

CITY UNIVERSITY OF HONG KONG

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**Audience's Acceptability of
Product Placement:
A Comparison of Chinese and Korean
Young Consumers**

置入廣告的受眾接受性：中韓消費者之比較

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Abstract

The practice of product placement has been increasing in recent years. Product placement is a form of advertising and promotion in which brands are placed in television shows, movies, or other entertainment content to generate visibility and achieve audience exposure. Proponents of product placement cite several potential advantages for embracing this method, such as a long shelf life, prominent exposure, and enhanced realism. However, there are common disadvantages associated with product placement, such as the lack of control over how products are portrayed or incorporated into a scene or storyline. Further, advertisers have no influence over how successful the media programming will be, making it difficult to predict where to place brands for maximum exposure. Nevertheless, advertisers continue to spend on product placement, and PQ Media estimates that 2006 worldwide spending on film-based product placement totaled US\$885.1 million, with the United States accounting for slightly more than two-thirds of that amount. There are a number of reasons for the growth of product placement as a paid promotional device. One reason is the desire on the part of advertisers to take advantage of the special characteristics of movies, popular television shows, and other media. Many programs also exert strong persuasive power. Movies, for example, have the power to influence an audience's social judgments—at least those judgments made shortly after exposure to a movie.

Given the rapid development of product placement globally, it is necessary to question the impact of and reaction to the practice of product placement in countries outside the United States. This research is particularly important if we consider that numerous previous studies on product placement indicate that attitudes toward product placement influence brand attitudes and purchase intentions. In the interest of marketing in Asia and in the light of the potential for further growth, it

is important to begin to understand consumer attitudes toward key product placement variables to ensure effective communication strategies. However, previous studies of product placement mostly have been conducted in the U.S., and there has been little focus on the global phenomenon. No previous study has yet examined attitudes toward product placement in China and Korea together.

This study is designed to compare the attitudes of audiences in two different countries, China and Korea, with regard to product placement. Because the prime target for most film and television production is young adults, samples of college-aged audiences were considered appropriate for this study. The fundamental goal of this study is to explore viewers' acceptance of different types of products in the context of product placement in movies, as perceived by two representative Asian audiences. To compare the consumers' responses to different products used in product placement, experimentation is the most appropriate methodological approach. Two factors regarding the product types were manipulated for this study: thinking-versus feeling-based products and high-involvement versus low-involvement products. This product type assortment is based on the FCB strategy matrix that suggests that advertising works differently depending on the product involved. The FCB model allows advertisers to select their communication method based on the type of product they are advertising, and the attitudes that the consumers are likely to have toward that product. Such a study of the acceptability of different product types in product placement might provide new insights.

For the captive group survey, the participants were recruited among students in a mid-sized university in each country. Three hundred seventy-seven respondents (159 from a Chinese university and 218 from a Korean university) participated in the experiment for course credit. To test the research hypotheses, a factorial design was developed with two independent variables related to product types: think/feel

factor (two levels: think-based product, feeling-based product) and involvement factor (high-involvement product, low-involvement product). The study includes these two manipulated independent variables and one measured dependent variable, product acceptability. All factors are between-subjects (or group) factors, and the acceptability of product placement is measured to test the hypotheses.

The findings suggest that a main effect between the independent variable and the dependent variable exists regarding the think/feel factor, which implies that consumers accept feeling-dominated products. However, no main effect of the product-involvement factor on product placement acceptability was found. Gender had no main effect on the acceptability of product placement. Finally, country differences existed between China and Korea; Chinese consumers generally were more accepting of product placement than Korean consumers. These two countries are similar, in that they both represent Eastern cultures; however, they also exhibit dissimilarities. Presently, they are in different stages of economic development, as well as marketing and advertising industry development. The average young Korean may be presumed to have more experience as a consumer of product placement in movies than the average young Chinese consumer. Therefore, Koreans are more likely to assume that a brand appearance in a movie is the result of a paid promotional effort (rather than an unpaid story-telling device). Previous research implies that in countries in which advertising has a relatively long history and in which consumers have seen advertising evolve and clutter increase, consumers are more likely to have negative attitudes toward advertising. In contrast, in countries such as China, in which the advertising industry is at its beginning stages of development, with less advertising spending per capita and less clutter, consumers may be less critical of advertising. Such consumer attitudes were found toward product placements in this research.

The results of this study are of interest to product-placement researchers and practitioners. The quantitative study uncovers some basic dimensions to which consumers respond differently in terms of the acceptability of different types of products. New technologies, integrated marketing communications, and social trends will likely cause product placement to evolve. These interesting and important issues should be addressed by future research. I hope this preliminary study encourages marketing researchers to become more involved in this fascinating research area. With an increasingly interrelated set of global markets and operations, multinational firms must understand and work successfully within and across different countries. The ability to manage cross-nationally is an important factor for multinational corporate survival and success. As technology that allows people to bypass advertising continues to advance, product placement in entertainment productions will continue to increase as an important promotional tool.