people in a conscious way. In some situations, people may consciously detect the placement and still shift their attitude or behavioral intentions in a favorable way (Dens, De Pelsmacker, Wouters, Purnawirawan, 2012; Tessitore & Geuens, 2013; Wei, Fischer & Main, 2008). The mechanism that may explain this conscious influence is the “*accessibility-diagnosticsity*” principle (Dens et al., 2012; Feldman & Lynch, 1988). In fact, exposure to a brand placement may make the brand increasingly *accessible* or available in our conscious memory (i.e., reflected in the ability to recall the prior brand exposure). Afterwards, when a judgment or attitude toward the brand has to be formed, the “*accessible*” brand placement will be used *but only* if it is deemed *diagnostic* or useful for the attitude formation. Perceived usefulness of the movie to make a later judgment about the brand may be enhanced when there is a connection between the plot and the brand (Dens et al., 2012) or presumably whenever the brand is naturally embedded in the movie.

Finally, the “*social learning theory*” or more specifically, the “*modeling paradigm*” (Bandura, 1977) can explain conscious and/or subconscious PP effects (Balasubramanian, 1994). An actor or endorser can serve as a model demonstrating how and when to use a product. As such, consumers learn about the product and vicariously experience the product through these models’ behavior. Also the adoption of certain behaviors (e.g., health-oriented) by these models will act as descriptive or “value expressive” norms (Pechmann & Wang, 2006, Charry, 2014).

Hence, a thorough reflection on which character to match with the brand is a necessary exercise for marketers, as choosing between the good guy and the bad guy may determine the return on investment. Also, particular types of television programmes may enhance the degree of identification with the character which can in turn stimulate the social learning process. For example, reality shows could be a favorable medium to enhance social learning as they seem to genuinely depict “real people” – instead of fictitious characters – with whom we can more easily identify.

Types of PP and their effects

PP can positively impact consumers’ brand memory or awareness in the short term (e.g., Auty & Lewis, 2004; Babin & Carder, 1996; Law & Braun, 2000) and in the long term (d’Astous & Chartier, 2000; Nelson, 2002). They also positively impact their brand attitudes (Cowley & Barron, 2008; Russell, 2002; Yang & Roskos-Ewoldsen, 2007), brand choice (Auty & Lewis, 2004; Law & Braun, 2000; Yang & Roskos-Ewoldsen, 2007) and purchase intentions (Gould, Gupta & Grabner-Kräuter, 2000; Morton & Friedman, 2002; Tessitore & Geuens, 2013). However, depending on the type of PP, the tool may have different effects on consumers. Different types of PP can be distinguished based on factors such as the media in which they are embedded, the level of prominence, modality, congruence with the context, plot connection, and many others. The next paragraphs will provide a review on the most important ones.

First, PP could pay off as a promotional tool in different types of media and media vehicles. PP can have persuasive effects on consumers not only in movies (e.g., Babin & Carder, 1996; Balasubramanian, 1994; Gupta & Lord, 1998), fictional television shows (e.g., Cowley & Barron, 2008; Law & Braun, 2000, Russell, 2002) and reality television shows (e.g., Tessitore, Pandelaere & Van Kerckhove, 2014), but also in other popular media, such as video games (e.g., Cauberghe & De Pelsmacker, 2010; Glass, 2007; Hang & Auty, 2011; Nelson, 2002; van Reijmersdal et al., 2012), radio shows (Wei et al., 2008), music videos (Schemer, Matthes, Wirth & Textor, 2008), Broadway shows (Wilson & Till, 2011), and novels (Brennan, 2008).

Also for different types of “brands” PP can serve as valuable communication tool. For example, PP can be used to promote not only branded tangible products, but also general product

categories like alcohol (Russell & Russell, 2008) or destinations (Tessitore et al., 2014). Obviously, the effects may differ depending on medium and vehicle characteristics or depending on “brand” characteristics. For example, reality shows may be perceived as more authentic and realistic than fictional shows (Tessitore et al., 2014) and as such, raise less consumer skepticism for a placed product. Yet, the direct comparison between media or vehicles for PP is an area that still remains unexplored in the academic field.

Further, the “*modality*” of the placement plays a role. Specifically, modality denotes the mode of presenting the placement: does the product appear only visually, is it referred to only in an auditory way, or is a dual-mode strategy used to present the placement (i.e., audiovisual)? For example, when James Bond takes a look at his Omega watch so that one can clearly see the brand name, but it is not mentioned, it is a visual-only placement. However, when James Bond asks Mr. Q about a new feature on his BMW without the BMW being simultaneously visible on screen, it is an audio-only placement. Finally, Will Smith in *I, Robot* telling his mother about his new Converse All Star sneakers shoes while clearly showing them on screen is an example of an audiovisual placement. The question is which modality has the best effect on consumers. On the one hand, consumers can best remember audiovisual placements which are then followed (in terms of memory effectiveness) by audio placements and then visual placements (Brennan & Babin, 2004; Law & Braun, 2000; Gupta & Lord, 1998; Russell, 2002). On the other hand, in terms of brand choice, we find the opposite: visual placements outperform audio and audiovisual placements (Hang, 2012; Law & Braun, 2000). This would be explained by the fact that audio and audiovisual placements are less likely to pass under consumers’ skeptical radar.

Also important to mention when considering effectiveness of PP is the level of prominence or the conspicuousness of the placement in the entertainment content. Prominence can be enhanced using different techniques either used alone or in combination such as changing the modality, centrality to the plot, duration of appearance on screen, etc. For example, an audiovisual placement can be considered more prominent than a mere visual appearance on screen; however, if the visual appearance lasts more than five seconds, the placement can also become more prominent (Cowley & Barron, 2008). To improve brand memory, there is no doubt that a prominent placement will work better than a subtle placement (Brennan, Dubas & Babin, 1999; d’Astous & Chartier, 2000; Dens et al., 2012; Gupta & Lord, 1998; Law & Braun, 2000). To enhance brand choice, however, level of prominence does not seem to matter (Law & Braun,

2000), whereas to favor brand attitudes, it is advisable to use a subtle rather than a prominent placement because prominent placements may stimulate the activation of persuasion knowledge (Dens et al., 2012). Nonetheless, the latter effect needs to be nuanced. If viewers dislike (vs. like) the programme, a prominent placement has a positive (vs. negative) effect on brand attitudes (Cowley & Barron, 2008). Further, a prominent placement versus no placement has a positive (vs. negative) effect on brand attitudes when viewers' programme involvement is high (vs. low) and skepticism toward the PP is low (vs. high) (Matthes et al., 2007).

Moreover, the congruence or fit between the placed product and the entertainment content is important to consider when focusing on effectiveness. For example, a placement of a gasoline brand versus a pet food brand in a car-racing game are respectively perceived as a congruent versus incongruent placement (Lee & Faber, 2007). To make consumers remember the brand, it is advised to use incongruent rather than congruent brands (d'Astous & Chartier, 2000; Lee & Faber, 2007). However, a congruent placement is perceived as more appropriate (d'Astous & Séguin, 1999; d'Astous & Chartier, 2000). Last, the connection of the brand to the plot needs not to be neglected. "*Plot connection*" describes the extent to which the brand contributes to the narrative or the identity of a character as does the Aston Martin for James Bond. Plot connected brands (vs. non-plot connected brands) are beneficial for brand memory (Dens et al., 2012; Russell, 2002; Yang & Roskos-Ewoldsen, 2007). Furthermore, the influence on brand attitude would be moderated by the extent to which the target group is familiar with the brand and the prominence of the placement. Although a first study showed that it may harm brand attitudes and seem to have no effect at all on brand choice (Yang & Roskos-Ewoldsen, 2007), a recent study shows that when viewers are highly familiar with the brand, neither the connectedness of the brand to the plot nor the prominence of the placement impacts brand attitude. However, when viewers are not familiar with the brand placed, connecting the brand to the plot of the movie positively influences brand attitude (and the more prominently placed, the stronger the effect) (Verhellen, Dens, De Pelsmacker, 2015). In appendix a schematic overview of the previously described PP effects can be found.

Obviously, the design and planning of PP is no simple guesswork. It depends on the target audience to be reached and communication objective to be achieved. Does this mean that marketers should always choose between two communication objectives when selecting a PP strategy – either enhancing brand awareness or enhancing brand attitudes or behavior – because

both goals can never be set simultaneously? More recent studies show simultaneous positive effects on memory and affective/behavioral measures (Dens et al., 2012; Tessitore & Geuens, 2013). This signals that skeptical processing does not necessarily imply rejection of the message. For example, if the PP tactic is perceived as appropriate or when the placed brand is highly familiar to consumers, persuasion knowledge activation does not necessarily result in lower brand evaluations and thus, people accept the message (Wei et al., 2008). What is also possible is that persuasion knowledge is simply not activated – even though the consumer pays conscious attention and identifies the presence of the brand in the movie – because the consumer may not be aware that the brand insertion is strategically initiated by a company (Tessitore & Geuens, 2013). Therefore, one should remember that it is not only highly prominent placements that pay off as these may evoke persuasion knowledge or counterarguments while less prominent placements may seem more appropriate and therefore, avoid counterargument production. This is quite ironic as prominence usually comes with a higher price tag (Bhatnagar et al., 2004).

Public policy perspective

Current regulations

Due to the increased usage of PP, and mainly for the reasons suggested above such as laypeople's limited awareness of the persuasive intent of PP, public policy makers have decided to regulate the practice for TV. Although a first decree had been designed in 2010, it is in 2012 that the European Commission has issued the regulations under their current form,¹ framing the use of product placement in programmes produced by European instances for audiovisual media service. Before discussing these regulations in detail, it might be relevant to first specify what is “legally” considered a PP and to differentiate the latter from “props placements”. PP is, according to the European Commission, “*any form of audiovisual commercial communication consisting of the inclusion of, or reference to, a product, a service or the trade mark thereof so that it is featured within a programme, in return for payment or for similar consideration*”. The European Commission also indicates that PP, “*in contrast to sponsorship messages, is, built into*

¹ The directive is available on-line at the following address
http://ec.europa.eu/archives/information_society/avpolicy/reg/tvwf/advertising/product/index_en.htm.
Retrieved from the internet on the 24/02/15

*the action of a programme whereas sponsor references may be shown during the programme but are not part of the plot*². In other words, products conspicuously “used” in TV programmes are considered PP. Brands on billboards placed in the background but not relevant to the action would be considered sponsoring. Furthermore, the “payment” may be not limited to money. Any exchange of “goods” of significant value to compensate for the placement will be considered as “payment”. Last, one should realize that regulations so far only focus on television programmes.

By contrast, “props” are the placements of products and brands designed to “dress” the setting of the programmes in order to increase its realism (i.e. connection to reality) but are of no significant value and do not benefit providers (i.e. the brand owner) in concrete (and volitional) ways. Therefore, they are not steered by the directives or codes of conduct under which “commercial” product placements fall.

Analyzing the regulations, we see that a first dimension of the regulations limits both the type of programmes that are allowed to embed PP and the type of products that are allowed to be placed. Specifically, European regulations forbid product placements in all programmes **except** a) films; b) series made for television (or other audiovisual media services); c) sports programmes; and d) light entertainment programmes (such as music programmes, games or “reality shows”). Furthermore, placements are not permitted in any news programmes or children's programmes (i.e. programmes specifically developed for children under the age of 16). Moreover, product placement is strictly forbidden for tobacco products, prescription medicines and medical treatments. A second dimension of the regulations concerns disclosure of the PP practice. Particularly, the TV channel has to show a PP logo at the beginning, after each commercial break and at the end of the programme. According to the country, versions of the logo may differ as presented in figures 1 and 2.



² <http://e>Figure 2 : PP sign used in Belgium



<http://e>Figure 1 : PP sign used in the UK

<http://e>product/index.en.htm

Individual member countries are allowed to add stricter rules to these standard European regulations. In the UK, for instance, the Ofcom (i.e., the independent regulator and competition authority for the UK communications industries) revised the code of conduct in 2013³. Several products were added to the forbidden list such as alcoholic drinks, gambling products, over-the-counter medicines, food and drinks that are high in fat, salt, or sugar, baby milk, and products that are banned from all advertising practice (such as weapons).

Those regulations demonstrate the concern of European public policy makers to protect their television viewing population. They expect to tackle the problem in two ways. First, they address the issue at its roots (and before exposure of individuals) by limiting the type of programmes that may include PP and the type of products that are allowed to be placed. Second, regulators also intervene at the specific time when viewers are exposed and impose the regular insertion of the PP sign (at the beginning, the end of the programme and after each commercial break) to warn for the presence of PP.

However, it should be stressed that these legal efforts to warn and protect Europeans about the commercial content of some programmes are limited to European television productions. Member States may decide not to apply this requirement to programmes that have neither been produced nor commissioned by the media service provider itself. In other words, programmes bought outside the European Union are not *per se* submitted to those rules. A non-negligible number of series or movies broadcasted in the European audiovisual space are produced outside the European borders (e.g., in the United States). Furthermore, YouTube, Facebook and streaming platforms have invaded our hobbies in a way that enables easy access to programmes produced all around the world.

It therefore becomes relevant to also consider the regulations applied in non-European countries, and particularly in the very prolific United States. Regulations of the PP practice on

³ The UK code available on-line at the following address <http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/bguidance/>. Retrieved from the internet on the 24/02/15.

the other side of the Atlantic, however, appear much less stringent. Although the Federal Communication Commission considers PP as "embedded advertising", it is only submitted to the rule of sponsorship identification⁴, which is significantly different from the European rules. Parties involved in the production or broadcasting of programmes that are "financially" compensated when mentioning brands in their programmes only need to comply to one constraint; they need to disclose this "sponsorship" agreement on-air and the identity of the entity paying (the sponsor). As such, US regulations are much more liberal than the European ones; they differ in two important ways. Although cigarettes and products alike are forbidden, there are no limitations to the type of programme(s) or target group(s). Furthermore, a simple sentence such as "Promotional consideration paid by ". . ."' that is shown long enough for the average viewer to read it would be perceived as complying with the regulations. No disclosure has to be shown in the beginning and repeated after each commercial break. Consequently, in today's borderless media environment, one could wonder to what extent the more stringent European regulations are really effective.

Does European regulation pay off?

The logical question at this stage becomes: "are the two dimensions of the regulation limiting the practice of PP in Europe necessary and sufficient?" The first dimension concerns restriction on types of products and programmes, and specifically the target groups of some programmes. Some target groups, such as children, indeed raise particular concern. They are pointed out by scholars as a target group that is even less aware of the commercial nature of product placement in audiovisual programmes (Cain, 2011, Charry, 2014), print media (Van Reijmersdal et al., 2012a) and videogames (Mallinckrodt & Mizerski, 2007, van Reijmersdal et al., 2012b, Panic et al., 2013) than their adult counterparts. The inhibition of persuasion knowledge activation would be "encouraged" by the involving and entertaining contexts in which the placements are embedded (Panic et al., 2013, van Reijmersdal et al., 2012b, Waiguny et al., 2012,). One can easily picture children being carried away while playing videogames on their tablets or while watching an episode of their favorite cartoon. Completely absorbed in the game or the TV programme, kids are soaked into the positive emotional sphere triggered by the media. They do

⁴ The directive is available on-line at the following address : <http://www.fcc.gov/encyclopedia/payola-and-sponsorship-identification> Retrieved from the internet March 2015.

not reflect on the knowledge they may perhaps already have gained about persuasive attempts and do not activate their cognitive defenses that potentially produce the counterarguments necessary to protect themselves against commercial influences (Charry, 2014; Panic et al., 2013, van Reijmersdal et al., 2012a).

So, questions may be raised. Even though children's programmes produced in Europe do not contain PP, what about the impact of family programmes that children also follow such as "light entertainment" ones, or movies and series? Furthermore, what about children's programmes produced in the USA but broadcasted in Europe, in which PP is not forbidden. So this supports the issue raised earlier. Considering the large availability of international programmes, it may be relevant to question the extent to which the European rules enacted on audiovisual media services are sufficient to protect children and every single individual?

Concerns may also arise in the face of the second dimension of the regulation (i.e., disclosures). The effectiveness of these disclosures in their current form has indeed been questioned (Halliday, 2011). According to a recent study conducted on adults, these types of symbols would fail in their objective of informing viewers as they are scarcely noticed, and even if they are, their meaning would not be well understood. If adults find it difficult to understand the meaning of the sign, let alone what children will infer from it? Fortunately, adding a textual indication of what the symbol stands for could help reach the objective (Tessitore & Geuens, 2013), at least for adults. In other words, a textual disclosure of the product placement such as "the following programme may contain brands that have paid to be presented" should be added to or could even replace the symbolic disclosures to achieve effectiveness⁵. The reason for the superiority of a textual disclosure is that it provides the necessary information to develop and activate consumers' persuasion knowledge for PP (Friestad & Wright, 1994; Tessitore & Geuens, 2013). This also means that at this stage, the mere presence of the symbols presented earlier is not sufficient to trigger persuasion knowledge.

Towards more effective disclosures

It should be stressed that scholars are digging into textual disclosures and their effectiveness. Different types of textual disclosures for PP have indeed been tested. Some of them have

⁵ Note however that a textual disclosure mentioning the specific brand names like in the US can increase attention to the brands rather than contributing to consumer protection (Bennett, Pecotich & Putrevu, 1999).

analyzed the disclosure of the *content* of the upcoming communication by providing a list of the placed brands before the programme starts (Bennett et al., 1999), whereas most researchers are focusing on disclosure of the *persuasive intent* of the upcoming message by indicating that the upcoming movie will contain advertising or a persuasive message that has been paid for. Second, a distinction has been made based on disclosure timing: does the warning appear before (i.e., forewarning) versus after the PP (i.e., an afterwarning) (Campbell et al. 2013; Russell & Russell, 2008; Wei et al., 2008). Third, other researchers distinguished disclosures in terms of duration on screen (e.g., 3 versus 6 seconds disclosures; Boerman et al. 2012).

Unfortunately, results are as mixed as the type of disclosures tested. Academic findings have not come up with a common trend that would clear the path to the most effective disclosure. Disclosures can in some contexts stimulate people to guard against the influence of the PP on their brand evaluations or purchase intentions (Campbell et al., 2013; Russell & Russell, 2008; Boerman et al., 2012; Tessitore & Geuens, 2013; Wei et al., 2008) whereas in other studies similar disclosures did not stimulate this resistance. In other words, even though PP is disclosed with a seemingly effective warning and persuasion knowledge should be activated, it does not necessarily produce counterarguments.

This is however in line with what has been proposed earlier and these mixed results may indicate two different things. On the one hand, people may not mind being influenced by PP even though they received a disclosure. This may come as a surprise as consumers do not seem to appreciate implicit or subtle persuasion by PP from an ethical point of view (Nebenzahl & Secunda, 1993). However, if the PP is perceived as appropriate, the disclosure may not cause resistance (Wei et al., 2008). Also, depending on how counterattitudinal the placement message is for consumers, they may resist the placement or not, with a higher counterattitudinal placement producing more resistance (Pechmann & Wang, 2010). For example, if individuals appreciated the brand before the placement exposure, they may not resist the placement. If this were true, it would mean that a disclosure simply makes consumers consciously aware of the persuasive attempt and gives them the freedom to decide how they cope with it (i.e., counterargue or not). At least, it counters mere exposure or other subconscious effects, and helps people to activate their persuasion knowledge. As such, the goal of public policy makers to inform consumers that PP is advertising is accomplished.

On the other hand, contextual factors may also underlie the inconsistent results, which is of course less beneficial for public policy. For example, the entertainment content in which PP is embedded could inhibit resistance because it may distract viewers and thereby limit their cognitive capacity and production of possible counterarguments (Campbell & Kirmani, 2000; Wood & Quinn, 2003). Indeed, whenever there was a probability that simultaneous entertainment content could have distracted viewers (e.g., in case of PP in a movie; for high-connected viewers; for viewers who could not recall the brand), people did not resist the placement (Bennett et al., 1999; Russell & Russell, 2008; Tessitore & Geuens, 2013). However, whenever distraction was less likely (e.g., for an audio placement on the radio; for low-connected viewers; for extremely prominent brand integration; for viewers who recall the brand), resistance was found (Boerman et al., 2012; Russell & Russell, 2008; Tessitore & Geuens, 2013; Wei et al., 2008). Distraction as potential explanation for the lack of resistance effects in some situations is not directly tested yet in the PP context, but suggests an interesting path for future research.

Notwithstanding these mixed results, studies on PP disclosures repeatedly showed that disclosures enhance people's attention to the covert persuasion attempt (Bennett et al., 1999; Boerman et al., 2012). This result may, however, encourage some debate. On the one hand, marketers should rejoice as the disclosure actually stimulates people to pay more attention to their brand which is a first step towards any marketing tool effectiveness. On the other hand, public policy makers may have to question themselves whether disclosures have the intended effects or whether they are rather counterproductive. If effects of warnings on brand memory linger in the long run and resistance on brand attitudes and behavior does not, a warning could stimulate product placement effectiveness in the long run. Yet, public policy makers should applaud the fact that a disclosure can make people consciously aware of the inclusion of a commercial message and as such empowers them to accept or reject the message. As both parties seem to benefit from an effective disclosure, it might be relevant to step outside this classical divide and to consider also the positive aspects of PPs, in a quest for balance between both marketers and public policy makers.

A balanced perspective

So far, we have mainly discussed the positive impact of PP on brands and the potential negative influences of PP on consumer welfare (if one agrees that unwanted persuasion is indeed detrimental to consumers through a limited freedom of choice). It may eventually also affect their welfare, especially for vulnerable target groups. However, it seems important – in order to provide a comprehensive view of PP – to consider the practice from another and actually positive perspective as well. We propose to go beyond the divide and many debates between field marketers involved in making profit and public policy makers involved in individuals' welfare and try to reunite them on the issue. First, potential positive usages of the practice will be explained. Second, we will elaborate on the positive effects of disclosure on both marketers and consumers.

Potential positive usages of PP

To increase the realism of the show brands are used, but social issues are also often discussed for the same reason (Kaplan & Folb, 2013). Safe Sex/HIV issues, teen and unwanted pregnancy, alcoholism are recurrent topics in programmes as popular as ER and Friends. Many other current US shows like Castle, CSI, 24, Law and Order, Mad Men, Disney Unplugged, the Good Wife, to name a few, very often present health or environmental issues and the screenwriters stress at some point how and why it is necessary and relevant to solve the considered problem. In this perspective, the Norman Lear Center, hosted at the USC Annenberg University, has launched a programme, the “Hollywood, Health and Society”⁶ that helps improving storywriters' lines in terms of accuracy. It should be stressed however that their role seems limited to *what* to say in order to offer correct information. How to present the information under the best light for the message to be well received and processed by the target group is not part of the mission.

Fortunately, researchers all over the world are now looking more and more into the question of how to increase the effectiveness of “educational placement” (EP), as its intent is indeed to educate. Also known as edutainment (Collins et al., 2003), EP has been demonstrated as effectively serving pro-social objectives if used wisely. For instance, Pechmann and Wang

⁶ For more information, please check <https://hollywoodhealthandsociety.org/>.

(2010) demonstrated that the placement of a message that negatively comments on smoking behaviors in a TV programme may discourage young non-smokers from adopting the problematic behavior. Negative (i.e., socially and individually detrimental) behaviors may indeed be deterred by the placement and pro-social ones may be encouraged through EP. Children exposed to the consumption of fruits in popular TV programmes by the show's most popular characters increased kids' intention to consume healthy snacks in comparison to unhealthy ones (Charry, 2014). Placements of behaviors contributing to people's welfare in popular TV programmes do seem to influence the adoption of those behaviors by the audience.

The potential of PP as edutainment has also been studied and demonstrated in videogames. Researchers have shown that children playing a Pac Man game in which points are gained when the Pac Man character eats nutritious food (and penalties are applied when Pac Man eats less healthy options) selected and ate much healthier snacks than children playing a less healthier version of the game (Pempek & Calvert, 2009). Other studies have demonstrated that children tend to select more often the food they have "played with" in the advergaming for later snacks, independently of the type (healthy vs. unhealthy) of the food (Dias & Agante, 2011).

A more recent study (Folkvord et al., 2013) however found that the exposure to foods in games increased consumption of whatever is available, even if the products in the game are healthy options. This would suggest more calories intake if only unhealthy snacks are available. Although educational placements may provide support to the battle against some social issues, EP will not solve them on its own. A supporting context should of course be provided. For instance, if EP convinces people to eat fruit and vegetables, this type of food should be made affordable for everybody.

This also suggests that the effectiveness of EP will depend upon the way the EP is implemented. As we stressed earlier, disclosure may for instance decrease the effectiveness of the placement and that is also the case for EP. But fortunately, akin to PP, this has mainly been observed when the EP was counter-attitudinal. A study focusing on smoking prevention among adolescents identified that disclosing the objective of the EP lead young smokers to reject the message. The researchers noted that when the advocated behavior is counter-attitudinal, the audience reacted against the message (Pechmann & Wang, 2010). It should also be mentioned that the disclosure was textual, further indicating that textual disclosure is effective at protecting

the target audience against unwanted persuasion (Tessitore & Geuens, 2013). This further advocates for more effective disclosure and not per se for the complete banning of PP.

Nevertheless, it also stresses that EP will only be effective if the selected message matches with the target group's characteristics. In other words, as proposing EP for smoking prevention may indeed be unproductive for a majority of smokers, one should consider EP not as a magic wand but as a tool that requires adapted conditions to be effective. Second, we learn that integrating "rewards and punishments processes" in games through gains or losses of points appear to increase the learning experience of healthy eating behaviors (Pempek & Calvert, 2009). Considering that a simple exposure to healthy products placed in games may potentially lead to unhealthy consumptions in the absence of healthy options, it may also be relevant to develop serious games that consider the learning process when designing the objective of the game and not merely use the visual presence of healthy behaviors as learning tool.

Last, we also know from previous research that EP is most effective in modifying attitudes and behaviors when proposed in dual mode (i.e. audio and visual) in comparison to an unimodal one (visual or auditory) (Charry, 2014). A quick look back at what was explained in an earlier section of this chapter tells us that this is somewhat different from what has been found in the commercial marketing literature. A commercial placement in games for instance would be most effective when not too prominent and therefore only using one of the two modes (Hang, 2012).

Potential positive effects of disclosure

From the perspective of marketers and the advertising industry, the many restrictions on PP seem not desirable (Lewczak & Di Giovanni, 2010). Yet, disclosure may support the brand by increasing attention. Although consumers become aware of the embedded persuasion attempt and may reject it, they may also decide to accept the message if perceived appropriate. Consequently, disclosure will stimulate marketers' and advertising agencies' creativity (Tessitore & Geuens, 2013). In order to avoid potential loss of effectiveness due to disclosure, advertising agencies will have to come up with original communications that elicit positive affect, which in turn produces positive attitudes towards the communications and the brands. During the Super Bowl, the American Football Championship, contests are organized in order to identify the most liked sponsoring ads and a quick look on the number of "likes" on You Tube will show that people enjoy those creative ads. Through some kind of grassroots efforts, they voluntarily spread

the word about these ads in a viral (and very effective) way. This supports the idea that creative advertising campaigns are enjoyed by viewers and the latter develop positive attitudes towards those persuasive ads and the related brands, even though the commercial intent of traditional ads is clear to them (Heath et al., 2009, Eisend, 2011). Again, this shows that even when the persuasion knowledge is activated (as individuals identify the commercial intent of the placement), it does not necessarily lead to rejection of the message. The challenge for marketers in case of PP is not to counter the disclosure regulation (for example by lobbying) or to just passively undergo these disclosures and search again for another communication tool, but to be creative enough not to be rejected when identified.

Therefore, and on the one hand, it might be wise to recommend advertising agencies not to fear the regulations but ensure creativity to counter rejection. On the other hand, regulators should not fear product placement and should not ban it. As creative directors will probably imagine creative ways to circumvent and overcome every new ban or limit imposed, new regulations would be required to protect against the potential negative effects of PP, in a never-ending vicious circle. To help individuals identify PP and decide in all awareness whether they accept or reject the message seems more effective and relevant.

Furthermore, although EP usually refers to non-branded products or product categories, one could imagine sponsored EPs as well. Imagine popular characters buying bottled water at the canteen (instead of soft drinks) or joining a gym club. Both placements may be branded and therefore paid for. These could be classified as an 'in-between' PP and EP category. These paid placements could healthily influence individuals' behaviors and consumption choices. Screenwriters would also more frequently refer to such healthy behaviors in their stories if there is money to gain. Last, this additional source of revenue may contribute to the financing of new programmes of higher quality and creativity (Lewczak and Di Giovanni, 2010). Accordingly, we argue that a ban on all PP may be more detrimental while other options to protect consumers exist. Better disclosures are called for as well as a better training of viewers.

Conclusion

The above overview and conclusions argue for more effective regulations on PP, such as textual disclosure, but to avoid banning PP. First, more effective disclosure, such as clear textual disclosures implemented in all types of media worldwide, may help consumers better identify and understand new commercial communication and decide in all awareness whether they accept or reject the message. As such, it seems important to mention that PP should not be associated or compared to subliminal advertising, as individuals may well be trained to identify and react against or for the PP. Second, the newly acquired knowledge will force marketers and advertising agencies to develop their creativity, in order to be granted by consumers' acceptance. This, we argue, may be fruitful for all parts. Consumers, after all, may even share commercial communication they like in a very effective way for marketers. Third, PP may indeed be used in a very effective educational way. Fourth, it should not be overlooked that forbidding PP could *“decrease the funding that do contribute to the diminution of the quality and creativity of television programming and lead to the further promotion of inexpensive, re-packaged reality TV in its stead. There is certainly an interest in promoting creative, original artistic expression in broadcasting. That interest is currently served by the product placement economic model”* (Lewczak & Di Giovanni, 2010: p.4).

Further research within this balanced perspective is called for. First, textual disclosures need to be further investigated as mixed findings seem to suggest the presence of moderators. In this regard, the role of distraction during the placement encounter is a factor to consider as mentioned earlier. A more fundamental issue in disclosure research could be whether the currently used dependent variables like brand attitudes, brand choice, etc. (which indirectly measure resistance effects) are the best measures to claim disclosure effectiveness. As the goal of a disclosure is identification of the persuasion attempt and providing consumers the possibility to reject or accept the message rather than to generate rejection *per se*, measures like consumers' ability to identify the persuasion attempt and perception of freedom of choice seem more appropriate. Second, further research can focus on the creativity aspect of product placement and measure for example word-of-mouth stimulation. Third, it may be interesting to further dig into the 'in-between' PP and EP category. Perhaps, it could be interesting to test consumer reactions toward these types of placements and compare the effectiveness of these placements to standard

educational placements where no brand is shown (e.g., a bottle of water without brand name). Due to a lack of realism, the mere educational placement could perhaps be less effective to stimulate healthy behavior than the in-between category, which could empirically support the claim that a total ban of PP should be avoided.

In sum, to discard this increasingly popular tool would seem untimely, as it may also serve positive objectives. Beyond leading individuals to adopt the healthiest behavior, it may also enable consumers to protect themselves more effectively against commercial practices. Overprotecting consumers in a very paternalistic way in an ever evolving media environment may not be the most effective way to train individuals to become savvy consumers.

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Appendix: Schematic overview of the discussed PP effects

Independent variable(s)	Dependent variable(s) and effects
<i>Modality</i>	<ul style="list-style-type: none"> - <u>brand memory</u>: Audiovisual placements > audio and visual placements; results on differences between audio and visual placement are mixed, but mostly audio > visual (Brennan & Babin, 2004; Law & Braun, 2000; Gupta & Lord, 1998; Russell, 2002); Audiovisual placement vs. prominent visual placement: no effect (Gupta & Lord, 1998) - <u>brand choice</u>: Visual placements > audio/audiovisual placements (Law & Braun, 2000)
<i>Prominence</i>	<ul style="list-style-type: none"> - <u>brand memory</u>: a positive effect: prominent placements > subtle placements (Brennan, Dubas & Babin, 1999; d'Astous & Chartier, 2000; Dens et al., 2012; Gupta & Lord, 1998; Law & Braun, 2000) - <u>brand choice</u>: no effect (Law & Braun, 2000) - <u>brand attitudes</u>: a negative effect: prominent placements < subtle placements (Dens et al., 2012)
<i>Prominence × Program liking (Cowley & Barron, 2008)</i>	<ul style="list-style-type: none"> - <u>brand attitudes</u>: Prominent vs. no placements have a negative (positive) effect on brand attitudes for viewers scoring high (low) on program liking;
<i>Prominent placement vs. no placement × Program involvement × Persuasion knowledge (Matthes, Schemer & Wirth, 2007)</i>	<ul style="list-style-type: none"> - <u>brand attitudes</u>: Prominent vs. no placements have a negative (positive) effect on brand attitudes when program involvement is low (high) and persuasion knowledge is high (low) (and brand memory is low).
<i>Congruence/fit between product and entertainment content</i>	<ul style="list-style-type: none"> - <u>brand memory</u>: a negative effect: congruent placement < incongruent placement (d'Astous & Chartier, 2000; Lee & Faber, 2007); - <u>evaluations of the placement and approval</u>: a positive effect: congruent placement > incongruent placement (d'Astous & Séguin, 1999; d'Astous & Chartier, 2000)

<p><i>Plot connection</i></p>	<ul style="list-style-type: none"> - <u>brand memory</u>: a positive effect: plot connected placements > non-plot connected placements (Dens et al., 2012; Russell, 2002; Yang & Roskos-Ewoldsen, 2007) - <u>brand attitudes</u>: a negative effect (Yang & Roskos-Ewoldsen, 2007); - <u>brand choice</u>: no effect (Yang & Roskos-Ewoldsen, 2007)
<p><i>Plot connection × Brand familiarity × Prominence (Verhellen, Dens & De Pelsmacker, 2015)</i></p>	<ul style="list-style-type: none"> - <u>brand attitudes</u>: no effect: when brand familiarity is high positive effect: plot connected placements > non-plot connected placements when brand familiarity is low (and the more prominently placed, the stronger the effect)