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Chan, Fanny Fong Yee and Petrovici, Dan Alex and Lowe, Ben (2016) Antecedents of Product Placement Effectiveness Across Cultures. *International Marketing Review*, 33 (1). pp. 5-24. ISSN 0265-1335.

### DOI

<https://doi.org/10.1108/IMR-07-2014-0249>

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# Antecedents of product placement effectiveness across cultures

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This is an Accepted Manuscript of an article published in the *International Marketing Review*,  
available online: <http://www.emeraldinsight.com/doi/abs/10.1108/IMR-07-2014-0249>

Please cite: Fanny Chan Fong Yee, Dan Petrovici and Ben Lowe, (2016) "Antecedents of product placement effectiveness across cultures", *International Marketing Review*, Vol. 33 (1), p5-24. <http://dx.doi.org/10.1108/IMR-07-2014-0249>

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# **Antecedents of product placement effectiveness across cultures**

## **Abstract**

**Purpose** -- The research contributes to the marketing literature by developing and testing a conceptual model to examine the effects of product placement across a country low in assertiveness and performance orientation (the United Kingdom) and a country high in assertiveness and performance orientation (Hong Kong).

**Design/methodology/approach** -- A content analysis of brand appearances in high grossing films within the UK and HK was conducted followed by a 2x2 between-subjects experiment (n=572).

**Findings** -- The results indicate participants exposed to prominent placements have a less positive brand attitude and lower purchase intention towards the placed brand. Likewise, respondents exposed to a less well-known placed brand tend to have a less positive brand attitude and lower purchase intention towards the placed brand. There is evidence of interaction effects with cultural dimensions such as assertiveness and performance orientation within the UK and HK.

**Practical implications** -- The results suggest that product placements can be optimized through tailored campaigns targeted at markets with known cultural characteristics. With advances in digital technology such practices are becoming more frequent and more feasible.

**Originality/value** -- This is one of the first studies to explore the effect of culture on perceptions of product placement and the first study to empirically examine the role of prominence and brand awareness, and their interactions with GLOBE values on the effectiveness of product placement.

**Keywords** -- product placement, culture, films, brand awareness, prominence

**Article classification** -- Research paper

## **Introduction**

Today consumers are increasingly concerned about different marketing practices. Product placement, also known as brand placement (e.g., Karrh, 1998; Nelson and Deshpande, 2013), serves as an alternative way for advertisers to reach consumers and has been increasingly utilized in marketing communication. Product placement refers to the planned integration of branded products into media content with an aim to influence audiences (Balasubramanian, 1994). It is a rapidly growing promotional tool in different media outlets, especially films. In 2012, global spending on film product placement totaled \$1.66 billion, growing by 8.1% compared to the previous year (PQ Media, 2013). More than 1,000 brands from the United States (US) use product placement as part of their marketing mix (Russell and Stern, 2006). Large budgets are allocated to placing brands in films to reach global consumers.

A review of product placement literature shows that the effects of product placement are inconsistent (Balasubramanian *et al.*, 2006; Chan, 2012). Van Reijmersdal *et al.* (2009, p.440) claimed that “a substantial part of [the] effects of brand placement is still unknown”. The dynamic nature of product placement suggests that a number of variables may shape the effectiveness of the practice. The effect of placement prominence (i.e., the visibility of the product placement to viewers) has been found to be inconsistent while brand awareness has seldom been examined or controlled. The existing literature has not disentangled the effect of

culture on placement effectiveness though the interactions between culture and advertising appeals have been documented (Okazaki *et al.*, 2010; Terlutter *et al.*, 2010). As suggested by Gould *et al.* (2000, p.54), films “may well extend across countries in both physical and meaning transfer, but the placements in them may not carry the same quantity or quality of meaning transfer”. Although some research has begun to explore product placement effects across cultures in terms of acceptability and ethical concerns (e.g., Eisend, 2009; Gupta and Gould, 1997; Karrh *et al.*, 2001; Lee *et al.*, 2011; McKechnie and Zhou, 2003), research has yet to understand how consumers across cultures process and react to product placement. Kureshi and Sood (2010) content analyzed 62 research articles on product placement and reached a similar conclusion. This leads to the question of whether consumers across cultures process product placements in the same way. The interactions between culture, placement prominence and brand awareness have yet to be examined.

This study compares the United Kingdom (UK), a large and established economy with Hong Kong (HK), a fast growing economy (MSU-CIBER, 2011; Pearson, 2014), in response to calls for product placement research within these two markets (Nelson and Deshpande, 2013). Although the US is still the world's largest market for product placement, European and Asian markets have recorded accelerated growth in product placement, and remain relatively under researched (PQ Media, 2013). Karrh *et al.* (2001) suggest future research on product placement to extend to countries such as HK, Taiwan and the People’s Republic of

China in order to draw more conclusive findings. Asian Correspondent (2011) regards HK as the third largest film industry (only after the US and India) and the second largest film exporter (after the US) in the world. Product placement is also a controversial issue in the UK and HK. In HK, for example, the government has received frequent complaints about product placement on television programs (South China Morning Post, 2014), and in the UK product placement was first allowed on domestically produced commercial television programs only relatively recently (Shears, 2014). In addition, the UK and HK exhibit many similarities in relation to politics, economy and social infrastructure, but rank significantly differently on the key cultural dimensions of concern (i.e. assertiveness and performance orientation, House *et al.*, 2004), providing a pseudo-experimental setting to test these issues. Chang *et al.* (2009) conducted a meta-analysis of all comparative advertising studies appearing in 11 major marketing and communication journals between 1975 and 2005. The authors emphasized the importance of ruling out any political, economic and social factors when cross-cultural research is conducted. Likewise, De Mooij (2003) proposed that culture will be a dominant factor for consumer behavior when economic differences are absent.

Politically, HK has historic relations with the UK. It was governed by the UK for more than a century. After the return of sovereignty to China, the law system of HK continues to follow English Common Law which was established under British rule. Both the UK and HK are civil societies with high levels of political stability. Economically, The UK and HK have

very similar market systems and economic development. The gross domestic products (GDP) per capita of the UK and HK are also very close (US\$39,351 versus US\$38,124; The World Bank, 2014). Socially, the literacy and school enrolment rate for tertiary education are very similar across the two countries and both societies enjoy a free flow of information. The UK and HK have a well-developed media infrastructure. Both markets are top contributors to global advertising spend and their film industries continue to grow rapidly (HK Motion Picture Industry Association, 2012; UK Film Council, 2012). Despite the aforementioned similarities, the UK and HK are culturally distinct and inter-cultural studies tend to rate them differently on several key cultural dimensions (Hofstede 2001; House *et al.* 2004). In particular, HK being labeled as a “can do” city was found to be more assertive and performance-oriented than the UK (House *et al.* 2004). HK people have a high need for achievement and they are driven to work very hard to get what they deserve. Therefore the two cultures provide a suitable comparison for this study.

This manuscript begins by discussing the effect of prominence and brand awareness on consumer processing of product placements. It then integrates the literature on culture with these independent variables to show how culture interacts with these relationships. The method and procedure for testing these effects are reviewed, followed by analysis of the data. Finally, key theoretical and managerial implications are outlined with a particular focus on the role of culture in product placement effectiveness.

## **Literature review and hypothesis development**

### *Prominence of placed brands*

Prominence is one of the most frequently investigated execution factors in product placement research among others (e.g., plot integration, character interaction, etc.). Gupta and Lord (1998, p.49) define prominence as “the extent to which the product placement possesses characteristics designed to make it a central focus of audience attention”. An examination of previous literature shows there is inconsistency in how prominence has been defined. Cowley and Barron (2008) defined prominence as either audio or audiovisual. D’Astous and Chartier (2000) regarded the mentioning of a brand by one or more actors as prominent. Homer (2009) treated visual placements without verbal references as subtle and with verbal descriptions as prominent. Therefore, prior research appears to define prominence on the basis of placement modality (e.g., audio, visual or both). It is believed that restricting prominence to verbal or visual prominence could enhance the comparability of research findings.

Product placement differs from traditional commercials because its persuasive intent is more implicit. Placements are frequently disguised with entertainment elements in the belief that less explicit selling intent could be more persuasive. However, brands placed prominently attract more attention and are thus more memorable (Cowley and Barron, 2008; Lehu and Bressoud, 2009; Wilson and Till, 2011). In fact, product placement is valued by media buyers according to its relative prominence (Gupta and Gould, 1997). For those paid placement deals,



prominence is reflected in higher costs. Practitioners in Russell and Belch's (2005) study pointed out that brand owners are generally keen on more prominent placements. There are cases that scenes have been reshot to make brand integration more prominent (Reed and Dutka, 1989). However, one may question if prominent placements are necessarily more effective because prominence can also lead to negative reactions. For example, a HK television broadcaster attracted many complaints because of the extreme prominence of a placed product (Vitamin Water) in its program (South China Morning Post, 2014).

The effect of prominence on recall has been documented in previous literature (D'Astous and Chartier, 2000; Gupta and Lord, 1998; Law and Braun, 2000; Lin, 2014). However, its effect on brand attitudes is subject to disagreement and is still a contested issue (Kamleitner and Jyote, 2013). Cauberghe and De Pelsmacker (2010) found that placing brands subtly or prominently in advergames did not affect perceived brand attitudes. Yang and Roskos-Ewoldsen (2007) found that by increasing the exposure time of a placed brand to make it more prominent, respondents embraced more positive attitudes. Gillespie *et al.* (2012) showed that participants who are not in an ego depleted state (i.e. engaging in self-regulation tasks) found the blatant (i.e., prominent) placed brand to be more favorable. In contrast, other studies indicate that prominence leads to a deterioration in brand attitudes (Cowley and Barron, 2008). Sawyer (2006) speculates that audiences may be irritated by brands which are overtly placed and evaluate them unfavorably. Similarly, Karniouchina *et al.* (2011) believe

that a placement can become so blatant (e.g., repeated appearances) that it may alert the viewers and even cause resentment. The audience may then feel that their perceived freedom and enjoyment of the film is being threatened.

Few studies have examined the effect of prominence on purchase intention or brand choice. Law and Braun (2000) point out that salient placements results in a lower level of brand choice. Similarly, Van Reijmersdal *et al.*'s (2010) study shows a negative association between length of product placement and behavioral reactions. Perhaps prominence could be described as a double-edged sword for product placement. Prominence aids brand recall but may reduce likeability and purchase intention. Product placement is deemed to be a soft-sell approach and is believed to be more persuasive than traditional advertising in some cases because of its less intrusive nature. When excessive product description and depiction are included, a product placement may become as prominent as a traditional advertisement and diminish its effectiveness. Audiences are more likely to associate prominent placements with revenue-generating promotional tools (Gupta and Gould, 1997). Consequently, product placements that are too prominent may end up with a less positive response from consumers, consistent with the speculations from Karniouchina *et al.* (2011). This may be explained by reactance theory (Brehm and Brehm, 1981; Chadee, 2011), which asserts that individuals who recognize that an incoming message is intended to influence their behavior may try to counter-argue over the persuasive attempt, thus resulting in less influence (Kivetz, 2005).

Therefore it is anticipated that a high level of prominence has a negative effect on brand attitudes and purchase intention. Specifically:

*H1: Participants will report a) less positive attitude and b) a lower level of purchase intention towards a prominently placed brand.*

#### *Awareness of placed brands*

Although the effectiveness of various product placement execution strategies was frequently investigated, the influence of brand characteristics has seldom been explored in previous studies (Tiwsakul *et al.*, 2005). Morton and Friedman (2002) suggest that future studies may examine audience interest and attitudes towards brands and branded goods in order to better understand placement effectiveness. Similarly, other researchers also point out that it is important to investigate the types of products and brands that would benefit more from product placement (Kamleitner and Jyote, 2013). A brand's reputation/image may affect the recall of brands appearing in a film (Lehu and Bressoud, 2009), and the authors assert that brand reputation should be controlled in mapping placement effectiveness.

Brand awareness or familiarity has been shown to be an important variable which can influence consumer processing of traditional advertisements (Campbell and Keller, 2003). However, its impact has received limited attention in product placement research. Informants in DeLorme and Reid's study (1999) reported that they were annoyed by placement of generic product (i.e., product without brand names or with less well-known brand name) because they found it lowers a film's realism. Some informants claimed that well-known products give

them a friendly likable feeling. Wei *et al.* (2008) found that the detection of persuasive intent does not necessarily lead to a negative attitude particularly when brand familiarity is high. Practitioners believe that the characteristics of the placed brand are more important than whether the lead actor in a film is associated with the placed brand (Karrh *et al.*, 2003).

The above findings suggest a main effect of brand awareness on placement effectiveness. Other studies show more mixed results. For example, Nelson (2002) compared the recall rate of local/unfamiliar and national/familiar brands placed in video games and found that brands like Maddog, Music Online and Google (these brands were new when the research took place) are better recalled than established brands and market leaders like Pepsi. Tsai *et al.* (2007) found that higher brand awareness results in a greater recall rate, more positive attitudes and a stronger intention to purchase the placed product. However, neither study controlled the execution style of the placements. In other words, unfamiliar brands may be shown more prominently than familiar brands or vice versa. Whether the effect is a result of differences in brand awareness or in execution strategy remains unclear. Therefore, in addition to execution style, the role of brand awareness should be examined. Consumers are less inclined to buy brands that they do not know well or are not familiar with. Unlike well-known brands which may inspire a sentiment of trust, performance and status, consumers have little prior understanding about less well-known brands. Hence they may scrutinize the brand more critically if it appears in films. Therefore it is anticipated that a less

known brand will be less persuasive than a well-known brand if placed in films. Specifically,

*H2: Participants will report a) less positive attitude and b) a lower level of purchase intention towards a placed brand which is less well-known.*

### *Culture and product placement*

The inconsistent findings of the effect of product placement with respect to brand attitudes could be attributed to the different operationalizations of the definitions adopted, or the lack of control of some extraneous variables. It may also be due to cultural variability of the research samples used. There have been frequent calls from previous literature to understand how individuals from different cultures perceive product placement and how this may influence its effectiveness. Some studies show that individuals with different ethnicities differ in attitudes towards product placements. For example, Nelson and McLeod (2005) found that Hispanic, Black and Asian adolescents were more aware of product placement and liked the practice more than their Caucasian counterparts. Similarly, De Gregorio and Sung (2010) found that African Americans with a lower education level and lower income were more positive towards product placement. Lee *et al.* (2011) found that Korean college students were less positive than the US sample in relation to whether or not product placement can enhance the realism of program content. However, these studies do not explain the theoretical underpinning which causes such differences.

Cultural orientation has been mapped as the antecedent to consumer behavior (Rokeach, 1973). Previous studies indicate that societal-level factors shape consumer

responses towards different advertising campaigns. The cultural dimensions “assertiveness” and “performance orientation” of the GLOBE framework have been shown to be theoretically linked to marketing and advertising effectiveness (Okazaki and Mueller, 2007). Assertiveness is “the degree to which individuals are assertive, confrontational, and aggressive in their relationships with others” and performance orientation refers to “the extent to which a community encourages and rewards innovation, high standards, excellence, and performance improvement” (House *et al.*, 2004, p. 30). Okazaki *et al.* (2010) found that respondents from a less assertive and performance oriented culture (Japan) were significantly more positive to advertisements with hard-sell than soft-sell appeals but this difference was not found in the more assertive and performance oriented culture (US). Hard-sell appeals are usually based on “direct and explicit content that emphasizes product advantages and performance” while soft-sell approaches usually use “image-oriented content that does not emphasize specific reasons to buy, but rather conveys general associations with the brand” (Okazaki *et al.*, p.21). In other words, soft-sell approaches place an emphasis on creating mood and atmosphere whereas advertisements adopting a hard-sell approach place more emphasis on distinguishing the product from its competitors.

Likewise, Terlutter *et al.* (2010) found that print advertisements adopting an assertive appeal were rated most positively by respondents from a less assertive culture (Argentina) while respondents from the more assertive culture (US) perceived the print advertisements to

be least positive. Similar results for the dimension of performance-orientation were found in Diehl *et al.*'s (2008) study in which respondents from more performance-oriented cultures evaluated an advertisement less positively. Therefore a given standardized advertisement may be assessed quite differently in different cultures. We propose that the effect of the two cultural dimensions (assertiveness and performance-orientation) may be applicable to non-traditional advertising. Examining prior research in other countries with similar GLOBE characteristics is helpful in understanding how consumers in HK and the UK may react.

*Culture and prominence of placed brands.* Placement prominence may interact with culture because different cultures may view obtrusiveness differently. Extrapolating from the above observations, a prominent product placement could be perceived as more aggressive and with higher promotional intent, reflecting more of a hard-sell approach. However, subtle placements are less salient, harder to detect and may be more akin to a soft-sell approach. In line with past research reviewed (Diehl *et al.*, 2008; Okazaki *et al.*, 2010; Terlutter *et al.*, 2010), cultures with higher levels of assertiveness and performance orientation may find prominently placed brands less favorable. Audiences from an assertive and performance-oriented culture may be more aware of sponsors' manipulative motives and this may lead to a less positive evaluation of placed brands. Therefore we propose that:

*H3: Participants from assertive and performance-oriented cultures will report a) less positive attitude and b) a lower level of purchase intention towards a prominently placed brand than participants from less assertive and performance-oriented cultures.*

*Culture and awareness of placed brands.* A brand is like a network of associations in a consumer's mind. The association networks vary for different groups as consumers in different cultures form associations in different ways (De Mooij, 1998). A well-known brand may serve as the standard of excellence and quality and may convey trust, performance and status in relation to products. Such brands could be more appealing to people in assertive and performance-oriented cultures. Well-known brands satisfy their appetites for symbolic meanings and the possessions help to better reflect and extend their self-images. Dubois and Duquesne (1993) discovered a link between culture and consumption of luxury products and found that the cultural factor can explain one-third of the consumption.

It is envisaged that perceived brand awareness may not be the same for different cultures. Some cultures may be more conscious about specific types of brands and this may affect how they attend to and think about brands placed in films. Well-established brands usually have high market share and are synonymous with excellence in performance and success. People from more assertive and performance-oriented cultures continuously seek status and recognition to impress others, and are expected to favor well-known placed brands over less well-known placed brands. Therefore we propose that:

*H4: Participants from assertive and performance-oriented cultures will report*  
*a) less positive attitude and b) a lower level of purchase intention*  
*towards a placed brand which is less well-known than participants from*  
*less assertive and performance-oriented cultures.*



## **Methodology**

A content analysis of all the films released in the UK and HK in 2010 with the highest weekly box-office hits was initially performed. The analysis revealed the prevalence and characteristics of brand appearances in films viewed by consumers in the two markets. Potential scenes of brand appearances to be used in the experimental study were also identified at this stage. A 2 (prominence: low vs. high) x 2 (brand awareness: low vs. high) between-subjects web-based experiment was conducted.

### *Manipulation of research stimuli and the pretest*

The content analysis first identified four placement scenes as potential research stimuli. Considering the complexity involved in editing and the suitability of the product category, a visual placement of a camcorder was chosen to be the research stimulus. Using a visual placement (i.e., the brand was placed in the scene visually without any verbal references) ensures that the effects of prominence and modality are not conflated (Cowley and Barron, 2008; D'Astous and Chartier, 2000; Homer, 2009). The video segment was further edited to create different treatments for the experiment.

In this study, Gupta and Lord's (1998) definition of prominence was adopted where high prominence refers to longer exposure time, larger size, and a more central position (see also Lehu and Bressoud, 2009). Specifically, the placed product in the high prominence condition was almost double the size of the same product placed in the low prominence

condition. It also stayed on the screen for five more seconds and was placed closer to the center of the screen, rather than the periphery, in the case of the low prominence condition. Brand awareness was operationalized according to Interbrand (2011) where a well-known brand is defined as one that appears in the top 40 of this list. A less well-known brand is one that falls out of this list and is less recognized. A panel of twenty young consumers in the UK and twenty in HK were recruited to watch the research stimuli via public websites. They were asked to indicate their degree of liking of the videos and evaluate the prominence of the placement scene and the awareness of the placed brand. This pretest indicated that the manipulations were interpreted by participants as predicted.

#### *Research measures and procedures*

The available research on product placement is generally focused on studying the effects on memory-related measures rather than on attitudinal or behavioral measures (De Gregorio and Sung, 2010; Gupta *et al.*, 2000). The current study adopts brand attitudes and purchase intention as indicators of placement effectiveness because they are further down the “hierarchy of effects” than variables used in some prior studies. The variable cultural orientation includes two dimensions: assertiveness and performance orientation, which were defined with reference to prior literature and had concrete conceptual boundaries (Sun *et al.*, 2014). Cross-cultural scholars have cautioned against aggregating individuals within cultures, recognizing the variation that exists within cultural groupings (De Mooij, 2013; Venaik and

Brewer, 2013). Instead of linking national culture to individual countries, like some previous research, this study empirically measures cultural variables at the individual level and uses GLOBE measures (House *et al.*, 2004) for validation purposes. GLOBE's social practices scale was adapted, which rates how people in society actually perform rather than what they believe and value. It is believed to be a more appropriate approach for identifying cultures and studying cultural consumption issues (Sun *et al.*, 2014).

Several potential confounds were identified based on previous literature to measure and incorporate into the analysis, including gender, age, income, film-viewing frequency, product knowledge, attitude towards the film, attitude towards the characters and film-induced mood. In order to disguise the research purpose, participants were asked to evaluate products which had been placed in the video as well as some filler brands.

All the measurement items were adapted from previously developed scales and further modified to maximize their fit to a cross-cultural context. All constructs display convergent and discriminant validity (Fornell and Larcker, 1981), as in all cases the AVE exceeds the squared correlation between the corresponding construct and its respective inter-item correlations (see Table 1). Measures were taken to establish high equivalence across the two research samples. Construct equivalence (including functional, conceptual and category equivalence) of the measures was achieved by making reference to previous literature and through the pretest and pilot study. Measure equivalence was achieved through systematic

operationalization of the constructs and careful calibration of the scales. A panel of four experts in marketing communications from HK and the UK evaluated the scales in order to ensure content validity. Translation equivalence was established by employing back translations (Mullen, 1995; Nasif *et al.*, 1991). The questionnaire was compiled in English first. The researcher, a bilingual speaker, translated it into traditional Chinese and another bilingual speaker who was unaware of the research hypotheses back-translated it into English. The researcher then compared it with the original version and found no major discrepancies.

A web-based experiment was used in which participants were randomly assigned to one of the experimental conditions and responded to the questionnaire. A web-based experimental setting enabled the manipulation and control over the allocation of research stimuli. Participants were exposed to the stimuli in a less artificial environment and influence from the experimenter was minimized. A pilot study was conducted with 62 young adults (30 from the UK and 32 from HK) to evaluate scale equivalence, item clarity, the attention span of respondents and their receptivity to the research stimuli (Deshpandé, 1983). Necessary adjustments to the research instruments were made following this. To sum up, internal validity was carefully considered through the selection, identification and random allocation of research stimuli, pretesting of the instrument, and the measurement and control of covariates. Actual film clips which were digitally modified increased the realism and generalizability of the study.

[Place Table 1 about here]

### *Research participants*

A total of 834 young consumers participated in this web-based experiment. The 18-34 year old group was targeted because they were the primary consumers of films. Participants from the same age group tend to have similar demand for the particular product category which allows better control within the study. In addition, this sample is believed to be more homogenous across the two cultures than a more “representative” sample of the population (Malaviya *et al.*, 2001), and consequently more suitable for experimental purposes. The match of the samples on the basis of certain characteristics guarantees higher sample comparability and confirms the stability of the research model across cultures (Cadogan, 2010). Exploratory interviews with young consumers in the UK and HK (16 from each) confirmed that the 18-34 cohort was frequent moviegoers and a relevant target group for investigating product placement in films.

Several control procedures were employed to maximize the quality of the responses. In view of acculturation, only participants who spent the majority of their lives in the observed countries qualified (Lowe, Barnes and Rugimbana, 2012). Incomplete responses and participants who reported they could not hear and see the video clearly were excluded from further analysis. The final sample contained 283 participants from the UK and 289 from HK who were evenly distributed across experimental groups. The participant profiles of the two

samples are highly similar. There was an almost equal distribution of male and female participants (46% versus 54%). Most participants (80%) were within the age range of 18-29 and had a bachelor degree or above. Students represented 70% of the sample, while others were employed.

## **Findings**

A total of 47 of the most successful motion pictures of 2010 were content analyzed and 602 brand appearances were identified. On average, there were 13 brand appearances per film. The results indicated that young audiences in the two cultures were exposed to a substantial number of brands in films. The content analysis reflects the media environment that participants from the two markets were exposed to and facilitates the experimental study.

### *Scale reliability and manipulation checks*

Reliability tests showed that all the scales had adequate Cronbach's alphas above 0.70 (see Table 1). As a result of factor analysis, one item from assertiveness (i.e. "not able to get their own ways/able to get their own ways") and one item from performance orientation (i.e. "to perform well in life is very important") were deleted because of unsatisfactory loadings (under 0.50, Hair *et al.*, 2010). Independent samples t-tests indicated that HK respondents score significantly higher on assertiveness ( $M_{HK} = 5.13$  versus  $M_{UK} = 4.20$ ,  $t(570) = 14.61$ ,  $p < 0.001$ ) and performance-orientation than the UK cohort ( $M_{HK} = 5.48$  versus  $M_{UK} = 4.20$ ,  $t(570)$

= 16.43,  $p < 0.001$ ), which provides consistency with the findings reported in the GLOBE study. The manipulations of prominence and brand awareness were also successful ( $M_{Low\ prominence} = 2.95$  versus  $M_{High\ prominence} = 5.24$ ,  $t(293) = -16.03$ ,  $p < 0.001$ ;  $M_{Low\ brand\ awareness} = 3.37$  versus  $M_{High\ brand\ awareness} = 4.96$ ,  $t(505) = -17.15$ ,  $p < 0.001$ ).

A series of one-way analysis of variance (ANOVA) tests were performed to check if there were any significant differences among participants who were exposed to different treatment conditions regarding i) their mood prior to and after exposure to the video, ii) their attention level towards the video, and iii) their attitude towards the leading and supporting characters. None of the F-tests were significant suggesting that these variables were not confounding factors. A multivariate analysis of variance (MANOVA) test showed that participants' demographics had no impact on brand attitudes and purchase intention ( $p > 0.05$ ). The interaction between demographics and culture was also insignificant. These findings imply that the factors are not likely to confound the results.

### *Hypothesis testing*

A multivariate analysis of covariance (MANCOVA) identified both main and interaction effects. Wilk's lambda was reported and was a preferred measure because there were no significant violations of assumptions in this study, and there was an adequate (and approximately equal) sample size for each treatment group (Hair *et al.*, 2010). All of the observed powers were above 0.70, indicating that the sample size and the effect size were

sufficient to detect any significant differences that existed beyond sampling error. The univariate tests revealed that the detectable effect size for the analysis of brand attitude was 0.42 and the detectable effect size for the purchase intention analysis was 0.33 (see Table 2).

H1 and H2 predicted that prominence and brand awareness have an effect on brand attitude and purchase intention. The multivariate and the univariate tests indicated a significant main effect of prominence and brand awareness on each individual dependent variable as well as the set of the dependent variables when considered collectively.

Participants exposed to prominent placements had significantly less positive brand attitude ( $M_{High\ prominence} = 4.20$  versus  $M_{Low\ prominence} = 4.62$ ,  $p < 0.001$ ) and lower purchase intention ( $M_{High\ prominence} = 4.03$  versus  $M_{Low\ prominence} = 4.38$ ,  $p < 0.005$ ) compared to participants exposed to a less prominently placed brand (see Table 3). Therefore, H1a and H1b are strongly supported. Participants exposed to a less well-known placed brand were significantly less positive towards the brand ( $M_{Less\ well-known} = 3.96$  versus  $M_{Well-known} = 4.86$ ,  $p < 0.001$ ) and less likely to purchase it ( $M_{Less\ well-known} = 3.67$  versus  $M_{Well-known} = 4.74$ ,  $p < 0.001$ ) compared to participants exposed to a well-known brand (see Table 3). Therefore, there is strong support for H2a and H2b.

[Place Table 2 and 3 about here]

H3 and H4 hypothesized that culture would moderate the effects of prominence and



brand awareness on brand attitudes and purchase intention. Culture and the two independent variables are all categorical hence the moderation test was indicated by an interaction (Baron and Kenny, 1986). MANCOVA analysis indicated a significant interaction effect between prominence and culture. Participants from HK evaluated a prominently placed brand less positively ( $M_{HK} = 4.11$  versus  $M_{UK} = 4.30$ ,  $p < 0.005$ ) compared to UK participants (see Table 3). Therefore H3a is strongly supported. However, participants from the two cultures expressed similar levels of purchase intention towards a prominently placed brand, indicating no significant differences in behavioral intention. Therefore H3b is not supported. A significant interaction effect between brand awareness and culture was also found. Hong Kong participants were more negative towards a less well-known placed brand than their UK counterparts ( $M_{HK} = 3.66$  versus  $M_{UK} = 4.26$ ,  $p < 0.05$ ). Both UK and HK participants indicated that they were unlikely to purchase a placed brand which is less well-known (see Table 3). Therefore H4a is supported but H4b is rejected.

### **Discussion and practical implications**

This research sets out to develop our understanding of the factors related to product placement effectiveness across cultures and helps us to understand how cultures low/high in assertiveness and performance orientation are likely to react to product placements based on placement prominence and brand awareness.

### *Prominence of placed brands and brand persuasiveness*

The results show that overexposing a brand within a scene can lead to lower brand attitudes and purchase intentions. This appears to be counterintuitive to marketers who used to believe that higher exposure leads to stronger effects. Considering that previous studies show that brand owners pay more to incorporate brands prominently (Chunovic, 2002; Ferraro and Avery, 2000), this finding suggests that charging for placements on the grounds of prominence may not be justified as it does not necessarily translate into higher effectiveness.

The advantage of product placement over traditional advertising resides in its soft-sell approach. A blatant presentation of placed brand is akin to a conventional promotional message, and thus may lose its “unique selling proposition”. Perhaps the saying “less is more” is applicable to product placement. According to reactance theory (Brehm and Brehm, 1981), individuals may react negatively if they feel they are being unfairly targeted with promotions. Brands which are portrayed with excessive prominence in a film may give viewers the feeling that they are being involuntarily engaged in a form of promotion. The deprivation of freedom of pure entertainment (film enjoyment) may lead audiences to develop psychological reactance towards the placed brand, and this is often associated with negative feelings.

Product placement tends to be implicit in nature, and integrating brands too explicitly could lead to adverse results. When brand integration becomes too prominent, it may cause viewers’ undue attention which makes them question the intention of placing brands in the

film. The heightened suspicion triggers more elaboration of the placement information which leads to critical evaluation of the placed brand. Consequently, less positive attitudes and lower purchase intention are recorded for prominently placed brands. Alternatively, less prominent placements seem to be processed by audiences at a lower level of cognition which may result in less scrutiny and more positive brand evaluation.

While previous literature reports agreement regarding the effect of placement prominence on brand recall (D'Astous and Chartier, 2000; Gupta and Lord, 1998; Law and Braun, 2000; Lin, 2014), higher levels of recall may not necessarily translate into positive brand evaluations and purchase intentions. Visibility appears to be a paradox for product placement and a dilemma faced by marketers. Blatant product placements may lead to unfavorable outcomes. However, a product placement may be worthless when audiences do not notice it at all. Films represent a rather complex visual field in which embedded brands have to compete against other stimuli for attention. The relationship between visibility of a placed brand and placement effectiveness may be considered as an inverted-U shape. This suggests that product placement is more successful if the placed brand is visible enough to attract attention but not too prominent to irritate the audience. Achieving a balance is a clear challenge that marketers need to consider.

#### *Brand awareness of placed brands and brand persuasiveness*

The results show that product placement may not be an appropriate promotional tool

for less familiar brands. Chen and Haley (2014) suggest that product placement may be more effective for reinforcing brand familiarity of well-known brands than to create brand awareness for less established brands, and this was supported with the study here. Participants in this study reported more positive attitudes and higher purchase intention towards a well-known placed brand. Consumers have prior knowledge and understanding about well-known brands hence they are relatively less critical towards these brands. When individuals are exposed to well-known brands in films, they probably have less concern about forming valid judgments because they have developed a degree of trust in those brands (Wei *et al.*, 2008). This may also be explained in terms of the perceptual fluency model (Nordhielm, 2002), where the high fluency experienced in perceiving well-known brands may elicit more positive affective responses, and more positive evaluation of the placed brand.

On the contrary, consumers generally lack prior understanding about less well-known brands. Hence they find it more difficult to understand brand meanings through product placement (Chen and Haley, 2014). When individuals were exposed to less well-known brands in films, they may not have had enough information to form the basis of judgments hence may be more critical in evaluating the less familiar brands. One's persuasion knowledge may be activated to guide them in scrutinizing the placed brand and result in less favorable evaluations. The findings could also be attributed to the fact that integration of less familiar brands may lower a film's realism (DeLorme and Reid, 1999).

### *Assertiveness, performance orientation and brand persuasiveness*

This research contributes to the international marketing communications literature by showing how different cultures interpret placement prominence and brand awareness of placed brands. Lehu (2007) believes that films are a form of art and are subject to tastes that may vary from one culture to another. The results demonstrate that not only films but also preferences of brand integration are culturally dependent.

Past research on traditional advertising shows that cultures with higher levels of assertiveness and performance orientation are less positive towards advertisements that adopted an assertive/hard-sell approach (Diehl *et al.*, 2008; Okazaki *et al.*, 2010; Terlutter *et al.*, 2010). In line with previous literature, participants from assertive and performance-oriented cultures (HK) reported less positive attitudes towards prominently placed brands. A prominent placement appears to be more aggressive, and this may be perceived as a hard-sell approach. Participants from assertive and performance-oriented cultures are probably more ready to associate prominently placed brands with promotional motives. They may be more suspicious towards overtly placed brands and register lower brand persuasiveness. In other words, having brands stay longer on the screen to allow participants to form an association between the placed brands and other contextual stimuli may not be necessarily effective for all cultures. Less prominent placements appear to be more suitable for the HK market.

The study also points out that participants from cultures with higher levels of assertiveness and performance orientation (HK) perceived more positively a well-known placed brand. Well-known brands usually appear to be more prestigious compared to less well-known brands. People in assertive and performance-oriented cultures usually have a strong sense of self-improvement and personal development. This may cultivate them to develop a strong desire to own luxury and well-known brands (Dubois and Duquesne, 1993). Consumers in assertive and performance-oriented cultures purchase not only the material goods but also the symbolic meanings that the products carry. Therefore it is suggested that different placement strategies may be needed to promote less well-known brands in some markets. Brand owners who plan to communicate new brands through product placement may find it more effective to target less assertive and performance-oriented cultures first. Interestingly, the interactions between culture, prominence and brand awareness only affect brand attitudes but have no significant effect on purchase intention. More empirical evidence is needed to understand why brand attitudes do not affect purchase intention in this case.

Given the growing trend of film producers to digitally modify the brands appearing in placement scenes, these findings have important practical implications for marketers and the brands that are placed across cultures. For example, in *Spider-Man 2* (2004) the soft drink Dr Pepper was placed within the initial film and the soft drink Mirinda was placed in a version of the film shown to global audiences. A further example comes from the digital placement firm,

Mirriad, which retroactively places brands within music videos. Marketers can even proactively place or replace moving items or products within a variety of media (BBC News, 2014), opening up possibilities for more targeted product placements. Therefore, the findings of this study provide useful guidance for product placements to be executed differently across markets with distinctive cultural characteristics.

### **Limitations and future research**

Although web-based experimental settings are suitable given the study's objectives, the results here may still be limited by some constraints. For example, there was a high incompleteness rate and a few respondents reported that they could not hear or see the video clearly. However, these respondents were excluded from further analysis.

Interestingly the effects in the experiment were stronger for H1 (prominence) and H2 (brand awareness) than they were for H3 (culture\*prominence) and H4 (culture\*brand awareness). H1 and H2 were main effects while H3 and H4 involved interaction effects. This suggests that the main effects have an influence further down the hierarchy of effects, beyond attitude, by affecting purchase intention. However, the interaction effects do not seem to extend beyond attitudes. Consequently, these findings should be replicated in different circumstances with more realistic settings to enhance the generalizability of the findings. The results successfully reflect the expected differences between a less and a more assertive and

performance-oriented culture (i.e., the UK and HK). Consequently we would expect similar results for countries with similar GLOBE characteristics (e.g., Italy and Germany – a less and more assertive and performance-oriented culture). However, as only two countries were studied these results should be treated with caution.

Future research could also extend to countries with different GLOBE characteristics to establish the boundaries of these findings. Further investigations may include additional cultural measures relevant to marketing communications such as the dimension in-group collectivism. Future studies may extend to a wider national sample of consumers. The current study may also be extended to other media forms to test the validity of the conceptual model in other settings. The popularity of advergaming may be of particular interest to researchers.

Another important area for discussion in the field is the regulation of product placement. There is a proposition that product placements in films should be prior disclosed to audiences (Eisend, 2009). In the current study, we also tried to assess the effect of prior notification of the inclusion of placed brands. It was found that prior notification has no significant effect on the evaluation of placed brands and the interaction effect between culture and prior notification was insignificant. The reasons prior notification failed to safeguard audiences from this surreptitious form of promotion remain unclear and represent fruitful areas for further research.



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Table 1  
Reliability coefficients of the multi-item constructs

Constructs	Cronbach's Alpha		AVE	
	UK	HK	UK	HK
<b><i>Assertiveness (House et al 2004)</i></b>	<b><i>0.81</i></b>	<b><i>0.83</i></b>	<b><i>0.52</i></b>	<b><i>0.54</i></b>
1) In our society, people are generally non-assertive/ assertive				
2) ...tender/ tough				
3) ...non-dominant/ dominant				
4) ...undemanding/ demanding				
5) ...nonaggressive/ aggressive				
6) ...non-confrontational/ confrontational				
7) ...non-determined/ determined				
<b><i>Performance orientation (Okazaki, Mueller and Taylor 2010)</i></b>	<b><i>0.88</i></b>	<b><i>0.75</i></b>	<b><i>0.53</i></b>	<b><i>0.52</i></b>
1) In our society, people often set challenging goals for themselves				
2) ...people generally strive for continually improved performance				
3) ...rewards are based on effective performance				
4) ...most people are performance-oriented				
<b><i>Brand attitude (Gupta and Gould 1997; Matthes, Schemer and Wirth 2007)</i></b>	<b><i>0.94</i></b>	<b><i>0.95</i></b>	<b><i>0.47</i></b>	<b><i>0.47</i></b>
1) dislikeable/likeable				
2) unfavorable/favorable				
3) unappealing/appealing				
4) unattractive/attractive				
<b><i>Purchase intention (Smith, Chen and Yang 2008)</i></b>	<b><i>0.93</i></b>	<b><i>0.94</i></b>	<b><i>0.50</i></b>	<b><i>0.51</i></b>
1) will search for information on the brand				
2) look for the brand in the store				
3) choose the brand				

Table 2  
Multivariate and univariate results for brand attitudes and purchase intention

	Multivariate/ Univariate	$\lambda$	<i>F</i> -value	<i>df</i>	<i>p</i>	$\eta^2$	Observed Power
<b>Prominence (H1a-b)</b>	Multivariate	0.94	16.05	2	0.000	0.06	1.00
	Brand Attitudes		29.78	1	0.000	0.06	1.00
	Purchase Intention		13.20	1	0.000	0.03	0.95
<b>Brand Awareness (H2a-b)</b>	Multivariate	0.74	86.41	2	0.000	0.26	1.00
	Brand Attitudes		127.84	1	0.000	0.21	1.00
	Purchase Intention		115.60	1	0.000	0.19	1.00
<b>Prominence * Culture (H3a-b)</b>	Multivariate	0.98	4.23	2	0.02	0.02	0.74
	Brand Attitudes		8.15	1	0.004	0.02	0.81
	Purchase Intention		2.84	1	0.09	0.01	0.39
<b>Brand awareness * Culture (H4a-b)</b>	Multivariate	0.98	5.96	2	0.003	0.02	0.88
	Brand Attitudes		5.64	1	0.02	0.01	0.66
	Purchase Intention		1.76	1	0.19	0.00	0.26

Table 3  
Cell means and standard deviations for Prominence, Brand awareness and Culture

Independent Variables	Culture	Brand Attitude		Purchase Intention	
		<i>M</i>	<i>SE</i>	<i>M</i>	<i>SE</i>
<b>Low prominence</b>	<b>UK</b>	4.93	0.08	4.50	0.10
	<b>HK</b>	4.30	0.08	4.26	0.10
	<b>Total</b>	4.62	0.05	4.38	0.07
<b>High prominence</b>	<b>UK</b>	4.30	0.08	3.99	0.09
	<b>HK</b>	4.11	0.08	4.07	0.10
	<b>Total</b>	4.20	0.05	4.03	0.07
<b>Low brand awareness</b>	<b>UK</b>	4.26	0.08	3.64	0.10
	<b>HK</b>	3.66	0.08	3.69	0.10
	<b>Total</b>	3.96	0.06	3.67	0.07
<b>High brand awareness</b>	<b>UK</b>	4.98	0.08	4.84	0.10
	<b>HK</b>	4.75	0.08	4.64	0.10
	<b>Total</b>	4.86	0.06	4.74	0.07