The relationships between product placement in recreational TV programs and mass consumption

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# Table of contents

1. Introduction
   1.1 Research questions background
   1.2 Aims of the study
   1.3 Structure of the thesis
2. Literature review
   2.0 Entertainment industry overview
   2.1 Brief introduction of product placement
      2.1.1 Development of product placement practice
      2.1.2 Advantages of product placement
      2.1.3 Disadvantages of product placement
   2.2 Product placement media
      2.2.1 Product placement in movies or soap operas
      2.2.2 Product placement on the internet
      2.2.3 Product placement in books
   2.3 Product placement modes
      2.3.1 Diversification of product placement
      2.3.2 Degree of product placement
   2.4 Conclusions
3. Theoretical framework
   3.1 Product placement
      3.1.1 Efficacy of product placement
      3.1.2 Factors that affect product placement
      3.1.3 Persuasive impact of product placement
      3.1.4 Product placement examples
      3.1.5 Ethics of product placement
   3.2 Mass consumption
      3.2.0 Definitions of mass consumption
      3.2.1 Development of mass consumption societies
      3.2.2 Patterns of mass consumption
      3.2.3 Impacts of mass consumption
      3.2.4 The role of individuals in consumer society
      3.2.5 Mass media and mass consumption
      3.2.6 Five models of media effects evaluation
   3.3 Conclusions
References
1. Introduction

1.1 Research questions background

Although product placement, as one of the marketing methods relying on media emerged one century ago, yet, there are few research on how product placement affects mass consumption. Literally, product placement is regarded as an incorporation of advertising and entertainment. As Falkow (2000) states, product placement is considered to be a modern marketing way in which the advertisers sponsor actual contents for the medias in order to sell them to the public.

As a result, advertisers or commercial companies pay more attention to content and brands of their products. Nowadays, product placement can be commonly seen in various recreational TV programmes, such as in motion pictures, apparel of the actors, mobile phones that the actors or actresses used in the programmes and so on. Sometimes, lines that people ever said during the programmes can considered to be a kind of product placement. That’s to say, product placement has been inserted in various natural settings of mass media.

While watching the programmes, some brands being used or consumed will be exposed to audiences during natural process of the TV programmes (Panda, 2004). As a result, audiences will associate the brand or product with the character who was using it in certain programmes and make a decision whether to purchase it or not in reality. For example, in the “If You Are the One” TV programmes held by Jiangsu TV channel in China, at the beginning of the shows, there will be an announcement of the sponsor. “The music phone”, which is the largest sponsor of this programme, hence, its brand will be repeated during every interval of the programme. As a result, the brand has been well known among audiences.

Compared with traditional advertising ways, product placement can not only be
implanted in recreational TV programmes, but also in a wider range of different medias, including films, magazines, articles, books, music shows, radio and so on. However, product placement in recreational TV programmes is considered to be more effective and cost less. Product placement, as one of modern marketing methods, is not new. It has emerged as early as in 1896, when brand/product placement was seen in European Lumiere films (Newell, 2006). The trend of connecting it with entertainment industry was initially seen in entertainment films which showed products of the Edison factory and its industrial clients in America. After that, soap operas TV channels also began to include product placement while broadcasting soap operas. The earliest product placement advertisers were those tobacco companies which used the TV programmes and films to present their glamour attitude of warning audiences to avoid smoking too much cigarettes (The Economist, 2005).

Costs for product placement are varying and depending on popularity of the TV programmes. It can range from $10,000 to several hundred thousand dollars. Most product placements are initiated by companies, which are trying to promote their products or services with less cost. Meanwhile, with rapidly development of media technologies, product placements can be inserted into TV programmes more easily than ever before. Moreover, these TV programmes can be reviewed by audience via the internet, which also increases the exposure of the product placement inserted within them. Therefore, audiences cannot only see product placements of actual products, but also for services. It seems that service placement is more effective than product placement because of its simpler insert into natural settings of the TV programmes (La Ferle, Edwards, 2006).

Furthermore, since product placement can directly reach consumers, hence, some B2B (Business to Business) companies have also been attracted into this modern marketing way. Whatever business modes they are running, those advertisers who invest in product placement in recreational TV programmes aim to recall purchase intention of the audiences on their products by impressing them on TV screen from
time to time (Lord, Gupta, 2010).

1.2 Aims of the study

Hence, in this dissertation, the researcher aims to find out how these product placement can affect consumers shopping behaviors and to examine effectiveness of the product placement in recreational TV programmes. In order to find out relationships between product placement and mass consumption, the researcher also divides the research aim into several research questions, which are listed in the following:

I. What kind of media is considered to be more effective for product placement?
II. How many forms of product placements are there in recreational TV programmes?
III. To what degree is product placement considered to be adequate in order to maintain consumers’ entertainment needs while watching recreational TV programmes?
IV. What impacts have product placement cause to consumers?
V. What factors can affect effectiveness of the product placement?
VI. How does the product placement change mass consumption?

In order to investigate the above research questions, the researcher conduct a combination of research methods, such as interviews and questionnaires. Hence, this thesis is arranged in the following structure in order to demonstrate the research questions.

1.3 Structure of the thesis

This dissertation is separated into seven parts. First of all, a brief introduction of the research background and demonstration of the research aim are illustrated in chapter 1.
Relevant literature reviews are made in chapter 2 in order to reveal development of the entertainment industry, development of product placement, practices of product placement, advantages and disadvantages of product placement.

In chapter 3, theoretical framework on efficacy of product placement, factors that affect product placement, persuasive impacts of product placement, ethics of product placement and examples of products inserted in the case studied recreational TV programme-- “If You Are the One” will be demonstrated in sub-chapter 3.1.

After that, theoretical framework on mass consumption will also be illustrated, including development of the mass consumption societies, patterns of mass consumption, the role of individuals in consumption society, media and mass consumption, medial effect approaches and dominant mass consumer culture approach will be illustrated in sub-chapter 3.2.

Chapter 4 is mainly about methodology adopted in this dissertation. In order to investigate research aim of this study, the researcher selected one popular Chinese recreational TV programme-- “If You Are the One” and adopted the case study method to examine how product placement affects mass consumption. Moreover, qualitative and quantitative research methods are also demonstrated in this chapter in order to find out relevant factors that affect the consumption behaviors of the consumers.

In chapter 5, main findings of the research will be presented and results will be compared and analyzed via diagrams, images or other forms.

In chapter 6, a main discussion on the findings will be made, as well as re-presenting research results of previous scholars within the field. By comparing with previous research results, the researcher will then make a brief interpretation of the research findings and finally make a conclusion of the findings.
In chapter 7, a main introduction of the research findings will be made, followed by demonstration of research aim and conclusions. Finally, implications for future researches will be suggested in the end.

2. Literature review

2.0 Entertainment industry overview

Consisting of diversified companies, including television networks, radios, magazines, newspapers and so on. Their main revenue is generated via broadcasting TV programmes or other entertainment programmes. Meanwhile, the trend of advertisement has played an important role in promoting development of entertainment industry. Among all entertainment companies, television is considered to be the most successful entertainment media and it has reached a coverage rate of 78% of the population in the UK every day (2). Currently, various information is transferred via televisions, including education, sports games, films, soap operas and so on.

Moreover, televisions are both funded by public or private sectors. Those public funded TV channels always broadcast information on education and other public interest issues. The aim of public invested TV channels is to maintain and promote cultural values of the country and propagandize their values and beliefs to people in all over the world with rapid development of cable TV. On the other side, private funded TV channels mainly broadcast entertainment programmes in order to reach the largest portion of audience. Normally, Hollywood films, sitcoms, soaps, game shows, etc., can be commonly seen in these private funded TV channels. Hence, product placement in TV channels was firstly seen in private funded TV channels in European
countries and the UK. For example, it was reported that British TV channels received advertising revenue of £2,303 million as early as in 1991.

Moreover, with rapid development of traditional television industry, advertisers have more choices while putting their advertisements on TV screens. With increasing popularity of private funded TV channels, their advertising prices are also raising, especially on those recreational TV programmes, sports and films.

In a word, the television has become quite important for individuals and families, since they can now seek for more interactive needs and enhance their interpersonal relationships via watching some recreational TV programmes. Audiences can now interact with TV programmes via a series of ways, including commenting on the programmes, learning new views of career or some other aspects, adopting the information onto other activities and so on. The interactive television has presented the most attractiveness to audiences. Moreover, with rapid development of technological service network, people cannot only watch the screen, but also can interact with television programmes in many ways, such as leaving comments on the programmes, confirm or develop views from TV programmes and so on.

Besides, some television programmes also engage viewers to communicate with program makers. For example, they will provide websites for audiences to write feedback, or make telephone in-calls and e-mails. These expanding services have enabled rapid development of television programmes.

Television programmes have raised more social and political issues than other mass media. Moreover, with the application of multimedia technologies into TV programmes, television entertainment has attracted audiences of different age groups. Television programme markers do not only enhance existing functions, but also create new ones with the help of multimedia technologies, for example, the recreational TV
programmes.

Besides televisions, cinemas are also regarded another important way to meet audiences’ entertainment needs. In order to make up huge production cost of making movies, the manufacturers also welcome some product placements in their movies.

Compared with television programmes, cinema has suffered from a huge decline since 1950s, although there was a renaissance of cinema development in the 1980s. Cinema is regarded as quite an expensive way for satisfying entertainment need. However, the cinema production industry is considered to be an important source of various entertainment programmes which can bring about huge economic benefits to other mass media. For example, a popular film can cultivate some hot stars and advertisers can invite them to be representatives of their products or services. Nowadays, cinemas have mainly attracted young couples who go to watch movies for satisfying their entertainment needs. From this point of view, it can be seen that cinema industry has attracted less audiences that TV programmes do.

The third entertainment form is video games that are highly popular among young male, and many young adults seem to show more interest in playing these video games rather than watching television “passively”. Video games have incorporated highly advanced multimedia technologies and dominated the youth market in the worldwide.

However, video games are considered to be a male pursuit, since most of the video games are displaying violent, fighting, wars and other fierce scenarios. Besides, video games have also raised public issues, including addiction, isolation and health issues, since some children devoted themselves into various video games and absent from schools. Therefore, some home video games have been designed, allowing children to play at home and under the control of their parents. Video games are obtaining a rapid development pace in recent years with the adoption of multimedia technologies.
Hence, some advertisers have also invested their products or services into these video games in order to explore the youth market, especially the young males.

To make a summary of the entertainment industry, the key to development of entertainment industry lies in development of multimedia technologies. Confronting various forms of entertainment forms, advertisers can invest in product placement in different forms of entertainment tools. However, according their development prosperity, television programmes are the most suitable and beneficial platform for advertisers.

2.1 Brief introduction of product placement

2.1.1 Development of product placement practice

According to Ginosar and Levi-Faur(2010), product placement is regarded as an advertisement practice which incorporates commercial contents into non-commercial settings. Or to say, insert product or service information via the fusion of advertising and entertainment(Ginosar, Levi-Faur, 2010). Gupta and Gould(1997) also define product placement as incorporating product brands into TV programmes or movies in order to get profits via some promotional activities(Gupta, Gould, 1997).

Compared with conventional advertising, product placement is considered to be riskier, however, more and more enterprises begin to propagandize their products or service in mainstream media, such as films, radios, internet, video games and TV programmes. In the past, due to media fragmentation, commercial advertising in various media has become less effective since audiences will automatically turn down the sound during advertising time, and some may switch to another channel during advertising time.

About two-thirds of the audiences regard advertisements between TV programmes to be annoying and irrelevant(Kiley, 2006). Hence, advertisers began to seek out other
ways to present their advertisements to the audiences without interrupting their entertainment needs. Hence, they began to sponsor a certain TV programme via providing relevant products, such as shirts of the actors, cell phones and so on. Therefore, Neijens(2009) also implies that product placement will be future trend of television advertising(Neijens, 2009). Moreover, in recent years, more and more enterprises have been engaging in various marketing campaigns and promotional activities in each industry.

Therefore, common practices of product placement is to insert brand names, products, package, symbols or other sings into motion pictures or other media vehicles in the TV programmes so that audiences can get exposed to relevant brands or products without breaking natural process of the TV programmes(Panda, 2004). That’s to say, product placement practice can allow products or brands of a certain service reach target consumers via their natural settings in the TV programmes. Normally, products will be consumed by actors in the TV programmes naturally(Stephen, 2005).

By doing so, audiences will show more confidence on quality of the products since they will naturally associate quality of the products with characters in the TV programmes. The characters’ approval and consumption of these products can be treated as a promotional action of the products.

Although product placement has become popular in recent years only, however, it was initially named and identified as early as in the 1980s(Balasubramanian, 1994). At the very beginning, the practice of product placement is to reduce production costs of TV programmes or movies by releasing props for advertisement. European Lumiere film makers were the first to introduce product placement in their movies in 1896(Newell, 2006). Moreover, the earlier advertisers of product placements are mostly tobacco companies who advertise their products via a gesture of lending glamour and adequate attitude towards smoking(The Economist, 2005). However, product placement practices
developed slowly during the economic depression. Fortunately, during 1960s to 1970s, product placement practices recatalyzed again and achieved a prosperous development during 1980s and 1990s (Patwardhan, 2006).

In earlier years, most product placements have been put in movies and TV programmes since they can be viewed for many times. In this aspect, product placements are not limited to broadcasting time of the movies or TV programmes. Moreover, nowadays, some other advertisers have skillfully put their products on TV programmes or movies as consumer products. As a result, many consumers can see products used on TV programmes or movies, such as digital products. Moreover, service placements also take on a prominent trend. Advertisers will usually adopt service placement practices by printing their logos into scripts or background props on the stages (La Ferle, Edwards, 2006).

With development of product placement practices, there emerges some intermediaries or brokers who offer product placements opportunities to advertisers (Stringer, 2006). Normally, costs of product placements vary from several hundred dollars to up to several million dollars. However, there are some TV programme makers or movie producers who will normally allow free product placements in their entertainment vehicles for promotional purposes (Czbrzynski, 2006).

With increasing popularity of the internet, more advertising companies also set up online communities so that consumes can communicate with the companies and get more information of the products that they are interested in. With the help of advanced IT technology, advertising companies are able to listing their products or services via text descriptions, images, videos, and so on.

Besides, some public entertainment websites, such as You Tube, Youku, Yahoo, where consumers can always watch an episode of a product story, such as the scene of a handsome man driving in a Toyota Hybrid. Obviously, it is a modern product
placement practice of Toyota vehicle company (Falkow, 2010). Moreover, Falkow (2010) also suggests that creative product placement via the internet may be the most effective way to catch consumers’ mind.

Another sub-product of internet is the development of e-commerce business. Therefore, some e-business companies are also considering applying internet product placement practice to propagandize their products. For example, one of the largest e-commerce websites -- Amazon.com have also invested in product placement online. Consumers will watch an episode of Amazon story prior to beginning of the movies or TV programmes. The participants in the TV programmes may use a box marked with “Amazon” and which allows consumers to leave an impression on Amazon brand and form a favorable attitude towards Amazon.com and initiate a purchasing intention from the website, etc..

From the above, it can be seen that product placement practices have been enhancing with multi-media technologies and presenting new characters in modern worlds. Although some scholars argue about effectiveness of the product placement practices, yet, they have been treated as a new way to generate considerable profits for the advertisers while demanding less cost than traditional advertising methods. However, product placement practices differ by country and relevant cultures and advertising regulations set up by the governments. Yet, a common trend of product placement practice is that advertisers from these five areas, including vehicles, fashion clothing and accessories, food, travel and entertainment, have been invested more and more (Business Wire, 2006).

Even though product placement practices have been widely adopted by countless advertisers, yet, there are both advantages and disadvantages of product placement practices that advertisers need to take into consideration. An inadequate product placement can even ruin the brands of the products. Hence, in the following, the researcher will demonstrate both advantages and disadvantages of product placement
practices respectively.

2.1.2 Advantages of product placement

As a new way to advertise their products or service, product placements present more attractiveness to due to multiple advantages. First of all, as Karrh (1998) states, one main reason of advertisers to adopt product placement instead of traditional advertising methods lies in that it can reduce cost (Karrh, 1998). Moreover, product placement can allow the products or service to be implanted in scenarios of the TV programmes or movies in a natural setting, without interrupting audiences’ entertainment needs. By implanting product placement in TV, audiences can’t bypass the advertisement as they have been all integrated into media and audiences can only skip the whole TV programmes in order to avoid the advertisement. Besides, for younger audiences, product placements in movies and TV programmes are regarded as new ways of knowing about new and attractive product brands. Based on this, it seems that product placement is a more effective way of reaching young audience groups (Raphael, 2001).

Secondly, even though the product placement has not been done well, audiences may not notice slight flaws and hence won’t affect their advertising result. Moreover, with decline of exclusive commercial period on televisions, product placement has become another way for advertisers to promote their goods.

Thirdly, as mentioned previously, product placement was initially created with the aim of reducing production costs of TV programmes or movies. Actually, increasing application of product placement in movies or TV programmes also indicates spiraling costs of film-making industry. Product placement practices enable film making companies or TV operators to offset various costs by allowing props or background of the stages for advertisers to implant advertisement (Govani, 1999).
Fourthly, product placement practices can also save investment for advertisers. For example, in an exclusive commercial period, it will cost about $10,000 to $20,000 per 30-second advertisement of promoting a new phone. However, this amount can be reduced to a minimum amount with the adoption of product placement (Erma, 1998). It is said that the cost of product placement can save up to 22-episode of normal commercial advertisement.

Take another example, in one of the most popular recreational TV programme broadcast in Jiangsu TV channel, China-- “If You Are the One” announced that it has generated an average of 1.8 billion yuan by introducing product placements.

Besides TV programmes, product placement practices have been widely adopted in movie production industry. For example, “GoldenEye”, which was one of the most popular movies in 1995, also announced that it had earned about $1 million via product placements. The statistics only include computers and other electronic equipment alone (Marsh, 1995). According to Seguin (1999), about 25% of total production costs of making TV programmes can be offset by product placement (d’Astous & Seguin, 1999).

Fifthly, product placement practices enable filmmakers and TV operators to include some realistic and authentic portrays in some scenes of TV programmes and movies. Hence, audiences will feel more realism while watching those cinematic stories on TV or in cinemas (Brennan et al., 1999). Moreover, most product placements will allow characters in TV programmes to use the products sponsored by advertisers, which will also enhance realism of relevant TV programmes and movies (Evenson, 2000). This kind of enhancing realism product placement practice is considered to be more effective since audiences will show more confidence on products and will immediately associate products that they are planning to purchase with characters who used these products in TV programmes or movies. Hence, brands or quality of the products can be accepted by audiences more easily than posting
labels including contents of products only. The reason of successful product placements lies in that brand/quality of a product has been skillfully merged into corresponding events and moments of the movies (d’Astous & Chartier, 2000).

Last but not least, product placement in movies and TV programmes can enhance the messages be accepted by audiences more easily. Highly advanced audio-visual technologies is superior to any other traditional advertising forms. Moreover, it can reach target audiences more effectively.

According to Chartier (2000), audiences paid for watching movies or TV programmes, hence, they will be more focus on watching movies, implying a high value of cinematic experience (Chartier, 2000). Moreover, cinemas are the least exception to noise, hence, audiences are all in an attentive state and become highly involved in different kinds of messages (Smith, 1998). Compared with home video or TV programmes, where audiences may be distracted by surroundings and product placements in home videos or TV programmes may not reach the same level of audiences’ involvement as that in cinemas. Besides, in cinemas, effect of product placements in cinemas can increase with the amount of audiences (Turcotte, 1995).

In spite of the above advantages, product placements do have some potential disadvantages which advertisers should avoid while implementing product placement strategies in movies or TV programmes. On the other hand, product placement practices are considered to be a problem-free issue since all the TV programme operators or filmmakers only concern about whether product placements can assist in reducing production costs or not.
2.1.3 Disadvantages of product placement

First of all, as Schneider(1996) suggests, product placement is a modern and inexpensive way of promoting products to the public. However, it does have some uncertainty and unpredictability related with the practices themselves(Buss, 1998). For example, if product placements are implanted at the beginning of the movies, the advertisement may disappear with the scene passed(Cowlett, 2000). However, those placements implanted at final cut may provide little consolation if the products were used in a non-flattering way(Shermach, 1995).

Secondly, according to Balasubramanian(1994), product placements in movies and TV programmes may considered to be less effective and immediate when compared with traditional advertising ways(Balasubramanian, 1994).

Thirdly, product placements appears to be lack of measurement of their persuasiveness upon audiences. Besides, advertisers seem to be unable to control the messages delivered to audiences as well. From this point of view, product placements also present potential risks because of their uncertainties(Marsh, 1995).

Fourthly, although product placement is a modern way of promoting products or services, however, there are some audiences who strongly oppose to product placement practices(Govani, 1999). Audiences think that films and TV programmes are treated as conveying artistic value and the implanting of product placements seem to have interrupt its artistic values and integrity. With product placements, movies and TV programmes are infested with commercial messages(Nebenzahl, 1993). As Nebenzahl and Secunda(1993) announce, product placement is a way of delivering commercial messages to audiences’ mind unconsciously. However, those audiences who are oppose to product placement can be more aware and recognize product placement practices inserted in movies and TV programmes. As a result, some product placements are only allowed to be implanted either at the beginning of a
movie or at the end of a movie in order to protect audiences’ entertainment needs.

Based on the above analysis, it can be seen that product placement, as a new promoting method, still needs to improve a lot in order to become more acceptable by the public. Besides, advertisers need to find out more ways of implanting their advertisements, such as implanting product placements in movies, articles, TV programmes, and so on.

2.2 Product placement media

Product placements can now commonly be seen as motion pictures or icons in films, TV programmes or even articles. Besides traditional TV programmes, product placement can also be inserted into recreational TV programmes, talk shows, computer games, comics, theatre plays and other media channels(Koberger, 1990).

2.2.1 Product placement in music videos and computer games

As mentioned previously, motion pictures applied as a tool of product placement can be traced back to several decades ago, while product placement implanted in TV programmes, reality shows and comics has emerged in recent years. For example, music videos, which contain high volume of product placements while broadcasting to the public. It is said that 25% of entire music video contents are attributed to product placements, or to say, every one hour of broadcasting time, there will be 15 minutes of product placements(Englis, Solomon, 1996).

Music videos as a new way of product placement media is originated from traditional advertising branded banners in motor racing games in 1980s. Nowadays, product placement inserted in music video is taking on a positive growth trend. Like product placement in other medias, music video making companies include product placements in order to offset product costs of music videos. According to a recent report from PQ Media company, spending on product
placement in music videos grew by 8% in 2009 when compared with that in 2008 (Erik, 2010). Furthermore, it is reported that total revenue from product placement in 2010 was about $15 to $20 million, which is twice as that in the year 2000 (Justin, 2011).

Being one of the new way of product placement, music videos can reach many audiences of different age groups. People who watch music videos do not present negative attitude towards product placements since they believe that singers have the freedom to create what they want in order to release their music aspirations. Therefore, many product placements can be seen in celebrities’ music videos. For example, the British girl group--The Saturdays, who have included a visible product placement of --ICE watches in the music video “Missing You”. The product placement is captured in below image 1.1.

![Image 1.1 Product placement in the Saturday’s music video “Missing You”](image)

However, ICE watches were not the first time to be implanted in music videos, they are also included in David Guetta’s video.

Besides music videos, video games are also another trend of implanting product placement in modern world. The shift of product placement from commercial
advertisement to motional pictures in videos and games is due to increasing popularity of computers and games (Emery, 2002). As Erika (2006) states, there are over 132 million gamers in America, where half of who own home computers for playing games at home. Hence, advertisers in America try every effort to engage in promoting their products in video games. A research company in Boston also announced that spending of American advertisers on product placements in video games reached $56 million and $370 million respectively in 2009 and 2010 (Goodale, 2011).

Besides, there is an increasing trend of implanting product placement into gaming actions of the characters in the video games. Video games take on more photorealism and hence, it is possible to insert any brand of products, such as clothing, shoes, mobile phones, cars and so on (Raphael, 2001). Similar with product placement in TV programmes, people can also find some celebrities in video games, who are using the same products as they use in real life. Hence, game players will automatically associate the celebrities shown in the games with the apparel, shoes or other accessories they have been used in the game, which will also result in deeper impression of the product placement implanted in the video games (Curtis, 1990).

Another advantage of implanting product placement in video games lies in that they can be played repeatedly till they are played through. Besides, game players will play various video games over and over again in order to find more ways to discover more ways or challenges in getting through higher levels. Repeated playing games means that product placement can be exposed more frequently. To this extent, product placement in video games can be more effective since they can be inserted into different levels of the video games. And game players can get into different levels depending on their skills. Involvement of product placement will also increase with progress of the game levels.

Furthermore, with rapid development of IT technologies, advertisers can implement
more plans on how to embed product placements into a particular spot scene and coordinate it more naturally with scenes of the video games (Friedman, 2001).

However, video games are mostly played by youths, especially among females, resulting in a limitation of product placements. Hence, not all brands of products are suitable for implanting into video games. Cars, motor cycles, apparel and so on may present more suitability to be inserted into video games. Moreover, not every video game is suitable for implanting product placements. According to a research conducted by Friedman (2001), players who play violent video games need to be more focus on controlling movement of the characters in the games, however, for those who play non-violent video games, they will more pleased in accepting and recognizing product placement inserted in the games. For example, in a video game of “Dungeons & Dragons”, people cannot see a Remington sword implanted in the game since gamers on “D&D” game are more likely to react more violently and they will think negatively on any kind of product placement implanted in the game.

For game publishers, product placements indeed are an effective way fo offsetting their research and development fee of video games. However, according to a digital-media research enterprises, for advertisers, implanting product placement in video games is not an economical way, since advertisers need to pay $30 for reaching every 1000 people (Erika, 2006). Hence, advertisers need to pay more in order to promote their branded products to larger groups of people.

Upon the above disadvantages, it can be seen that advertisers need to explore more ways of inserting product placements in order to enhance popularity of their products to the public.

2.2.1 Product placement in movies or soap operas

Product placements in movies can commonly to be seen in modern world. Audiences
can both watch movies via the network or in cinemas. Product placement in movie industry can be traced back to 1896. Advertisers who implant their product placements in movies can have an increasing opportunity to catch audiences’ attention since all cinemagoers are captive audiences who go to cinemas and sit there to meet their entertainment need.

Hence, movies have attracted a variety of consumer brands of goods to be implanted in single scene or multiple scenes. Fashion clothing, watches, shoes, and perfumes have been widely implanted in movies, especially those luxurious brands, such as Louis Vuitton, Chanel, and so on.

Briefly, product placements can be implanted in movies via three forms, visual product placement, spoken placement and usage placement. With the adoption of a visual product placement, images or logos of the promoted products can be exposed to audiences for a few moments in different episodes of a movie. Upon using product placement in a spoken way, audiences can be attracted even if they are not focusing on the screen, they can still hear voice of the product placement. The most effective way of product placement in movies is considered to be usage placement, which allows both visual and spoken exposures of promoted products.

With rapid development of IT technology, audiences can review any movies via internet, which has greatly enhanced exposure of the products promoted in movies. In spite of its continuous exposure, there are some limitations of product placement in movies too. For example, product placement of cigarettes, tobacco, weapons and medicines are forbidden to be implanted in movies. Moreover, in 2004, Italian government formulated a regulation on legalizing product placements—“Decreto Urbani”, according to which, product placements have to be consistent with relevant products/services that are being offered in real life.

As Kiley (2006) states, successful product placement in movies can enhance realism
of the movies without distracting the audiences’ entertainment need (Kiley, 2006). For example, in most of James Bond movies, audiences can always find out various product placements. In these movies, even though brands of the products may not be spoken out, yet, the symbols or logos of the products will automatically tell audiences what products they are. For example, in the movie “Quantum of Solace”, where audiences can frequently see Daniel Craig wearing Omega Seamaster Planet Ocean wrist watch. The screen capture can be seen in below image 1.2.

![Image 1.2 Product placement of Omega watch in James bond movies](image)

Besides watches, handbags, outfits, jewelry and other fashion apparels are widely implanted in Hollywood movies. It is said that fashion in the movies today will be fashion in our real life tomorrow. From this point of view, it can be seen that audiences can be easily attracted by product placements embedded in movies, especially the Hollywood movies.

Besides implanting in movies, product placement can also be inserted in soap operas. Compared with those product placement inserted in movies, soap operas will be updated day by day, hence, product placements can be varying depending on choices.
of the advertisers. For example, advertisers can choose to insert product placements via sponsorship of soap operas, background of the scenes or usage of the products by actors in the soap operas. The advantage of implanting product placement in soap operas lies in that it can impress audiences with progress of the soap operas to a deeper extent. If products are used by actors/actresses through the whole soap operas, for example, mobile phones, audiences will automatically associate brands of the mobile phones with relevant characters in the soap operas and show more loyalty to the products. Meanwhile, product placements can be inserted at any episode of soap operas. Hence, both virtual and real products can be implanted in soap operas.

According to a research conducted by Pervan and Martin (2002), product placement practices have been widely implanted in America and New Zealand. However, the significant of product placement in soap operas varies among different countries. For example, in America, audiences are presenting negative attitude towards product placements, whereas in New Zealand, audiences are presenting more positive attitude towards product placements implanted in soap operas (Pervan, Martin, 2002).

Despite of its different significance, soap operas has become a desirable media of implanting product placements since they can directly catch attention from audiences, which will become more effective when audiences see their favorite celebrities using or mentioning a certain brands of products. Moreover, advertisers cannot only put their products via virtual or spoken ways, but also they can sponsor soap operas and hence require TV operators to list their brand names both at the beginning and the end of each soap opera episode. Through this way, audiences can also recognize relevant brand information by reading text information.

Audiences may not review the same movie for many times, however, they will be attracted by some popular soap operas and will catch up with each update every night. Hence, placing products placement in soap operas can have long-lasting effectiveness that those inserted in movies. It is easier for advertisers to measure effectiveness of
product placement implanted in movies since they can measure sales revenue of relevant products several months before product placements with sales revenue changes after release of the movie. However, changes may be examined in a few months after the film exposure. Effectiveness of product placement in soap operas is more controllable and advertisers can negotiate with producers of soap operas and skillfully insert their product/brand information into different episodes of soap operas. Normally, fashion apparel and other luxury goods can be commonly seen in soap operas. For example, in one soap opera--”Gossip Girls”, audiences can always see those young girls wearing different branded clothing, shoes or luxurious accessories at parties in different episodes. The below are two screen captures from “Gossip Girl”--image 1.3 and image 1.4.

![Image 1.3 Serena and Blair carrying Chanel shopping bags in “Gossip Girl”](image-url)
Examples of product placement in “Gossip Girl” are endless and related with many different kinds of products. From this point of view, it can be seen that TV will continue to dominate the marketing market and favored by many marketers of placing their products in soap operas or movies so as to attract more potential consumers. Moreover, there is also an increasing trend of implanting product placement in reality shows on televisions, for example, for fans of “дом-2”, a well-known reality show in Russia, they must be familiar with this sentence “Oh, did you check out a new product A published by B company yet?”. After that, the camera will capture named product and zoom it to the audiences, aiming to catching more visual attention from audiences. Apart from this type of spoken product placement, advertisers will also use
sponsorship method in reality shows or other recreational TV programmes broadcast on TVs. For example, in one popular recreational TV programme-- “If You Are the One” broadcast by Jiangsu TV channel, during the break time of the recreational TV programme, the host will announce “Thank you for the sponsor of BBK music phone manufacturing company”, after which, audiences can see a large image of BBK music phone held by its brand spoke person--Song Hye Kyo, a pop star in Korea.

Image 1.5 BBK music phone held by Song Hye Kyo

Nowadays, with increasing popularity of this recreational TV programme in mainland China, BBK music phone company, as a sponsor of the TV programme has received huge sales profit via this kind of product placements.

2.2.2 Product placement on the internet

People can nowadays access to the internet more easily than a few decades ago. Hence, internet has become another important media for placing product placements. According to Mike Elgan(2006), product placement on the web is taking on increasing trend and will be more popular than product placements in TV programmes or movies. Advertisers expect writers, bloggers, news media, video producers and etc., to give away contents which include their product information or banner ads over top of the web pages(Mike, 2006). Although these promising web contents, such as video, 3D social environments and social network are not so
advertiser-oriented, since some advertisements are always put on the corner of the web pages, where audiences can click to close them if they are not interest in those advertisements, yet, these forms of product placements grow rapidly among social networks and virtual environments.

Furthermore, nowadays, audiences can directly click to purchase items they want via product placements inserted on various social networks and virtual environments. From this point of view, online product placement is better for advertisers, since they cannot only enhance brand recognition, but also enhance sales revenue by placing product placement on the internet.

Compared with traditional advertising, internet product placement practice has not been fully utilized yet, while traditional way of product placements have reached its decline stage. For example, according to a research conducted by Nielsen Company, in the year 2007, total spending on advertisement decreased by 0.5% compared with that in 2006, while product placement on the internet has increased by 23.2%, comparing that in 2006 (Jake, 2008). It is estimated that product placement in traditional medias have confronted bottle neck development circumstance, while product placements have not fully penetrated into various web contents yet, especially those text links, html code inserting, blogs and so on. Take a brief view on below graphic 1.6, it is estimated that in the year 2015, product placement invested will take up 26% of total advertisement spending, while TV will remain to be domination among media market, taking up 39% of total advertisement spending.

![US Media Ad Spending 2015](Image)

Data source: [www.bizologie.com](http://www.bizologie.com)
Moreover, according to a survey conducted by marketingland.com, total online advertisement spending is taking on an increasing trend from 2011 to 2016. According to graphic 1.7\(^2\) in the below, it is estimated that in 2016, total product placement spending on the internet will reach $62 billion, with its growing rate of 7.8% when compared with that in 2015. The decreasing growth rate and increasing spending amount indicate that in the coming three years, online product placement will present a stable growth and continue to maintain its market share among different product placement medias.

Online resources include blogs, video websites, communities, social network and so on. Among all these resources, blogs are considered to be a promising form of product placement, since advertisement can be included as a part of contents which can reach all readers. By implanting product placement in blogs, there will be less space for traditional advertising and more useful contents can be provided to readers. As a result, the blog contents will present to be more valuable to readers, more readers indicate more demand for advertisements, which will finally generate more revenue for blog writers. Moreover, readers can’t skip product placements inserted in blogs.

\(^2\) Data source: marketingland.com
only if they don’t read the blog contents at all.

Besides blogs, video websites, web chatting softwares, like windows live messenger, Skype, Google Talk and so on also convey great potential of implanting product placements. With increasing accessibility of internet in different countries, more and more people will access to the internet every day both for working or entertainment purpose. According to Tomi Ahonen(2011), personal computer penetration in developed countries has reached over 71% while developing countries also obtain a penetration rate of 23%. Besides, in the worldwide, there are 640 million personal computers used by 1.4 billion people(Tomi, 2011).

Furthermore, with rapid development of smart phones, product placements implanted on the internet can also reach mobile phone users when they are surfing the internet via phones. In developed countries, mobile phone penetration has exceeded 96%. That’s to say, for 1.2 billion people in developed countries, they own 1.3 billion mobile phones which have active subscriptions. Besides, mobile phone penetration in developing countries is also considerably high. For example, 59% of the population owns at least one mobile phone and total amount of active mobile phones in developing countries is 2.9 billion. In the world, about 4.4 billion mobile phone are being used and activated to the internet(Tomi, 2011).

Besides, from the below graphic 1.8³, it can be seen that, with adoption of highly advanced technology, more and more people use their mobile phones to access to internet and search information online. This indicates that for advertisers who implant product placements on the internet should also explore new ways of promoting their products for mobile internet users as well.

³ Data source: www.jana.com
2.2.3 Product placement in books

Product placement, familiar to films, TVs and online, is still relatively rare in books. However, it is not unprecedented, some advertisers have been implanting their product placements into novels since 19th century in British novels. Moreover, in recent years, with soaring costs of product placements in movies and TV programmes, more and more advertisers seek ways of placing product placements in books. For example, in one novel “The Nanny Diaries”, readers can see many “Estee Lauder” product placements. By mentioning of the brand, shape and even color of specific product worn or carried by the characters in the novel, the author can deliver various product information to readers. Similar with other types of product placement medias, product placements can also be implanted in books via several forms.

An initially form of product placement was in full-page display in some pages of the novels. For example, in the 1980s, people can usually find cigarette advertisements on back pages of a novel book.
A successful product placement in novels can be perfectly woven into text contents without interrupting readiness of the novels. Hence, product placement can be inserted in books by describing what a character uses or the jewelry he/she is wearing. For instance, both Cover Girl cosmetics and Bulgari jewelry have been frequently described as product placements in novels (Thomas, 2006). Bulgari jewelry company did the first product placement in a British writer Fay Weldon’s new novel--“the peaches and cream decor”, where there was one sentence written like this “The story took place at an Bulgari jewelry store on Sloane Street in London....The real estate mogul Barley Salt paid £18,000 and bought his second wife a necklace.....thin worn bronze” (Gary. 2001). From this, readers may not know Bulgari jewelry before, but they will be informed from this sentence that Bulgari is a pricey jewelry brand. It is estimated that with increasing sales of the author’s books, Bulgari’s brand reputation will be recognized by more readers. Besides, readers may read the novels again and again, which can enhance value of the product placement implanted in text contents.

Moreover, it is reported that it is much easier to implant product placement in comic books since readers won’t pay too much attention upon commercial product placement inserted in the text contents. Hence, product placements in comic books appear to be less invasive than in other forms. As Chris Thilk(2006) suggests, comic books will be the next frontier for product placement(Chris, 2006). Both Marvel and DC, which are two largest comic publishers, have signed deals of embracing product placements in their comic titles. For example, in Marvel Comics’ Secret Warrior #3, there is a scene where Nick Fury opens a computer and yells “Open Webex connection”. After that there is a picture showing the computer screen where writes “Cisco Webex” logo at the bottom side. The below graphic 1.9⁴ is a photo taken from the comic book.

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Graphic 1.9 Cisco Webex logo in Marvel Comic book

Upon seeing this logo, readers may not notice that it is actually a product placement advertisement paid by advertisers since they all focus on progress of the comic story.

However, not every product placement is paid by some companies, some unintentional product placement embedded in books can also help promote relevant brands as a result. However, this kind of involvement depends on the writer’s preference. For example, “Fifty Shaded of Grey” which is a erotic novel written by a British writer “E.L. James”, readers can find out that the writers have mentioned different styles of Audi cars in several chapters(Erik, 2012). The below graphic 1.10 is one screen capture of the novel.

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5 Data source: Fifty of Grey(2011, Vintage Books)
It is surprising that Audi didn’t make a deal with E.J. James of promoting their car brands in the novel. It can be sure that Audi’s marketing plans in other medias influent E.J. James and he will automatically think of Audi when he plans to describe a branded car in his novel book.

To make a brief conclusion of the above mentioned medias, it can be seen that each media has its own advantages and disadvantages for placing product placements. Moreover, in the coming years, TV and internet will remain to be major medias of placing product placements. However, different products suit for different product placement medias and modes. Hence, in the following, it is necessary to introduce varieties of product placement modes, including to what extent should product placement be inserted in different medias and which type of product placement...
method can be applied.

2.3 Product placement modes

Product placements can be inserted in various medias in three different ways--characters’ use of the products, characters mentioning about brands of the products and displaying of actual products or symbols at background(Koberger, 1990). These three main ways of product placements are also literally named virtual product placement, spoken product placement and plot/usage product placement, which will be demonstrated in sub chapter 2.3.2. Besides, diversifications of product placements, degree of product placement will also varying for different advertisers. Hence, degree of product placement can be divided into three types too, including one scene, multiple scenes and throughout the entire scene.

2.3.1 Diversification of product placement

Mainly there are three types of product placements, including virtual product placement, spoken product placement and plot/usage product placement. Virtual placement refers to a few seconds of camera shot of a product, service or logo, whereas spoken placement refers to mentioning of relevant product information by characters. Finally, usage/plot placement refers to use of a product by characters. Usage/plot placement is considered to be a combination of virtual and spoken placements(PWC, 2012).

These three main types are renamed by different scholars. For example, as Koberger(1990) states, product placements can also be classified into these three types, namely, “acoustic placement”, “on-set placement” and “creative placement”. Literally, acoustic product placement refers to mentioning of a brand name of a product by characters in one scene, while on-set placement indicates that product placement is included in lines of the characters naturally, giving more realism to the story. Finally, creative placement refers to use of relevant products by
Wilde (1990) also classified product placement into two types--“generic placement” and “image placement”. Similar with “usage/plot placement”, generic placement refers to use of a certain products in several scenes. The characters don’t need to speak out brand of the product, instead, symbol or logo of the product will automatically propagandize its brand name, for example, cars driven by characters, cell phones, coffee shops and so on. The aim of implanting such generic placement is to enhance realism and authenticity of the story. On the other hand, image placement refers to display of brand logo/symbol throughout the overall theme of the story. For example, in a movie “Top Gun”, US navy logo can be see in most scenarios of the story. Federal Express symbol can also be commonly seen in a movie “Cast Away” (Wilder, 1990).

Following Koberger, Bosselmann (1994) also classified product placements into three types--on-set, creative and verbal placement. Different from Koberger’s theory, Bosselmann renamed acoustic placement into verbal placement. Moreover, Bosselmann also included use of a product by characters as a practice of on-set placement, instead of creative placement (Bosselmann, 1994).

Different from previous scholars, DeLorme & Reid (1999) defined product placement types based on the context that what is presented to audiences. Hence, in their opinions, product placement is regarded more appropriately as “brand placement”. Based on this, brand placement is categorized into three main types--image exposure, verbal mention and use/plot by characters (DeLorme, Reid, 1999).

Furthermore, as d’Astous & Seguin (1999) suggest, some product placements implanted via sponsorship in TV programmes. Hence, under such circumstance, product placement can be defined into three distinctive types--implicit product placement, integrated explicit placement and non-integrated explicit
First of all, implicit placement refers to inserting of a product in TV programmes without being mentioned by characters. From this point of view, it can be seen that implicit placement plays a passive role in a scene. It may be only background image set on the stage. Hence, implicit placement is similar with on-set placement. For example, in an recreational TV programme “If You Are the One”, audiences must be familiar with the following stage backgrounds.

Image 1.11 Screen captures of implicit product placement of ViVo brand in “If You Are the One”

Throughout the overall TV programme, neither the host nor audiences have ever mentioned about “Vivo” and its benefits or its relevancy to the storyline. However,
audiences can keep seeing symbol of it during the entire TV programme.

Secondly, with the adoption of integrated explicit placement, brands of the products are formally expressed within a TV programme or movie. For example, characters’ use of the products. The below image is a screen capture of Dr. Pepper Can drunk by characters in the movie--“Spider Man”.

![Image 1.12 Screen capture of integrated explicit product placement of Dr. Pepper Can in the movie “Spider man”](image)

Compared with implicit placement, integrated explicit placement plays an active role in TV programmes or movies since brand name or company name of the product will be formally expressed.

Finally, non-integrated explicit product placement is commonly regarded as sponsorship to TV programmes. In a non-integrated explicit product placement, brand or company name or benefits of the products are excluded with content of TV programmes, instead, it will be announced on the sponsors’ name lists. For example, at the beginning, host of the recreational TV programme will normally say this sentence, “Welcome to our TV programme of ‘If You Are the One’ sponsored by BBK music phone.” Another example can be seen in below image of screen capture.
Image 1.13 Screen capture of a Non-integrated explicit product placement example

In the above image, the character is not drinking or holding a can of Pepsi. However, her verbal sentence may also catch audiences even when they are not focusing on on the screen.

Besides the above classifications, there are also other types of product placements defined by different scholars. Hence, table 1.14 includes classifications of product placements defined by different scholars is shown in below.
Table 1.14 Classifications of product placements defined by different scholars

Based on the table, it can be seen that the three basic classification of product placement as mentioned earlier in this part is agreed by majority of scholars, even though they made slight variations according to their investigation angles. To be concise, this dissertation follows the classification of product placement into three basic types--virtual product placement, spoken product placement and usage/plot product placement. It is also necessary for advertisers to decide to what extent product placement should be implanted in movies or TV programmes.

2.3.2 Degree of product placement

With concern to advertising costs, advertisers should make strategic plans of implanting product placements and decide exposure times of relevant product/brand information throughout the movies or TV programmes. According to PWC(2012), different types of products should adopt different involvement degree in movies of
TV programmes (PWC, 2012). For example, fashion apparel is advised to be adopted in one scene or throughout the scene, while all fashion apparel should be exposed to audiences in less than 10 seconds. Different from fashion apparel, electronics should be implanted in one scene or multiple scenes and exposed for over 10 seconds in it is exposed to only one scene. Moreover, if it is shown in multiple scenes, exposure time should be less than 10 seconds in per scene. Automotive vehicles are regarded as pricey products, and therefore, they should be implanted in movies or TV programmes from beginning till the end in order to leave a profound impression on audiences. Relationships between product types and exposure frequency is shown in below graphic 1.15.

**Graphic 1.15 Degree of product placement for different types of products**

Moreover, the degree of product placements should be decided by marketers in relative with target consumers and their product types. A major reason that fashion apparel should be implanted in movies or TV programmes in one scene lies in that the only one shot of screen exposure can catch audiences’ attention to recognize the brand. Audiences can be recalled of relevant brand names or symbols of relevant fashion apparels if exposed throughout the movies for several times.

Generally, product placements can be embedded in various medias based on types of the products and marketing strategies of relevant companies.
2.4 Conclusions

To make a conclusion of this chapter, at the beginning, an overview of entertainment industry is demonstrated in order to allow readers to have a basic understanding of entertainment industry and development of entertainment medias. Secondly, a brief introduction of product placement is analyzed in subchapter chapter 2.1. In this subchapter, development of product placement practices, benefits of product placement and disadvantages of product placements are demonstrated. Thirdly, a variety of product placement medias is demonstrated is subchapter 2.2. Based on relevant literature review, product placements can be implanted in movies, soap operas, internet, books and other traditional medias. Among all these medias, internet and TV are estimated to dominate the market in the coming 3 years. Finally, product placement modes and degree of product placement are analyzed in subchapter 2.3.

Basically, there are three types of product placements, namely virtual placements, spoken placement and usage/plot product placement. The majority of scholars agree with these three basic, even though their detailed classification of product placements may slightly varying. Moreover, due to different marketing plans, placement costs in different medias and types of the products being promoted, it is necessary to carry out different involvement of product placements in various medias.

How effective can product placements be in various medias? What factors may affect product placements? What ethical principles should marketers comply with while placing product placement? How does product placement affect mass consumption? In order to find out solutions to these problems, it is necessary to bring in relevant theoretical framework on product placement and mass consumption in following chapter 3.
3. Theoretical framework

3.1 Product placement

The effectiveness of product placement is largely dependent on the public’s attitude towards practices of it. If audiences are irritated by a certain product placement in some entertainment medias, then they will present negative attitude towards brands/products placed in these medias. However, there are also some audiences who show understandable attitudes towards product placement in entertainment industry. According to a research conducted by Nebenzahl & Secunda(1993), 70.1% of interviewees regard product placement as effective and present positive attitudes towards product placements in entertainment medias, while the remaining participants view product placements as a negative and ineffective to promote products or brands(Nebenzahl, Secunda, 1993). Moreover, 77.9% participants think that product placements bearable under the restrictions of governmental regulations and relevant marketing laws, since they believe that adequate product placement can add more realism and authenticity of the broadcasting story. While the remaining 22.1% participants think that product placements should be banned in entertainment medias since they will mislead and distract audiences, and finally affect their entertainment satisfaction(Nebenzahl, Secunda, 1993).

In view of this, it can be seen that most audiences regard product placements as positive and effective. Imagine movies or TV programmes without product placements, audiences will have to pay for pricey fees to watch movies or TV programmes since filmmakers or TV operators need to offset their operational cost by selling tickets at higher price. Hence, taking this into consideration, Klassen(2000) suggests that product placements can act as an element of adding more realism to the story or TV shows, and hence, they will be more acceptable by the public(Klassen, 2000).

This also indicates if audiences are educated of the importance of product placements
to filmmakers or TV operators, they will generally show positive attitude towards various product placement practices in entertainment industry.

Hence, it is practical and beneficial of carrying out product placement in entertainment industry and attract more consumers. However, marketers should further understand efficacy of product placement, factors that affect product placement, persuasive impact of product placement and ethics of product placement, which will be demonstrated in the following.

3.1.1 Efficacy of product placement

Although product placement practice has been widely adopted by marketers in different industries, yet, efficacy of product placement is still unproven since it is hard to measure effectiveness of product placement applied in entertainment industry (Russell, 1998). Besides, confronting so many advertising methods in entertainment, it is also hard to isolate efficacy of product placement from other marketing results (Shermach, 1995).

Scholars have conducted various researches on efficacy of product placement and find out three main effects of product placements, namely brand recall, brand recognition and attitudes (Babin and Carder, 1996). Most scholars find out that for those audiences who hold positive and supportive attitude towards product placement present higher recognition or recall on relevant product information promoted in entertainment medias (DeLorme et al., 1994). However, according to Ong and Meri (1994), brand recall/recognition depends on product types and degree of product placements (Ong, Meri, 1994). For example, products like cigarette, guns and alcohol which are unliked by most audiences will receive less brand recall/recognition effectiveness by inserting in entertainment medias, which is due to ethical concerns of product placements.

Ong and Meri conducted a research on how product placement’s efficacy and found
out that the brand Coke was recalled by 77% of the audiences in the movie “Falling Down”, while the effectiveness of Hamm’s beer was recalled by only 18% of the participants. The difference of brand recall of these two brands lies in their different placement modes and degree of placement(Gupta, Lord, 1998).

Besides, efficacy of product placement is also affected by different placement types. For instance, explicit product placement in movies and TV programmes will obtain more brand recall/recognition than implicit product placement during the show(Brennen, 1999).

As mentioned earlier, there are three main types of product placements--implicit product placement, non-integrated explicit product placement and integrated explicit product placement. According to a research conducted by Tiwsakul(2005), audiences present negative attitude towards implicit product placement, while they prefer explicit product placement(Tiwsakul, 2005).

Based on this, it can be seen that integration level of a product placement can greatly affect brand recall/recognition and hence affect efficacy of the product placement. The role that product placement acts in a movie or TV programme can greatly affect efficacy of product placement since audiences will automatically form associate product brand with their utilization purpose in real life. Hence, audiences show more preference towards explicit product placement. As Bandura(1977) suggests, integrated explicit product placement is more favored by audiences since they can learn how to use the product via observing characters’ consuming of the product in movies or TV programmes(Bandura, 1977).

Moreover, consuming of relevant products in an integrated explicit placement way, audiences will feel more natural of the story progress. Moreover, the consumed products in movies or TV programmes can leave deeper impression in audiences’ mind since they can naturally associate brand/product with their desirable characters.
who have ever used the products in movies or TV programmes before. From this point of view, by adopting integrated explicit product placement practice, marketers cannot only promote brand recognition of relevant products, but also have more chance of generating sales. Upon seeing some branded products consumed by desirable characters, audiences will also purchase the same products in real life.

From this point of view, since audiences will associate relevant products with characters who consume them in movies or TV programmes, they will then perceive more linkage between the product placed and content of relevant movies or TV programmes (Reid, 1994). As a result, audiences will be more likely to adopt these products or services placed in movies or TV programmes as a result.

Based on the above, audiences’ brand recall is considered to be the first efficacy of product placement. Exposure of relevant product/brand aims to enhance brand awareness and recall audiences’ memory of relevant products/brands (Carder, 1996). Moreover, by recalling audiences’ memory of a certain brands, competing brands will be evoked in the mind as well. Hence, audiences will then make a comparison of these brands and presents more favorable attitude towards the particular brand placed in movies or TV programmes (Immonen, 1998). According to Law & Braun (2000), recognition memory of relevant brand/product can be enhanced via product placement (Law & Braun, 2000). Hence, from this point of view, product placement can distinguish one brand from others overwhelm competing brands with pre-dominated memory evoked in audiences’ mind.

The second efficacy of product placement lies in that it can promote brand recognition among the audiences. According to Babin & Carder (1996), brand recognition is easier than brand recall and brand recognition is considered to be a prerequisite of brand recall, since one should firstly recognize the brand and then leave an impression of it in his memory, then he/she can be recalled by seeing product/brand of it via screens. Hence, it will be easier to propagandize a new brand than change audiences’
attitude towards a certain existing brand via adopting product placement practices in various entertainment medias (Babin, Carder, 1996). Immonen (1998) also found out that product placement can generate a recognition rate of 50% for a product that is never sold in the market before. This also indicates that product placement practice can be applied as an effective marketing strategy of market entry.

Compared with traditional TV advertising, product placement in entertainment medias presents higher induce level to audiences (Gould et al., 2000). Meanwhile, Solomon & Englis (1994) also suggest that in concern with brand recall efficacy, product placement is 2.5 times better than traditional commercial advertising (Solomon, Englis, 1994).

Furthermore, scholars conducted several researches and found out that product placement can bring about higher level of brand recognition efficacy than brand recall efficacy. For instance, Chartier (2000) conducted a research and found out that with the adoption of the same product placement type, brand recognition rate can reach as high as 74.6%, while brand recall rate was only 21.3%. Moreover, Law & Braun also found out that products that have been placed in movies or TV programmes were more preferred by consumers than those that were not placed at all (Law & Braun, 2000).

Moreover, according to standardized measurement of product placement practice, achieving an audience awareness rate of 20% is considered to be an effective placement strategy. Besides, those placements reaching awareness level of over 30% can be treated as very successful placement (Babin, Carder, 1996). Upon this, it can be seen that efficacy of product placement is largely lies in its capability of generating high levels of brand recognition and brand recall.
3.1.2 Factors that affect product placement

The factors that affect product placement have been more or less discussed in previous chapters. Moreover, some earlier studies show that efficacy of product placements can be influenced by varying elements, including timing of the product placements, types of product placements, degree of product placement, audiences’ demographics and marketers’ placement strategies and so on. Besides, as Babin & Carder (1996) suggest, location of placements in movies or TV programmes will also affect efficacy of product placements (Babin & Carder, 1996).

Firstly, in relation to types of product placement, scholars find out that spoken placement and plot/usage placement are presenting more effectiveness of product placement. For example, it is found out that plot/usage placement can generate a brand recall rate of 57%, while spoken placement can generate only 51% and virtual placement can only generate 8% (Immonen, 1998). However, Barbin & Carder conducted a survey and found out that spoken placement can reach brand recognition rate of 87% (Barbin & Carder, 1996).

Secondly, concerning about exposure time, one may think for sure that placements that are exposed more times will achieve better brand recognition/recall rate among audiences. However, according to Brennan, Dubas & Babin (1999), although explicit product placements can achieve higher level of brand recognition/recall rate, yet, the length of exposure time is irrelevant with recognition/recall rate. They also found out that 28% of implicit placements are considered to be successful and effective, while for those explicit placements, 87% of them can achieve satisfactory awareness rate (Brennan, et al., Dubas & Babin, 1999).

Thirdly, in an explicit product placement, the presence of characters consuming products in movies/TV programmes can also affect efficacy of product placement (DeLorme & Reid, 1999). For example, when fans of Lady Gaga see
Gaga’s wearing her skyscraper heels in a music video, they will also search for brand name of the heels on the internet and purchase a pair of heels of Gaga’s style. However, for those who dislike Lady Gaga, they may present negative attitude towards the brand and hence, resulting in negative impact on brand recall rate. The reason of both positive and negative attitude towards the same placement lies in that audiences will naturally associate the character’s personality or reputation with the product that he/she is consuming in TV programmes or movies. That’s to say, consumers’ evaluations on the characters will also affect efficacy of product placement practices. Moreover, it will be more effective if marketers can combine some episodes of the characters’ real lifestyles into the placement process.

Fourthly, audiences’ demographic is also another element affects efficacy of product placement. Based on Immonen’s (1998) research, the best recall rate (37%) of product placement can be obtained among age group of 24 to 29 years old, while for age group of 12 to 41, recall rate ranges from 28% to 36% (Immonen, 1998). Besides age, genders should also be included when measuring efficacy of product placements. Immonen also finds out that compared with women, men are able to recognize more brands than women (Immonen, 1998). However, according to Immonen’s educational background has been proven to be an irrelevant factor with efficacy of product placement.

Last but not least, audiences’ involvement is also a factor relative with product placement efficacy. As mentioned earlier, plot/usage product placements can generate high level of both brand recall and recognition rates. Hence, with the viewers’ involvement in TV programmes, they can experience quality of the product placed, as well as learning how to use the products. Hence, they will have a profound impression on the products and show more trust upon the product quality. Balasubramanian (1994) also suggests that audiences can have a common understanding about the product placed in TV programmes during the involvement process. Moreover, the audiences’ doubtfulness and defence levels will be lowering when compared with only reading
commercial advertisement on screens (Balasubramanian, 1994).

Hence, nowadays, in one of the most popular recreational TV programmes broadcast in China— “If You Are the One”, where all female guests are invited from all over the country, they can wear sponsored fashion apparel and the BBK music phone, which is also offered by a sponsored company. Hence, during these kinds of involvement, they can know basic functions on BBK music phones, appreciate quality of the apparel and other products placed in the show. Upon actual usage of relevant products, audiences will show more trustfulness and high brand recognition rate of certain products can be achieved.

Besides above mentioned factors, there are also other factors relevant to product placements. While implementing placement strategies, marketers should consider how to skillfully make full use of these factors and reach target consumers with lowest cost. Hence, in the following, persuasive impact of product placement is demonstrated.

3.1.3 Persuasive impact of product placement

The purpose of product placement is not only to generate brand recognition/recall among audiences, but also aims to persuading audiences to purchase products/service from the market. Hence, persuasive impact should be considered as the most important measurement of product placement.

First of all, product placement can help marketers to investigating audiences’ purchasing needs and focus on those clear purchasing intention. According to an interview conducted by DeLorme & Reid (1999), adequate product placement can enhance purchasing intention of audiences who have clear idea of their purchasing needs (DeLorme & Reid, 1999). That also indicates that, in order to generate
persuasive impact, marketers must be able to recognize consumers’ needs and selling point of their products or services. Moreover, Immonen(1998) also states that audiences with higher interest of a certain product can recognize relevant product placements more rapidly than those who have already own the product or show less interest upon the products(Immonen, 1998). From this point of view, it is estimated that product placements will become more persuasive among audiences who convey a categorized needs than those who don’t have.

Secondly, besides persuading purchasing intention, product placements’ persuasive impact also lies in its influential power generated from popularity of relevant TV programmes or movies(Russell, 1998). Since product placements are more or less connected with contents of TV programmes or movies, hence, with increasing popularity of the TV programmes or movies, audiences will begin to notice every detail of the programmes or movies and hence, even product placements inserted inside are considered as conveying some kind of artistic value. Hence, from this perspective, persuasive impact of product placement lies in that it can become influential in accordance with popularity of relevant TV programmes or movies.

Furthermore, persuasive impact of product placement also stems from brand awareness of the public. Hence, advertisers will normally name their products with distinctive brands, even though the brands are not known to the public at all. This kind of brand creation can help audiences memorize names of the products and distinguish it from other similar products. Moreover, as time goes by, brands will be firmly established and endorsed with social reputations by those who have consumed the products/services before. Moreover, with increasing popularity of integrated marketing trend, it can be more persuasive to transfer brand concept during the placement process(DeLorme & Reid, 1999). Imagine two different product placements, one without brands and only announcing that it is a high quality product made by Italian design, while the other only shows a sounding brand name that it has, which will be more persuasive? Obviously, the latter will attract more audiences’
attention and become more persuasive to some extent. From this, it can be seen that, persuasive impact of product placement is that it requires audiences to believe/recognize the existence of relevant product brands and induce them to purchase.

Finally, the persuasive impact of product placements can also stems from a certain celebrities’ involvement. The reason of this persuasive impact lies in that audiences show more trust on celebrities and admire their lifestyles. As a result, they will simulate their consumptions of products, their preferred branded apparel, shoes, bags and so on. Hence, celebrities’ endorsement has become an attractive trimming for a certain product placed. Moreover, celebrities’ endorsement also implies quality of the product placed. This kind of message will be delivered to audiences’ eyeballs directly and hence, they will also present stronger purchasing intention even if they have never seen the product before(Shimp, 1997).

Hence, as Hackley & Kitchen(1998) state, celebrities’ presence in some product placements can be treated as a shortcut to convince audiences of the product brand and ensure quality of it(Hackley, Kitchen, 1998). It is the celebrities’ involvement that makes the product placement more reliable and quality appears to be more ensured, hence, resulting in persuasive impact of relevant product placement.

Based on the above, persuasive impacts of product placements include enhancing recognizing audiences’ categorized purchasing needs, enhancing influential power of relevant brands with popularity of TV programmes or movies, generating brand awareness and present higher quality with celebrities’ endorsement.
3.1.4 Product placement examples

With increasing popularity of the product placement practice, people can find out various types of products placed in a wide range of public medias, including TV programmes, talk shows, operas, reality shows and so on. For most Chinese, one popular recreational TV programme is--If You Are The One. It is a Hit Show originated in Zhe Jiang Province in 2010. Held by Meng Fei, Le Jia and Huang Han, this TV programme broadcasts twice a week. In July 2011, this TV programme was extended to Australia and in October 2011, it was extended to America, then it was extended to Britain, France, Canada, Korea and Eastern America in 2012. With increasing popularity of this TV programme, more and more advertisers place their products on this TV programme, aiming at promoting their products to TV audiences. The following are some product placement examples shown in the TV programme.
**Image 1.16 Product placement of BBK music phone 1**
This one is a typical product placement set as a prop in the TV programme. BBK music phone believes that by placing products as a prop, audiences can have deep impression on the product since it can be seen everywhere. Moreover, another scene of product placement of BBK music phone is that at the beginning of the TV programme, audiences will see the following icon twinkling on the screen.

![BBK music phone placement](image1.16)

**Image 1.17 Product placement of BBK music phone 2**
By doing so, audiences will naturally associate the TV programme “If You Are the One” with BBK music phone when they discuss stories happened in the programme. Besides BBK music phone placement, there are also other products placed in this programme, such as the VIVO smart phone shown in image 1.18 and 1.19. In image 1.18, the VIVO logo was put as stage background, and in image 1.19, it was placed as a prop for the programme.

![VIVO smart phone placement](image1.18)

**Image 1.18 VIVO smart phone 1 placed in the programme**
Besides, there are also other products placed in the programme as a prop. For example, the following is a HTC mobile phone held by a female guest in the TV programme.

Some other advertisers only present their brand name on stage background in order to generate brand recall of the audiences. For example, the following is a product placement of TOSHIBA computer.
This kind of product placement in stage background is considered as an effective way to recall consumers’ brand awareness without advertising actual computers in the screen. Similar with TOSHIBA, the Green Energy Electric Car is also placed by posing logo on the screen in the TV programme.

Examples of product placement are endless and in general, there are more and more types of products placed in various Hit Show in TV. The following is a summary of popular product types placed in Hit Shows.
Graphic 1.23 Product types placed in Hit Shows

From the graphic, it can be seen that clothing is the most popular product type placed in Hit Shows, followed by household items and network communication. Meanwhile, other product types are also seeking placement opportunities in various Hit Shows, such as food, appliances, electric products and so on.

3.1.5 Ethics of product placement

Product placement has become a popular TV advertising technique since the classical placement of Hershey’s Reese’s Pieces in 1982. Hershey’s Reese’s Pieces was a symbol of friendships between a young boy and an alien in the movie of “E.T. the Extra Terrestrial”. In the first month after the release of the movie, sales of Hershey Reese increased by 70% (Segrave, 2004). From this example, some psychologists, philosophers and mass media researchers announce that product placement is powerful enough to make audiences addict to the products placed in various medias. Some American congressmen even regard product placement as a prostitution of movie industry since even the movie scripts are driven by product placement (Galician, 2004).

Although many scholars have doubted about ethics of product placement practice in recent years, there is no forbidden regulations on this practice (Galician, 2004). Most consumers don’t regard product placement as annoying as long as it is not
overdone (Segrave, 2004). Meanwhile, there are no empirical evidence of showing dominant effects of product placements in various medias. Furthermore, as Galician (2004) states, product placements are so subtle that consumers will not even be aware that they are being advertised to while watching TV programmes or movies. Yet, some consumers and researchers view product placements as too commercialized into their private life, since consumers do not intend to see product placement by heading for cinemas. Hence, TV programme makers and movie makers should formulate a good plan to incorporate products placement into natural development of movie stories or TV programme (Panda, 2004).

Product placements in TV programmes or other medias can reach target consumers directly without irritating them. Moreover, product placements are often displayed in a dynamic and pleasant way, and consumers will regard product placements as a way to enhance realism of the TV programmes or movies. Continuous product placements in the same movie or TV programme can enhance brand familiarity among consumers. However, if overdone, consumers will recognize the product placements and even argue effectiveness of the placed product messages (Preuss, 2008). On the other hand, some consumers consider product placements as illegal and should be forbidden since some overdone product placement practices have affect their entertainment needs. These groups of consumers also think that implicit product placements, compared with other types of product placements, are less ethical and should be avoided in TV programmes. Furthermore, consumers hold different ethical standards towards different product types placed in TV programmes, for example, if they see alcohol, cigarettes or guns placed in TV programmes, they will consider the TV programmes as negative. However, they hold tolerant attitude towards other product types, such as mobile phones, household items, jewelry, etc. (Tiwsakul, 2008).

Kay (2012) also suggests that product placements lacks of transparency. For instance, consumers may not be aware of product placement until they see a list of product placement at the end of the TV programmes. That’s to say, audiences have already
viewed the product placements without previous warning (Kay, 2012).

Meanwhile, at the beginning stage of product placement, they were only introduced as a marketing tool applied in TV programme. However, with increasing use of product placement, some advertisers require that their products should be consumed or utilized as props in the TV programmes so as to impress audiences. From this point of view, TV programmes have to compromise with product placement in order to gain more financial support from advertisers.

Furthermore, some researchers also argue about ethics of product placements upon children. As mentioned before, food industry is also seeking for product placement opportunity in TV programme. Junk food is their main product which targets at children, such as soft drinks, chips, etc. Hence, product placements of junk food in TV programmes are regarded as less ethical in the opinion of many scholars (Kay, 2012).

Another ethical issues of product placement concerned is the deceptive messages contained in product placement. While watching movies or TV programmes, audiences may not be aware of labels of products consumed by characters in the show, they may not even pay too much attention to the brand of car one actor is driving. However, by product placements, labels or brands are being exposed to audiences excessively. This has violated natural development of the story lines and it seems that audiences are experiencing a sales pitch show, instead of a TV programme (ibid).

Finally, trust is the most important ethical consideration in product placement. Most product placements are not declared in the TV programmes or movies, they are just consumed by characters in the show. Audiences don’t even know how to test quality of the placed products. Meanwhile, modern consumers have obtained knowledge on product placement either from internet or from books, marketing journals or articles. Hence, product placements are not so mysterious and unaware to them anymore. It is
hard for audiences to trust one brand placed in TV programmes nowadays, since they have no idea whether they characters in the TV programme are paid to consume the products or not (ibid).

Based on the above analysis, it can be known that ethical problems of product placements result from over emphasized of the product labels or brand logos, excessive integrity of the products and story lines, trust on the product placed in TV programmes or movies. Therefore, in order to avoid these ethical problems, advertisers should select adequate marketing strategies and ensure relevancy of the products placed and natural development of the story lines in TV programmes or movies.

3.2 Mass consumption

3.2.0 Definitions of mass consumption

Consumption refers to a process where all goods and services are finally used by consumers. However, economic activities don’t end at the hands of individual consumers, instead, consumption is a continuous economic activity driven by consumers’ evaluation of the goods and sources provided by factories. Upon adopting advices of the consumers, factories improve manufacturing techniques and reproduce goods for consumers (Alfred, 1955).

Meanwhile according to Adam Smith, consumption is an ultimate purpose of production and it is regarded as a welfare offered by producers and promoted to consumers (Jovanocis, 1989).

A large number of scholars have investigated consumption as a social phenomenon in the 20th century and different approaches have been adopted to analyze different aspects of consumptions in society. In respect of economic field, Abraham Maslow (1954) has put forward demand pyramid of human beings. According to the
pyramid, basic survival needs as set as foundation, followed by safety wants, social wants and esteem wants, the top of the pyramid was named “self-actualization”. Maslow(1954) announced that needs are inspired by wants and they represent increasing levels of consumers’ materiality and spirituality desire(Maslow, 1954). From this point of view, mass consumption is a common need of human beings inspired by their wants.

In the opinion of social researchers, mass consumption is a social distinction created by a certain group of people through their consumption behavior (Bourdieu, 1998). The consumer culture emerging at the beginning of 19th century regarded fashion as dignity of higher class of people, and consumption behaviors were then divided into richer and poorer classes. In the opinion of Bourdieu(1998), mass consumption refers to a majority of people who enjoy the same consumption behavior and pursue the same kind of fashion (Bourdieu, 1998).

Furthermore, according to Urban dictionary6, mass consumption is defined as the use of goods by individual consumers or companies that manufacture goods or services. For the factories, it can lead to waste and lower usage rate of natural resources. On the other hand, it can make consumers suffer from various stress, such as spaceless, debt, obesity and spaceless.

Originated in 1920s, mass consumption is on the contrary to mass poverty. In a mass poverty society, most people consume small amount of goods and they will only consume according to their purchase power. However, in a mass consumption society, consumption demand is high and most consumers convey high purchase power. Meanwhile, mass consumption arises from consumers’ desire of mass production(Rostow, 1960).

Meanwhile, according to mass consumption will only occur when product price is

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reasonably low and consumers have sufficient purchase power and desire to purchase the goods. That’s to say, consumers must be attracted by the goods advertised in various medias. Moreover, from this point of view, advertisers who want to promote their products as mass consumption trend, they must be familiar with consumers’ psychology and salient characters of the products (Stokey, 1988).

### 3.2.1 Development of mass consumption societies

In general, a mass consumption society refers to a majority group of people who enjoy the benefits of increasing productivity and continuously expand their consumer goods scopes. In the opinion of many scholars, the development of mass consumption society is a relatively new social phenomenon in society. As Katona (1964) states, due to mass production and higher level of consumers’ purchase power, luxury items like clothing, automobiles, and so on are no longer symbols of the rich people. The majority of people can also enjoy these things and generate increasing demand of them (Katona, 1964).

As mentioned before, mass consumption is a result of mass production. In the 1920s, new machines and technologies were introduced in factories, with better machinery, workers were able to manufacture more products and employers could offer higher wages to employees in return. Furthermore, higher wages enable employees to have higher demands of goods. It is recorded that average employee income has raised from $1250 to over $1600 from 1920 to 1930().

Meanwhile, a new payment system was also set up in society--credit, which allows consumers to pay for goods in installments. That’s to say, consumers can pre-consume what they want prior to making full payment to it. In perspective of economists, overspending will cause economic depression. However, on the contrary,
social economy has experienced positive growth since the establishment of credit payment system. This is due to the fact that consumers have more purchase power and factories are more motivated to manufacture more goods to consumers().

The mass consumption society was initially used to describe the American society where most people enjoy the benefits of mass production and consume the largest amount of goods through installments. Nowadays, not only America, but also other countries such as Canada, Australia, Japan and most European countries have reached highest level of mass consumption (Rostow, 1960).

For example, in America, most products, such as washing machines, vacuum cleaners, irons, heaters and refrigerators have freed most American housewives’ from tons of housework. Or to say, the manufacturing of these home appliances were driven by consumer demand, instead of driven by military demand during World War II. Nowadays, it can be widely seen that most commercial advertisements of home appliances are propagandizing their products by showing the “dream” American kitchen in various medias (Tarski, 1955).

Besides home appliances, other products are widely consumed by American housewives, since they have more independence after the feminism movement. They have more spare time for leisure activities, such as music concerts, parties, sports games and so on. Moreover, American housewives also have more ways to satisfy their spiritual needs--by watching movies. Furthermore, growing wages allow American to move into modern cities and enjoy more product consumption provided by factories. Finally, a modern mass consumption society has formed and most citizens have live a middle-class lifestyle (Matsuyama, 2000).

Moreover, in developed countries, economies are driven by consumers and advertisers compete for promoting products to consumers in various ways. With popularity of mass consumption, the idea of necessities and luxuries have been
changed since many consumers can afford to buy many goods, such as washing machines, mobile phones, televisions, automobiles, air conditioners and so on, which were considered as luxuries a century ago. These goods are now regarded as necessities in developed countries (Matsuyama, 1991).

Meanwhile, citizens in developed countries are now facing a wide range of choices of goods and services. Furthermore, with globalization trend, products originating in any part of the world can be made locally and provided in local supermarkets in a short time (Kiminori, 1991). Consumption patterns also change a lot with high waste rate of materials. It is easy to purchase any substitutes for any goods nowadays. For instance, the most popular mobile phone is now the iPhones and after its release of iPhone 5, other mobile phone brands also promote similar product to compete for larger market share, such as the Samsung Galaxy S4, HTC One X, Butterfly, etc.. These mobile phones will be rapidly substituted by newer versions in the future and consumers don’t have to worry about how to dispose them, since they will go out of fashion as time goes by. In actual, in mass consumption society, consumers will consume more than they need. It is not only the consumerism culture, but also advanced technologies and rapid innovations that force consumers to consume more goods than ever before.

Alvin Toffler (1970) suggested that the mass consumption society was indeed a society where all goods were thrown away by consumers and permanence of the goods just vanished (Alvin, 1970). In the opinion of Alvin, it is the throw-away consumption pattern that promotes development of mass consumption society. Most consumers consume a lot beyond their limits and the effect of mass consumption trend has resulted in various dangers to the society, including global warming and resource shortage. It is also said that the development of mass consumption society is more likely to affect continuity of human beings since consumers are demanding endless products and services. The just throw away products when they get tired of them, instead of using them up. As a result, wastes and pollutions are everywhere.
In general, development of mass consumption society indicates that consumers’ demand has become a determinant factor and over-supply of goods has resulted in large proportion of wastes. With globalization trend, mass consumption society is more likely to be expanded in developing countries in the near future. It is reported that global consumption reached $24 trillion in 1998, which was twice as that of 1975 and 6 times as that of 1950. The benefit of mass consumption society is also visible since more consumers are enjoying better products and services than ever before. However, the development of mass consumption society also results in some problems besides pollutions and wastes. For instance, in poor people and less developed countries are suffering from unequal consumption. Meanwhile, the globalization trend is posing new inequalities and challenges for consumer rights’ protection since information flows are unbalanced among different countries. There are still over one billion people whose consumption level must be raised (Aoyagi-Usui, 2001). Hence, it the following, it is necessary to analyze patterns of mass consumption in mass consumption society in order to find out how consumers react to mass consumption development in recent years.

### 3.2.2 Patterns of mass consumption

The level of consumption determines different demand of goods and services. Hence, the mass consumption patterns vary from one country to another. Moreover, with increasing globalization trend, patterns of mass consumption are also affected by international companies. For example, the consumption of goods produced by McDonald’s in different countries has greatly changed mass consumption patterns of local consumers. Another factor that affects mass consumption patterns is the advanced technologies. More goods will go out of fashion and abandoned by consumers. That’s to say, life cycle of goods will be shorter than before (Grahame, 1989).
Meanwhile, patterns of mass consumption also vary among different groups of people. For instance, elite consumers prefer those branded luxuries, while middle-class group of consumers will buy what they can afford and purchase some luxurious goods in installments. However, lower income group of consumers can only afford to buy daily necessities (ibid). From this point of view, it can be seen that mass consumption patterns are unequal among different social groups. There is no common consumption pattern in a society. The huger gap between rich and poor, the more diversified mass consumption patterns will be.

Meanwhile, according to David (1989), there are five main social classes of consumers in society, which are upper class, middle class, working class and self-employed workers and farmers, unemployed people. In society, the mass consumption pattern is different among these five groups of people (David, 1989).

Firstly, the upper class, whose wealth and income took up 5% to 10% of total wealth in society, is highly influenced by newest fashion culture, they are leading a consumerism life style and possess all kinds of luxurious goods, including expensive furniture, luxurious mansions, food, entertainment appliances and leisure facilities. Meanwhile, they are also enjoying the most advanced medical facilities (ibid).

On the other hand, middle class of consumers own or rent apartments to live in. Some of them have private cars, while some still have to travel by public transport. They are able to afford adequate food and medical facilities. They have the middle-class fitted entertainment facilities and relevant fashion products. They can also buy some branded clothes and other accessories from time to time. But luxuries are not main consumption items for middle class of consumers (ibid).

Meanwhile, the working class of consumers, including farmers and self-employed workers and farmers, are leading a mass consumption pattern to satisfy their basic survival needs. Most people in developing countries are holding this kind of mass
consumption patterns. They can only afford to buy enough food for families. They can only support their children to public school. They formed a mass consumption market filled with cheap goods, including clothes, food, shoes and so on. They can only consume products made by domestic enterprises or from local farmland. From this point of view, the working class of consumers have greatly support development of domestic economy(ibid).

However, the working class of consumers have been largely influenced by middle-class market. For example, some working class consumers will also choose to buy some branded goods at sales promotion period. Beverage and soft drinks, which are made by international companies, are now also consumed by working class of consumers. Furthermore, influenced by advertisements, young consumers from working class also trace the fashion trend enjoyed by middle-class consumers. They always persuade their parents into purchasing luxurious brands of clothes, shoes and various video game players(ibid).

Finally, unemployed people have low or no income at all. Hence, they can only afford to buy inadequate food for their families. Meanwhile, they are hardly to afford any fashion clothing, footwear, and other luxuries. All poor families are unable to pay for adequate medical treatment when they are sick(ibid).

In general, patterns of mass consumption are largely depending on wealth and income distributions. Different groups of consumers require different product manufacturing demand. In view of various patterns of mass consumptions, marketers suggest that all consumers need to go through five purchasing steps(Huberman, 2007).

First of all, all consumers need to recognize their need and compare his situation with those that they desire to reach. For example, consumers may feel unsatisfied with their athletic shoes when they see some newest versions in advertisements. This is called problem recognition step(ibid).
Secondly, upon knowing their needs and desire, consumers will search on the internet or in stores to find out sufficient information that they need on the products. Meanwhile, consumers may also decide their purchasing decisions through their passed experience or through consulting their friends, families, and advertisements, etc.. This is named information search process (Wu, 2007).

In the third step, consumers will compare alternative choices upon what they get from various gathered in the second step. For instance, some consumers will prefer to trying new things, while some will prefer to branded products. In the fourth step, consumers will make purchase decisions upon their focus of interest (ibid).

Finally, after the purchase, consumers will share with their families or friends about product quality and decide whether to continuous purchase these items or not. From the above, it can be seen that whatever patterns of mass consumption, the key lies in consumers’ need or wants of a certain product (ibid).

Based on the above analysis, it can be known that marketers should formulate different marketing strategies to different consumers groups and try to find out desire or demand of the target consumer group.

3.2.3 Impacts of mass consumption

Rapid development of mass consumption among the world has generated various impacts, including over-supply of commercial goods, environmental pollutions and progressive consumer demand.

First of all, the cost of mass consumption on the world’s natural resources are huge, with increasing consumption demand, some natural resources will probably run out in the future. The energy required to drive consumerism lifestyles in developed countries
is causing various environmental impact on the earth, such as the global warming effect. The costs of excessive consumption of the world’s resources are huge. Some resources are in finite supply and could simply run out. In developing countries, precious lands are used to plant cash crops such as coffee, tea, cotton and so on. These materials are then shipped to developed countries and processed to be sold in coffee shops, tea shops, etc.. The mass production of all factories in developing countries are exploiting natural resources and labor force as well.

Meanwhile, developed countries are generating greater amount of wastes due to unnecessary packaging. Goods are abandoned simply because they are out of fashion, rather than they are useless. In the mass consumption world, everything is temporary and consumers continuously seek for newer and better products. Meanwhile, producers are trying every way to promote their goods in various medias, attracting consumers in all over the world.

Secondly, in order to satisfy their consumption demand and progressive purchasing patterns, consumers need to work for longer hours to earn more money. With increasing purchasing demand, consumers spend most of their money on buying things and have less time to enjoy life. All they do is to make more money and pay for commercial goods to satisfy their entertainment need.

Consumptions of goods and service has been popular among developed countries. According to Matsuyyama (2002), there are over 1.7 billion consumers in developing countries, which is nearly half of the population. The consumerism lifestyle and culture has become prevalent in Europe, North America, Japan and other developing countries (Matsuyyama, 2002). It is said that in 2000, total expenditures on household goods and services reached $20 trillion, which was four time higher than that in 1960. Meanwhile, as income rises, consumers can get access to various consumer items, such as televisions, refrigerators and so on. It is said that about 75% consumers owned at least one television in 2002. Meanwhile, in 2003, there were more than
11,000 cars emerged on Chinese roads and over 4 million new private cars registered within China. China experienced an increase of auto sales of 60% in 2002 and in the first half of 2003, there was an increase of 80%. Experts estimated that if this growth trend continues, there will be over 150 million cars in China’s streets by the end of 2015, which is 18 million more than that driven in American streets in 1999 (Solow, 2005).

On the other hand, in the United States, where holds less than 5% of global population, consumes about 25% the world’s natural resources, including 25% of coal, 26% of oil and 27% of natural gas. Meanwhile, it is said that the mount of private cars are more than public transport vehicles. Moreover, American citizens owned larger houses in 2002 than in 1975, in spite of fewer people per household (Thompson, 2010).

Based on the above data, it can be estimated that if consumption level continues to increase, as well as growth of total population, water supply, air quality, forests, global climate and human being’s health will be in danger because of the mass consumption trend.

Meanwhile, consumers who conduct progressive consumerism lifestyles confront heavy burden of financial debts since they are allured by various goods and make pre-payment through their credit cards. It is reported that about 61% of American credit card holders had a monthly balance of $12,000, with an interest rate of 16%, indicating that credit card holders need to pay an average interest of $1900 per year. This figure exceeded average per capita income in most developing countries. Meanwhile, aggressive mass consumption lifestyles result in declined health conditions in many countries, such as obesity, crime and other diseases. American health organization announced that over 65% of American adults were overweight or suffered from obesity, resulting in $117 billion expenditures on health care treatment in 1999 (Jones, 2010).
Thirdly, in order to meet demand of the consumers, plants have to research and develop newer styles of products by making full use of current economic system and result in various environmental problems, such as air pollution, water pollution and so on. Nowadays, almost the entire ecosystem is making way for factories’ manufacturing needs. Meanwhile, farm lands are replaced by shopping malls, commercial buildings and so on. The Living Planet Index shows that the earth’s ecological health condition declined by 35% since 1970. Economists and marketers have been trying creative ways to attract consumers, while dampening environmental balance (Folli, 2006).

In general, the impact of mass consumption has affected consumers’ lifestyles, production modes of the factories and various environmental problems. During the mass consumption process, consumers play an important role, hence, in the following, it is necessary to examine the role of individuals in consumer society.

3.2.4 The role of individuals in consumer society

McKendrick et al., (1982) states that consumer society emerged in England the 19th century when acquisition of commodities became easier and people can purchase those items which were inherited before. Rapid development pace can be examined due to emerging network of stores and shorter life-span of commodities. In the past, a fashion can last for a lifetime, while nowadays, it can only last for a year or less (McKendrick et al., 1982).

To most consumers, commodities are needed due to their various functions, for example, keeping warm, storing foods, satisfying entertainment needs and so on (Prentice, 1987). Meanwhile, Forty (1986) suggests that the design of commodities will change according to individuals’ need. Hence, in modern society, there are more
DIY or custom-made goods. From this, it can be known that individuals are actual decision makers who can determine future fashion trend, prevalent of a certain commodity, etc. within consumer society. Assuming prices and quality of the goods are mediated by the consumers’ perceptions, consumers will then make purchasing decisions of the goods. People make different decisions on purchasing a certain commodity or not since they have different needs to be satisfied and they hope that by owning the goods, their needs can be satisfied. Upon recognizing the necessity of purchasing, individuals can then decide where to buy it, when to buy and how much budget on it (Friedman, Zimmer, 1988).

The rational model suggests that there are some determining factors involved in the purchase decision process, including price, quality and time required to be spent on purchasing. It is said that consumers with higher income spend less time in shopping, while those with less income spend more time in bargaining and seeking for discounts (Goldman, 1977). Recognizing relative factors in purchasing process, retailers can offer relevant price and quality of different products to consumers at different income levels. Meanwhile, retailers will focus on maintain uniqueness of their products through establishing self brand names. By doing so, consumers can be attracted by brand exposure in various medias and make purchase decisions upon examining quality of the goods through reviewing feedbacks on the internet.

There are also various cultural differences which can affect purchasing decisions of individuals. Consumers in different regions hold different measurement towards “good value” in some commodities. For instance, when purchasing furnitures, consumers from different countries present different cultural judgments of taste on furnitures besides the quality and price (Goldman, 1977).

According to a consumer research conducted by Berger (1992), consumers will buy more goods that are allocating at eye-level positions. For heavy goods, consumers will choose to buy those displayed at floor level. Hence, marketers or retailers can
allocate the same category of goods in the same position in order to recall purchasing intention of consumers(Berger, 1992).

Last but not least, consumers are more likely to buy commodities only if they have see obvious benefits to them and their friends or families or people around them will approve the purchasing value of the commodities(Fishbein, Ajzen, 1975).

Based on consumers’ involvement, motivation and consumption styles, they can be classified into several types, including economic consumers, personalizing consumers, ethical consumers and apathetic consumers(Lindquist, 1974).

Economic consumers are those who make purchasing decisions on price, quality and assortment of commodities, instead of relying on service. However, personalizing consumers are most concerned with interactions in shops and they enjoy the pleasure of bargaining. Ethical consumers are motivated by duties and they will purchase commodities at local shops to help them out. Finally, apathetic consumers are those who make purchase decisions for necessity needs, they mainly focus on convenience when making purchasing decisions(ibid).

Different consumers make purchasing decisions according different needs, some aim to find pleasure in shopping, some target at utilizing economy strategies in shopping, some use shopping to reward themselves or others and so on. Upon the difference of consumers’ shopping experiences, consumers can also be divided into five shopping groups--alternative consumers, routine consumers, leisure consumers, careful consumers and thrifty consumers(Mead, 1956).

Alternative consumers don’t wait for discounts or promotion activities in stores, instead, they will buy from alternative markets. For example, they will buy second-hand books, jewelry, clothes and so on from time to time. They stay out of the consumerism pressure, they don’t need to do shopping with the aim of rewarding
themselves or others. They will not trace fashion trend either (Miller, 1987).

Routine consumers will make purchase decisions once they need something. They don’t wait for the sales or promotion either. Similar with alternative consumers, they are not affected by modern consumerism either (ibid).

On the contrary, leisure consumers will make purchase decisions to reward themselves or others. Meanwhile, they hold neutral attitudes toward alternative market and often make purchasing decisions on impulse. Leisure consumers are stereotypes of modern consumerism who are pleased to spend time and money on shopping, they always want newer designs of products without considering economical purchase (Moscovici, 1981).

Careful consumers will make purchase decisions largely on clothes, presents and furnitures rather than on food. This kind of consumers will also avoid alternative market but they consider economical benefits of their shopping decisions. They simply enjoy the activity of consumption more than selecting products. Thrifty consumers like to do shopping with families for food, clothes, presents instead of purchasing food. They will wait for sales of expensive commodities and consider economical benefits while making purchasing decisions. They will use all kinds of alternative market and moderately engaged in modern consumerism. However, they are rational, not wanting newer products to purchase (Nava, 1991).

3.2.5 Mass media and mass consumption

Media refers to tools for propagandizing facts and opinions of social groups, it includes newspapers, magazines, cinema films, radios, televisions and the internet. Mass media refers to those medias which can reach a large group of audiences. The concept of mass media was coined in the 1920s when national radio networks and international newspapers initially adopted the “mass media” concept and viewed mass
media audiences as forming a mass consumption society with unique characters. Mass consumption refers to those products or services consumed by a large percentage of population (Malikhao, 2011). For example, Apple products, McDonald’s and so on are regarded as mass consumed products.

In modern society, televisions, radios, films, newspapers, magazines, etc., can be defined as mass media. With the help of mass medias, marketers can affect modes of mass consumptions, for instance, they can effect how consumers should buy, how should they dress and where to purchase best quality items (ibid).

In modern consumerism society, mass distribution relies on mass media, and on the other hand, mass media will have an impact on mass consumption. Individual choice theory suggests that marketers explore the needs of consumers through utilizing mass medias. Mass consumption reflects the balance between individuals’ need and their needs to be similar with a certain social group (George, 1934). Consumers’ needs are reflections of their internal psychological and cognitive recognition and mass medias are sources of information, which can be utilized by consumers to make purchasing decisions. A common goal of various marketing and advertising forms are to stimulate or recall internal needs of consumers.

Nowadays, with increasing popularity of mass medias, consumers are exposed to various products and allured to purchase commodities and get to know various new brands through mass medias. Mass medias are considered to be effective tools for commercial enterprises to reach the greatest amount of target consumers. Meanwhile, the availability of mass medias allows marketers to represent product characters to audiences either by text messages or visual or audio messages. Moreover, with rapid development of televisions and internet, consumers can access to as much product information as they wish (Borgmann, 2000).

On the other hand, mass consumption modes are largely depending on mass medias. It
is the mass medias that disseminate information about mass consumed products and make products more attractive to consumers(Cova, 1997).

In general, mass medias enable marketers have more channels to promote their products and reach target consumers more effectively and rapidly than ever before. The marketing strategies change with development of mass medias. Wherever there is a new emerging of mass media, there will be huge potential for marketers to propagandizing their products. On the other hand, mass consumption modes are reflected in popularity of mass medias. For example, if target consumers are youths who are fond of surfing on the internet, then commercial enterprises whose products are for young consumers to consume will promote their products via the internet, instead of other mass media tools.

Meanwhile, a common goal of selection of mass media is to enhance highest level of effectiveness of marketing with least cost.

### 3.2.6 Five models of media effects evaluation

Mass medias do not only affect mass consumptions, but also cause impact on the entire society. The mass consumption society is affected by mass medias in several ways. First of all, mass medias are sources of product information which consumers can adopt to form judgments and make purchasing decisions on relevant marketed products. Meanwhile, mass medias can inform consumers of various updated information on commercial products and public’s opinions on quality or other aspects of the products marketed(Bachen, 1981).

However, mass medias will also limit consumers’ thinking capacity and their purchasing decisions since it will be a bit difficult for them to choose a side among various ideas and views on the products. This is particularly difficult for young consumers to make decisions adequately since they are lacking experience and will
believe what they hear or see. Meanwhile, mass medias, as popular marketing tools, will exaggerate quality or boost functions of the commodities and mislead consumers. Above all, to what extent, mass medias can affect consumers and the mass consumption society? Hannerz(1992) suggests that there are five models to measure media effects in modern society(Hannerz, 1992).

The earliest model of measuring media effect is the persuasion model, which aims to measure percentage of direct and unmediated effects caused by mass medias. It typically measures the effects of mass media on consumers’ behaviors. By adopting this persuasion model, researchers need to compare consumers’ behavioral changes towards a certain products upon marketing them through various mass medias. The mass media that can generate the greatest extent of consumers’ behavioral changes is considered to be the most effective(Smith, 1966).

The second model is called active audience model which was initially coined in 1944. Similar with persuasion model, the active audience model focuses on examining changes of messages from mass media to consumers. By adopting this model, consumers’ social positions are of less importance, while motivations and psychological changes of the consumers are key factors when measuring effects of mass media by using the active audience model(Sears, 1967).

The third model is labeled social context model, which is concentrating on examining how social contexts affect consumers’ purchasing decisions and their attitudes toward mass media propagation. By adopting this model, researcher need to take into considerations of other social impacts while measuring effects of mass media. This model aims to find out factors like opinions shared in a certain consumer group, cultural differences on consumption and purchasing experiences of the consumers, etc.(Tichenor, 1970).

The fourth model of measuring media effects is societal media model, which
examines mass media effects over a long period of time. Compared with previous models, this model aims at comparing different mass medias and their effectiveness among consumers through adopting cultivation theory and different media exposure approaches. Upon adopting this model, researchers are able to find out the most effective type of mass media while prompting a certain mass consumed products. Meanwhile, it is also helpful for commercial enterprises to decide how to reach target consumers via different mass medias(Robberts, 1981).

The fifth model of measuring media effects is the interpretive effect model, which adopts agenda-setting, priming and framing theory. This model is considered to be a most prevalent model to measure media effects, since it does not only examine changes of consumers’ attitudes and purchasing decisions on marketed products. It also can help commercial enterprises to find out how the mass consumer society react to exposure of product information in various mass medias, how the mass consumption trends are changed as a result of mass media exposure(Simonson, 1999).

Framing, agenda setting and priming are also named three media effects models and widely adopted by scholars and researchers who aim to find out media effects in modern society. Agenda setting aims to find out relationships between emphasis that mass media places on certain aspects of the marketed products and the importance of these aspects to target consumers. Meanwhile, priming refers to the changes of standards adopted by consumers to evaluate reliability of the products promoted in various mass medias. Moreover, framing, refers to how marketers present product information to target consumers, aiming to generate their purchasing intentions(Hutcheson, 1998). From this point of view, it can be seen that both agenda setting and framing models are concentrating on how marketers decide selling-point of their products or services and select an optimal marketing strategy in order to reach consumers more rapidly.

Based on the above analysis, the researcher in this study will adopt the interpretive
effect model since the research aim of this study is to find out relationships between product placement in recreational TV programmes and mass consumption. TV, being a traditional type of mass media, has re-attracted audiences’ attentions due to its newly developed marketing strategy--product placement, which has reduced pure advertising episodes and fulfill audiences’ entertainment needs to a greater extent. Moreover, by adopting the interpretive effect model, the researcher can find out how television affect the modes of mass consumptions and how product placements functionates in transmitting product messages to audiences.

3.3 Conclusions

This chapter mainly introduces literature reviews on product placement and mass consumption. Factors, efficacy, impacts and ethics of product placements are demonstrated. Meanwhile, development circumstance, patterns and impacts of mass consumption are illustrated so that readers can have basic understanding about product placement and mass consumption. Through this chapter, researcher finds out that mass media is an effective marketing tool for promoting products in modern consumerism society. However, with increasing availability of mass medias, it is necessary for marketers to select the most suitable mass media channel and reach target consumers more rapidly and effectively.
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