



**STUDENTS' PERCEPTIONS ON THE EFFECTIVENESS OF  
PRODUCT PLACEMENTS – A CASE STUDY OF A PRIVATE HIGHER  
EDUCATION INSTITUTION IN DURBAN**

By

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## DECLARATION

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Date: 29/08/2018

## **DEDICATION**

This dissertation is dedicated to my wife, Meirice Koopman and my son, Alessandro John Koopman. May this dissertation inspire you to believe that you can achieve anything you put your mind too. I love you both.

## ACKNOWLEDGEMENTS

First and foremost, all praise, glory and honour must go to God Almighty who has been my pillar of strength and my comforter. He has provided me with the wisdom and knowledge to be able to pursue this Master's degree and to successfully complete it. Through him, all things are possible.

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## **ABSTRACT**

The development of technology has changed the way in which business is practiced and has had a profound impact on marketing and advertising. Organisations and brands have identified that it is important to attract and retain loyal customers. Advertising and the implementation of marketing communications strategies has been designed to create awareness about a product or brand and change the purchasing behaviour of consumers

The saturation of advertisements within the various media has propelled marketers to employ not only a variety of approaches but to seek unique ways in which to market their products. The introduction of television has opened the door for companies to strategically place their products in movies, television programmes and music videos. The youth market represents an attractive market for many organisations, as satisfying this demographic's needs early in their life cycle can result in the development of long-lasting and profitable relationships. As the youth are highly exposed to movies and television programmes, many marketers have been attracted to add product placements in visual media into their overall marketing communications strategy.

However, results have indicated that product placements are similar to traditional advertising in terms of capturing the audience's attention, developing positive feelings towards the product and recall when faced with a purchase decision. It was also established that students believe other marketing communication tools, such as digital and social media advertising, sponsorships, sales promotions and even traditional advertising as being more effective than product placements. This finding allows marketers to question whether they should use this approach when targeting a younger demographic, such as students.

## **KEYWORDS**

Digital and social media advertising; Product placement; Sales promotions; Sponsorships; Traditional advertising

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## LIST OF ACRONYMS

<b>DVR</b>	–	Digital Video Recorder
<b>E.T.</b>	–	Extra Terrestrial
<b>KZN</b>	–	KwaZulu-Natal
<b>LSM</b>	–	Living Standards Measure
<b>PVR</b>	–	Personal Video Recorder
<b>U.S.A</b>	–	United States of America

## **CHAPTER ONE**

### **INTRODUCTION TO THE RESEARCH**

#### **1.1 INTRODUCTION**

Product placement has been defined as, “the paid inclusion of branded products through audio or visual means, and is generally found within mass media programming” (Schmoll, Hilt & Reilly 2006). Schmoll et al. (2006) have noticed a significant increase in the use of these promotional tactics, where companies are prepared to spend millions of dollars on such campaigns. The youth are perceived to be a lucrative market for many companies; as their purchasing power increases, so does their value to the organisation. This results in marketers at times competing aggressively to capture this group and to develop and maintain long-lasting and profitable relationships with them.

According to Cowley and Barron (2008), product placements have significant advantages over traditional advertising. They hold that product placements are better than advertising in terms of memory and choice. Consumers are exposed to high volumes of marketing communication messages and the effectiveness of these promotional messages can thus be questioned. Marketers are under increasing pressure to create awareness of their product/s and to stimulate an interest that will ultimately lead to the trial and adoption of the product.

This study set out to investigate students’ perceptions on the effectiveness of product placements and whether it is a viable marketing communication approach for marketers looking to target a younger demographic. The study analysed whether consumers are aware of product placements and if this type of brand communication heightens the viewers’ interest and desire for the product. The study also sought to ascertain whether the exposure in popular television programmes or movies has any impact on the products that young consumers choose to purchase. It also investigated the role and power that favourable characters can have in influencing the purchasing decision of younger consumers, in particular, students.

#### **1.2 BACKGROUND TO THE STUDY**

A new form of brand communication is brand placements, also referred to as product placements. These terms are used interchangeably and can be defined as the process whereby marketers and advertisers pay for having their products featured within visual and auditory

content through television shows, films, music videos and video games (McPherson, 2008). Product placements have also extended into other media, such as music videos, books and comics. It is argued that product placements have been present since the introduction of motion pictures but the concept only gained popularity through the movie, E.T. The use of Reece's pieces of candy in this movie helped to increase the sale of the product by as much as 65%, indicating the power that product placement has as a marketing communication approach (Keller, 2003).

The increasing popularity of reality television shows, such as "The Apprentice", has created opportunities for product placement; as marketers attempt to benefit from the success of well-known programmes, these programmes have the ability to stimulate interest and create excitement. Factors such as the consumer's resistance towards advertisements, which is largely due to their higher levels of scepticism, together with the fragmentation of traditional media and marketers' growing attraction towards non-traditional media, have led to the adoption of this form of communication (Balasubramanian, Karrh & Patwardhan 2006).

Homer (2009) acknowledged that spending on product placements has increased from \$7.5 billion in 2006 to an estimated \$14 billion in 2010. This places greater importance on discovering the effectiveness of these promotional methods and uncovering whether organisations who adopt these practices are receiving a return on their marketing communications investments. Law and Braun (2000) hold that although the literature surrounding the topic of product placements is growing, only limited information has been gathered on whether they are an effective form of marketing communication and how marketers can best measure the impact they have on consumers. Numerous studies have been conducted in the United States of America (USA); however there is a lack of literature in the South African market and in particular with respect to a youthful market. The student market has been recognised as an important demographic to many organisations, as they have a great influence on the purchasing patterns of others around them, particularly with respect to cars, clothes and vacations. The South African youth market consists of 29 million consumers aged between 15 and 34, with most of these consumers residing in urban areas. The spending power equates to approximately R100 billion per annum and the fact that most companies' advertising campaigns are not directed at this target audience is alarming but creates opportunities for other organisations (the media online, 2017).

### **1.3 AIM OF THE STUDY**

The aim of the study was to investigate students' perceptions of the effectiveness of product placements and to determine whether they are aware of product placements, whether they pay any attention to product placements and whether they influence their purchasing behaviour in any way. Marketers spend excessive sums of money on product placements and the aim is to identify whether it is a viable marketing communication tool when targeting younger consumers, such as students.

### **1.4 PROBLEM STATEMENT**

This study attempted to explore students' perceptions regarding the effectiveness of product placements and the influence that product placements have on students in KwaZulu-Natal in capturing their attention, stimulating their interest, creating a desire for the product and inducing a purchase. In the USA market, PQ Media has noted the significant growth of product placements in terms of the amount of spending. Spending on product placements reached an estimated figure of \$8.25 billion in 2012 (Waniata, 2016). Given the amount of money spent on product placements, this study sought to understand whether students perceive product placements as an effective communication tool. Hence, the problem statement is whether the use of product placements in movies and television programmes contributes to the purchasing decisions of students in KwaZulu-Natal.

### **1.5 RESEARCH OBJECTIVES**

1. To determine whether the students in KZN are aware that they are exposed to products through movies and television programmes.
2. To ascertain when students in KZN pay attention to products that are strategically placed in movies and television programmes.
3. To examine if students in KZN interpret the message in a positive way after seeing the product in a movie or television programme.
4. To develop an understanding of whether the use of product placements results in greater recall when students are faced with a purchasing decision.
5. To compare the effectiveness of product placements to that of traditional advertising.



## **1.6 RESEARCH QUESTIONS**

1. How many students are aware that they are exposed to products through movies and television programmes?
2. When do students in KwaZulu-Natal pay attention to products that are strategically placed in movies and television programmes?
3. How do the students in KwaZulu-Natal interpret the message?
4. How does the use of product placements in movies and television programmes result in greater recall for KwaZulu-Natal students?
5. Is product placement a more effective mode of marketing communication than traditional advertising?

## **1.7 TYPE OF STUDY AND METHOD**

### **1.7.1 Research Design**

This particular research project was a descriptive study. “Descriptive research is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation” (Sekaran, 2003). These studies are usually undertaken in order to gain a deeper understanding about a group and to be able to describe the characteristics associated with a particular group. The ultimate goal of a descriptive study is to suggest a certain profile or be able to describe phenomena of interest to the researcher (Sekaran, 2003).

Descriptive studies can be divided into two distinct components, namely longitudinal and cross-sectional studies. Longitudinal studies are known as time series studies and encompass the researcher measuring the same sample of elements more than once over a period of time. This form of study is effective in ensuring greater accuracy but tends to be costlier and time consuming. Longitudinal studies can be further sub-divided into continuous or discontinuous methods. For the purpose of this study, the researcher focused on a cross-sectional study, which involved collecting data from the target population only once (Wiid & Diggines, 2009).

Descriptive research offers numerous advantages, such as helping to understand the different characteristics associated with a group in a given situation, it helps the researcher to think methodically about aspects of a given situation, provides ideas for further investigation and can stimulate future research (Sekaran, 2003).

The main motive behind this study was to examine students' perception of the effectiveness of product placements. This research was conducted amongst students at a private higher education institution in Durban. Descriptive research generates a description and tells a story about a phenomenon and was deemed most suitable for this study.

### **1.7.2 Research Approaches/ Paradigms**

There are two broad areas of research, namely quantitative and qualitative. Qualitative research seeks to decode, describe, translate and come to terms with the meaning of a given phenomenon, whereas quantitative research is concerned with the precise measurement of something. Quantitative research is synonymous with measuring consumer behaviour, knowledge, opinions and attitudes. These methodologies are particularly useful in answering questions related to when, who, how much, how often and how many (Cooper & Schindler, 2006).

This study was quantitative in nature, where it was possible to calculate the results or findings numerically. This approach tends to be more structured and a greater number of people can be included in the study (Wiid & Diggins, 2009). Quantitative research allows the researcher to describe, explain and predict a phenomenon and, as larger sample sizes can be used, the researcher is able to generalise the findings. Using a quantitative methodology provided answers regarding the use of the product and the purchasing behaviour of consumers after being exposed to that product via product placements.

## **1.8 SIGNIFICANCE OF THE STUDY**

The findings from this study added to the existing body of knowledge and contributed to a greater understanding of the youth market, specifically students. The study explored the relevance of product placements and whether they add value for the organisation. It explored whether or not product placements are a viable marketing communication approach when dealing with younger consumers and evaluated whether product placements can change the purchasing behaviour of viewers. It allowed insight into organisations and into the behaviour and feelings of students in KwaZulu-Natal. This newfound knowledge has empowered organisations to restructure their promotional campaigns to improve efficiency and effectiveness.

## **1.9 STUDY OUTLINE**

### **Chapter 2: Literature Review**

In this chapter, literature pertaining to product placements is discussed. The chapter focuses on the history, growth, advantages and disadvantages of product placements.

### **Chapter 3: Research Methodology**

In this chapter the researcher focuses on the research design and methods that were used as well as aspects such as reliability and validity (amongst others).

### **Chapter 4: Data Collection and Analysis**

In this chapter, the data collection is discussed. Quantitative data was collected via questionnaires. The report highlights whether students are aware of product placements; whether students pay attention to product placements and what factors are most likely to improve their attention; whether they interpret the messages in a favourable manner; what can be done to enhance students' positive feelings towards product placements and whether product placements change their purchasing behaviour.

### **Chapter 5: Discussion of Results and Recommendations**

In this chapter, conclusions and recommendations are provided based on the findings of the study. The limitations of the study are highlighted and suggestions for possible future studies in this area of specialisation are put forward.

## **1.10 CONCLUSION**

This chapter gave an overview of the research problem and the way in which the research strategy was adopted to address it. Whilst the topic has been covered extensively in the United States of America, there is relatively little knowledge on the effectiveness of product placement in South Africa and even less so amongst younger consumers such as students. Chapter two explores the existing literature, providing a foundation from which to answer the research questions and fulfil the aim of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

Product placement in movies and television programmes is an area of marketing communication that is beginning to receive more attention and is a communication tool that is being adopted more frequently by marketers, as they attempt to capture the attention of their target audience (Gupta & Gould, 1997). Product placements can be defined as the paid inclusion of branded products, either through audio or visual means, or both, generally using mass media (Schmoll et al., 2006). Numerous marketers believe that this mode of communication is effective, which is evident from the price that they are willing to pay. According to Gupta & Gould (1997), product placement fees are generally between \$50 000 and \$100 000 but Lark was prepared to spend \$350 000 to have their product featured and used by the James Bond character in the movie 'License to Kill'.

The advancement of technology has given consumers, or viewers, more options. They now have the ability to zip, zap and mute communication messages, which has prompted marketers to think of unique ways to create exposure and a desire for their products. Approximately 43.6 million Americans are now using technology advancements such as digital video recorders (DVRs). This, coupled with the legal/illegal streaming of non-commercialised content, has led to the ineffectiveness of the traditional "30 second spot" advertisement (Begy & Talwar, 2015).

#### **2.2 MODES OF PRODUCT PLACEMENTS**

Product placements differ from traditional, classical advertising, as placements are more subtle in nature. Placements can be unintentional and unpaid, voluntary and involuntary (Omarjee & Chiliya, 2005). Product placement forms part of a larger segment of marketing services that fall under the banner of branded entertainment (PQ Media, 2005). This is a process that involves the integration of an advertiser's product into selected media, most often television and films for clear visibility (PQ Media, 2005). Although visible, the product is often not the focus. The attention of viewers' is usually on the plot or story line. Marketers need to ensure that there is a fit between the product or brand and the plot or scene of a film (PQ Media, 2005).

Lacroix and Martin (2013) have identified three product placement strategies, which are visual only, audio only and a combination of audio and visual.

- Visual only – This involves the demonstration of a product, logo, billboard or other brand identifier without any accompanying message or sound. There is significant risk in this approach, as there is a strong likelihood that the product will not be noticed. The brand, the logo or the products of the firm are presented passively. The product placement forms part of the background and the benefits of the product are not communicated.
- Audio only – The brand is not shown but is mentioned in film dialogue and carries the same risk as the visual approach. Typical examples of this approach include sponsorships of television programmes.
- Combined audio-visual – This is a combination of the first two strategies. It requires more creativity and the costs are higher. With this strategy, the brand, logo, firm or product play a more active role in the scene and are expressed formally within the programme or plot. The benefits of the product are clearly communicated and as a result have a greater influence on viewers. An example of this can be found in the movie, “Harold and Kumar go to White Castle”, where the brand name is mentioned and seen in the movie and also features in the title of the movie.

Audio only and visual only placements are brief in nature. These placements last on average 5.5 and 6.2 seconds respectively. In order for a marketing communication message to be effective, it essentially needs to be long-lasting. Williams, Petrosky, Hernandez & Page (2011) conclude that only 3.1% of product placements are both audio and visual in nature. The high costs associated with marketing communication and prime time television advertising could be major factors in the low adoption rates of this strategy. The ineffectiveness of visual only and audio only placements has lead marketers to use a combined audio-visual approach. Although the combined approach is believed to be more effective in achieving organisational goals, the context in which the placement is shown has an impact on the reaction of the consumer (Omarjee & Chilya, 2005). Marketers thus have a dilemma and need to evaluate the value that product placements can bring. Audio-visual placements generate higher levels of recall but the cost associated with this approach can be a limiting factor in its adoption.

Placements in any of the three modes can be said to be either prominent or subtle. Prominent placements refer to those in which the product is highly visible, largely due to its size, central positioning on the screen or integration into the plot of a movie or television programme (Gupta & Lord, 1998). Subtle placements receive less attention, they are not core to the plot and are sometimes mixed with other brands, in a scene limiting exposure and the ability to capture the attention of viewers. Subtle placements are often questioned in terms of the ability to meet marketing communication objectives. Marketers are often faced with a trade-off in terms of costs and the degree of prominence, as highly visible placements are more expensive to the organisation (Gupta & Lord, 1998).

Studies conducted by Gupta and Lord (1998) indicate that prominent placements lead to higher levels of recall in comparison to subtle placements. A prominent placement can be distinguished as one where the brand name, logo or symbol is clearly evident and centrally positioned on the screen. Subtle placements are those where the brand name, logo or symbol is not obvious or clearly visible to the viewer. This form generally has low screen time exposure and is displayed amongst other products, thereby reducing its effectiveness.

Law and Braun (2000) conclude that products central to the plot of a television episode were recalled more easily than those featuring in the viewers' peripheral vision. Their research had a strong focus on the effectiveness of the various modes of product placement. Their findings revealed that product placements that were heard but not seen in the episode were better recognised than products that were seen but not heard. The decision of whether to make use of audio or visual placements and whether to have the product feature prominently and vividly in the plot of the episode or whether it should be featured peripherally is one that should be taken seriously by marketers and advertisers alike, as it can have a major impact on the return received from product placements.

Later research conducted by Homer (2009) evaluated consumers' attitude towards product placements with respect to the mode of placement used. Their findings were conclusive in that consumers' attitudes tend to depreciate when obvious product placements are repeated too often. Prominent placements are viewed as being distracting and less believable and realistic and seen as interfering with the plot line of the movie or programme. The repetition of prominent placements results in viewers developing a negative attitude towards the product or brand, as they become aware that the product is strategically placed for commercial gain, rather than being used legitimately in the plot.

Advertisers have believed that the use of prominent stimuli is effective in getting attention and enhancing attitudes but research by Homer (2009) was inconclusive in supporting this correlation. Homer (2009) acknowledges that product placement can have a positive effect on the consumers' memory but is largely ineffective in changing their attitude towards the product or brand. The research mentions the importance of the character that is featured with the product or brand. Favourable characters are likely to be more persuasive in influencing behaviour.

		Modes of Product Placement Appearance		
		Visual Placement	Audio Placement	Audio-Visual Placement
Degree of Product Placement	Prominent Placement	Prominent Visual Placement	Prominent Audio Placement	Prominent Audio-Visual Placement
	Subtle Placement	Subtle Visual Placement	Subtle Audio Placement	Subtle Audio-Visual Placement

(Gupta & Lord, 1998)

**Figure 2.1: Modes of Product Placement**

### 2.3 PURPOSE OF PRODUCT PLACEMENTS

Advancements in technology and the desire for viewers to zip, zap, mute and avoid marketing communication messages has placed added pressure on marketers to formulate effective strategies to reach their target audience. The fundamental reasons behind the use of advertising and marketing communication in general, is to inform consumers about a product, persuade them to change their current purchasing behaviour and purchase the product and lastly, to continually remind them of the benefits that can be derived from using the product. Begy & Talwar (2015) recognised that strategically placing products in films and other television programmes acts as a positive information source for viewers and can lead to enhanced cash flows from investors. The underlying reason and the main purpose behind product placement is to increase brand awareness. Studies conducted by Begy & Talwar (2015) concluded that

product placements within television programmes have increased brand awareness by up to 20%. Brand awareness further results in improving the speed of adoption. Consumers are more likely to try a product and also recommend it to family and friends as a direct result of product placements. Increased levels of brand awareness translate into higher levels of brand equity, where the perception of the brand can be elevated. Brand equity in turn, is said to have a positive impact on stock prices and has been proven to improve shareholders' returns. It is these positive economic benefits that act as a draw card in the use of this promotional strategy (Begy & Talwar, 2015). The use of product placements in highly rated shows proves to be more effective for marketers and advertisers. These shows are able to generate higher levels of viewership, which results in more people being exposed to the product placement. Begy & Talwar (2015) concluded that television viewers tend to be more affluent individuals, with more disposable income. Generally, they belong to the upper Living Standards Measure (LSM) groups and thus have the means to purchase more consumer goods.

Product placements facilitate the process of making the plot or story-line more believable. When consumers believe something to be true, they are more inclined to purchase the product. The use of characters and the embedding of the product or brand into the plot is something that marketers should consider carefully, as it has a direct influence on consumer behaviour (Newell, Salmon & Chang 2006).

## **2.4 HISTORY AND GROWTH OF PRODUCT PLACEMENT**

The history of product placement can be traced back to as early as the 20<sup>th</sup> century but the concept gained popularity with Reese's pieces exposure in the blockbuster film, *The Extraterrestrial (E.T.)* (Cholinski, 2012). Newell et al. (2006) believe that the concept of product placement has been in existence since the introduction of motion pictures, as far back as the mid 1890's, although the terms used to describe it may have varied. Terms such as 'exploitation', 'tie-ups' and 'tie-ins' have all been used to describe featuring products and brands in motion pictures.

Product or branded placements began as a casual process in which the branded product was loaned, donated or sometimes even purchased at a discount and used in particular scenes. Over the last decade, the placement of brands in featured programmes has reached mass appeal, resulting in the practice becoming orderly and institutional, with clearly defined roles involving multiple parties and intermediaries (Karniouchina, Usley & Erenburg 2011).



Product placement was initially the result of intermarrying family ties with business but proved to be a successful way to reduce the operating costs associated with developing a motion picture. It was viewed as a win-win situation, with the product or brand benefitting from added levels of exposure (Newell et al. 2006). Although the term was in existence for many years, it was not until movies such as E.T. that marketers and advertisers realised the potential they have to influence consumer behaviour.

Early examples of product placements can be traced back to the motion picture, 'Mildred Pierce', in which Jack Daniel's bottles were used as props in the film and given to the actors and casting crew as gifts. However, the release of the movie on VHS tape and DVD in the 1980s and in 2003 respectively failed to acknowledge the brand (Newell et al., 2006). Similarly, a 1951 report on the movie 'Destination Moon' reveals the use of Coca-Cola and Lee overalls, but the release of the DVD several decades later showcases actors drinking coffee instead of the world-famous fizzy drink (Newell et al., 2006). Mismatches of this nature lead to questions regarding the legitimate use of product placements as a marketing communication tool.

Product placements have experienced significant growth in recent years with Begy & Talwar (2015) confirming a compounded growth rate of 12.6% between 2006 and 2011, which equates to a brand featuring in every 3 minutes of television viewing.

The continued growth of product placement has essentially resulted in a cluttered environment. This, for all intents and purposes, can have a negative impact on the viewing pleasure of potential consumers. Suggestions from Redondo & Bernal (2016) emphasise that product placement will continue to grow as a marketing communication tool, as technology such as personal video recorders (PVR's), tend to be diffused into more households, enabling viewers to bypass traditional advertising altogether. They also mention that the improvement in technology transcends into the film creation process, whereby products can be added in the post-production process, which can result in further adoption. The streaming of movies and film content will further increase the adoption of product placements. The streaming of content allows users to skip advertisements, but the use of product placements will still enable marketers to reach their desired target market and instil interest in their products (Redondo & Bernal, 2016).

## **2.5 ATTITUDE TOWARDS PRODUCT PLACEMENTS**

Attitudes can be described as hypothetical constructs, which cannot be seen, touched, heard or smelled. Attitudes are typically associated with the feelings that an individual has developed, either positive or negative and serve as a means through which to evaluate someone or something. Marketers and advertisers have studied how the attitudes of consumers or potential consumers can affect the use and adoption of a product or brand. This evaluation is shared by Shimp & Andrews (2013), who have noted that attitudes are learnt, they are enduring and they influence behaviour.

Marketing theorists often make reference to the three elements of attitudes, namely cognitive, affective and behavioural. The cognitive component refers to an individual's knowledge and perceptions that are acquired through direct experience. Knowledge, perception and beliefs may not necessarily be true but as long as they are evident, they have the ability to influence consumer behaviour. The affective component relates to the feelings or emotions that an individual has developed towards a product or brand. These feelings are formulated from a variety of sources and dictate the level of attention a viewer gives to marketing communication messages. For example, if an individual has a negative feeling towards a particular brand of vehicle because of internet articles and negative stereotypes, they are less inclined to pay attention to advertisements and the product placement initiatives of that brand. The third element of attitude is behavioural. Behavioural can be defined as the 'action' stage and is the sum of the earlier two components. If an individual has developed a positive perception of a brand and has a positive emotional connection, they are more likely to purchase products affiliated to that brand (Cant & van Heerden, 2013).

Viewers have become more knowledgeable with regard to organisations' promotional tactics. Their level of scepticism and trust is indicative of their lack of belief. Higher levels of scepticism are usually accompanied by negative attitudes towards marketing communications in general, which can transcend into product placements (Kjærnested & Nielsen, 2012). Attitudes affect the way in which individuals judge and react towards other people, objects and events (Parumasur & Roberts-Lombard, 2014). Attitudes towards advertising in general are thought to have an influence on both the attitude towards the particular advert and the attitude towards the brand. Consumers who have a positive attitude towards advertising are thought to have a more positive attitude towards the product or brand being advertised. Product placement as a form of marketing communication shares these properties (Gupta & Gould, 1997). Positive

attitudes towards a product translate into the development of positive word of mouth, favourable perceptions and higher levels of recall (Srivastava, 2016).

## **2.6 ADVANTAGES AND DISADVANTAGES OF PRODUCT PLACEMENTS**

Cowley and Barron (2008) describe product placement as a combination of advertising and publicity. They acknowledge that the use of product placement is less intrusive and in some instances the viewer is unaware of the persuasive intent of the organisation to influence their purchasing habits. There are significant advantages to using marketing communication strategy, such as the viewer being unable to avoid exposure. Higher levels of exposure are often associated with higher levels of recall.

Product placements can also result in viewers having a more positive attitude towards the brand as a result of the exposure. The exposure to any stimuli allows the viewer to formulate an image about a product or brand. The use of product placement can trigger the formulation of positive brand associations (Cowley & Barron, 2008).

The cost accompanying the production of movies and television programmes can be excessive. Product placements are sometimes used to offset these costs, it has the ability to reach captive audiences, it can provide greater reach than traditional advertising and it features the brand usage in a natural setting. It is a strategy that could be adopted by products seen as unethical or those that are prohibited from featuring in traditional mass media due to strict advertising regulations (van der Walt, 2005).

Exposure of the product is a substantial advantage. Van der Walt (2005) suggests that the lifespan of a movie is 3 years. This, coupled with the DVD rental and film broadcasting of a movie, results in a communication strategy that can have a high level of impact. Film stars in the 21<sup>st</sup> century carry significant power and can influence consumer purchasing behaviour. With film attendees being exposed to the product and witnessing their favourite film stars using the product, the impact of a placement can be heightened. The costs associated with product placements are significant and the reach and exposure it is able to generate for a brand make it a good “value for money” strategy (van der Walt, 2005). Research conducted by Gupta and Lord (1998) concluded that viewers were able to recall 38% of products placed in featured films.

Every marketing communication method has advantages as well as limitations. One of the main limitations of product placements is the inability to truly measure the impact that it has on consumers. The over exposure of products, through advertising or any other communication tool including product placements, can change the viewers attitude towards the product or brand. This over exposure can inform viewers of the persuasive intent of the organisation, it interrupts their viewing experience and can result in a negative attitude forming towards the brand (Cowley & Barron, 2008).

There are significant costs attached to product placements. The high absolute costs associated with this marketing communication method mean that this is not a viable strategy for many small organisations (van der Walt, 2005). There is also substantial risk attached to product placements, as there is no guarantee that the product will be noticed by viewers. The nature of this medium has evolved to a level where the competition between companies is intense. Higher levels of competition and the desperation of organisations to expose their products and brands has resulted in higher costs. Marketers and advertisers have little influence over the featuring of their product. The product may be used in an unfavourable scene or by an unfavourable character, which changes the viewers' mood and attitude towards the product and brand altogether (van der Walt, 2005).

The evaluation of the benefits and limitations of product placements is important. Marketers need to ensure that there is a return on their investment and that their major objectives, such as higher levels of awareness, preference and intention to buy, are realised. They also need to consider the actors and the role they play in achieving such goals.

## **2.7 CHARACTERISTICS OF GENERATION Z**

The term, "Generation Z" refers to people who were born from 1995 onwards. This consumer group is entering the world of work and beginning to earn an income. The majority of students participating in this study fall into this category. According to Kleinschmidt (2015), market researchers need to gather more information on this target audience if they are to truly grasp the essence of this lucrative consumer group.

Millennials, which refers to consumers born between 1977 and 1994 and Generation Z consumers have a number of similarities, but there are also noticeable differences in their use of social media and technological devices. Generation Z consumers, generally, are more likely

to spend time on their smartphone devices instead of their personal computers or watching television. This is in contrast to millennials, who average a greater amount of time in front of their desktop computer.

Generation Z consumers are active on multiple platforms and use multiple devices but they spend less time watching television. This, together with the fact that many are using ad blocking software, is forcing advertisers and marketers in general to think of more effective ways of reaching them. Kleinschmidt (2015) recognises the importance of social media and stipulates that most Generation Z consumers are active on platforms such as Facebook, YouTube, Instagram and Twitter.

Generation Z exhibits a number of unique characteristics; they embrace traditional beliefs and place a high regard on family and a close family unit, they have self-control and are responsible (Williams & Page, 2011). This group consists of individuals who are accustomed to technology and the bombardment of advertising messages across multiple platforms. They can be described as authentic, confident and optimistic individuals and have a higher level of influence on the purchases made within their households. Marketers in the USA began targeting this group from as early as 6 years old due to their ability to persuade their parents. The nature of products purchased by this group will be largely different from previous generations. This generation is regarded as one of the unhealthiest generations, which would support the marketers' decision to target them with gyms and health insurance contracts (Williams & Page, 2011).

Generation Z and Generation Y (Millennials), also differ in their interpretation of marketing communication messages. Kleinschmidt (2015) concludes that the use of celebrities in advertisements is likely to capture the attention of Generation Z consumers more than Generation Y. Generation Y consumers are known to respond more favourably to advertisements that are effective in creating an emotional connection.

## **2.8 THE USE OF CELEBRITIES OR FAVOURABLE CHARACTERS**

The use of celebrities in advertisements to endorse products can be traced back to the 19<sup>th</sup> century. Over time, the use and increased adoption of this advertising practice is based on the principle that individuals envy, admire and wish to emulate celebrities, which includes their consumption patterns and their lifestyles (Russell & Rasolofoarison, 2017). Marketers have

acknowledged that there are a number of positives associated with using celebrities in advertisements and product placements, with many believing the inclusion of a celebrity in a marketing communication campaign will benefit the brand in terms of brand awareness, brand image and the consumers' intention to purchase the product or brand. Russell & Rasolofoarison (2017) believe that the use of celebrities in advertising campaigns or product placement provides greater value for consumers, resulting in consumers' willingness to pay a premium price.

Marketers and advertisers continue to use celebrities in their marketing communication campaigns due to the positive impact that they can have on a company's financial returns. Moses (2012) conclude that approximately 10 percent of all advertisements in the United States of America (USA) feature a celebrity. This statistic has decreased from 25%. Consumers in the USA are regarded as being more trusting of celebrities and have a genuine belief that they endorse a product based on its features, qualities and characteristics as opposed to the financial gain that they derive from these transactions. The culture within the USA market is such that celebrities are looked upon favourably and seen as trustworthy, believable, persuasive and likeable characters. Although this is so, special attention should also be placed on how well the celebrity fits with the advertised product. Organisations that are able to achieve a positive match here, tend to be more successful in their advertising campaigns. A celebrity endorser's influence on consumer attitudes and choice is dependent on the consumers' perception of the celebrity in reference to his or her self-image (Choi & Rifon, 2012).

Studies on celebrity endorsements conducted outside the USA market indicate that this practice is not as effective internationally. Americans are brought up in a commercialised environment, where individuals value the status hierarchy and thus regard celebrities as role-models and people they aspire to be. In contrast, countries such as Norway regard celebrities with distrust and are extremely suspicious of their behaviour. They believe that celebrities regard themselves as being superior to ordinary people, which essentially reduces their likeability (Silvera & Austad, 2004). It is the absence of likeability in this scenario that reduces the influence that a celebrity has over a consumer and hence the overall advertising effectiveness.

The use of celebrity endorsements in advertising varies across countries and product categories. Countries like Japan and Korea are more prone to the practice of celebrity endorsements. Russell & Rasolofoarison (2017) report that 40% of television advertisements in these countries feature a well-known figure. These figures compare favourably to other countries

such as the United Kingdom (12%) and The United States (10%). Findings also reveal that celebrity endorsements are more prominent in the apparel category as opposed to the personal care or household products categories.

Celebrities have long had an impact on the purchasing habits of others, especially younger consumers. Younger consumers with less cognitive ability lack the capability of truly analysing persuasive marketing communication messages and tend to be influenced more easily than older consumers. The 1995 American film, “Rebel without a Cause” is an example of such, where James Dean was seen using an Ace comb. The result was a spike in demand for Ace combs, as younger boys desperately tried to get access to the product (Kolowich, 2015). This example magnifies the fact that consumers, and younger consumers in particular, aspire to be like these famous superstars. Many consumers who were seen using an Ace comb were able to improve their social status and their appeal amongst social groups. For younger consumers, the need to ‘fit in’ is extremely important and can even persuade parents and guardians to purchasing such products for their children.

This example highlights the significant impact celebrities can have on products and brands. However, the effectiveness of a celebrity endorsement is often dependent on trust in the communicator and the related perceptions of the communicator’s credibility (Russell & Rasolofoarison, 2017). Appearing in multiple brand messages can negatively affect a celebrity’s credibility and likeability.

Celebrities are viewed as reference groups and as reference groups they have the ability to influence consumer behaviour. A number of celebrities such as Marion Jones, Ben Johnson and Lance Armstrong have all had successful sporting careers but at the peak of their prowess they have all been accused of using performance enhancing drugs. As a result, they have been stripped of some of their titles. Nevertheless, they served as role models for many younger athletes, many of whom may believe that such behaviour is acceptable. This example indicates that reference groups such as celebrities may have a negative influence on consumer behaviour (Parumasur & Roberts-Lombard, 2014).

The use of celebrities in marketing communication campaigns is likely to continue into the future. Source attractiveness, and in this case, the physical attractiveness of these superstars, will remain a powerful influence, even more so amongst beauty, fashion and cosmetic brands (Silvera & Austad, 2004).

## **2.9 STUDYING PRODUCT PLACEMENTS OUTSIDE THE UNITED STATES OF AMERICA (USA)**

Product placements have the ability to reach a large number of people who are geographically dispersed. The use of product placements in popular Hollywood and Bollywood movies has several advantages, which have already been mentioned. Sabour, Pillai, Gistri & Balasubramanian (2015) reiterated the significance of having local knowledge in international placement campaigns. The root of this dilemma rests with whether to adopt a local strategy or a standardisation approach.

### **2.9.1 Placements in emerging markets**

About a decade ago, the USA and other developed countries believed that the USA market was the only significant market for marketers to consider. Several companies from developed countries such as Australia, France, Japan and Italy were not interested in investing their products in emerging or developing countries (Cant & van Heerden, 2013).

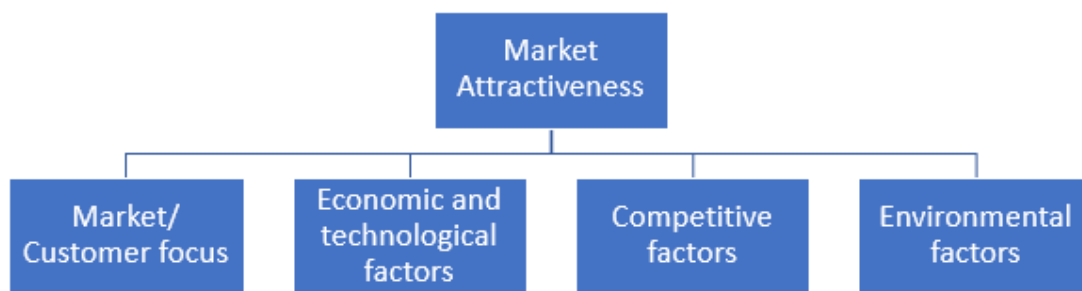
However, opportunities in developing countries have increased. Numerous organisations have identified largely untapped consumer markets in parts of Africa, with limited competition. This compares favourably to the European market, which is characterised by a saturated market and lower population growth rates. Population increase, a growing middle class and increased levels of economic development have improved many African countries' market attractiveness.

Figure 2.2 below makes reference to the factors that increase market attractiveness and persuade marketers and advertisers to enter a particular market. Market and customer factors such as the size of the market, market potential and market growth rate and customer loyalty should be carefully considered. African markets are said to have higher growth rates and more potential for expansion in comparison to European and North American markets, which are largely saturated. Economic factors can also influence the attractiveness of a market. For example, countries that have high inflation rates or are characterised by an unstable political environment experience lower levels of entrepreneurial activity and are avoided by marketers. Competitive factors that allude to factors associated with Porter's five forces model should also be considered. High levels of substitute products and intense rivalry amongst existing firms, decrease market attractiveness. For example, the soft drink industry is dominated by two powerhouse brands, namely Coca-Cola and Pepsi. This in turn makes it more difficult for new companies to enter the market and survive. Lastly, environmental factors such as the regulatory



environment and the degree of social acceptance can also affect the attractiveness of a market or industry. For example, alcohol is not permitted in many Islamic states, which will essentially reduce the market attractiveness for such organisations (Cant & van Heerden, 2013).

Regardless of the market in which the product resides, consumers need to be made aware of products available to them. This means that the brand's marketing communication strategy needs to be carefully compiled and executed. Marketers may choose from a variety of promotional tools such as advertising, sales promotions and product placements (Cant & van Heerden, 2013).



(Cant & van Heerden, 2013)

**Figure 2.2: Factors that shape market attractiveness**

There has been a limited amount of research on product placements conducted outside the USA and even fewer studies in emerging markets. Product placements in emerging markets such as India provide viable marketing opportunities, as the movie industry and the development of Bollywood reaches greater heights, its impact can extend to locations all over the world (Srivastava, 2016).

Emerging markets such as Brazil, India, Russia, China and South Africa are of paramount importance for global brands. These markets often represent infinite possibilities and opportunities to expand a brand and build brand equity and brand loyalty. In India more than 1000 movies are released each year. This places pressure on marketers and advertisers to not only use product placements as a marketing communications approach but also to use it effectively to ensure that brand awareness, brand recall and brand equity are enhanced (Srivastava, 2016).

Regardless of the area and target audience on which marketers wish to focus, most of the objectives remain the same in that the marketer wishes to achieve higher levels of brand awareness and brand recall. Research conducted by Srivastava (2016) in India concluded that the prominence of brand placements had a positive effect on brand memory. They emphasised that consumers were better able to remember brands that were placed in successful films. This highlights the need for marketers to not just place their products or brands in all movies, but to be strategic about choosing blockbusters. The research also highlighted the correlation between the length of the product placement and brand recall, with higher levels of exposure often generating higher levels of brand recall. However, marketers need to bear in mind that high levels of exposure can result in irritation for the viewer, which ultimately leads to lower levels of brand equity and a negative association with the brand developing.

Marketers ultimately wish to establish a return on their marketing communication efforts. Unless a consumer's purchasing behaviour towards a product or service changes, the campaign is often viewed as unsuccessful. Although product placements can increase awareness, there is no guarantee that it will translate into higher levels of sales. Brands that are able to develop high levels of equity are more effective in changing behaviour and influencing consumers into purchasing the product. Low involvement products such as bread, milk and coffee have experienced greater success in this regard (Srivastava, 2016).

## **2.10 ETHICAL CONCERNS OF PRODUCT PLACEMENTS**

Ethics can be defined as moral standards and principles against which behaviour can be assessed. Ethical behaviour include aspects such as honesty, integrity, fairness and sensitivity. The issue of ethics is not limited to product placements but extends to all other forms of marketing communications, including advertising. Marketing communication has become notorious for pushing ethical boundaries and marketers and advertisers alike are often seen using deceptive practices to influence behaviour and induce a purchase. Some of the issues under the spotlight include: truth in marketing communication advertising to children promoting controversial products and providing substantiation for claims that are made (Cant & van Heerden, 2013).

Product placements differ from advertising. Advertising is thought of as much more invasive and direct, with consumers fully aware that they are being exposed to a marketing communication message. Product placements on the other hand, can be strategically placed

and blend in with the story or plot of a film or television programme. The controversy surrounding product placements is enhanced by the fact that product placements represent a hybrid message comprised of advertising and publicity in which marketers or advertisers may appear to be working around advertising restrictions in other media, such as television. It is this level of deception that is frowned upon by critics. For example, some countries, including South Africa, have limited tobacco manufacturers from being involved in advertising and sponsorships (Gupta & Gould, 1997).

Ethical concerns with regard to product placements are strongly linked to the fact that it is regarded as an element of marketing communications. Gupta & Gould (1997) concluded that the attitude that one develops towards a product has a positive relationship with the purchase intention. Therefore, those consumers who have a positive attitude towards a product or brand are more inclined to purchase that particular product. Another concern emerges from the fact that a number of critics believe that product placements have a negative economic impact in that moviegoers will develop a positive opinion of products that are associated with the glamour of Hollywood and ignore other, more product-centred factors.

Research conducted by Nebenzahl and Secunda (1993) found that most consumers in their study had positive attitudes towards product placements but those who had developed negative opinions were motivated by ethical concerns (Mackay et.al, 2015).

Gupta & Gould (1997) also noted that a number of concerns regarding product placements related to specific products, such as cigarettes. Critics have also expressed the need to perhaps communicate a health warning to viewers prior to a product placement being shown. Amongst the most “ethically charged” products are tobacco, guns and alcoholic beverages.

## **2.11 CONSUMER BEHAVIOUR**

The use of marketing communication stems from its persuasive nature and its ability to influence consumers’ attitudes, perceptions and purchasing behaviour. Marketers need to gain an understanding of their customers in order to develop an offering that will attract customers and help achieve their goals. Organisations have focused on the ability of marketers to understand their customers – their buying behaviour, habits and needs (Parumasur & Roberts-Lombard, 2014).

Consumer behaviour refers to the combination of activities and influences that occur before, during and after the purchase itself. Consumer behaviour studies individuals, groups or organisations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas in order to satisfy their needs. The need to understand customers is intensified as a result of the environment in which businesses operate. The environment can be described as dynamic in nature and the high level of competition propels marketers to differentiate their offerings in the hope of achieving a competitive advantage (Parumasur & Roberts-Lombard, 2014). Understanding consumers' behaviour results in the satisfaction of needs, which leads to repeat purchases and the formation of positive relationships, which is fundamentally important for the success of any organisation.

### **2.11.1 Perception**

Perception is the way in which buyers interpret or give meaning to the world around them. It is ultimately defined as the process through which people select, organise and interpret stimuli to form a meaningful picture of the world through the senses of sight, sound, smell, touch and taste (Parumasur & Roberts-Lombard, 2014). The perception that an individual develops about a product or brand has a direct impact on their purchasing patterns. For example, negative perceptions towards a product or brand will result in a consumer not purchasing that product but those who have positive views or feelings towards a product are more inclined to not only engage in a transactional exchange but to develop a long-term relationship with the organisation where repeat purchases are made.

Perception is said to be selective, as consumers are exposed to high volumes of marketing stimuli on a daily basis. Consumers generally pay attention only to those messages that affect them and perception can therefore be described as selective and subjective, as it can differ considerably from one individual to another. Perception is based on the individual's frame of reference and is related to their experiences. For example, if an individual decides to dine at a certain restaurant and has a negative experience, he or she will form a negative perception towards that restaurant and will be unlikely to visit the restaurant again. If an individual develops a negative perception towards an organisation, product or brand, it will affect the marketer's ability to use advertising or other marketing communication tools to influence their behaviour (Parumasur & Roberts-Lombard, 2014).

### **2.11.2 The perception process**

The process of perception comprises four stages: exposure; attention; interpretation and recall.

Exposure refers to the extent to which an individual is cognisant of stimuli and the extent to which their senses are heightened from exposure to such stimuli. Marketers use a host of media, such as television, in the hope of consumers becoming aware of a particular product or brand. An individual's interests affect the marketing communication messages they pay attention to and those they ignore. Exposure to a message means that the message has been seen or heard but there is no guarantee that the individual will pay attention to it. In order to increase attention, marketers are encouraged to be creative and strategic in terms of where they place their advertisements (Parumasur & Roberts-Lombard, 2014).

Attention refers to the extent to which an individual, after being exposed to a stimulus, notices the stimulus. Consumers are more inclined to pay attention to those marketing communication messages that affect them directly and which pose a solution to satisfying one or more of their needs. Marketers choose to use a variety of tools in order to capture the attention of their target audience. The use of size, colour and positioning the advertisement where it is likely to be noticed, are all crucial elements that the marketer and advertiser need to consider. Marketers are experiencing difficulty in capturing viewers' attention due to the saturation of media. The saturation of traditional media has also led to the use of advertising in sports stadiums and the use of product placements in a variety of films, documentaries and television programmes (Parumasur & Roberts-Lombard, 2014).

A consumer being exposed to a marketing communication message and paying attention to it, does not guarantee the reaction intended by the marketer. Interpretation is a key aspect in the trial and use of a product. A number of individuals can be exposed to the same stimulus but have completely different interpretations of it. Individuals tend to interpret information according to their existing beliefs, attitudes, experiences and general disposition. Similar to attention, interpretation is selective, with consumers often misunderstanding or interpreting a message in a way that was not intended by the marketer or advertiser. Consumers, either purposefully or subconsciously, can distort a message to fit in with their likes, dislikes, prejudices and attitudes. (Parumasur & Roberts-Lombard, 2014).

The last stage of the perception process is recall. Advertisers strive to produce stimuli that capture viewers' attention and result in the correct interpretation of the message. There is also

a strong focus on producing stimuli that break the advertising clutter and ensure that information is retained by consumers, thus influencing their buying behaviour. Consumers often forget marketing communication messages, which has led to the introduction of in-store promotions to remind consumers of the product, its benefits and use (Parumasur & Roberts-Lombard, 2014).



(Cant & van Heerden, 2013)

**Figure 2.3: The perception process**

## 2.12 ADVERTISING

Advertising can be defined as any paid form of presentation of ideas, products or services by an advertiser, addressed to a selected target audience with the objective of either creating awareness or informing, reminding, influencing or persuading individuals to buy the product or service (Cant & van Heerden, 2010).

Marketers and brand managers make use of a variety of marketing communication tools, with advertising being the most popular. Advertisements can be in the form of print media, electronic or broadcast media, out of home media and cinema or digital media. Print media includes the use of magazines and newspapers that are used to communicate a specific message. Newspapers are often ineffective due to their short lifespan and the use of low quality paper. Advertisements that appear in newspapers compete with other interesting articles and editorials for the readers' attention and unless an advertisement stands out and is unique and able to break through the "clutter", there is a strong likelihood that it will go unnoticed. Magazines have a few added benefits in that the production quality of the paper that is used is usually better than newspaper and as a result the colour appears to be bolder and can capture attention. In contrast to newspapers, magazines have a longer lifespan with many individuals keeping magazines months after purchase. Advertisements in magazines thus have a greater chance of being noticed. Overall, print media allows the advertisers to communicate their message in a way that other media does not permit, where verbal and visual communication can be used to enhance appeal to the reader (Cant & van Heerden, 2010).

Electronic media has the ability to reach mass audiences with their message at a relatively low cost per person. In South Africa many people have access to television and even more listen to the radio on a daily basis. The large reach of broadcast media makes it an effective marketing communication tool. Electronic media has additional advantages over print media in that broadcast media allows the advertiser to add visual and/or sound dimensions to their message. It allows the advertiser to show how the product should be used and the benefits consumers can derive from using the product. Television advertisements in particular can appeal to consumers' emotions and change their attitudes and/or behaviour towards a product or brand (Cant & van Heerden, 2010).

The saturation and overuse of print and broadcast media has forced advertisers and marketers to seek new ways to engage with consumers and inform them about their products. The busy lifestyle of urban dwellers has prompted the use of out-of-home media and cinema advertisements. Out-of-home media includes billboards, posters and advertisements in sports stadiums, advertisements on dustbins, bus shelters and buses. Cinema advertising has become an effective way to target movie-goers and shares many of the benefits of television advertising, such as high-quality reproduction and the ability to show how the product should be used and the benefits that it can add. It is a successful form of marketing communication when looking to target a younger demographic. However, advertisers need to consider the costs of this form of media and the short time frame in which to communicate the message (Cant & van Heerden, 2010).

Movement into the digital era has changed the way in which people live and communicate and has opened up new ways for marketers to advertise and build relationships between themselves and relevant stakeholders. Most companies have developed websites or web pages to allow consumers to have access to desired information. The advent of web 2.0 has placed further emphasis on the need to communicate and to illicit feedback from the consumers and to engage in meaningful dialogue. The use of Facebook, Twitter and YouTube are important aspects to many companies and constitute an essential component of their integrated marketing communication strategy (Cant & van Heerden, 2010).

### **2.12.1 Why advertise?**

Marketers and advertisers make use of advertising to inform, persuade and continuously remind consumers about the benefits of a product or service. However, there are differing views on the

effectiveness associated with advertising. Some believe in the strong theory of advertising, whereas others hold firm to the beliefs associated with the weak theory of advertising.

The strong theory of advertising emphasises that advertising is capable of effecting change in the knowledge, attitudes, beliefs or behaviour of the targeted audience. The belief is that advertising can persuade and induce a purchase, where a consumer before being exposed to the stimulus, was uninterested in purchasing the product.

The weak theory of advertising expresses the belief that consumers cannot easily be manipulated and persuaded to make the desired purchasing decision. It outlines that consumers' purchasing patterns are derived from habit and that advertising can be successful in improving people's awareness and knowledge and reinforcing positive attitudes towards a product or brand (Cant & van Heerden, 2010).

### **2.12.2 Advertising and brand equity**

One of the reasons for the adoption of advertising lies in its ability to inform and create awareness about a product or service. Advertising essentially creates brand awareness. Brands that are able to achieve high levels of awareness are upper-most in the minds of consumers and are said to be more sustainable. Examples are Coca-Cola, Toyota and Omo (Cant & van Heerden, 2010).

Advertising is quintessential in building brand associations. Brand associations refer to anything that is directly or indirectly associated with a product or brand. For example, Nando's is associated with spicy chicken and Mercedes Benz is synonymous with style, luxury and elegance.

Advertising can build a brand's reputation and can assist in building brand loyalty. Developing brand loyalty and brand insistence is an objective for many brands and organisations as it can often lead to long term profits and sustainability (Cant & van Heerden, 2010).

## **2.13 INTEGRATED MARKETING COMMUNICATIONS**

In today's dynamic marketing communications environment, with evidence of the declining effectiveness of traditional advertising, marketers are forced to employ a variety of communicational elements in order to achieve their objectives. Integrated marketing communication can be defined as the coordination of the promotional mix of elements



(advertising, public relations, personal selling, direct marketing and online marketing/social media), with each other and other elements of the brand's marketing mix in such a way that a unified message is conveyed (Shimp & Andrews, 2013).

Numerous organisations have adopted the practice of integrated marketing communications, as it is believed to help build a stronger brand. Effective communication will essentially result in consumers being more open and receptive to communication messages, process these communication messages favourably and have greater ability to recall the communications or their accompanying cognitive or affective reactions (Keller, 2009). Integrated marketing communications essentially emphasise the benefits of harnessing synergy across multiple media to improve the brand equity of products and services (Madhavaram, Badrinarayanan & McDonald 2005).

In developing an integrated marketing communication strategy, several factors need to be considered. Marketers need to pay attention to the product market, consumer readiness to make a purchase, the stage in the product life cycle and the brand's market share and positioning. Keller (2009) urges marketers to mix and match and use a variety of communication elements to build brand equity. The belief is that each element has different advantages and disadvantages but the underlying premise is that the whole is greater than the sum of its parts.

Integrated marketing communication makes business sense but in the past a number of organisations decided to handle their advertising, sales promotions, mobile advertising, social media and other communication elements separately and differently, often having specialised units for each element. Marketers have decided to practice integrated marketing communications in the belief that this can produce better results than if the tools were executed individually. Shimp & Andrews (2013) confirmed that research conducted on the Levis Strauss brand was conclusive in that the use of both TV and print advertisements were jointly responsible for a spike in sales and this combination strategy was more effective than the individual effects of each advertising medium.

## **2.14 BRANDING**

For centuries marketers have been seeking ways to differentiate their products from those of their competitors. The need for companies to incorporate this trait has been heightened in today's dynamic and competitive business environment. Branding can be defined as the

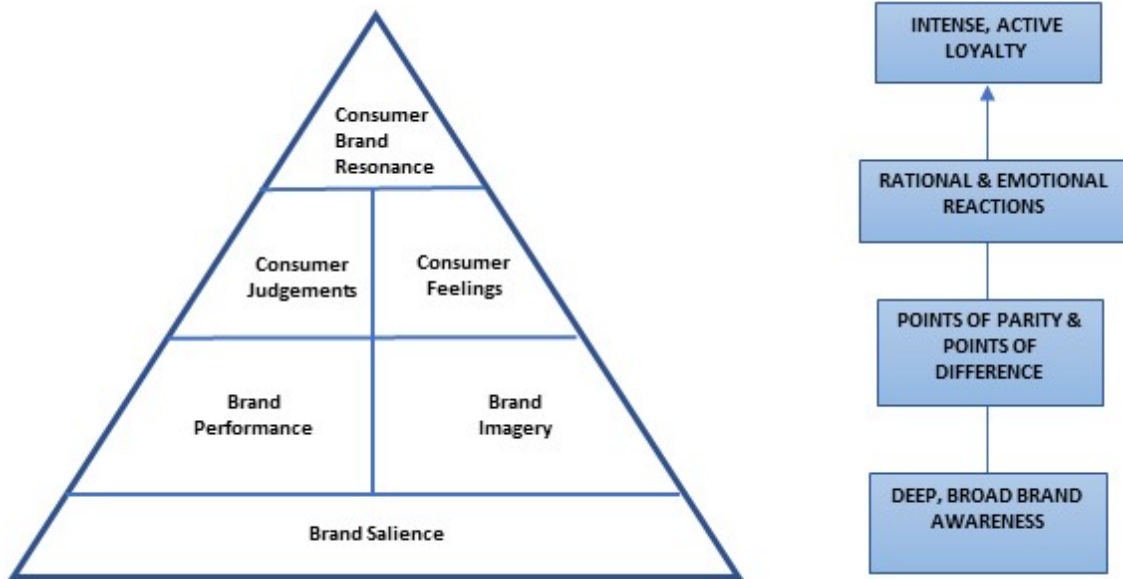
addition of a name, logo, symbol, jingle or any other feature that assists in the identification of a company's products (Cant & van Heerden, 2010). A branded product may be a physical product such as Kellogg's Corn Flakes, a service such as that provided by Standard Bank, a store such as Edgars, a person such as Michael Jordan, a place such as Durban, or an organisation or an idea (Keller, 2003).

Organisations engage in the concept of branding for a variety of reasons. Branding not only offers advantages to consumers but also to the manufacturer. From a consumer's perspective, branding provides a means of identification and can help simplify the consumer's choice. It also assures the consumer of a certain level of quality (Keller & Lehmann, 2006). For example, consumers tend to purchase brands such as Mercedes-Benz, Apple and Nike due to these brands having built a reputation for satisfying consumer needs by providing them with high quality products above the industry norm.

Brands play a fundamental role in determining the effectiveness of marketing efforts, such as advertising and channel management and have the ability to change consumers' perceptions. For example, unbranded products are viewed by many consumers as generic versions of more expensive and better-quality products (Cant et al., 2013). Consumers and viewers are also more inclined to notice products that are branded and value them more than generic brands.

Branding also offers numerous advantages to the manufacturer. The process of branding allows the marketer to communicate unique features about the product such as its price, quality, performance and status. The success of a brand is not only measured by the numerical gains but also on its ability to leave a long and lasting impression in the minds of the consumers. Successful brands are those that not only meet, but are also able to exceed the expectations of the customer, resulting in trust and a stronger, more profitable relationship (Cant et al., 2013).

Keller (2003) concluded that branding can result in greater loyalty and profit margins. It can lead to consumers being more inelastic to price increases and more elastic to price decreases. For example, consumers will still purchase an Apple computer if the price increases, as they believe they are receiving a product that is "good value for money."



(Unknown, 2018)

**Figure 2.4: Customer-Based Brand Equity Model**

According to Figure 2.4, the power of the brand lies in the minds of the consumers and what they have learned and experienced about the brand over time. Brand salience is closely linked to brand awareness. On a very basic level, marketers need to make their brand known to their consumers. This can be achieved through various marketing communication strategies, including product placements. They also need to ensure that consumers are able to link their brand name with their logo, slogan and jingle. Brand salience is concerned with consumers being aware of the basic functions a brand will provide. For example, consumers know that a Red Bull beverage will give them energy (Keller, 2003). Greater levels of awareness can translate into higher levels of recall.

Brand performance refers to the way in which the product or service attempts to meet customers' functional needs. There are 5 attributes and benefits that determine brand performance. These are: primary ingredients and supplementary features; product reliability, durability and serviceability; service effectiveness, efficiency and empathy; style and design and price (Keller, 2003).

Brand imagery refers more to the intangible aspects of a brand. It refers to customers' perceptions of the extrinsic properties of the brand to meet their psychological or social needs (Keller, 2003). Perceptions and attitudes can influence consumer behaviour. If a consumer

develops positive feelings and attitudes towards a product they are more inclined to try the product.

Brand judgements focus on the consumers' evaluation of the brand in terms of its quality and credibility. For example, customers have a positive perception or judgement with regard to Woolworths' products. Brand feelings represent the emotional connection that a brand is able to obtain with the customer. Certain brands are able to associate themselves with fun and excitement, such as Graca wines, whereas others focus more on safety and security, such as Volvo. A company such as Allan Gray uses warmth, where they attempt to make consumers feel sentimental and affectionate towards the brand (Jooste, Strydom, Berndt & du Plessis 2008).

Brand resonance is the final step of the model and focuses on relationships. It encompasses issues such as loyalty, attachment and active engagement. It indicates the extent to which customers feel in sync with the brand. Harley Davidson, Apple and eBay appear to be brands that exhibit this quality (Keller, 2003).

#### **2.14.1 Brand Associations**

Brand association refers to anything that is directly or indirectly linked to a brand. It could refer to rational or emotional elements. For example, Mercedes Benz is associated with style and elegance, while Nando's is synonymous with spicy chicken. A brand's associations essentially provide a means to differentiate it from its rivals, they instil trust and confidence and provide a springboard for the expansion of the brand (Cant et al., 2013). Perceptions, similar to brand associations, are formed by any direct or indirect contact that a consumer has with a brand.

#### **2.14.2 Brand Loyalty**

Branding has emerged as a top management priority due to the realisation that brands are a valuable, intangible asset (Keller & Lehmann, 2006). Brands serve many purposes for both consumers and marketers. For consumers, brands can help simplify choice and ease the identification process, whereas for marketers a strong brand assists in the addition of several other products under the same brand name. All marketers strive to increase brand equity, develop positive brand associations and create a strong brand. A strong brand essentially results in larger profit margins, increased marketing communications effectiveness, improved perceptions of product performance and greater customer loyalty (Keller, 2009).

Consumers display varying degrees of loyalty to different brands. Brand loyalty can be divided into 3 categories, namely brand awareness, brand preference and brand insistence. Brand awareness denotes those consumers that are able to identify a brand and its products and they are placed at the bottom of the loyalty scale. Brand preference refers to consumers who prefer one brand over another but who would settle for a substitute product if their preferred choice is unavailable. Consumers who are brand insistent are completely loyal and price insensitive. Consumers who reach this level are willing to pay a premium price and may never change their minds during the course of their lifetime (Cant & van Heerden 2013).

The branding of products is of paramount importance, particularly when promoting products via various media. The identification of a name, logo or symbol contributes to awareness levels and overall marketing communication effectiveness. Brand management is important in ensuring that high levels of brand equity are achieved; positive brand associations are developed and high levels of brand loyalty are realised.

## **2.15 CONCLUSION**

Product placement is gaining more attention in the marketing domain around the world, with some interest also developing in South Africa. There are significant benefits associated with the adoption of this form of marketing communication. Advertisers are continuously striving to break through the advertising clutter and capture the attention of their desired audience. The fragmentation of media and improvements in technology have made product placement an alternative strategy for marketers and advertisers. The use of product placement in certain markets and within certain industries has improved the attitude towards the brand, brand recall, change in perception towards the brand and purchase intention. Budgets surrounding product placements are increasing in markets around the world, with marketers and advertisers receiving more money to invest in movies, television programmes and music videos. It is expected that this trend will continue in other markets, such as South Africa (Srivastava, 2016).

The next chapter provides an overview of the way in which the researcher conducted the study. It focuses on aspects such as the research design, research approach and the sampling technique that was used.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 INTRODUCTION

This chapter explains the research design and methodology that was used in this study. A research design can be defined as a plan or strategy that moves from the underlying philosophical assumptions to specifying the selection of respondents, the data gathering techniques and the data analysis performed (Maree, 2007). The ultimate objective of this chapter is to describe the research design, the sampling method used, and the methods used for gathering and analysing data (Wiid & Diggines, 2015).

Wiid & Diggines (2015) highlight the importance of formulating a research design and hold that the plan or framework that is developed is essential in keeping the researcher focused. It ultimately ensures that the plan is followed and executed suitably and that the goals of the project are realised. The research design used by any researcher is said to be either quantitative, qualitative or a multi method or mixed method approach.

The research objectives as outlined in the beginning of the study are indicated below.

#### Research Objectives:

1. To determine whether the students in KZN are aware that they are exposed to products through movies and television programmes.
2. To ascertain when students in KZN pay attention to products that are strategically placed in movies and television programmes.
3. To examine if students in KZN interpret the message in a positive way after seeing the product in a movie or television programme.
4. To develop an understanding of whether the use of product placements results in greater recall when students are faced with a purchasing decision.
5. To compare the effectiveness of product placements to that of traditional advertising

#### 3.2 RESEARCH DESIGN

The research design performs a fundamentally important role in ensuring that the researcher is focused and has a plan or framework in place. It ensures that proper planning is conducted and

the research process, which involves the collection and analysis of data, is clear and achievable and that the answers to the research questions are discovered.

There are three core research designs, namely exploratory, descriptive and causal studies. Exploratory research studies are intended to explore a relatively unknown area. Exploratory research is often used when more information on a particular topic or area of research is required. The objective of exploratory research is to acquire new insight into a phenomenon that is being researched. This research design is used more as a means to acquire information so that a deeper understanding of the concept or phenomenon is developed. Employing a causal research design involves the confirmation or description of a link between variables (Wiid & Diggines, 2015). For example, increased spending on advertising and other marketing communications (cause), is the independent variable and higher levels of sales (effect), is the dependent variable. The researcher has some control over the independent variable, whereas the dependent variable is the effect of the independent variable.

This research study was descriptive in nature, where the emphasis was on attempting to identify patterns or trends in a situation. “Descriptive research is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation” (Sekaran, 2003). Descriptive research is used when the researcher has some understanding of the research problem but limited knowledge to fully answer the research questions and meet the research objectives. It often encompasses questions such as who, what, when, where and why (Wiid & Diggines, 2015). The basis of descriptive studies is to gain a deeper understanding into the behaviours and thought patterns of a group of people. In this study, the researcher sought to understand the behaviour of consumers and the influence that marketing communications and in particular, the influence that product placements, can have on a younger demographic.

### **3.3 RESEARCH APPROACH**

Research approaches are regarded as plans and the general procedures to be followed for research. They span from broad assumptions to detailed methods of data collection, analysis and interpretation. The selection of a research approach is largely dependent on the nature of the research problem or issue being addressed, the researcher’s personal experiences and the audiences for the study (Creswell, 2014).

Qualitative research is about exploring issues and understanding underlying reasons and motivations. Qualitative research is generally less structured than quantitative research and uses smaller sample sizes. This approach is commonly used when examining attitudes, perceptions, motivations and understanding (Wiid & Diggines, 2015). Maree (2007) describes qualitative research as a methodology that is concerned with understanding processes and the social and cultural contexts that underlie various behaviours. Qualitative research focuses on answering the ‘why’ questions of research. It focuses on studying and analysing people and usually does so in their natural environment. The emphasis of qualitative research lies in the depth and quality of information, as opposed to quantitative research, which is synonymous with larger sample sizes.

Quantitative research is a process that is systematic and objective in nature, in the way that it uses numerical data collected from a relatively small portion of the population. The findings are normally generalised to depict the overall attitude, behaviour or feelings of the entire population (Maree, 2007). Quantitative research seeks to establish a relationship between two sets of variables, namely the dependent and independent variables. In this study quantitative research was chosen, where the dependent variable is the students’ perception of the effectiveness of product placements. Their perceptions are influenced by a variety of factors, such as their level of exposure to product placements, whether they pay attention to product placements, the degree to which the messages in these product placements are interpreted in the correct or favourable manner and their ability to recall the stimuli or product placement. Socio-demographic factors such as age, gender, year of study and the faculty to which the student belongs may also have an impact on their overall perception of the effectiveness of product placements.

A number of researchers choose to employ a mixed method approach, which involves a combination of qualitative and quantitative research and data. The mixed method approach gained popularity in the 1980s. The general premise behind the adoption of this approach is in the researchers’ belief that each method (quantitative and qualitative) has biases and weaknesses and that the collection of both qualitative and quantitative data neutralises the weaknesses (Creswell, 2014). The underlying negatives of this approach are that it is time consuming and costly and involves more resources than other methods and was ultimately discarded as a viable research approach for this study. The researcher believed that the research



questions and objectives could be adequately answered and achieved by adopting a quantitative approach.

### **3.4 SAMPLING**

The research design performs a pivotal role in guiding the researcher through the research project. This includes the subject of sampling, where decisions regarding the sample size and type of sampling method to use need to be made.

#### **3.4.1 The Sampling process**

The sampling process comprises several stages. The first stage is where the researcher defines the target population. The population refers to all people or items with characteristics that one wishes to study. For this study, the population was students at a private higher education institution in Durban. The next step was to determine a sampling frame. This is an accessible section of the target population from which a sample can be drawn. In this study, the researcher was assisted by several lecturers who were willing to allow their students to participate in the research. The researcher then selected a number of classes to visit. Step 3 of the sampling process is where the researcher selects the sampling method to be used. This study used convenience sampling, where students that were accessible and willing to participate in the study were selected. As the researcher was only on the campus for a limited time, students needed to be on site at the same time as the researcher to be eligible to participate in the study. Step 4 involved the choice of sampling size. A sampling size of 100 was chosen, as it was deemed that from here it would be easier to make assumptions and generalise findings. Step 5 of the sampling process was to select the sample elements. The last step in the sampling process was the gathering of data from the designated elements (Wiid & Diggins, 2015).



Source: Wiid & Diggines (2015)

**Figure 3.1: The sampling process**

### **3.4.2 Sampling Method**

Sampling methods can be classified into two distinct groups, probability and non-probability sampling. With probability sampling the elements within the population have some known chance or probability of being selected as sample subjects (Sekaran, 2003). Probability sampling allows for larger sample sizes to be drawn, where results can be generalised due to a true, representative sample being used. In non-probability sampling, the units within a population do not have a known or equal chance of being selected. This approach rests on the researcher's judgement (Wiid & Diggines, 2015). Non-probability sampling methods consist of four approaches, namely quota sampling, convenience sampling, snowball sampling and judgement sampling. This research study employed non-probability sampling techniques and in particular, the convenience sampling method, where the researcher's plan involved selecting random students who were on campus during a particular time frame (Wiid & Diggines, 2009). The use of convenience sampling meant that only those students who were on campus at the

same time as the researcher had a chance of being selected to participate in the study. Merely increasing the sample size does not ensure greater sample representivity. Non-probability sampling methods are known to be more time efficient, convenient and cheaper, making them more suitable for researchers who require information promptly in order to make decisions (Wiid & Diggines, 2009).

### **3.5 STUDY AREA**

The research was conducted at a private higher education institution in Durban. The campus itself has more than one thousand students from various ethnic and cultural backgrounds. The institution offers a wide array of courses across four faculties, namely commerce, humanities, information technology and social sciences. The surveys were personally administered over the course of three days. The major advantage of personally administering questionnaires is that the researcher is present to address any issues and clarify any questions, thereby ensuring greater accuracy of the data that is collected. Details of the research were provided on the first page of the study and the contact details of the researcher and supervisor were provided. After the study was conducted and the data collected, the researcher was able to analyse the data and identify noticeable patterns and trends.

### **3.6 STUDY POPULATION**

Wiid & Diggines (2015) define the population as a comprehensive number of individuals, units or items that can become objects for observation. It essentially refers to the total number of people from which information is needed. For this particular study, information was required from students at a private higher education institution in Durban. A sample size of one hundred was chosen for this study, including students from all four faculties. A high percentage of students at the institution belong to the Faculty of Commerce, which is evident by the number of students in this faculty who took part in this research study.

### **3.7 STUDY SAMPLE AND SIZE**

There are a number of generalisations and misconceptions with regard to the ideal sample size. There is a view that a larger sample size will guarantee more reliable and accurate results (Wiid & Diggines, 2009). However, “deciding on which sample size to use is often a case of judgement rather than calculation” (Wiid & Diggines, 2009). It is important that the researcher select a sample size that is big enough. This generally results in greater accuracy of results

where estimates and conclusions can be formulated about the population's values and behaviour (Wiid & Diggines, 2009). This study incorporated a sample size of 100, made up of a combination of 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> year and honours students from the various faculties.

### **3.8 DATA COLLECTION**

Primary data refers to data that does not already exist. It refers to specific data that needs to be collected in order to solve a particular problem. Researchers usually engage in the collection of primary data when secondary data is insufficient to answer the research questions and solve the research problems. It can be collected by using either qualitative or quantitative techniques. This particular study was executed through quantitative research techniques. The data was collected via the survey method and included students submitting their answers on a close-ended questionnaire (Wiid & Diggines, 2009).

Questionnaires were the data collection instrument used in the study. It is particularly beneficial to use this instrument when the survey is confined to a defined geographical area, as was the case with this study. In this study, the survey was confined to one private higher education institution in Durban. Questionnaires comprise a set of questions that the researcher asks the respondent and the respondents' answers are recorded. They can be administered personally, mailed or electronically distributed. The researcher in this study administered the questionnaires personally to the relevant members of the sample. There are numerous advantages to this approach, in that the data can be collected within a short period of time and respondents can have questions clarified immediately (Sekaran, 2003). The administering of questionnaires to a number of individuals simultaneously is considered to be less expensive and time consuming and a more efficient approach. In this study, the relevant data was collected within a short time frame. Personally administered questionnaires are often preferred as they are regarded as a less time-consuming approach than conducting personal interviews.

Questionnaires can consist of either open or closed-ended questions or both. The questionnaire for this study comprised mostly closed-ended questions. This type of question structure allows for data to be obtained in a shorter period of time. It has the added advantage that data can be processed and analysed much faster, allowing for results to be generalised and recommendations being made within a shorter period. A limited number of open-ended questions were asked towards the end of the questionnaire, which allowed the respondents to

express themselves in an unrestricted manner. These questions were not critical in answering the research questions (Sekaran, 2003).

### **3.9 DATA ANALYSIS**

After questionnaires, interviews and observations have been conducted, the researcher then needs to determine how the data will be coded, edited and tabulated (Wiid & Diggines, 2009). It is important for the researcher to decide on the analysis technique that will be used to transform the data into relevant information. It is processed information that managers require to make well informed and strategic decisions. The researcher used univariate analysis, which refers to the examination of only one variable at a time. Univariate analysis uses measures of central tendency and dispersion and is particularly useful when describing a data set where much of the interpretation is left to the researcher (Wiid & Diggines, 2009). This research study was quantitative in nature, which allowed for the use of tables to indicate frequency, proportion or percentage and graphics such as histograms, frequency and polygons and pie charts. The data was essentially analysed using descriptive and inferential statistics.

Descriptive statistics involves the transformation of raw data into a form that provides information to describe a set of factors in a given situation. Descriptive statistics involves analysing data to determine the mean or average score of a set of data as well as the extent of variability in the set. (Sekaran, 2003). For example, the study may highlight that students of commerce are aware of the concept of product placements, whereas students of social science are not.

The Chi-square goodness of fit test was also used and is considered to be applicable where the researcher wishes to examine the relationship or association between variables. The calculations in this kind of analysis are based on the two-way, cross-tabulation of the two variables. The Chi-square tests were used to assess whether the variables that were analysed are independent or dependent. The Chi-squared test is only valid if the expected cell sizes are not too small. A rule of thumb is that no cell should have an expected frequency of less than 5 (Maree, 2007).

Binominal tests were also used in this study. They are mainly associated with tests where an experiment has two possible outcomes (Statistics How To, 2018). In this study the binominal test was used to test whether a significant proportion of the respondents selected one of a

possible two responses. This can be extended when data with more than 2 response options is split into two distinct groups.

The use of t-tests was extended to this study. T-tests are used when two independent groups need to be compared based on their average score on a quantitative variable (Maree, 2007). Two specific t-tests were used, namely one sample t-test and the independent sample t-test. The former was used to assess whether the mean score was largely different from that of the scalar and the latter was used to compare two independent groups of cases.

### **3.10 RELIABILITY AND VALIDITY**

Reliability of an instrument is if the same instrument is administered to different subjects from the same population at a different time, it yields similar results. Reliability refers to the consistency of the instrument i.e. the questionnaire. There is little value in a research study where the instrument is responsible for the researcher reaching vastly different conclusions with subsequent applications (Maree, 2007).

Validity describes research that measures what it is supposed to measure. Validation means declaring that the data that was gathered is valid and accurate. During the validation process, each question in the questionnaire is examined to decide whether it should be included in the survey analysis or whether it should be discarded altogether (Wiid & Diggines, 2009). The best research designs are those that can assure high levels of internal and external validity. These research designs inspire greater faith and ensure that the results drawn from the sample are generalisable to the population at large (Bhattacharjee, 2012). Bhattacharjee (2012) holds that the quality of a research design is defined by four key attributes, namely internal validity, external validity, construct validity and statistical conclusion validity.

This research study has made use of Chronbach's alpha as a means to measure internal consistency. Chronbach's alpha is considered to be a measure of scale reliability. It is used to determine whether multi-question Likert scale surveys are reliable (Bhattacharjee, 2012).

Internal validity examines whether the observed change in the dependent variable is the direct result of the corresponding change in the independent variable or is it caused by another extraneous variable. For example, in this study the researcher observed whether factors such as age, gender and the faculty a student belongs to has any bearing or influence on their

perception of whether product placements are an effective mode of marketing communication (Bhattacharjee, 2012).

External validity refers to whether the observed associations can be generalised from a sample to a population. With respect to this study, it would be inappropriate to assume that the findings reflect the opinions of the entire student population in South Africa or even of KwaZulu-Natal. Private higher education institutions generally charge higher tuition fees and those who attend generally belong to the upper LSM groups. They are exposed to more media and as a result have formulated strong opinions on advertising and marketing communications. Based on the size of the institution and the fact that a high percentage of students belong to the Faculty of Commerce, it may result in more students being aware of the concept of product placements (Bhattacharjee, 2012).

Construct validity examines how well a given measurement scale is in measuring the theoretical construct that it is expected to measure. Construct validity is a measure of whether the proposed research measures what it is supposed to measure (Bhattacharjee, 2012).

Lastly, statistical conclusion validity examines the extent to which conclusions derived from using a statistical procedure are valid. According to Bhattacharjee (2012), statistical conclusion validity is associated with whether the correct statistical method was used for testing the hypotheses.

### **3.11 STUDY LIMITATIONS**

This study was conducted in KwaZulu-Natal and the findings cannot be generalised to depict the overall trend in South Africa. The study was also concentrated in the greater Durban area in which opinions and the degree of influence may differ substantially from the extreme north or south of the province. The study focused on students at only one private higher education institution, where the tuition fees are substantially higher than those at public institutions. Higher income groups have greater exposure to media and therefore may be more familiar with the concept of product placements. The views of students at this institution can be substantially different from those at other private and public tertiary educational institutions. The views of those in the upper LSM groups might be vastly different from those in the lower tiers. To overcome this particular problem, the researcher included a mix of respondents in terms of race, age and gender and faculty group.

### **3.12 ETHICAL CONSIDERATIONS**

Ethical approval for this research was obtained from the University of KwaZulu-Natal's Ethics Committee. A gate keeper's letter was obtained from the office of the registrar at the University of KwaZulu-Natal prior to the commencement of fieldwork. To ensure consistency and accuracy of the results, the researcher first obtained consent from the respondents and allowed them to make a voluntary decision about participating in the study. The researcher provided sufficient information to the potential respondents, allowing them to make a well-informed decision. The privacy and confidentiality of all respondents was assured. The identity of the respondents remained unspecified and no names were required in this study. The respondents were made aware that there was no need for them to include their name on the questionnaire as this had no bearing on the research study. The researcher also needed to gain the approval of the ethics committee and the Research and Development Department at the private higher education institution where the data was collected. Research was not allowed to be conducted at the study site until approval had been granted.

### **3.13 ELIMINATION OF BIAS**

Sekaran (2003) acknowledges that it is important that information obtained during the interview process is free from bias. Bias refers to errors or inaccuracies in the collected data. It can occur where trust and rapport are not developed between the interviewer and interviewee. It may also arise when the responses are either misinterpreted or distorted. Occasionally, the interviewer may encourage or discourage responses through gestures and facial expressions (Sekaran, 2003). During this study, information was clearly communicated to the respondents that there was no need for them to attach their name to the completed questionnaire. As a result, respondents were more liable to be honest when answering the questions. The use of a questionnaire as a data collection instrument also helps to reduce bias as the presence of the researcher or fieldworker is not as imposing, allowing the respondent the liberty to respond to questions adeptly. In this study, bias was further reduced as the researcher went through each section of the questionnaire systematically. The reason behind this approach was so that each respondent knew exactly what was expected of them and that any questions could be clarified timeously.



### **3.14 CONCLUSION**

The purpose of this chapter was to introduce and describe the research design and methodology that was used in the study in pursuit of achieving the research objectives. Aspects such as the sampling method used, the research design and the manner in which data was analysed were discussed. The researcher elaborated on the data collection method and the instrument that was used and fully motivated the reason behind the decision. The ethical considerations of the study, the issue of bias and reliability and validity were discussed conclusively. The next chapter presents the results and findings.

## **CHAPTER FOUR**

### **DATA COLLECTION AND ANALYSIS**

#### **4.1 INTRODUCTION**

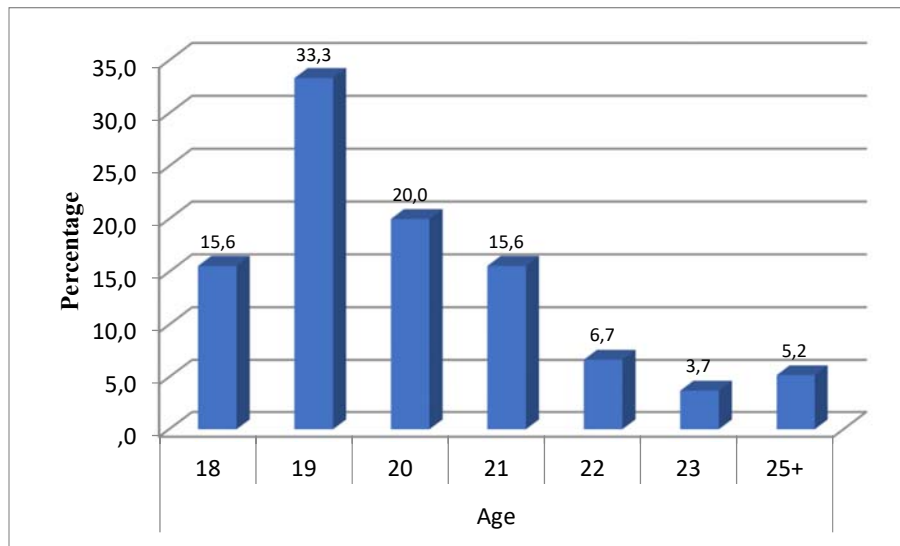
In this chapter the data collected from the survey approach is analysed further to detect any trends or patterns. The data is then represented in the form of graphs, which provide a graphical representation of the answers from the completed questionnaires resulting in the research questions being answered and the research objectives being realised. The following statistical tests were performed with respect to this study: descriptive statistics, inferential statistics, chi-square goodness-of-fit test, binomial test, one sample t-test and independent sample t-test. The study consisted of mostly closed-ended questions and could be considered quantitative in nature. The data is summarised numerically. The study included a limited number of open-ended questions that were used to provide extra information on the feelings and opinions regarding the concept of product placements. These questions were formulated and placed towards the end of the questionnaire and are not attached to the research questions or research objectives of this study.

Questionnaires were administered to students at a private higher education institution in Durban. The composition of students that participated in this study vary across gender (male and female), year of study (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> year and honours students participated) and faculty (students in the faculties of commerce, humanities, information technology and social sciences were all represented).

#### **4.2 DEMOGRAPHIC PROFILE OF RESPONDENTS**

This section represents the demographic profile of the respondents who participated in this research study. Data regarding factors such as age, gender, level of study and faculty group were all noted and were further analysed to detect any trends or patterns.

#### 4.2.1 Age of respondents



**Figure 4.1: Age of respondents**

Figure 4.1 indicates that a large number of respondents are between the ages of 18 and 21, with the majority (33,3%) being 19 years of age. These results reflect that the researcher visited a number of 1<sup>st</sup> year classes. These classes generally have a greater number of students on the campus in comparison to other years of study. Most students studying any programme at a 1<sup>st</sup> year level are either 18 or 19 years of age.

#### 4.2.2 Gender of respondents

**Figure 4.2: Gender of respondents**

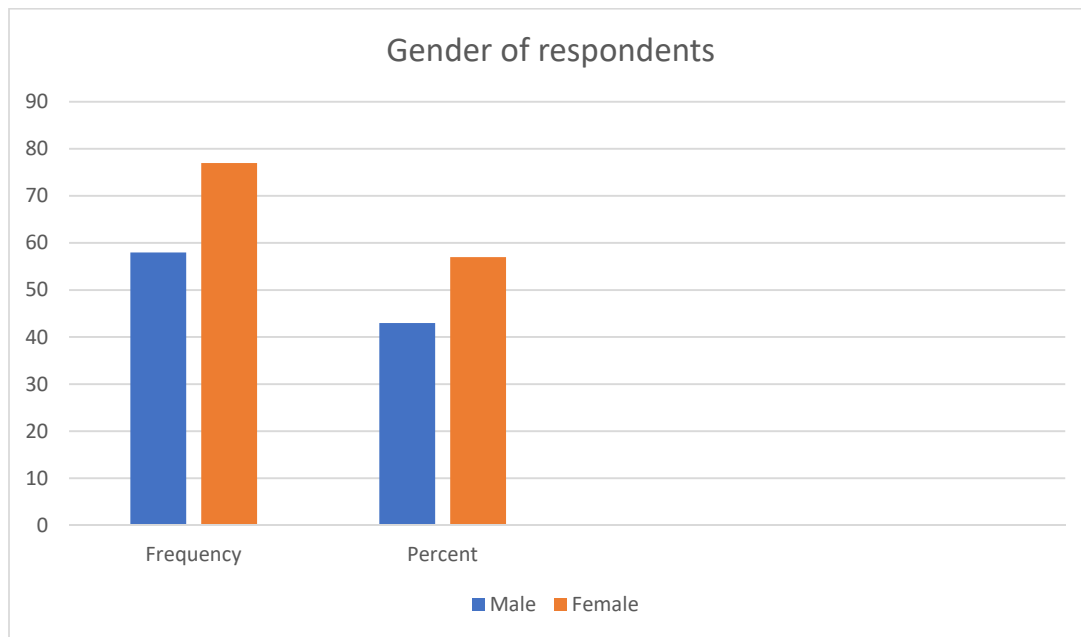
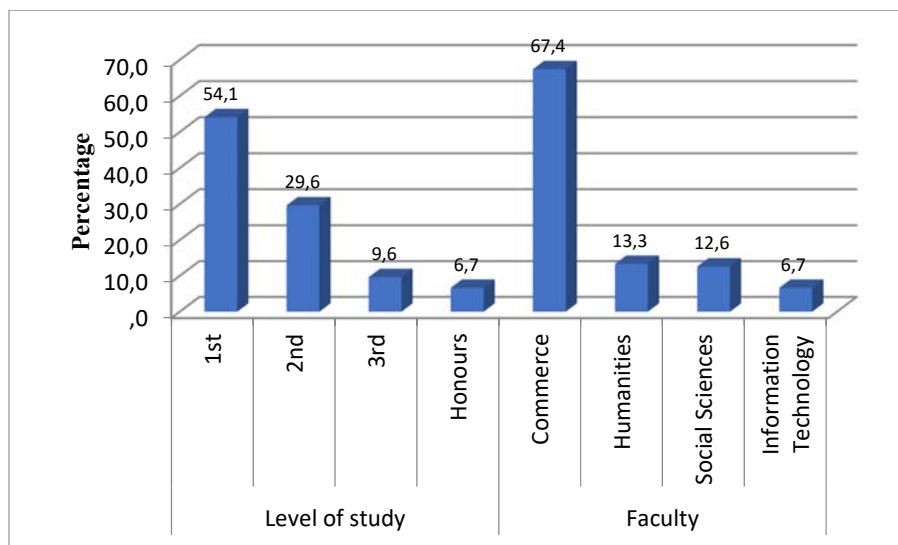


Figure 4.2 and Table 1 indicate that the majority of the students (77 in total) that participated in the study were female (57.0%). 58 male respondents were documented, equating to (43.0%). This statistic does not reflect the overall gender statistics of the campus, as only students who were present in class during a particular time period were considered for the study.

#### 4.2.3 Level of study and faculty group



**Figure 4.3: Level of study and faculty group**

The data reflected in Figure 4.3 above indicates that a high percentage of 1<sup>st</sup> year students together with a high percentage of students belonging to the Faculty of Commerce participated in this research study. These statistics are indicative of the large class sizes in 1<sup>st</sup> year

programmes across the faculties. The Faculty of Commerce is considered to attract the highest number of students at this private higher education institution in Durban. Programmes such as the Bachelor of Commerce course is a draw card, as it allows students to enter the corporate environment through a number of avenues, such as finance, accounting and marketing. The campus has been known to have 4 or 5 first year groups with class sizes averaging between 40 and 50 students. In comparison, honours classes can have as few as 15 students.

### 4.3 FINDINGS

#### 4.3.1 Level of Awareness

The figure below (Figure 4.4) indicates that although organisations spend infinite sums of money on strategically placing their products in movies, series and other media, only 76 (56%) of the respondents were aware of the concept of product placement and that companies and brands use these tactics extensively to appeal to their target market. While a greater percentage of students answered in favour of being aware of product placements, it is however inconclusive whether this statistic will hold true for the entire population. In the design of the questionnaire, an alternative option was made available to students who answered that they were unaware of the concept of product placements. These students were allowed to answer the questionnaire from a traditional advertising perspective. This concession allows for a comparison to be made between product placements and traditional advertising.

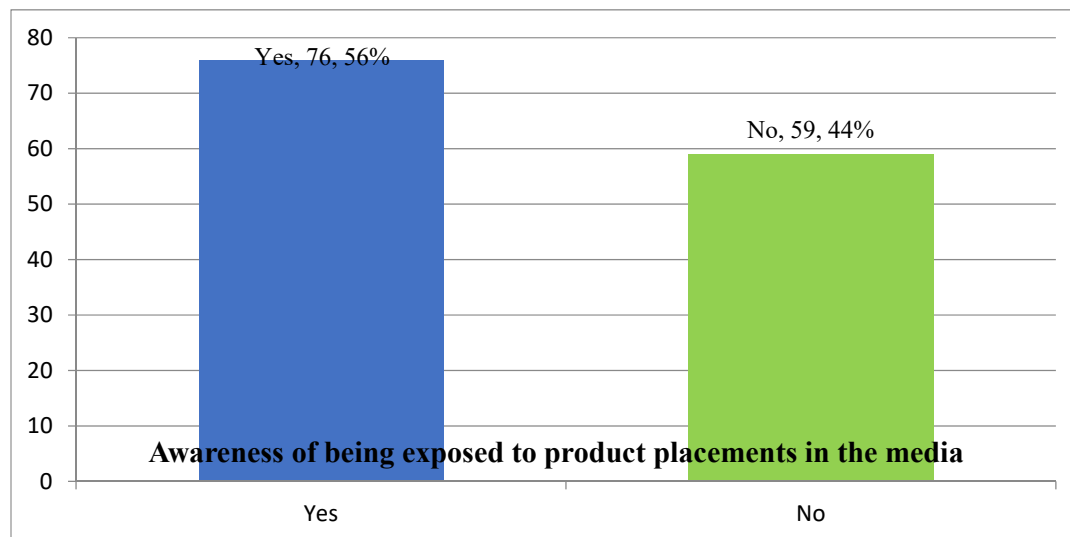


Figure 4.4: Awareness of product placements

The level of awareness was further analysed per faculty and per year of study. The results revealed that there is a significant relationship between the awareness of product placements and the level of study  $\chi^2 (3) = 10.315, p = .016$ . All Honours students indicated that they are aware of the concept of product placements, while a significant number of those not aware are in their 2<sup>nd</sup> year of study. During the data collection process, only one Honours class was approached. These students belong to the Faculty of Commerce. As a result, it cannot be assumed that all Honours students on the campus are aware of product placements.

Results further revealed that there is a significant relationship between awareness and the faculty a student belongs to  $\chi^2 (3) = 9.984, p = .019$ . The majority of students belonging to the Faculty of Social Sciences indicated that they were not aware of product placements. This statistic could be as a result of these students not completing any Business Management or Marketing Management modules in their qualifications and subsequently not being exposed to the concept.

#### **4.3.2 Frequency of exposure**

The following statistics indicate the frequency of exposure across the various media for those individuals who are aware of product placements. Significant numbers indicated that the frequency with which students are exposed to product placements in various media can be described as: occasionally or often (57; 42.3%) in movies  $\chi^2 (3) = 28.105, p < .0005$ ; often or very often (53; 39.3%) in TV programs,  $\chi^2 (3) = 15.684, p = .001$ ; occasionally or often (51; 37.7%) in music videos,  $\chi^2 (4) = 26.500, p < .0005$ ; occasionally, often or very often (67; 49.6%) on the radio,  $\chi^2 (4) = 28.605, p < .0005$ ; occasionally or often (43; 31.9%) in magazines,  $\chi^2 (4) = 16.500, p = .002$  and never or hardly ever (60; 44.4%) in comics  $\chi^2 (4) = 73.474, p < .0005$ . Most students indicated that they are exposed to product placements in movies and television programs, which is the most common medium used by marketers. On the other hand, they expressed that they are never or hardly ever exposed to product placements in comics. The purchasing of comics is concentrated to a small, specific niche, so unless an individual is attracted to this form of entertainment, they will not purchase such a product.

The following statistics indicate the frequency of exposure across the various media for those individuals who are not aware of product placements. These individuals answered the questionnaire from a traditional advertising perspective. These statistics are therefore an indication of their level of exposure to advertising in a variety of media. The numbers indicate

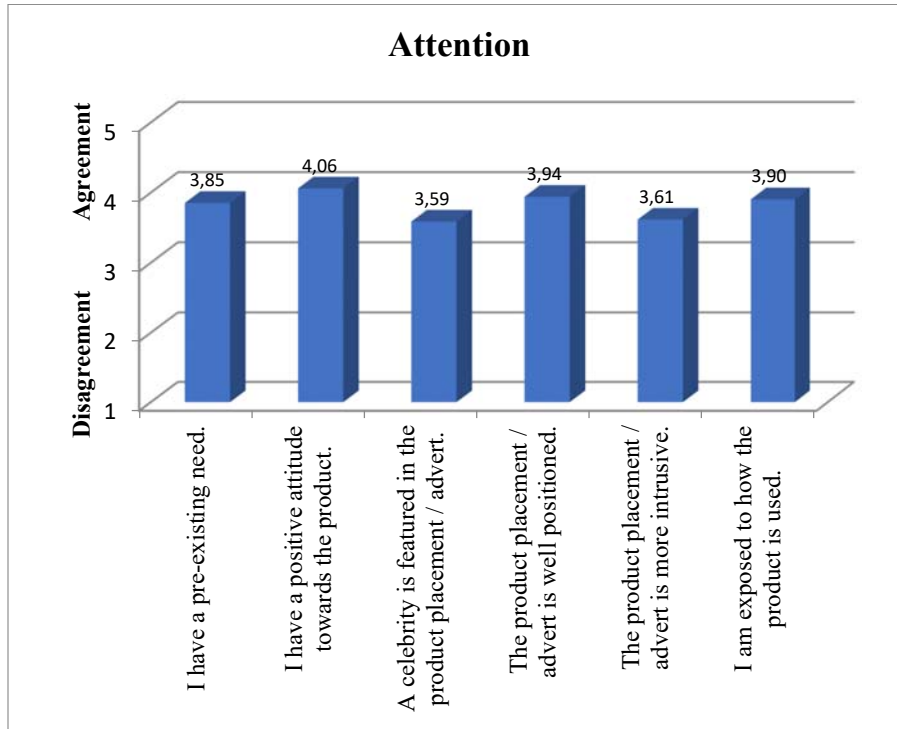
the frequency with which students are exposed to traditional advertising, described as: very often (37; 27.4%) in TV programmes,  $\chi^2 (3) = 48.864$ ,  $p < .0005$ ; often or very often on the radio (41; 30.4%),  $\chi^2 (4) = 27.186$ ,  $p < .0005$ ; hardly ever or occasionally (36; 26.7%) in newspapers,  $\chi^2 (4) = 12.271$ ,  $p = .015$ ; hardly ever or occasionally (44; 32.6%) in magazines,  $\chi^2 (4) = 26.508$ ,  $p < .0005$ ; hardly ever or occasionally (41; 30.4%) in the cinema,  $\chi^2 (4) = 26.678$ ,  $p < .0005$ ; often or very often (50; 37.0%) in digital media and often or very often (45; 33.3%) in out-of-home media,  $\chi^2 (4) = 37.172$ ,  $p < .0005$ . These results provide a clear indication of the type of media that is used by this sample group. Students are exposed to television advertising, advertising in digital media and out-of-home media. This might indicate that they spend the majority of their leisure time either watching television, browsing the internet and social media websites or outdoors where they are exposed to product advertisements on billboards, bus shelters and in sports stadiums. Although advertising in newspapers and magazines is popular, the majority of the students indicated that they are hardly ever or only occasionally exposed to it. The lack of exposure may be due to numerous students not purchasing printed publications or that print advertising is not attractive enough and does not capture the attention of the sample group. They alluded that they are hardly ever or only occasionally exposed to cinema advertising. This may mean that the vast majority of the respondents arrive 10 to 15 minutes after the scheduled start time of a movie in order to deliberately miss the advertisements. It is difficult to ascertain whether these views are shared by the entire student population, but if so it should be carefully considered by marketers and advertisers when designing a marketing communication strategy. For instance, based on these statistics, marketers may choose to use digital media advertising more extensively and refrain altogether from advertising in newspapers and magazines.

### **4.3.3 Attention**

In order for a consumer to formulate a positive perception of a particular form of marketing communication, they need not only to be exposed to it but it should also attract their attention, allowing for positive feelings towards the product to develop, resulting in the recall of the product being promoted. Marketing communications, to a large extent, centre on attempting to inform, persuade and remind consumers about the benefits of a product.

Figure 4.5 below provides a clear indication that consumers pay attention to product placement messages and product advertisements when:

- they have an existing need;
- they have a positive attitude towards the product;
- a celebrity is featured in the product placement or advertisement;
- the product placement or advertisement is well positioned;
- the product placement or advertisement is more intrusive;
- they are exposed to how the product is used.



**Figure 4.5: Attention given to product placements and product advertisements**

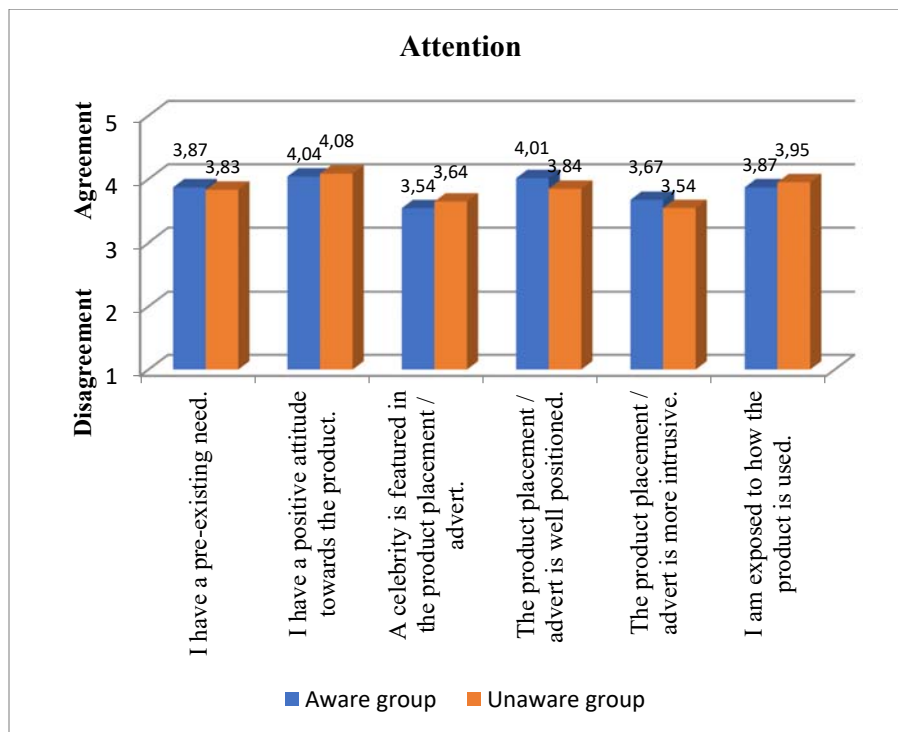
There is significant agreement that more attention is paid to product placements or product advertisements when: there is a pre-existing need ( $M = 3.85$ ,  $SD = .860$ ),  $t(134) = 11.513$ ,  $p < .0005$ ; there are positive attitudes towards the product ( $M = 4.06$ ,  $SD = .761$ ),  $t(134) = 16.181$ ,  $p < .0005$ ; a celebrity is featured in the product placement or advertisement ( $M = 3.59$ ;  $SD = .988$ ),  $t(134) = 6.883$ ,  $p < .0005$ ; the product placement or advertisement is well positioned ( $M = 3.94$ ,  $SD = .694$ ),  $t(132) = 15.625$ ,  $p < .0005$ ; the product placement or advertisement is more intrusive ( $M = 3.61$ ,  $SD = .753$ ),  $t(134) = 9.487$ ,  $p < .0005$  and when exposed to how the product is used ( $M = 3.90$ ,  $SD = .700$ ),  $t(134) = 14.990$ ,  $p < .0005$ .

When categorised into distinct groups, the results indicated that more attention is paid to product placements exclusively when: there is a pre-existing need ( $M = 3.87$ ,  $SD = .718$ ),  $t(75)$



= 10.541,  $p < .0005$ ; there are positive attitudes towards the product ( $M = 4.04$ ,  $SD = .824$ ),  $t(75) = 11.002$ ,  $p < .0005$ ; a celebrity is featured in the product placement ( $M = 3.54$ ,  $SD = 1.012$ ),  $t(75) = 4.645$ ,  $p < .0005$ ; the product placement is well positioned ( $M = 4.01$ ,  $SD = .626$ ),  $t(74) = 14.002$ ,  $p < .005$ ; the product placement is more intrusive ( $M = 3.67$ ,  $SD = .755$ ),  $t(75) = 7.746$ ,  $p < .0005$  and when exposed to how the product is used ( $M = 3.87$ ,  $SD = .660$ ),  $t(75) = 11.468$ ,  $p < .0005$ .

The independent sample t-test was applied to test for significant differences between the 2 groups (those who answered the questionnaire from a product placement perspective and those who answered the questionnaire from a traditional advertising perspective). Analysis indicates that there are no significant differences between the groups: those that were aware of product placements and those who were not. The figure below provides a graphical representation of the two groups, emphasising the similarity.

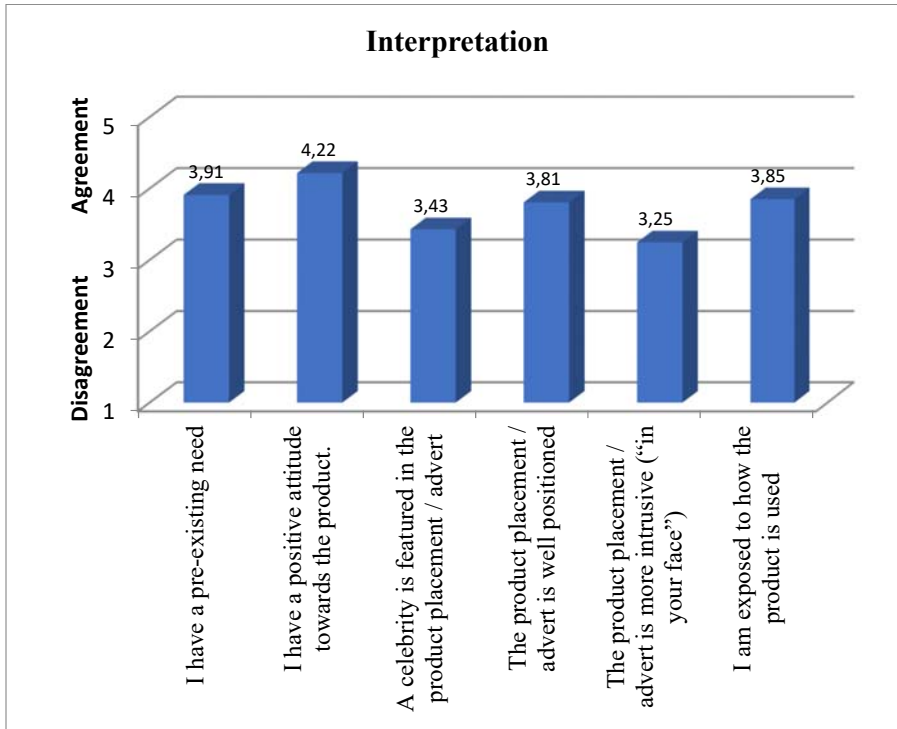


**Figure 4.6: Level of attention – A cross sectional analysis of the two groups**

#### 4.3.4 Interpretation

Figure 4.7 below indicates that students develop positive feelings towards products in product placements or advertisements when:

- they have a pre-existing need;
- they have a positive attitude towards the product;
- a celebrity is featured in the product placement or advertisement;
- the product placement or advertisement is well positioned;
- the product placement or advertisement is more intrusive;
- the consumer is exposed to how the product is used.

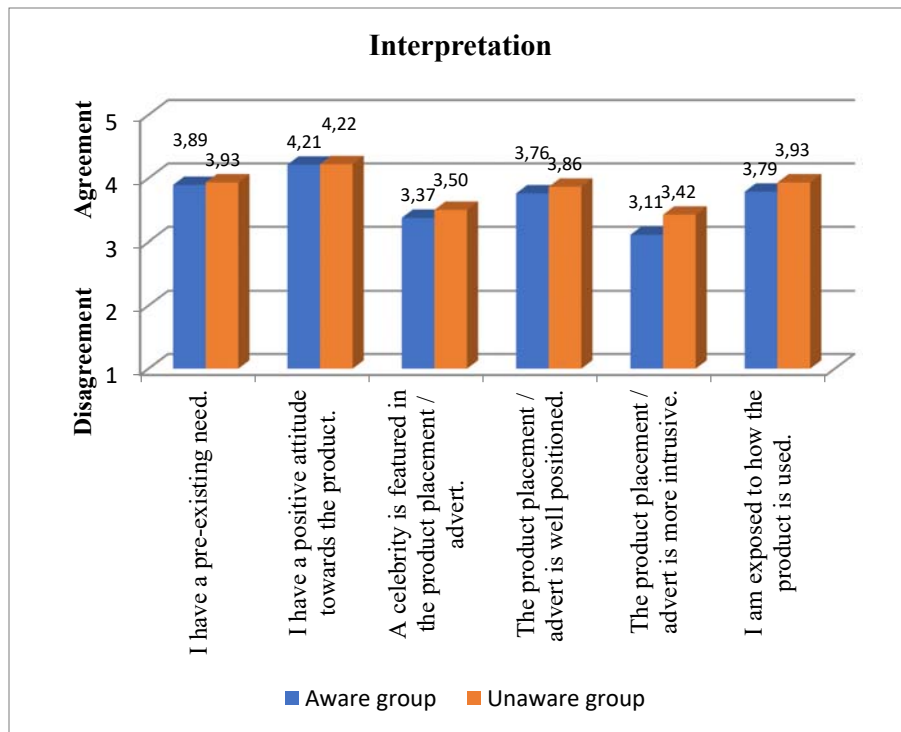


**Figure 4.7: Interpretation of product placements and product advertisements**

There is significant agreement that students develop positive feelings towards products placed in product placements and advertisements when: there is a pre-existing need ( $M = 3.91$ ,  $SD = .818$ ),  $t(133) = 12.889$ ,  $p < .0005$ ; there are positive attitudes towards the product ( $M = 4.22$ ,  $SD = .708$ ),  $t(133) = 19.880$ ,  $p < .005$ ; a celebrity is featured in the product placement or advertisement ( $M = 3.43$ ,  $SD = .987$ ),  $t(132) = 5.008$ ,  $p < .0005$ ; the product placement or advertisement is well positioned ( $M = 3.81$ ,  $SD = .809$ ),  $t(133) = 11.538$ ,  $p < .0005$ ; the product placement or advertisement is more intrusive ( $M = 3.25$ ,  $SD = .977$ ),  $t(133) = 2.919$ ,  $p = .004$  and when exposed to how the product is used ( $M = 3.85$ ,  $SD = .741$ ),  $t(133) = 13.291$ ,  $p < .0005$ .

When categorised into distinct groups, the results for product placements exclusively were similar in that positive feelings towards products placed in product placements develop when: there is a pre-existing need ( $M = 3.89$ ,  $SD = .831$ ),  $t(74) = 9.306$ ,  $p < .0005$ ; there are positive attitudes towards the product ( $M = 4.21$ ,  $SD = .793$ )  $t(74) = 13.243$ ,  $p < .0005$ ; a celebrity is featured in the product placement ( $M = 3.37$ ,  $SD = .983$ )  $t(74) = 3.288$ ,  $p = .002$ ; the product placement is well positioned ( $3.76$ ,  $SD = .852$ ),  $t(74) = 7.728$ ,  $p < .0005$  and when exposed to how the product is used ( $M = 3.79$ ,  $SD = .793$ ),  $t(74) = 8.586$ ,  $p < .0005$ .

The independent sample t-test was applied to test for significant differences between the 2 groups (those who answered the questionnaire from a product placement perspective and those who answered the questionnaire from a traditional advertising perspective). The analysis indicates that there are no significant differences between the group that was aware of product placements and the group that was not aware. The figure below provides a graphical representation of the two groups, emphasising the similarity between them.

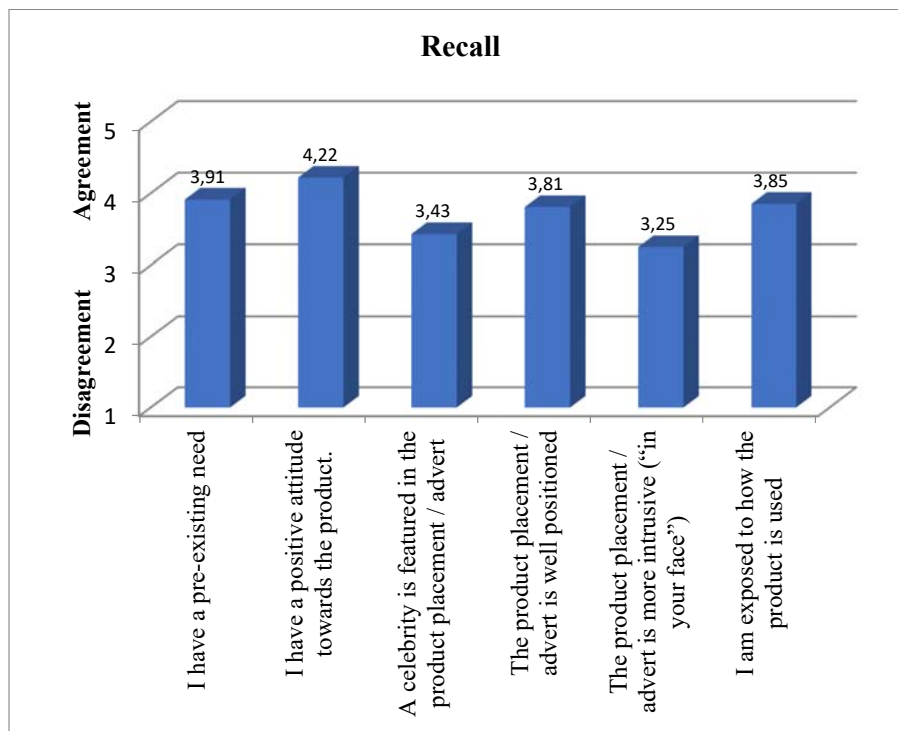


**Figure 4.8: Interpretation – A cross-sectional analysis of the two groups**

### 4.3.5 Recall

There is significant agreement that students are: able to recall product placements or product advertisements ( $M = 3.87$ ,  $SD = .678$ ),  $t(134) = 14.852$ ,  $p < .0005$ ; able to recall product

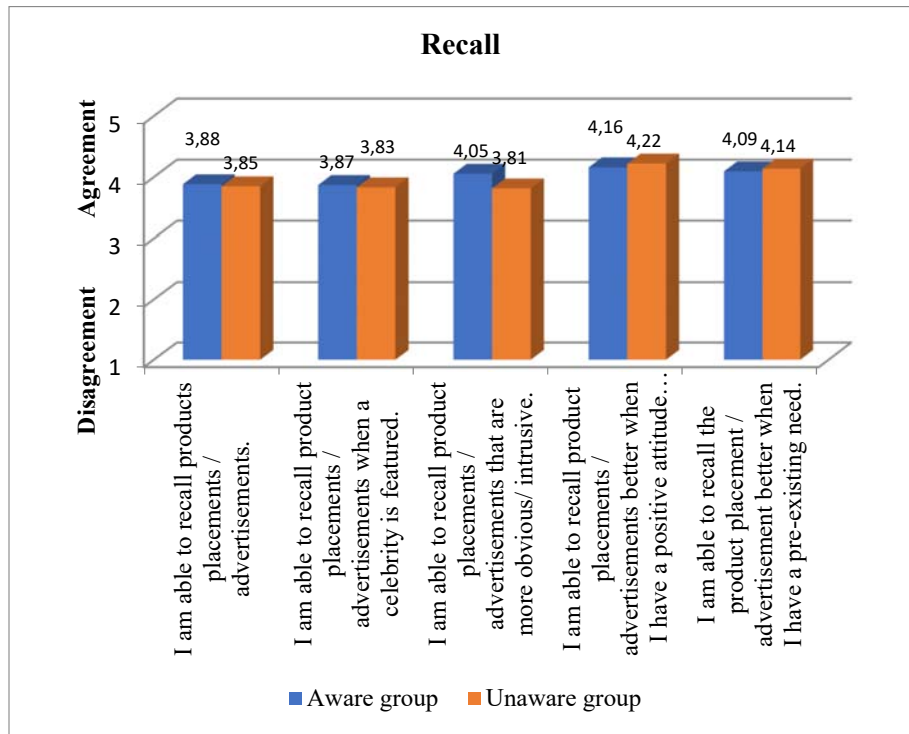
placements or advertisements when a celebrity is featured ( $M = 3.85$ ,  $SD = .797$ ),  $t(134) = 12.425$ ,  $p < .0005$ ; able to recall product placements or advertisements that are more obvious or intrusive ( $M = 3.95$ ,  $SD = .736$ ),  $t(134) = 14.963$ ,  $p < .0005$ ; able to recall product placements or advertisements better when they have a positive attitude towards the product ( $M = 4.19$ ,  $SD = .821$ ),  $t(134) = 16.768$ ,  $p < .0005$ ; able to recall product placements or advertisements better when they have a pre-existing need ( $M = 4.11$ ,  $SD = .779$ ),  $t(134) = 16.571$ ,  $p < .0005$ .



**Figure 4.9: Recall of products placed in product placements or advertisements**

The results are similar when analysing product placements exclusively. There is consensus that students are: able to recall product placements ( $M = 3.88$ ,  $SD = .692$ ),  $t(75) = 11.103$ ,  $p < .0005$ ; able to recall product placements when a celebrity is featured ( $M = 3.87$ ,  $SD = .838$ ),  $t(75) = 9.033$ ,  $p < .0005$ ; able to recall product placements that are more obvious or intrusive ( $M = 4.05$ ,  $SD = .764$ ),  $t(75) = 12.010$ ,  $p < .0005$ ; able to recall product placements better when they have a positive attitude towards the product ( $M = 4.16$ ,  $SD = .910$ ),  $t(75) = 11.093$ ,  $p < .0005$ ; able to recall product placements better when they have a pre-existing need ( $M = 4.09$ ,  $SD = .769$ ),  $t(75) = 12.380$ ,  $p < .0005$ .

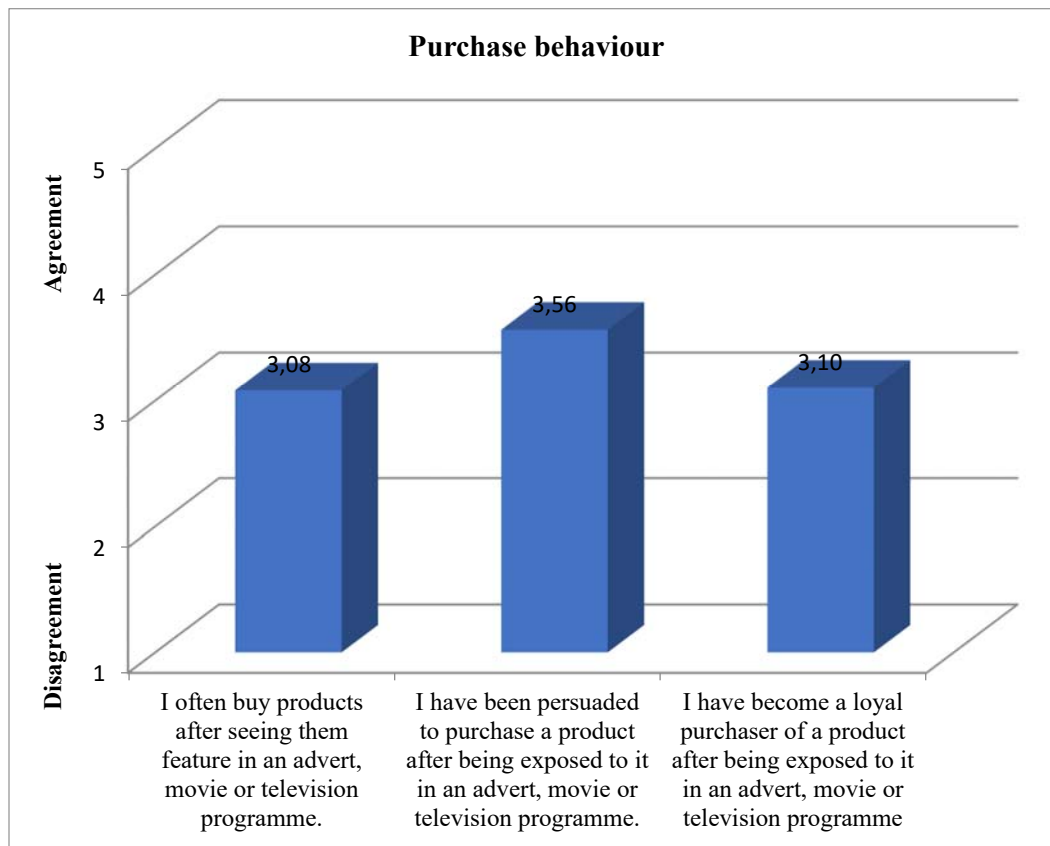
Figure 4.10 below indicates that there is no significant difference between those who were aware and answered the questionnaire from a product placement perspective and those that were unaware of product placements and hence answered the question from a traditional advertising perspective.



**Figure 4.10: Recall – A cross-sectional analysis of the two groups**

### 4.3.6 Purchase behaviour

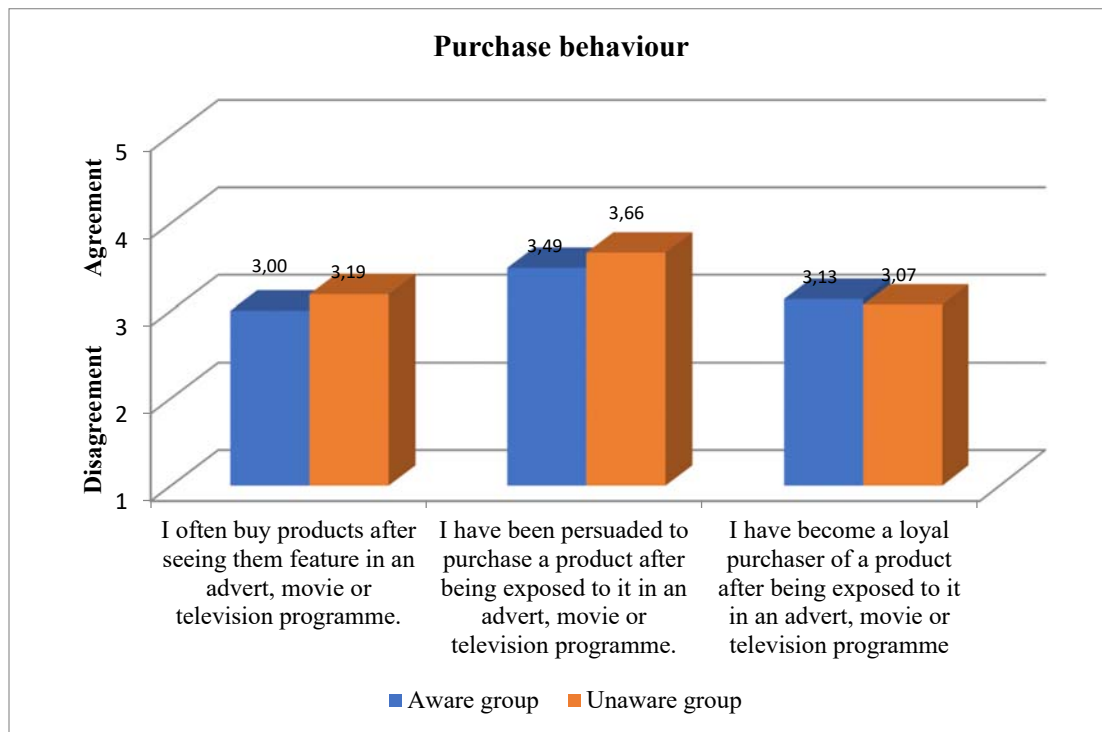
There is consensus that students are more persuaded to purchase a product after being exposed to it in an advertisement, movie or television programme ( $M = 3.56$ ,  $SD = .860$ ),  $t(134) = 7.602$ ,  $p < .0005$ . This finding highlights the strong theory of advertising, where advertising or any other marketing communication tool can persuade someone to purchase a product that he or she did not previously purchase. Figure 4.10 highlights this fact and uncovers that respondents remained neutral on whether they often buy products after seeing them in an advertisement, movie or television programme and on whether they have become a loyal purchaser of a product after being exposed to it in an advertisement, movie or television programme. Although advertising and product placements can create interest and induce a purchase, there is no guarantee that it will translate into a consumer becoming a loyal user of that product or brand.



**Figure 4.11: Purchasing behaviour of respondents due to products placed in both product placements and advertisements**

The findings are largely similar when analysing product placements exclusively. Students have been persuaded to purchase a product after being exposed to it via product placements ( $M = 3.49$ ,  $SD = .916$ )  $t(75) = 4.631$ ,  $p < .0005$ . Figure 4.12 indicates that there is no significant difference in the purchasing behaviour between those students who were aware of product placements and those who were unaware of product placements and subsequently answered the questionnaire from a traditional advertising perspective.

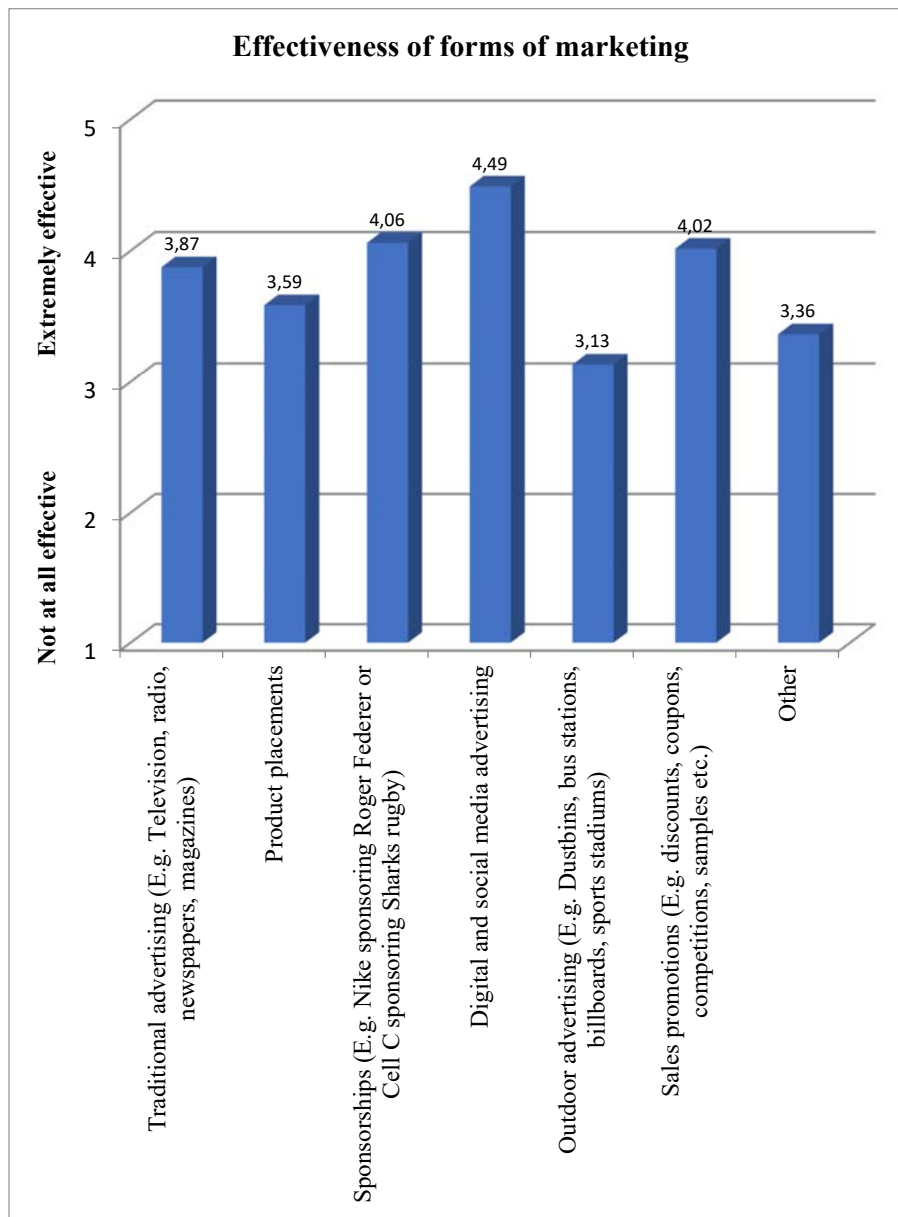
The lack of any significant differences between the two groups emphasises that exposure to product placements and traditional advertising does little to change the purchasing behaviour of students. It ultimately means that product placements are not a more effective way to market products than traditional advertising, especially when focusing on a young, student market.



**Figure 4.12: Purchasing behaviour – A cross-sectional analysis of the two groups**

Students perceptions of the effectiveness of marketing communication tools at a private higher education institution in Durban indicate that digital and social media advertising ( $M = 4.49$ ,  $SD = .809$ )  $t(134) = 21.380$ ,  $p < .0005$ ; sponsorships ( $M = 4.06$ ,  $SD = .976$ )  $t(134) = 12.616$ ,  $p < .0005$ ; sales promotions ( $M = 4.02$ ,  $SD = .953$ )  $t(132) = 12.279$ ,  $p < .0005$  and traditional advertising ( $M = 3.87$ ,  $SD = 1.102$ )  $t(134) = 9.212$ ,  $p < .0005$  is a more effective way to promote a product than product placements ( $M = 3.59$ ,  $SD = .973$ )  $t(134) = 6.990$ ,  $p < .0005$ . Figure 4.13 below provides a graphical representation of this statistic.

Inferential statistics allows the researcher to assess whether there are any differences between two or more groups. With respect to this study, the researcher was able to detect the differences between those consumers who are aware of product placements and those who are not, and whether product placement or traditional advertising has any bearing on the purchase behaviour of consumers (Sekaran, 2003).



**Figure 4.13: Effectiveness of various forms of marketing communication**

### 4.3.7 Overall effectiveness of product placement

While it has been revealed that product placements are not perceived as being as effective as a number of other means of advertising, students do feel, to a large extent, that it is effective, as it has the potential to improve the awareness of a product and allows potential customers to recognise the products in a store. It also gives potential consumers a better understanding of the product and brand. Results indicated that product placements may subconsciously create a desire to purchase the product. Many students feel that those product placements that are able to capture the attention of viewers, are more effective but with product placements there is a



risk of the product not being noticed, as the viewer becomes entrenched in the movie or television programme and is oblivious to the peripheral –features. This is especially true with respect to subtle placements. Product placements are deemed to be effective, as more often than not they are paired with a well-known character or celebrity. As a result, viewers are more inclined to pay attention and notice the product being used.

From the statistics gathered, organisations need to enhance students' perceptions of product placements. Findings have revealed that it is important when using product placements that the intended target audience can relate to the product and the lifestyle it encourages. In order to improve perceptions, marketers can demonstrate how the product is used, making sure to emphasise the product's main features in a practical way. For example, Mini Cooper was shown as being fast, small and versatile in the movie, *The Italian Job*. Although consumers are more likely to remember a product placement that is considered intrusive, it must be noted that this can be a distinct disadvantage where the promotion of the product becomes so obvious that it annoys the viewer. Ultimately, when choosing to target students, it is important to use product placements effectively and choose to promote a product that fits in with their lifestyle. Products that consumers can relate to and consider useful are ultimately those that they purchase.

#### **4.4 CONCLUSION**

The results from the survey indicated that product placements, like any other form of marketing communication, are beneficial in terms of creating awareness and capturing the attention of the target audience. Students who participated in this study felt that, as companies spend large sums of money on these promotional campaigns, the product placements need to be obvious and include a favourable character or celebrity. However, there is a fine balance between creating awareness and the overuse and staging of product placements that could result in viewer irritation and a negative perception about the product, brand and form of marketing communication. Ultimately, the results from the study gave an indication that just more than half (56%) of the respondents are aware of product placements. High levels of attention were associated with those placements, where the viewers had a positive attitude towards the product, where the product was favourably positioned within the chosen media and when shown how to use the product. Results further indicated that viewers were likely to remember the product better when they had a positive attitude towards the product and when they had a pre-existing need.

Like other forms of marketing communication, product placement can induce the trial of a product, but it is unlikely to ensure that a consumer remains loyal. Students do regard product placements as an effective marketing communication strategy but perceive other forms of advertising, such as digital and social media advertising, sponsorships, sales promotions and traditional advertising as being more effective. This should be considered by marketers and advertisers who seek to target this ever-changing demographic group.

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 INTRODUCTION

In this chapter, the main themes that emerged from the research are discussed. The research questions and subsequent objectives are explored, as well as the limitations and recommendations. The survey was answered by 135 respondents. The sample size was 100 for this research study. Obtaining a greater number of respondents provided the researcher with answers from different age groups, gender, year of study and faculty groups.

#### 5.2 DISCUSSION OF RESULTS

##### 5.2.1 Research questions

**How many students are aware that they are exposed to products through movies and television programmes?**

The results from the study indicated that 76 (56%) of the respondents are aware of the concept of product placements and identified that organisations and brands spend a significant portion of their marketing communication on such efforts. This 56% is aware that companies strategically place products in a variety of media, such as movies and television programmes. Results indicated that Honours students were more aware of product placements than a greater number of students in their second year of study who were unaware of product placements. In addition, most students within the Faculty of Social Sciences were not aware of the concept and this can be attributed to Business Management or Marketing Management modules not being offered for their qualifications.

The researcher was able to delve deeper into the types of media where respondents felt they were most exposed to product placements. The results indicated that most respondents felt that they were exposed to product placements in television programmes either often or very often. In contrast, they felt least exposed to product placements in comics, which by and large is considered to attract a distinctive, niche market.

### **When do students in KwaZulu-Natal pay attention to products that are strategically placed in movies and television programmes?**

Attention is activated when one or more of the sensory receptors is stimulated and the resulting sensations are processed in the brain (Cant & van Heerden, 2010). Cant & van Heerden (2010) acknowledge that most individuals are selective in the messages to which they pay attention. Although an individual may be exposed to a marketing communication message, there is no guarantee that they have paid attention and have comprehended the message in its entirety. The results of the study are in agreement with those found by Cant & van Heerden (2010). The results indicate that students pay more attention to product placements when they have a positive attitude towards the product, when the product placement is well positioned and when the viewer is exposed to the way in which the product should be used.

### **How do the students in KwaZulu-Natal interpret the message?**

Interpretation can be defined as the meaning that people assign to the sensory stimuli (Cant & van Heerden, 2010). Selective interpretation is when two people differ in terms of how they perceive a stimulus. For example, a number of respondents believe the use of obvious or intrusive product placements is more effective, whereas others feel that obvious product placements results in irritation for viewers and the formulation of a negative perception. The outcomes of this study were conclusive in that respondents develop positive feelings towards product placements when they have a positive attitude towards the product, when they have a pre-existing need, when they are exposed to how the product is used and when the product placement is well positioned.

### **How does the use of product placements in movies and television programmes result in greater recall for KwaZulu-Natal students?**

The results from the study indicate that product placements create awareness and are a useful approach in capturing the attention of viewers. Respondents attribute factors such as the use of celebrities or prominent figures as a reason for better recall. Other factors include exposure to how the product is used and the level of realism that is created by demonstrating the use of a product in a “natural setting”. The results from the study also concluded that respondents were most likely to recall a product featured in a placement when they have a pre-existing need for that product and when they have a positive attitude towards the product.

## **Are product placements a more effective mode of marketing communication than traditional advertising?**

The results of the study were inconclusive in suggesting whether respondents often buy the products after seeing them in a movie or a television programme and whether they become loyal purchasers of a product after being exposed to it in a movie or television programme. The study was however, conclusive in establishing that respondents have been persuaded to purchase a product after being exposed to it in a movie or television programme. The trial use of the product has not always resulted in the establishment of a long or loyal customer relationship.

Although the results did indicate that students perceive product placements to be somewhat effective, they were conclusive in establishing that this student group perceives other forms of marketing communication, such as digital and social media advertising, sponsorships, sales promotions and traditional advertising (including in television, radio, newspapers and magazines), as being more effective.

Overall, the results indicated that product placements are not a more effective way to market a product than traditional advertising.

### **5.2.2 Research objectives**

The purpose of conducting this research was to determine students' perceptions of the effectiveness of product placements and to identify whether it is a viable marketing communication tool when seeking to target younger consumers. The objectives of the research are discussed below.

**To determine whether the students in KZN are aware that they are exposed to products through movies and television programmes.**

Although the majority of the respondents (56%) answered yes and said that they were aware of product placements in this sample, we cannot assume this is true for the entire population.

**To ascertain if students in KZN pay attention to products that are strategically placed in movies and television programmes.**

While the research indicated that students do pay attention to product placements, it also revealed that the respondents have selective attention and were more likely to pay attention to product placements when: they have a positive attitude towards the product, the product placement is well positioned and when they are exposed to how the product is used.

**To examine if students in KZN interpret the message in a positive way after seeing the product in a movie or television programme.**

The results from the study indicated that students were more likely to interpret the message in a positive way and develop positive feelings towards product placements when: they have a positive attitude towards the product, they have a pre-existing need, they are exposed to how the product is used and when the product placement is well positioned.

**To develop an understanding of whether the use of product placements results in greater recall when students are faced with a purchasing decision.**

The results indicated that students are able to recall products that are strategically placed in movies and television programmes but are able to recall them better when: the product placement is more intrusive, they have a positive attitude towards the product and they have a pre-existing need.

**To compare the effectiveness of product placements to that of traditional advertising.**

The study revealed that product placements and traditional advertising are similar in terms of their level of attention gathered, the development of positive feelings towards a product and the recall of a product. It can be concluded that product placements are not a more effective way than traditional advertising to market a product. Students' opinions of the overall effectiveness of product placements ranks lower than that of digital and social media advertising, sponsorships, sales promotions and traditional advertising.

### **5.3 RECOMMENDATIONS**

Based on the answers obtained from the respondents, the recommendations are as follows:

- Only 56% of this sample group was aware of the concept of product placement. Therefore, the use of this marketing communication tool needs to be carefully

considered. Such forms of promotion are expensive and cheaper alternatives that are equally as effective should be considered.

- The results indicated that traditional advertising and product placements are largely similar in their overall effectiveness. Marketers and advertisers should consider the use of other marketing communication tools such as digital and social media advertising, sponsorships and sales promotions first.
- Product placement is mainly noticed in television programmes and on the radio. It is least noticed in comics, with many never having seen a product strategically placed in this form of media. This factor needs to be considered when designing a product placement campaign.
- If marketers choose to use product placements, it is recommended that they demonstrate the way in which the product can be used and make use of placements that are obvious or intrusive.

#### **5.4 LIMITATIONS OF THE RESEARCH**

A major limitation of this research study is that data was only collected from one private higher education institution in the Durban region and the results cannot be generalised to depict the views of the entire student population in South Africa.

#### **5.5 SUGGESTIONS FOR FURTHER RESEARCH**

The researcher believes that a viable area of further research would be in the methodological steps. This research was conducted quantitatively. Interviews and the use of focus groups could provide qualitative insights. It is therefore recommended that future research use a mixed method approach.

Only students at a private higher education institution in Durban were considered for the study. In future, the study could be expanded to various higher education institutions in South Africa.

A future research study may employ a cross sectional analysis to detect the perceived effectiveness of product placements amongst other demographic groups.

#### **5.6 CONTRIBUTION TO THE FIELD OF KNOWLEDGE**

The study provides more insight into the effectiveness of not only product placements but also other forms of marketing communication which are directed towards a younger demographic

group. Prior to this study, there was very little knowledge on the effectiveness of product placements worldwide and even less so in the South African market amongst a student group. The results obtained can be used by organisations when developing their marketing communications strategies. It will further result in organisations using their resources more efficiently and effectively and obtaining a greater return on their marketing communication investments. This study will contribute to the existing body of knowledge regarding product placements and other forms of marketing communications. The study informs marketers that product placements is not more effective than other modes of communication and that the effectiveness of product placements is accentuated when employing an integrated marketing communications approach, thus informing marketers on how to best use product placements as a marketing communications tool.

## **5.7 CONCLUSION**

The aim of this study was to investigate students' perceptions of the effectiveness of product placements and whether product placement is a viable marketing communication tool to use when targeting younger consumers such as students. Based on the results, it appears that the majority of the respondents are aware of product placements and have been persuaded to purchase a product after being exposed to a product placement, but product placements have been unsuccessful in achieving loyalty amongst consumers. It has also been noted that students perceive other forms of marketing communication, such as digital and social media advertising, sponsorships, sales promotions and even traditional advertising as being more effective. Considering that companies spend large sums of money developing such campaigns, marketers and advertisers perhaps need to first consider other promotional tools, especially when targeting the student population.



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## Appendix A- Research Proposal Acceptance



**TO:** Mr Aaron Owen Koopman Student Number: 206512477  
**FROM:** SCHOOL OF MANAGEMENT, IT & GOVERNANCE  
**DATE:** 18 July 2017  
**SUBJECT:** Approval of Coursework Masters Research Proposal

**Title:** Kwazulu-Natal students' perceptions on the effectiveness of effectiveness of product placement: A case study of Varsity College Durban North

**Supervisor:** Professor Ronnie Perumal

This memo is to confirm that the Research Proposal Review Committee has accepted your Coursework Masters Research proposal.

Please take note of the following suggestion(s)/comment(s):

- The title could be reworded to read "*Students' perceptions on the effectiveness of product placements: A case study of Varsity College students, Durban North, KwaZulu-Natal*".
- The research questions could be reworded e.g. Research question one.
- There should be more synergy of the research questions and research objectives.
- Table of contents must be automated.
- Sample size must be considered in relation to population size.

Please note that the above comments/suggestions is intended to develop and strengthen your study, thus you need to consider them seriously. Your supervisor(s) will provide further guidance on how to factor the suggestions into your study.

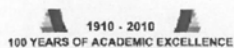
Good luck with your studies, and we look forward to your successful completion. Please note that you must submit this letter with your application for Ethical Clearance.

Yours sincerely,

Ms Hazvinei Muteswa  
M.COM Coursework Administrator



School of Management, IT & Governance- Research & Higher Degrees  
Postal Address: Room M1-119, 1st Floor, M Block, Westville Campus, Westville, 3630  
Telephone: +27 (0) 31 260 7013 [Muteswahn@ukzn.ac.za](mailto:Muteswahn@ukzn.ac.za) Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)



Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

**Appendix B – Gatekeeper’s Letter**

Date: 28 July 2017

**To Whom It May Concern:**

**PERMISSION TO CONDUCT RESEARCH AS PART OF THE RESEARCH DISSERTATION REQUIREMENT FOR M.COM COURSEWORK DEGREE**

Name: Aaron Koopman

Student No: 206512477

Dissertation Topic: Students’ perceptions on the effectiveness of product placements: A case study of a Private Higher Education Institution in Durban

It is a requirement for the above mentioned student to undertake a practical research project as part of the research dissertation requirement for M.COM Coursework degree.

Typically this project will be a “practical problem solving” exercise, and necessitate data gathering by questionnaires or interviews.


Your assistance in permitting access to your organisation for purposes of this research is most appreciated. Please be assured that all information gained from the research will be treated with the utmost circumspection. Further, should you wish the result from the dissertation “to be embargoed” for an agreed period of time, this can be arranged. The student will strictly adhere to confidentiality and anonymity.

If permission is granted the UKZN requires this to be in writing on a letterhead and signed by the relevant authority.

Thank you for your assistance in this regard.

Yours sincerely

**Prof. Ronnie Perumal**



(Supervisor Name & Signature)

**Aaron Koopman**



(Student Name & Signature)

## Appendix C – Ethical Clearance Certificate



UNIVERSITY OF (M)  
KWAZULU-NATAL  
IWIJVESI  
YAKWAZUW-NATALI

21 September 2017

Mr Aaron Koopman (206512477)  
School of Management, IT & Governance  
Westville Campus

Dear Mr Koopman,

Protocol reference number: HSS/1498/017M

Project title: Students' perceptions on the effectiveness of product placements: A case study of Varsity College students, Durban North, KwaZulu-Natal

Approval Notification —

Expedited Application in response to your application received on 21 August 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted FULL APPROVAL.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....  
**Dr Shenuka Singh (Chair)**

/ms

Cc Supervisor: Professor Ronnie Perumal  
Cc Academic Leader Research: Professor Isabel Martins  
Cc School Administrator: Ms Angela Pearce



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Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: [ximbap@ukzn.ac.za](mailto:ximbap@ukzn.ac.za)

[snymanm@ukzn.ac.za](mailto:snymanm@ukzn.ac.za) / [mohunp@ukzn.ac.za](mailto:mohunp@ukzn.ac.za) Website: [mm.ukzn.ac.za](http://mm.ukzn.ac.za)

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## Appendix D – Change of Title form



30 June 2018

Mr Aaron Koopman (206512477)  
School of Management, IT & Governance  
Westville Campus

Dear Mr Koopman,

Protocol reference number: HSS/1498/017M

New Project Title: Students' perceptions on the effectiveness of product placements: A case study of a Private Higher Education Institution in Durban.

Approval      Notification      —

Amendment This letter serves to notify you that your request for an amendment received on 24 July 2018 has now been approved as follows:

- Change in Title


Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

Best wishes for the successful completion of your research protocol.

Yours faithfully



.....

Dr Shenuka Singh (Chair)  
Humanities & Social Sciences Research Ethics  
Committee /pm

Cc Supervisor: Professor Ronnie Perumal

Cc Academic Leader Research: Professor Isabel Martins  
Cc School Administrator: Ms Angela Pearce

---

Humanities & Social Sciences Research Ethics Committee  
Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

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Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)

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Mediæel School Pieterriariüura Westville

## Appendix E – Questionnaire

### RESEARCH SURVEY: STUDENTS' PERCEPTIONS ON THE EFFECTIVENESS OF PRODUCT PLACEMENTS – A CASE STUDY OF A PRIVATE HIGHER EDUCATION INSTITUTION IN DURBAN

#### Section A: Biographical Information

Read the questions and possible responses carefully and answer them honestly. Place a clear X over one block next to the most suitable response for each question.

1. What is your age?

18	19	20	21	22	23	24	25 and above

2. What is your gender?

Male	
Female	

3. What level of studies are you currently in?

1 <sup>st</sup> year	
2 <sup>nd</sup> year	
3 <sup>rd</sup> year	
Honours	

4. What faculty do you belong to?

Commerce	
Humanities	
Social Sciences	
Information Technology	

**Section B: Factors affecting students' perceptions of product placements**

Read the questions and possible responses carefully and answer them honestly. Place a clear **X** over one block next to the most suitable response for each question.

5. Are you aware that you are exposed to product placements in movies, television programmes and other media?

Yes	
No	

**If you answered YES to question 5 above, please fill out the remainder of the questionnaire from A PRODUCT PLACEMENT PERSPECTIVE.**

**If you answered NO to question 5 above, please fill out the remainder of the questionnaire from A TRADITIONAL ADVERTISING PERSPECTIVE.**

6. **IF YOU ARE AWARE OF PRODUCT PLACEMENTS (YES TO Q5)**, how often are you exposed to product placements in the following media?

	Never	Hardly ever	Occasionally	Often	Very often
	Not aware at all	Less than once a month	A few times a month	10 or more times a month	Every day
6.1 Movies					
6.2 Television programmes					
6.3 Music videos					
6.4 Radio					
6.5 Newspapers					
6.6 Magazines					

6.7 Comics					
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7. **IF YOU ARE NOT AWARE OF PRODUCT PLACEMENTS (NO TO Q5)**, how often are you exposed to traditional advertising in the following media?

	Never	Hardly ever	Occasionally	Often	Very often
	Not aware at all	Less than once a month	A few times a month	10 or more times a month	Every day
7.1 Television					
7.2 Radio					
7.3 Newspapers					
7.4 Magazines					
7.5 Cinema					
7.6 Digital media					
7.7 Out of home media e.g. Billboards, Advertising on bus shelters, buses, street poles & in sports stadiums					

8 **ATTENTION**

Indicate your agreements with the following statements:

<b>I pay more attention to product placements / advertisements for products when...</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
8.1 I have a pre-existing need.					
8.2 I have a positive attitude towards the product.					
8.3 A celebrity is featured in the product placement / advert.					

8.4 The product placement / advert is well positioned.					
8.5 The product placement / advert is more intrusive.					
8.6 I am exposed to how the product is used.					

## 9 INTERPRETATION

Indicate your agreements with the following statements:

<b>I develop positive feelings towards products placed in product placements / advertisements when...</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
9.1 I have a pre-existing need					
9.2 I have a positive attitude towards the product.					
9.3 A celebrity is featured in the product placement / advert					
9.4 The product placement / advert is well positioned					
9.5 The product placement / advert is more intrusive (“in your face”)					
9.6 I am exposed to how the product is used					

## 10 RECALL

Indicate your agreements with the following statements:

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
10.1 I am able to recall products placements / advertisements.					
10.2 I am able to recall product placements / advertisements when a celebrity is featured.					

10.3 I am able to recall product placements / advertisements that are more obvious/ intrusive.					
10.4 I am able to recall product placements / advertisements better when I have a positive attitude towards the product.					
10.5 I am able to recall the product placement / advertisement better when I have a pre-existing need.					

## 11 PURCHASE BEHAVIOUR

If you answered YES to question 5 above, continue to fill out the remainder of the questionnaire from A PRODUCT PLACEMENT PERSPECTIVE.

If you answered NO to question 5 above, continue to fill out the remainder of the questionnaire from A TRADITIONAL ADVERTISING PERSPECTIVE.

Indicate your agreements with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
11.1 I often buy products after seeing them feature in an advert, movie or television programme.					
11.2 I have been persuaded to purchase a product after being exposed to it in an advert, movie or television programme.					
11.3 I have become a loyal purchaser of a product after being exposed to it in an advert, movie or television programme					

12 Rate the effectiveness (from 1 to 5) of the following forms of marketing communication when targeting younger consumers, where 1 = not at all effective and 5 = extremely effective:



	<b>Not at all effective 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Extremel y effective 5</b>
12.1 Traditional advertising (E.g. Television, radio, newspapers, magazines)					
12.2 Product placements					
12.3 Sponsorships (E.g. Nike sponsoring Roger Federer or Cell C sponsoring Sharks rugby)					
12.4 Digital and social media advertising					
12.5 Outdoor advertising (E.g. Dustbins, bus stations, billboards, sports stadiums)					
	<b>Not at all effective 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Extremel y effective 5</b>
12.6 Sales promotions (E.g. discounts, coupons, competitions, samples etc.)					
12.7 Other					

**If other, please specify**

---

### **Section C: Open ended questions**

Please elaborate on your feelings or opinions of product placements

**If you answered YES to question 5 above, please complete the following questions below**

**If you answered NO to question 5 above, there is no need for you to complete the following questions below**

13. In your opinion, what makes product placements an effective/ ineffective form of marketing communication?

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---

---

14. What can organisations do to enhance students' perceptions of product placements?

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## Appendix F – Letter from the Language Editor



One Stop Solution  
24 Firenze Gardens  
Warbler Road  
Cotswold Ext  
Port Elizabeth  
6045  
[www.onestopsolution.co.za](http://www.onestopsolution.co.za)

TO WHOM IT MAY CONCERN

I, Michele van Niekerk, declare that I have done the language editing for the thesis of:

**AARON KOOPMAN (206512477)**

entitled:

**STUDENTS' PERCEPTIONS ON THE EFFECTIVENESS OF PRODUCT PLACEMENTS – A CASE STUDY OF A PRIVATE HIGHER EDUCATION INSTITUTION IN DURBAN**

Submitted in partial fulfilment of the requirements for the degree of Masters of Commerce: Marketing in the Faculty of Management Studies at the University of KwaZulu-Natal.

I cannot guarantee that the changes that I have suggested have been implemented nor do I take responsibility for any other changes or additions that may have been made subsequently.

Any other queries related to the language and technical editing of this treatise may be directed to me at 076 481 8341.

Signed at Port Elizabeth on 02 February 2018

Mrs M van Niekerk

**Appendix G – Table 1: Gender of respondents**

	<b>Frequency</b>	<b>Percent</b>
Male	58	43.0
Female	77	57.0

## **Appendix H – Informed Consent Form**

### **Information Sheet and Consent to Participate in Research**

Dear Respondent

My name is Aaron Koopman. My contact details are as follows:

Email: [akoopman@iie.ac.za](mailto:akoopman@iie.ac.za)

Telephone: 083 562 0462

You are being invited to consider participating in a study that involves uncovering whether product placements are an effective marketing communications approach when targeting students. The study will uncover whether students are aware that they are exposed to product placements, whether product placements captures their attention and whether it influences their purchasing behavior. The aim and purpose of this research is to add to the existing body of knowledge on product placements and conclude whether it effective in influencing the purchasing behavior of students. Through the research, the researcher hopes to gather enough information to determine whether marketers and advertisers should keep using this approach when targeting Kwazulu-Natal students. The study is expected to include 100 students/participants on the Varsity College Durban North site. It will involve the following procedures:

1. The administering of questionnaires
2. Allowing the students 15-20 minutes to complete the questionnaire
3. Being present to answer any questions that students have when completing the questionnaire.

The duration of your participation if you choose to participate and remain in the study is expected to be 20 minutes. The study is self-funded.

The study may involve no risks and/or discomforts. The study will provide no direct benefits to participants.

There are no risks associated with this research.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number HSS/1498/017M).

In the event of any problems or concerns/questions you may contact the researcher at:

Email: [akoopman@iie.ac.za](mailto:akoopman@iie.ac.za)

Telephone: 083 562 0462 or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

#### **Mrs Mariette Snyman**

Humanities and Social Science Ethics (HSSREC) Research Office,  
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Researcher: Aaron Koopman (083 562 0462)

Supervisor: Prof S. Perumal (Ronnie) (082 331 1483)

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain

from participating in the study. Your anonymity will be maintained by the researcher and the School of Management, I.T. & Governance and your responses will not be used for any purposes outside of this study.

All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me or my research supervisor at the numbers listed above.

Sincerely

Aaron Koopman



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**CONSENT TO PARTICIPATE**

I \_\_\_\_\_ have been informed about the study entitled, Students' perceptions on the effectiveness of product placements: A case study of a Private Higher Education Institution in Durban.

I understand the purpose and procedures of the study (add these again if appropriate).

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me as a result of study-related procedures.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at (provide details).

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact either myself or my research supervisor:

\_\_\_\_\_  
**Signature of Participant**

\_\_\_\_\_  
**Date**