

# The Perception of Japanese University Students Concerning Product Placement in Hollywood Movies

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## ABSTRACT

Product placement in movies is a recent trend (Wilson & Wilson, 2001). Gupta and Gould (1997, p. 37) defines that “product placement in the movies involves incorporating brands in movies in return for money or for some promotional or other consideration. Since this field in mass-communication is quite new and immature, this paper poses following questions. Were Japanese university students aware of product placement in Hollywood movies before they attend the lecture? If so, have their opinions of it recently changed and if so, why or why not? The survey took place during the summer of 2003 and surveyed a total of fifty-nine students. From this survey twenty-six students frequently responded product placement in movies was acceptable as a part of commercials. On the other hand, there were also many students who expressed anxiety or negative feelings towards product placement in movies. Since product placement is an important topic to understand Hollywood movies, it should be dealt with special care in order to preserve the originality and artistic aspects of the media, which has become part of students’ favorite past time activity.

## INTRODUCTION

### (1) Product placement in general

Product placement in the movies “involves incorporating brands in movies in return for money or for some promotional or other consideration” (Gupta and Gould, 1997, p. 37). The history of product placement is not very long. Advertisers, however, have realized that it is an extremely effective way of advertising their products. Movie viewers cannot avoid the advertisements. They are in a closed movie theater, so they cannot help but watch the products. They cannot zip and zap advertisement as they do with video tapes. Regulation does not cover the products advertised, as is the case for television commercials regulated by the FCC. Moreover, Hollywood movies are

distributed worldwide. They are literally global in content, and brands are promoted globally. When a famous actor or actress uses a product in a movie, the product gains prestige and, possibly, get worldwide popularity. This situation benefits advertisers. *Matrix Reloaded*, a major hit in the summer of 2003, contains product placements. A motor cycle looked very cool when the heroine rode it. Then the Ducati logo on the black body of the motorcycle caught the viewers' eyes. This is not an exception; these days most Hollywood movies include product placements.

## (2) History of product placement

The practice of using branded props in movies started as a casual process (Delorme & Reid, 1999). Brand products can be found in movies dating from the late 1940s and early 1950s (The Economist, 1991). Joan Crawford drank Jack Daniels whiskey in *Mildred Pierce* made in 1948 (Nebenzahi and Secunda 1993). *Breakfast at Tiffany's*, made in 1961, is another example of non-commercial product placement. The brand name was put in the middle of the title, though Tiffany did not make any money off of it (McChesney, 2000).

Brand props developed into product placement, where products are purposely placed in movies and this way of advertising products was connected with multimillion dollar industry. One of the oldest examples is DeBeers in 1950. They bribed scriptwriters to include scenes of discussions of diamonds as engagement rings in the movies (McChesney, 2000). But early placements were mostly informal arrangements, and were not that frequent.

It was after *E.T.*'s remarkable success that product placement established its position as an effective way of advertising in movies. *E.T.* directed by Steven Spielberg was released in 1982. When the alien E.T. was coaxed out of hiding, it was with Reese's Pieces candy. Sales soared in the next few months (Vivian, 2003). After *E.T.*, the product placement business boomed as a way to reduce the cost of producing Hollywood movies. A simple shot of a product in the foreground typically goes for \$25,000 to \$50,000 (Vivian, 2003). *Minority Report* and *You've Got Mail* are some of the examples. *Minority Report*, also directed by Spielberg, included fifteen major brands, ranging from the Gap and American Express to Lexus, Nokia, Pepsi and Reebok (Grossberg, J. June 21, 2002). *You've Got Mail* had placements of Internet service America Online, Apple Computers, IBM, and 1-800-Flowers (Wired news, Nov. 04, 1998)

Product placement has numerous advantages for marketers and movie makers. Marketers can advertise their product globally in a naturalistic setting, and movie makers can offset the cost of making movies. This offers an alternative advertising media option for alcohol and tobacco products, which are restricted from broadcast television (The Economist 1991). Sargent, J. D., Tickle, J. J., Beach, D., M. A., Ahrens, M. B. and Hearterton T. F. (2001) compared the prevalence of

tobacco brand appearances before and after a voluntary ban on paid product placement by the tobacco industry in 1989, and they found it did not change overall.

When the product is used by actors or actresses, many moviegoers imitate them. Actors and actresses in movies play the role of opinion leaders. After analyzing movie viewing and social experience, Delorm and Reid (1999) found that “regardless of age or moviegoing frequency, the informants were active participants in the viewing experience and actively interpreted brands encountered in movies.” Case reports suggest that product placement can be effective in promoting sales (Reed, 1989, Higgins, 1985). The effects may last longer by changing the forms of movies. A movie may be broadcasted on TV, and sold as a DVD or a video. Thus, product placement in movies has become the preferred method for companies to improve brand awareness and develop favorable associations with their products for an international audience.

There are, however, some criticisms of product placement. Some say it is devious to advertise without the consent of the audience, so it should be banned. Others say the word “advertisement” should be flashed on the screen when the products appear. Movie makers, on the other hand, argue that putting real products in a movie enhances the naturalness of scenes compared to products with no brand.

### (3) Unique features of recent product placement

Product placement in Hollywood movies is connected with marketing in three ways: cross promotions, merchandizing, and tie-ins (McChesney, 2000). In cross promotions, products are shown, and a logo is clearly displayed or an ad is placed as a background prop (Smith, 1985). Not only are the products shown, they are verbally mentioned. In some cases, the dialogue for the ad is written into the script. In other cases, characters use the product (McChesney, 2000, DeLorme & Reid, 1999). Movie tie-ins are “arrangements made with businesses, companies, or brands that already exist to tie into a movie in some way” (McChesney 2000). One example is Disney movies and MacDonald’s. When a Disney movie is released, McDonald’s runs a campaign with complements of Disney toys. This merchandizing is to sell products related to a movie. The products include books, comic books, soundtracks, T-shirts, and mugs.

Another unique feature of recent product placement is that movies themselves are a part of mega-mergers. Giant media owners started to acquire other media companies, and this created several mega media corporations, which have so many kinds of media companies in their groups that they are called “media conglomerates”. This mega media corporation can do so many things effectively by linking affiliated companies. AOL Time Warner includes, for example, AOL, Time, CNN, Warner Bros., HBO, and much more. The most recent news of a multi-billion dollar merger

is between NBC and Vivendi Universal in France (CNN.com 09-02-2003, Nippon Keizai Shinbun 09-03-2003). The merger will create an entertainment industry giant valued at more than \$40 billion. Thus, NBC will combine Vivendi's U.S. film, television and theme park business, including Universal Studios, with the operations of NBC--the No.1 U.S. TV network--and various cable television channels, such as CNBC, MSNB and Bravo (CNN.com, Nippon Keizai Sinbun). This merger will bring out synergistic effects of the advertising. What these two mergers suggest is that product placement is not only one phenomenon but a small piece of a bigger jigsaw puzzle, a larger economic engine.

Since the study of product placement in movies is scarce in Japan, a general question was generated to understand the reactions of Japanese university students to product placement in Hollywood movies.

Research question: Were you aware of product placement in Hollywood movies before you attended the lecture? If so, has your opinion of it now changed at all? Why or why not?

### Method

At the beginning of the 2003 spring semester, a Japanese instructor explained the syllabus for Mass Communication and she explained the focus of each chapter to her students. They understood that they were going to study product placement in movies in two consecutive classes.

On the scheduled classes in June in 2003, the instructor explained the concept of product placement, using hand-outs and a DVD, "*Behind the Screens*" (Soar & Ericsson, 2000). The DVD was used so that the students could watch actual product placements in Hollywood movies. Since it was made in the U.S., it was entirely in English. A full transcription was prepared and handed out to help the students understand the content of speech and the movies. Two ninety minutes' classes were allocated for movies and product placement.

The number of the students in the class was 85. They were juniors and seniors. More than half of the students have been to or have lived in foreign countries. Nearly 30% of the students have pursued short-term study abroad programs, and another 30% have taken full-year study abroad programs or lived in a foreign country due to business. Thus, the students in this class had a good command of English.

table 1 Overseas ' experience of students enrolled in this class

none	under one year	one year	two years <sup>+</sup>	total
44%	28%	8%	20%	100%

This survey was conducted in June, 2003 in a classroom. The question was asked in English, and projected on the screen in the classroom. Then the students wrote their opinions in English in twenty minutes.

They wrote their opinion freely. In some cases, one paper had two or three thesis statements. Fifty-nine students handed in papers, while twenty-six students wrote term papers on product placement.

## Results and Discussion

Of the fifty-nine who handed in papers, 31 students (53%) responded they had known of product placement in movies, and 28 students (47%) responded they had not. This number suggests that approximately one half of the students were aware of the product placements in movies, and the other half did not. Even students who said they had known of it said that their understanding was vague.

Students' papers were carefully read and their thesis statements were grouped according to their contention. The analysis led to 12 kinds of contentions.

The students' papers showed that most understood what product placement is and its effect. Some of the students went further by expressing an opinion about product placement, either accepting or rejecting it. Whichever position they took, many said that they were going to pay more attention to product placement. Several of them made overall comments. Some said they appreciated the lecture dealing with this topic. A couple of students, though, said that they would have preferred to remain ignorant of product placement so that they could enjoy movies. The following are some of the students' reactions from their papers.

Here are some of the concrete examples of students' reactions. Basically there are two groups for each thesis statement. 1) is reactions from students who had been aware of product placement before the lecture. 2) is reactions from students who had not been aware of product placement. 3) is the students' reactions in the term papers.

(1) He/she thinks product placement is acceptable as a part of commercialism.

1 ) I was aware of product placement. However, I have not looked at them in a critical manner. For example, in the movie *I am Sam*, they used Starbucks as a place for Sam, who is mentally disabled, to work. I think it gave a positive image to Starbucks....It's kind of sad to think that producers are doing "product placement" for money. However, since in reality it costs tons of money to make a movie, if the movie has an important message besides the product image, I think it's one way to help the economy in different means.

2 ) Thanks to the lecture, my image of placing ads in movies has been changed. I came to

realize that it was natural to promote products in movies because movie companies need sponsors. Thus, I think Hollywood movies, including ads, reflect the commercialism in the U.S.

(2) He/ she realized effects of product placement on movie viewers.

1 ) I was aware of some products as advertising in many movies. I often saw Pepsi, Pizza Hut and Coca Cola. But I didn't know that these products were placed to make us notice the logo unconsciously. I think we tend to imitate characters in the movies if we feel they are cool. So if a cool character drinks Pepsi in the movie, some people drink it deliberately. Therefore, advertisements in movies affect many consumers.

2 ) I wasn't aware of it. But I sometimes noticed that I felt like eating things that the actor ate or drank. From my behavior, it is apparent that people who watch movies are affected by product placement without any awareness. The lecture was really interesting.

(3) He/she will pay more attention to product placement in movies.

1 ) I was vaguely aware of that some products appeared in movies. In this class, I watched the video about advertising in a movie and I found that this kind of advertising is generally very effective. Certainly, a product a famous actor or an actress uses in a movie seems to us cool, nice and good. I will carefully look at whether something is advertised when I watch a movie.

2 ) I did not even think about product placement when I watched movies. After I became aware of those product placement, I became frightened, because these ads actually work on our subconsciousness.....I am glad that I know of this now. I will be very careful about the product placement when I watch movies.

(4) He/she is against product placement if the movie becomes unnatural.

1 ) I knew of product placement.....I think product placement is OK, but it mustn't make audiences feel unnatural. It might affects the enjoyment of movies.

2 ) I think that product placement is acceptable if it is not unnatural, such as a famous actor or actress wearing or having something. However, shooting only the product or the logo makes me want it taken out because I cannot concentrate on the story.

(5) He/she can enjoy movies with product placement.

1 ) I knew about product placement as a promotion. I think that it is a good way to promote products, because it is just a place. It doesn't interrupt our watching movies.

(6) He/she was surprised or shocked

1 ) I have known that various advertisements are used in films. But after watching the video, I was shocked at how the media controls our thinking unconsciously. We don't notice that it promotes consumption. Today it is impossible to avoid media advertisements.

2 ) I didn't realize that products are placed in movies. I thought it was used only because the

image of the product fit in that movie. I mean that I thought that movie companies ask the company that makes the product for permission to use it in the movie. I even thought that movie companies paid the company for using its product. So I was surprised to know that the maker pays money to the movie company.

(7) He/she is against product placement

2 ) I didn't know that. My impression of watching Hollywood movies has changed. I want movie directors to make movies that they really want to make. I think that a movie should be entertainment, not a commercial. I don't like product placement.

(8) He/she prefers not having known this fact.

2 ) I was not aware of product placement as a practice. I always watch movies just for fun and didn't realize it. I was surprised. I didn't know companies pay that much money for movie advertisements. It's kind of sad to find out about this. Now I'm going to watch a movie and think "Oh, I wonder how much this company paid for this five-second scene?" Now I think that the movie "I am Sam" is an advertisement for Starbucks.

3 ) What I learned from this presentation was that there is very deep world behind the screen. This new information will never allow me to freely enjoy watching a movie...

(9) He/she describes own experience.

1 ) I noticed product placement in the movie *Cast Away*. In that movie, the American delivery service Fedex appears over and over ....

(10) Movies makers pursue quality.

2 ) When we watch those movies, products enter our mind subconsciously. If the quality of movies is lost due to product placement, it should not be used.

(11) He/she enjoyed the lecture.

1 ) Yes, but actually no. I knew a little about the advertisements in movies, but not so clearly. Now I learned about the practice in this class. Some movies show daily life, so it is very effective to advertise particular products because we tend to think about those products naturally in our lives. I really enjoyed the lecture.

3 ) My insight into movies grew deeper through this class. I became able to see what had been obscure in the movie. I acquired the skill to judge the bad aspects and good aspects objectively by myself.

Besides their major claims, many students showed disappointment in the comment by Michael Eisner, CEO of Disney. He said (2000), "We have no obligation to make history. We have no obligation to make art. We have no obligation to make a statement. To make money is our only objective." Responding to his opinion, one student reported that when she was watching

Anastasia, a large CHANEL logo appeared, so that she was really surprised. This advertisement may be a reflection of Eisner’s values. Since Disney is known as a company which gives love and dreams to children and adults, his comment was astonishing and hurtful to many of the students. Some of them even expressed anger by saying “what I got angry about most was the comment by the CEO of Disney...”

After reviewing the students’ paper, it was evident that they were generally surprised at learning of product placement in movies. Some even said they were shocked. In spite of this impact on students, learning about product placement in movies will be an important subject in mass communication. Since product placement is effective for movie makers and marketers, it will remain common in Hollywood. Given this, the topic should be taken up with great care.

Since many students responded that they will pay more attention to product placement when they watch movies, would this knowledge detract from their enjoyment of movies? We must do much research to know the answer. Watching advertisements will become conscious rather than unconscious. Nebenzahi and Scundat (1993) studied consumer attitudes toward product placement in movies. They claimed that the majority of consumers do not object to product placement and view it as an effective marketing medium that should be allowed. Against this opinion, Consumer’s Union, the Center for the Study of Commercialism, and the Center for Science in the Public Interest protest that brand placement is deceptive advertising which causes moviegoers who are unaware of the persuasive intent of brand placement to engage in purchasing behaviors (Berkowitz 1994). Some movie critics express concern that product placement jeopardizes the artistic integrity of movies (Miller 1990). Others claim that sponsor identification appears on the screen prior to the movie or at the exact moment of brand name exposure in films (Delorme et. al 1999). Even scholars are arguing about its efficacy, not just students. Since the bottom line of movie viewing is entertainment rather than distributing information for consumers, movies should not become merely a long advertisement. They should hold true to their reason for existence.

**table 2 Japanese students reaction to product placement in movies** PP=product placement

STUDENTS’ CLAIM	knew PP	did’t know PP	total
1. PP is acceptable as a part of commercialism.	6	6	12
2. I realized the effects of PP on movie viewers.	3	3	6
3. I will pay more attention to PP.	2	9	11
4. I am against PP if a movie becomes unnatural.	6	1	7
5. I can enjoy watching movies with PP.	0	1	1



6. I am surprised or shocked.	3	2	5
7. I am against PP.	1	1	2
8. I prefer not to have known this fact.	0	1	1
9. describing own experience of PP	7	0	7
10. Movies should pursue its quality.	0	3	3
11. I enjoyed the lecture.	1	4	5
12. others	3	4	7
total	32	35	67

## Conclusion

This study attempts to assess the reactions of Japanese university students to product placement in movies. Watching movies is one of university students' favorite pastimes. The study revealed that the knowing about product placement is very surprising, even shocking to some students, so the topic should be treated carefully so as not to ruin students' entertainment. The study also showed that most students would accept product placement as a means of cutting costs for movie makers. Many students said that they were grateful to know the reality of the movie industry through the lecture. There were, however, a very few students who said they would have preferred not to have known the fact, even though general instruction and precautions were given beforehand. Showing the video and telling the students how and where product placement occurred is very persuasive and impressive, so more precautions should have taken.

Since study in this field is very scarce in Japan, this study attempts to understand the general reactions of Japanese university students to product placement in Hollywood movies. The study was conducted descriptively. Based on the results of this study, more systematic and statistical analysis should be definitively followed. The field of product placement in movies has much potential for research. For example, is product placement more effective when movie viewers receive subliminal messages without knowledge of product placement compared receiving the message consciously? Since almost all Hollywood movies contain product placements, it is urgent to determine what the phenomenon is and how it affects viewers.

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