

# Product Placements in Movies: An Australian Consumer Perspective on their Ethicality and Acceptability

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This paper replicates prior research and investigates the attitudes and perceptions of Australian moviegoers in respect to the acceptability of product placement and audience attitudes towards the placement of ethically-charged products, such as alcohol, guns and cigarettes. The findings indicate that product, gender and movie frequency viewing have an impact on product-placement acceptability. Australian consumers find ethically-charged products to be less acceptable than neutral products. Gender comparisons revealed that males are more accepting of both ethically-charged and neutral placements. Comparisons to the previous American, Austrian and French findings showed a similar pattern of individual influences on product-placement perceptions.

Keywords: Product placement; Film; Australia; Replication; Survey

## Introduction

There has been a rapid increase in cinema attendance throughout the world (Dunnett & Hoek 1996). In Australia, the cinema industry is booming, with an estimated AUS\$850 million spent on movie tickets during 2002 (Smith 2002). This saw box offices takings increase by 4% during 2002, on top of a 6% rise during the previous year (Anonymous 2003). Since 1990, cinema attendance in Australia has steadily increased, with over 70% of the population attending the cinema at least once a year (Smith 2002, ABS 2003). Australia is well ahead of Europe in respect to cinema attendance per capita and remains second only to the United States (Smith 2002). The large number of people attending the cinema creates an opportunity for marketers to use product placement in movies as an alternative promotional vehicle.

Product placement, as a marketing tool, has many advantages due to its captive audience, the social nature that it is being viewed in and the lack of clutter, such as other advertisements (Dunnett & Hoek 1996). Other reported benefits include exposure, frequency, support of other media, source association, cost and recall (Belch & Belch 1999). Although these advantages have been identified, "paid product placements in Australian film are almost non-existent" (Houghton 2000 p24).

Previous studies on product-placement acceptability in film have primarily focused on American, French and Austrian audiences (Gupta & Gould 1997; Gupta, Gould & Grabner-Kräuter 2000). Although this may be relevant to audiences within the Southern Hemisphere, there is a lack of literature on the attitudes towards product placement and its effectiveness in Australia (and New Zealand). What little research exists relates to the influence of warnings on product placements (Bennett, Pecotich & Putrevu 1999) and the impact of cigarette-related product placements in Australia (Feirud & Mizerski 1998) and its geographic and cultural neighbour, New Zealand (e.g. Hoek, Gendall & Patton 2002a, 2002b). The study reported here investigated the attitudes of Australians to the practice of product placement via a replication of Gupta & Gould's (1997) study. The paper first discusses the moral and ethical concerns along with the acceptability of product placement in film, before presenting the research findings and their managerial implications.

## Literature Review

There are three ways that product placements typically appear in a film: a logo is displayed, an advertisement is used as a background prop, or the product itself appears in the movie (DeLorme & Reid 1997 p71). More often than not, the general aim of placing such props in the movie is to generate awareness and create high exposure of the brand (Stewart-Allen 1999; Nozar 2001). Several factors will now be discussed that have the potential to influence the acceptability (and ultimate effectiveness) of product placement: ethical implications of a product, gender, movie-viewing frequency, acceptability of the placement and the cultural context.

### Ethical implications

Ethical issues that arise from product placement include general ethical concerns, such as the potentially excessive, influential or even 'subconscious' nature of some product placements. Russell's (2002) study found positive attitude changes for product placements that subjects did not recognise (i.e. a subconscious process), though there has long been public and regulatory concern regarding deliberate use of 'subliminal' ads and messages by marketers, especially for alcohol and cigarette products (Chen & Simpson 2000). Nebenzhal & Secunda (1993) found that although respondents view product placement as an effective marketing tool, they would accept it only to a certain extent. For example, the use of product placement for authenticity was found acceptable, because it added to the realism of the film. However, product placement may be seen to be excessive (both in time on screen and/or in being given blatant or obvious prominence) or overly influential. For example, Samuel L. Jackson gives guns a 'cool' image in *Jackie Brown* (1997), where the overtly excessive nature of the placement (specifically the promotion of the 'AK47' automatic assault rifle), may be seen to be unacceptable. This is supported by Russell's (2002) study, where she found that more prominent placements that had an incongruent level of plot connection would be seen as obtrusive and prompt counterargumentation from viewers. (In contrast, Russell suggests that many marketers could achieve favourable placement results by simply trying to get the brand to visually appear in the background.)

Product placement of ethically-charged brands or products in film, such as cigarettes, firearms and alcohol, raises moral questions. Gupta & Gould (1997) found that these more controversial products are viewed less favourably than other products, whilst Gupta *et al.* (2000) found that different countries have different attitudes towards controversial products.

Gender also influences the ethical perceptions of an individual (Borkowski & Ugras 1998; Gupta *et al.* 2000; Peterson, Baltramini & Kozmetsky 1991). Research has found that males hold more positive attitudes towards the placement of ethically-charged products (e.g. cigarettes) than females (Gupta & Gould 1997; Gupta *et al.* 2000; Milner, Fodness & Morrison 1991; van Roosmalen & Mac Daniel 1992). However, Gupta & Gould (1997) and Gupta *et al.* (2000) found no significant gender differences with respect to the acceptability of neutral (e.g. sunglasses) product types<sup>1</sup>. Based on these findings, the following hypotheses are proposed:

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<sup>1</sup> 'Neutral' products are what Gupta & Gould (1997) and Gupta, Gould & Grabner-Kräuter (2000) refer to as 'non-ethically-charged' products.

- H1: Consumers will view product placement of ethically-charged products as less acceptable than neutral products.
- H2a: There will be a product x gender interaction with respect to the acceptability of products placed in films.
- H2b: Given a product x gender interaction, males will be more accepting of ethically-charged products than females, but there will be no difference with respect to neutral products.

### **Movie-viewing frequency**

Gupta & Gould (1997) and Gupta *et al.* (2000) also found a product-specific relationship between product-placement acceptance and movie-viewing frequency. This relationship affected the attitudes and acceptance of product placement in films, where it was found that frequent movie watchers were more accepting of product placement. These findings lead to the development of the following hypothesis:

- H3: More frequent movie watchers will be more accepting of product placement than will less frequent movie watchers.

### **Acceptability of product placement**

Studies have found that acceptability refers to the general satisfaction of the audience with the contents of the film, which includes the practice of placing products during the film for exposure (DeLorme & Reid 1999; Gupta & Gould 1997; Nebenzhal & Secunda 1993; Pardun & McKee 1996). Gupta & Gould (1997) found that respondents were not opposed to product placement itself, and, in fact, product placement has been found to be less intrusive than other forms of advertising (Nebenzhal & Secunda 1993). As a result, product placement is expected to increase in the future due to the large audience it provides (Pardun & McKee 1996; Hackley 2003; Karrh, McKee & Pardun 2003).

DeLorme & Reid (1999) examined moviegoers' attitudes towards aspects of product placement, including repeated exposure to brand names, the context in which brands appear and the techniques used to *foreground these*. They found that younger audiences not only accept the practice of product placement, but also expect it. Product placement appears to give young people a sense of familiarity and belonging, as they have grown up in a society where brands in movies are a regular practice. "[They] had grown up with much more marketing and advertising... therefore, they expect to encounter brands... in present day movies" (DeLorme & Reid 1999 p83). This leads to the development of the following hypothesis:

- H4: Positive attitudes to product placement in general will result in greater acceptance of particular products placed.

### **Replication and the cross-cultural context**

Replication means the reproducibility or stability of research results (Monroe 1992). Though replication has an acknowledged role in marketing and the social sciences and its advancement (Monroe 1992; Bass 1993; Barwise 1995; Madden, Easley & Dunn 1995;

Easley, Madden & Dunn 2000; Hunter 2001; Hubbard & Lindsay 2002), there has been reluctance on the publishing of replication studies (Easley & Madden 2000), with few strict replication studies having been published (Madden, Easley & Dunn 1995; Easley *et al.* 2000; Hubbard & Lindsay 2002). The essence of empirical generalisations in science is replication (Barwise 1995 pG33), though it has also been argued that current approaches to research (including publishing and teaching) actually discourage replication and the development of scientific knowledge (Barwise 1995; Hubbard & Lindsay 2002).

Replication contributes to the establishment of external validity, by enabling the generalisation of findings to other populations (Barwise 1995; Easley *et al.* 2000), since “a result which does not hold until next time is generally of little practical use” (Uncles, Hamond, Ehrenberg & Davis 1994 p376). This importance of replications regarding this validity issue is highlighted by Hunter (2001 p155), who admonishes that: “We desperately need replication studies”. Hunter (2001) calculates that, depending on the accuracy desired and the average sample sizes, 10 replication studies are needed at minimum for a rough estimation and upwards of hundreds of replications in large sample domains and thousands of replication studies in small sample domains are needed in order to truly validate the original findings of a given study. Easley *et al.* (2000) described three different types of replications: duplication, similar and modification, which reflect the extent to which the original study is followed. Monroe (1992) notes that replications can vary according to their timing, the researchers conducting the work and the level of planned similarity; he argues that replications involving modifications are preferable, such as those by different researchers at different times and locations. The present study comprised a duplication replication (Easley *et al.* 2000), designed to explore the cross-cultural generalisability of the original Gupta & Gould (1997) findings in the Australian context.

As consumers’ attitudes vary across countries, marketing a standardised campaign across cultural boundaries may have varying effects, some of which could be negative (Neal, Quester & Hawkins 2000; de Mooij & Hofstede 2002). The convergence of technology, income and media promotes homogenous consumption behaviour, though recent empirical research has concluded that cultural differences will lead to more heterogeneous behaviours (de Mooij & Hofstede 2002). De Mooij & Hofstede (2002) found that culture has become a more useful explanatory variable than national wealth for predicting and explaining consumer behaviour across a range of European countries (see also Netemeyer, Durvasula & Lichtenstein 1991).

Gupta *et al.* (2000) found that audiences in different countries (Austria, France and America) had varied attitudes towards the placement of ethically-charged products. As a result, marketers using product placement for product or brand exposure will need to develop very different strategies to correspond with cultural diversities compared to where attitudes and product meanings are similar (Neal *et al.* 2000; Gupta *et al.* 2000). For example, LG supplied AUS\$500,000 worth of high-tech TV screens to *The Matrix Reloaded*. However, because LG operated under different brand names in different parts of the world (Zenith in the US and LG in other countries), LG supplied screens featuring both brand names so that scenes could be re-shot for different audiences (Maddox 2003).

Thus, having established that culture is a factor that warrants further evaluation in the replication of product-placement research, this leads to the development of the final hypothesis:

H5: Australian audiences' responses to product placement will be similar to American audiences' views.

## Method

In keeping with the replication purpose of this study, a self-administered questionnaire was developed based on Gupta and Gould's (1997) and Gupta, Gould & Grabner-Kräuter's (2000) instrument. The questionnaire was then pre-tested on a group representative of the target population and modified as needed (e.g. changing American terms to Australian terms, such as changing the term 'automobile' to 'cars', a more commonly used term in Australia). The final survey instrument took between five to eight minutes to complete and began with a brief definition of product placement and two examples, followed by five sections covering respondents' movie viewing habits, attitudes, product type acceptability, open-response questions for further comments relating to product placement and, finally, demographics.

Section two of the survey contained Gupta & Gould's (1997) thirty product-placement attitude statements, which respondents assessed using a 5-point, Likert-type scale (1 = *strongly disagree*, 3 = *neutral* and 5 = *strongly agree*). Section three explored the ethics of particular product placements, and respondents evaluated thirteen products featured in movies using Gupta & Gould's (1997) 3-point, acceptability scale (1 = *unacceptable*, 2 = *indifferent* and 3 = *acceptable*). The thirteen products fit into two categories, three ethically-charged products controversial in nature (firearms, cigarettes and alcohol) and ten neutral products less controversial in nature (soft drinks, surfing equipment, fatty foods, cars, race-cars, healthy consumer products, snack, sunglasses, cameras and stereo equipment). The 3-point acceptability scales in this study were all comparable to Gupta *et al.*'s (2000) for the overall acceptability scale (Cronbach's  $\alpha = .93$ ), the ethically-charged ( $\alpha = .82$ ) and neutral ( $\alpha = .96$ ) subscales.<sup>2</sup>

In keeping with Gupta & Gould's (1997) and Gupta *et al.*'s (2000) studies for the purposes of duplication replication, the sample frame for this study consisted of university students from the University of Newcastle, a large, eastern-seaboard Australian university. The sample group was obtained using a mall-intercept approach, with students approached at various locations on the main campus, resulting in 146 useable responses being collected. Table 1 contains details of respondents' characteristics. The majority of respondents were undergraduate students (83.8%) and found to be both regular movie goers and movie viewers at home. Respondents represented a large cross-section of the university's population, as there were a wide variety of degrees (26) undertaken. Overall, a similar respondent profile was found to that reported in Gupta & Gould's (1997) and Gupta *et al.*'s (2000) studies, with the with 93% of respondents falling in the 18-34 years age bracket that has been found to be

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<sup>2</sup> As noted by one reviewer, in the current age of obesity and overweight children receiving widespread media coverage, 'fatty foods' could potentially be assessed differently now (i.e. more negatively) by respondents than when done by Gupta & Gould (1997). To explore this possibility, factor analysis (PCA with Varimax rotation) was conducted on the 13 acceptability items. Two strong and cleanly loading factors emerged representing 76.5 percent of total variation, with the ethically-charged and neutral items loading strongly on their expected dimensions. All loadings were  $> .81$  except 'fatty foods' at  $.69$ . This validates the use of Gupta & Gold's scales as originally designated, though the reviewer's observation does highlight the changing nature of the social landscape over time that marketers (and researchers) need to be aware of.

the heaviest film goes in Australia (ABS, 2002); thus the sample was thus deemed suitable for analysis.

**Table 1. Respondent profile summary**

Male (%)	Female (%)	Cinema Attendance <sup>1</sup> (%)	Movie Viewing <sup>2</sup> (%)	Average Age (years)	Minimum Age (years)	Maximum Age (years)
63.4	36.6	86.3	82	22.6	17	50

<sup>1</sup> Attending the *cinema* 0–2 times per month

<sup>2</sup> Watching movies *at home* 3+ times per month

## Results

In this section, we report the results for (1) a repeated-measures ANOVA on the acceptability of different products and ethically-charged and neutral product groupings and (2) a regression analysis on the acceptability of products placed in movies.

### Acceptability of ethically-charged and neutral products

As with Gupta & Gould (1997), a 2 [gender] x 2 [movies watched] x 13 [products] mixed between and repeated-measures ANOVA was conducted to test the hypotheses related to product placement acceptability. For comparison with Gupta *et al.* (2000), we also report results for the larger product groupings of ethically-charged versus neutral products. Movie watching was calculated as the sum of cinema viewing plus TV/video/DVD movie viewing, with a median split used to form two approximately equal groups (low/high).

H1 was concerned with how consumers perceive the placement of ethically-charged products. There was a significant product main effect (Wilks' Lambda = .361,  $F(12, 126) = 18.553$ ,  $p < .0005$ ), as well as significant product x gender and product x movie viewing interactions. Tables 2 and 3 report the means for each product as well as the larger groupings of ethically-charged versus neutral products. A repeated-measures *t*-test was then used to determine if the acceptability of ethically-charged versus neutral product groups was different. The results show that there was a significant difference in the acceptability of ethically-charged versus neutral products ( $t = -12.832$ ,  $df = 145$ ,  $p < .0005$ ), where respondents deemed neutral products (mean = 2.45, e.g. sunglasses) to be more acceptable than ethically-charged products (mean = 1.71, e.g. cigarettes). Next, repeated-measures tests were used to identify whether significant differences existed *within* each product group, with significant differences found for both ethically-charged (Wilks' Lambda = .725,  $F(2, 144) = 27.359$ ,  $p < .0005$ ) and neutral groups (Wilks' Lambda = .603,  $F(9, 136) = 9.965$ ,  $p < .0005$ ). Respondents found that cigarettes (mean = 1.54) were the least acceptable product within the ethically-charged group, whilst fatty foods were deemed the least acceptable (mean = 2.14) in the neutral group (with female respondents finding fatty foods to be slightly unacceptable, mean = 1.92). Thus, H1 is supported.

**Table 2. Acceptability comparison by product: Australia versus US**

<b>Product</b>	<b>Overall AUS mean</b>	<b>Overall US mean<sup>1</sup></b>	<b>Men (AUS mean)</b>	<b>Men (US mean<sup>1</sup>)</b>	<b>Women (AUS mean)</b>	<b>Women (US mean<sup>1</sup>)</b>
<b>Alcohol</b>	1.87	2.36	2.08	2.48	1.50	2.23
<b>Cigarettes</b>	1.56	2.04	1.68	2.21	1.35	1.88
<b>Guns</b>	1.75	1.94	1.89	2.22	1.52	1.68
<b>Cameras</b>	2.46	2.86	2.52	2.86	2.35	2.87
<b>Cars</b>	2.54	2.90	2.61	2.91	2.40	2.90
<b>Fatty Foods</b>	2.15	2.83	2.28	2.83	1.92	2.84
<b>Healthy Consumer Products</b>	2.60	2.91	2.67	2.90	2.50	2.93
<b>Race-cars</b>	2.46	2.84	2.59	2.86	2.24	2.82
<b>Snacks</b>	2.39	2.87	2.49	2.86	2.23	2.89
<b>Soft Drinks</b>	2.49	2.93	2.56	2.93	2.37	2.94
<b>Stereo Equipment</b>	2.45	2.86	2.53	2.87	2.31	2.87
<b>Sunglasses</b>	2.51	2.86	2.57	2.87	2.42	2.87
<b>Surfing Equipment</b>	2.51	2.86	2.54	2.86	2.46	2.87

Note: 1 = Unacceptable, 3 = Acceptable; <sup>1</sup> Source: Gupta, Gould & Grabner-Kräuter (2000)

## Gender

H2a was concerned with the influence of gender on the acceptability of product placements. There was a significant gender main effect for all 13 product placements ( $F(1, 137) = 10.722, p = .001$ ), though this must be qualified by the significant product  $\times$  gender interaction (Wilks' Lambda = .680,  $F(12, 126) = 4.952, p < .0005$ ). Somewhat similar results were found for the ethically-charged versus neutral product groupings, with a significant gender main effect ( $F(1, 138) = 6.630, p < .0005$ ) but with a non-significant product  $\times$  gender interaction (Wilks' Lambda = .981,  $F(1, 138) = 2.629, p = .102$ ). Males reported a higher acceptability of both ethically-charged (male = 1.88 v. female = 1.46,  $t = 4.256, p < .0005$ ) and neutral (male = 2.54 v. female = 2.32,  $t = 2.195, p = .03$ ) product placements. Due to the unequal gender group sizes, a more conservative alpha (.01) was used for significance testing, with a significant gender gap found for ethically-charged product placements ( $t = 4.256, p < .0005$ ) and a marginally non-significant gender gap found for neutral product placements ( $t = 2.195, p = .03$ ).

**Table 3: Gender Differences for Ethically-Charged v Neutral Products**

	Male (mean)	Female (mean)
<b>Ethically Charged Products</b>	1.88 <sup>a</sup>	1.46
<b>Neutral Products</b>	2.54 <sup>b</sup>	2.32

Note on gender differences: <sup>a</sup> = significant at  $p < .0005$ , <sup>b</sup> = marginally significant at  $p = .03$ , when alpha set at .01 level.

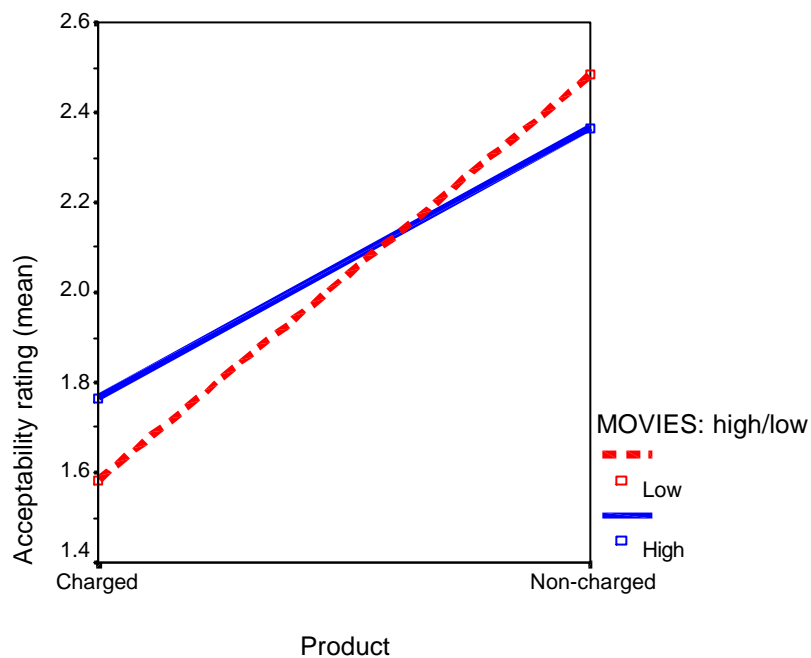
Gender differences were further explored by comparing various subgroups of neutral products. *T*-tests were then conducted to identify whether any significant difference existed between the groups. Males were more accepting of both food ( $a = .88$ , e.g. soft drinks,  $p = .017$ ) and non-food ( $a = .96$ , e.g. cameras,  $p = .051$ ) products, as well as of both high-involvement ( $a = .95$ , e.g. surfing equipment,  $p = .041$ ) and low-involvement ( $a = .91$ , e.g. sunglasses,  $p = .026$ ) products. Finally, gender comparisons were made with respect to the thirteen individual products.

Overall, the results showed that males were more accepting of all thirteen products, with a substantial, significant difference found with respect to the acceptability of five products (cigarettes, alcohol, fatty foods, race cars and guns,  $p = .007$ ), whilst snacks ( $p = .027$ ), stereo equipment ( $p = .058$ ) and cars ( $p = .088$ ) showed marginally significant gender differences, and the rest (cameras, healthy consumer products, soft-drinks, sun-glasses and surfing equipment) showed non-significant differences ( $p > .10$ ). Thus, we find that H2a is supported and, on the whole, that H2b is partially supported.

### Movie frequency

H3 was concerned with the influence of movie-viewing frequency on the acceptability of product placements. There was a non-significant movie-viewing-frequency main effect for the full 13 product placements ( $F(1, 137) = .509$ ,  $p = .477$ ), though this must be qualified by the significant product x movie-viewing-frequency interaction (Wilks' Lambda = .731,  $F(12, 126) = 3.866$ ,  $p < .0005$ ). Similar results were found for the ethically-charged versus neutral product groupings, with a non-significant main effect ( $F(1, 138) = .173$ ,  $p = .678$ ) and a significant product x movie-viewing-frequency interaction (Wilks' Lambda = .956,  $F(1, 138) = 6.406$ ,  $p = .012$ ). This interaction effect can be seen in Figure 1. Frequent moviegoers were more accepting of ethically-charged product placements (low movie mean = 1.64, high movie mean = 1.81), whereas the reverse was true for neutral product placements (low movie mean = 2.50, high movie mean = 2.41). Thus, H3 is partially supported.



**Figure 1. Movie-viewing differences for ethically-charged v neutral products**

### Regression results on acceptability of product placements

To evaluate H4, multiple regression was used to analyse the influence of attitudes on product placement acceptance. As with Gupta & Gould (1997) and Gupta *et al.* (2000), three new variables were constructed: INDEX, which was the total number of all 13 products checked as acceptable for product placement ( $\alpha = .94$ ). INDEX\_CH, which was the total number of the ethically-charged products checked as acceptable for product placement ( $\alpha = .74$ ), and INDEX\_UN, which was the total number of the neutral products checked as acceptable for product placement ( $\alpha = .96$ ). As with Gupta *et al.* (2000), these three variables were then used as the dependant variables in three multiple regressions, with movies watched (MOVIE), gender as a dummy variable (GENDER) and Gupta & Gould's (1997) four attitudinal measures: Attitudes toward Product Placement in General (ATT: liking or not liking product placements, recoded,  $\alpha = .70$ ), Perceived Realism (PR: product placement adding to the movie's realism,  $\alpha = .76$ ), Restriction (RESTRICT: restriction of product placement of products such as tobacco,  $\alpha = .67$ ) and Attitudes Toward Television Advertising in General (ATTTV,  $\alpha = .77$ ). The reliabilities of all variables were comparable to Gupta & Gould (1997) and Gupta *et al.* (2000).

All three regression models were significant ( $p < .005$ ), with diagnostics indicating no multicollinearity problems. Table 1 presents a summary of the regression results. For *all 13* products (INDEX,  $R^2 = .284$ , Adjusted  $R^2 = .252$ ), significant positive effects were found for PR (i.e., people who found that brand names made movies more realistic were more accepting of product placements), ATT (i.e. people who did not mind seeing brand names were more accepting of product placements) and ATTTV (i.e. people who hate watching advertisements and channel hop during advertisements were more accepting of product placements).

For *ethically-charged* products (INDEX\_CH,  $R^2 = .137$ , Adjusted  $R^2 = .099$ ), a significant positive effect was found for ATT and a marginally significant negative effect was found for GENDER (i.e. women were less accepting of product placements than men), with the GENDER effect consistent with the ANOVA results presented earlier. For *neutral* products (INDEX\_UN,  $R^2 = .255$ , Adjusted  $R^2 = .222$ ), significant positive effects were found for ATT, PR and ATTTV. Thus, H4 is supported.

**Table 4. Multiple regression results for acceptability of product placements**

<i>All Products (INDEX)</i>			
<i>Variable</i> <sup>1</sup>	<i>Beta</i>	<i>Significance</i>	
ATT	.288	.002	
PR	.296	.001	
RESTRICT	.041	.631	
ATTTV	.170	.033	
MOVIE	-.013	.868	
GENDER	-.067	.378	
INDEX Model: $R^2 = .284$ , Adjusted $R^2 = .252$			
<i>A. Ethically-Charged Products (INDEX_CH)</i>			
<i>Variable</i>	<i>Beta</i>	<i>Significance</i>	
ATT	.258	.011	
PR	.124	.194	
RESTRICT	.031	.739	
ATTTV	.023	.792	
MOVIE	.038	.651	
GENDER	-.142	.093	
INDEX_CH Model: $R^2 = .137$ , Adjusted $R^2 = .099$			
<i>B. Neutral Products (INDEX_UN)</i>			
<i>Variable</i>	<i>Beta</i>	<i>Significance</i>	
ATT	.257	.006	
PR	.293	.001	
RESTRICT	-.051	.558	
ATTTV	.179	.028	
MOVIE	-.022	.780	
GENDER	-.043	.581	
INDEX_UN Model: $R^2 = .255$ , Adjusted $R^2 = .222$			

<sup>1</sup> ATT = Attitudes toward Product Placement in General, PR = Perceived Realism, RESTRICT = Attitudes Toward Restricting Product Placements, ATTTV = Attitudes Toward Television Advertising in General and MOVIE = movies watched. GENDER was dummy coded (0 = male, 1 = female).

## International comparisons

Finally, for H5, findings of this Australian study were compared to the previous Gupta *et al* results. (See Table 2 for a comparison of the Australian and US 13 product means and Table 3 for a comparison of ethically-charged and neutral product groupings for the Australian, US, Austrian and French respondents.) As in the prior studies, a significant product main effect was found amongst all 13 products and between the ethically-charged and neutral product groupings. This study also found a significant gender main effect on product placement acceptability, as well as significant interaction effects for product x gender and product x movie-viewing frequency. However, this study failed to find a significant movie-viewing-frequency main effect, which the previous studies had identified. Overall, this suggests that Australian and American audiences respond in a similar way, with both audiences finding ethically-charged products less acceptable than neutral products (Table 2). Similarities were also found when comparing gender differences on the acceptability of ethically-charged products, as American men also found ethically-charged products (cigarettes, alcohol and guns) more acceptable than women did. However, ethically-charged product differences emerged, with Australian respondents finding cigarettes to be the least acceptable whereas American respondents found guns to be the least acceptable. A similar pattern also existed when the Australian results were compared to the French and Austrian results (Table 5). Overall, the Australian respondents reported the lowest product-placement acceptability. Thus, H5 is supported.

Next, the regression results were roughly similar to the previous two studies, though greater differences emerged when comparing the strength of influence of the independent variables on the dependent variable for each of the three models. This study found a slightly better fitting model overall (all 13 products) than the two prior studies (based on  $R^2$  and adjusted  $R^2$ ), but had a reverse in the degree of fit of the ethically-charged versus neutral models, with the neutral model in this study explaining the second-largest amount of variation (i.e.  $R^2$ ) in the dependent variable (third for the Gupta *et al* studies) and the ethically-charged model in this study explaining the third-largest amount of variation in the dependent variable (second for the Gupta *et al* studies). Next, five out of six of Gupta *et al.*'s (2000) indicators were found to be similar (i.e. same direction) and approximately the same strength or stronger for this study for 15 of the 18 comparisons (83%).

Overall, the results of this study lend additional support to Gupta *et al.*'s (2000) conclusion that, to some degree, there are similar product placement perceptions cross-nationally but major differences in intensity.

**Table 5. Acceptability of ethically-charged v neutral products: International comparison<sup>1</sup>**

	Australia (mean)	US (mean)	Austria (mean)	France (mean)
Ethically-Charged	1.71	2.11	1.92	1.99
Neutral	2.45	2.88	2.79	2.83

<sup>1</sup> Adapted from Gupta, Gould & Grabner-Kräuter (2000)

## Conclusions

The study reported here adds to the necessary base of (cross-cultural) ethically-charged and neutral product-placement replication studies needed for empirical generalisation (Barwise 1995; Hunter 2001) by investigating the Australian context. Overall, the findings indicated that product, gender and movie-viewing frequency have an impact on product-placement acceptability. Australian consumers find ethically-charged products to be less acceptable than neutral products. Gender comparisons also revealed that males are more accepting of both ethically-charged and neutral placements, whilst more frequent movie-viewers were found to be more accepting of ethically-charged product-placements than less frequent viewers.

The findings of this study suggest that though similarities do exist in how Australians view product placement in film compared to viewers in other countries, there are enough differences to warrant further managerial attention. As films are an increasingly “global product”, these international differences should be kept in mind by film studios and directors in Australia and the US. Furthermore, with brand placements of ethically-charged products under observation and scrutiny (Colford 1990), different national legislative practices could impact on the future management and practice of product placement, especially if the bans on tobacco-related advertising including cigarette commercials (since 1976), print advertisements (since 1992), billboards (since 1995) and sports and sponsorship (since 1996) are anything to go by (Anonymous 2002). For instance, it is not inconceivable that the (paid) inclusion of cigarette brands in films could also become illegal or highly regulated in the future in Australia or in other countries (e.g. France), with the US Health advocacy group pushing for movies depicting tobacco use to be given an R-rating (Anonymous 2002). Alcohol consumption is also of concern to regulating bodies, with alcohol placement reportedly appearing in PG-rated movies (FTC 1999). As a result, the American Federal Trade Commission (FTC) is urging industries to enforce policies that go beyond minimum code requirements, to restrict the promotional placement of films to MA and R-rated films (Australian Office of Film and Literature Classification equivalent) (FTC 1999).

As with all research, this study faced limitations and suggests avenues for future research consideration. In that this study focused specifically on university students for duplication replication purposes (and who are also movie viewers and consumers in their own right), future research on product placement could be extended to include a wider demographic base, both geographically and age-wise, to further explore the extent to which the findings are generalisable. Future research could also consider evaluating other products, as well how attitudes to the current set of 13 products change over time. For example, although fatty foods were viewed marginally positive overall in this study (mean = 2.14), the increasing (usually negative) scrutiny fatty foods receive in society and the media might well see this acceptability drop over time. The Australian female respondents in our study found fatty foods to be slightly unacceptable (mean = 1.92), which was noticeably less than the US female respondents (mean = 2.84). This gap could be due to both cultural differences as well as the change in views over time, and could be extended to also examine the effectiveness and acceptability of product placement in other non-Western countries. Finally, although the variance explained by the regression models (i.e. the  $R^2$  values) is in the middle of the range common for the social sciences (Lattin, Carroll & Green 2003), it still suggests that there are other explanatory variables that could be incorporated in future product-placement studies. This could include also focusing on consumers’ memory and attitudes towards product-placement, plot congruence and placement modality (Russell 2002; Karrh, McKee & Pardun

2003) along with examining the relationship between product placement and ensuing consumer behaviour.

In conclusion, product placement as a promotional medium has many advantages. However, an organisation must consider the attitudes of the movie viewers (and especially in an international context) before placing products that may be deemed unacceptable.

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