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I SAW IT IN THE MOVIES, BUT DOES THAT MATTER? PRODUCT PLACEMENT IN A CROSS CULTURAL STUDY BETWEEN BRAZIL AND THE USA

EU VI ISSO NOS FILMES, MAS ISSO IMPORTA? COLOCAÇÃO DE PRODUTOS EM UM ESTUDO CRUZADO ENTRE BRASIL E ESTADOS UNIDOS

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Abstract

The broad objective of this study was to measure the attitudes of consumers regarding the brand displayed during product placement in movies as well as to highlight recall, recognition, and purchase intentions generated by product placement for consumers from both Brazil and the USA. Cronbach's Alpha Coefficient ensured the reliability of survey instruments. The study involved the use of Structural Equation Modeling (SEM) for the hypothesis testing. This study used Confirmatory Factor Analysis (CFA) to assess both the convergent and discriminant validities instead of using Exploratory Factor Analysis (EFA) or Principal Component Analysis (PCA). This reinforced the use of the regression Chi Square and T statistical tests. Only hypothesis H₃ was rejected, the rest were not. A t-test provided insight findings on specific subgroup significant differences. It can be concluded that product placement varies markedly in the U.S. from Brazil based on the influence of a range of factors. In order for product placement to become more competitive in promotional marketing, there is the need for researchers to move beyond traditional variables and add knowledge about the conventional marketplace.

Keywords: Product Placement, Cross Cultural Study, Mere exposure effect.

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RESUMO

O objetivo geral deste estudo foi medir as atitudes dos consumidores em relação à marca exibida durante a colocação de produtos em filmes, assim como destacar a recordação, o reconhecimento e as intenções de compra gerados pela colocação de produtos para os consumidores tanto do Brasil quanto dos EUA. O Coeficiente Alpha de Cronbach assegurou a confiabilidade dos instrumentos de pesquisa. O estudo envolveu o uso do Modelo de Equações Estruturais (MEE) para o teste das hipóteses. Esta pesquisa utilizou a Análise Fatorial Confirmatória (AFC) para avaliar as validades convergente e discriminante, ao invés de usar a Análise Fatorial Exploratória (AFE) ou a Análise de Componentes Principais (ACP). Isso reforçou o uso dos testes de regressão de Qui-Quadrado e os testes estatísticos t de Student. Apenas a hipótese H3 foi rejeitada, as restantes não. O teste t de Student forneceu resultados importantes sobre diferenças significativas de subgrupos específicos. Pode-se concluir que a colocação do produto varia consideravelmente entre os EUA e o Brasil devido à influência de uma série de fatores. Para que a colocação do produto se torne mais competitiva em marketing promocional, há a necessidade de os pesquisadores irem além das variáveis tradicionais e agregarem conhecimento sobre o mercado convencional.

Palavras-chave: Colocação de produtos, Estudo Cultural Cruzado, Efeito de Mera Exposição.

1 INTRODUCTION

Marketers are challenged with finding alternate devices to communicate with consumers because consumers have tired of common advertisements. Product placement came to the attention of marketers and advertising agencies as an alternate scheme to traditional marketing communications. Product placement is currently used throughout media all over the world. It is typical to frequently see brands or products in movies, television shows, music videos, video games, and even novels. In Brazil, the practice is often called commercial merchandising.

However, for purposes of this research, I use the term product placement, which is common in the international literature. Some researchers (DeLorme & Reid, 1999; Hudson & Hudson, 2006; Karrh, 1998; Matthes, Schemer, & Wirth, 2007; Nelson & Devanathan, 2006; Yang *et al.*, 2006) argue that brand placement is a more appropriate term to capture the scope of activities of placement, although product placement remains the most common term.

Historically, marketers' approaches of using the entertainment context to promote their products is not unfamiliar (Hackley & Tiwsakul, 2006; Russell & Belch, 2005), with records from 1890 indicating that Lever Brothers promoted their soap brand in some of the first films ever made (Hudson & Hudson, 2006; Nelson & Devanathan, 2006). According to Brett (1995), product placements have been in existence as early as 1920s and 1930s, but their depiction was intermittent and erratic and did not yield successful results, due to adverse economic conditions and lack of acceptance of such promotional means by audiences.

Prior research suggests that audiences sometimes notice product placements in movies and TV shows. However, there is insufficient data to verify that such product placements have the ability of influence brand attitudes of the audiences. Moreover, there is lack of empirical evidence about the factors that produce such effects. There are also questions regarding the types of placements that are more persuasive compared to the others. The results of this study will provide insights on the value of the product placement technique for marketers and help them ascertain whether the mere exposure effect and repeated product exposure increases the effectiveness of the product placements.

Secondly, there are numerous cross-cultural studies based on comparing and analyzing the perceptions and brand attitudes of consumers towards promotions and advertising. However, there is a lack of studies that explore and analyze the brand attitude of consumers from different cultures with regards to their perception of product placements in movies. According to Lee *et al.* (2010) marketers should ensure that decisions regarding product placement are based on conclusive research of cultural characteristics, consumers' beliefs, and attitudes.

To further explore and address this issue, the current study is based on comparing the

behavior patterns of young adult audiences from the USA and Brazil towards product placements appearing in movies. Reports suggest that Brazil is the second largest and fastest growing market for product placement after the USA (PQ Media, 2007). Moreover, in spite of being one of the largest markets for product placements, there is a lack of research regarding brand attitude and purchase intentions of young adult audiences exposed to the product placements in Brazil. The current study makes an endeavor to comprehend the conspicuous cultural differences and similarities between American and Brazilian young adult audiences (Hofstede & Hofstede, 1984) in order to aid marketers in serving these markets and targeting the consumers more effectively.

The research question was designed following discussion of the previous sections of the research. What are the differences and similarities in the Brazilian and American consumers' behavior, based on the influence of the product placement strategy? The study sought to investigate product placement in movies in a cross-cultural study between Brazil and the USA by looking at the behavior of consumers following use of the product placement strategy. Product placement may generate certain behaviors among consumers making it instrumental to analyze the consumers' perceived values of movies in relation to product placement.

2 LITERATURE REVIEW

Karrh (1998) propounds that brands and products are an inseparable part of mass media programs. According to Turner (2004) & Lehu (2007), marketing and entertainment have always been allies. 2006). Currently, the strategy of product placement in movies is a staggering multibillion-dollar business. Its costs vary with the duration, interaction between the product and the characters, as well as the prominence of placement (Avery & Ferraro, 2000; Russell, 2002). Despite the strategy being in existence for over a century, the literature on product placement is quite recent, coming into existence primarily in the last decade (Russell & Stern, 2006), and has not been given its due importance (Babin & Carder, 1996; DeLorme & Reid, 1999; Hudson & Hudson, 2006; Karrh, 1998; Russell, 1998). Karrh (1998) and Russell (1998) were the first authors to formulate theoretical reviews on the subject in an attempt to deal with the lack of a theoretical framework to support a product placement strategy to implement.

Product placement is a, hybrid promotional tool that may prove more to be more effective than conventional advertisements because the consumers may not comprehend them as persuasive messages. Product Placements in the media enable marketers to acquaint the audiences with their products/brands, engage the audiences through a context where the audience is unable to ignore the product/brand, and make an attempt to impact the purchase behavior (Thomas & Kohli, 2011).

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Several academic studies have been carried out to examine the impact of the product placement strategy on consumers (Auty & Lewis, 2004; Brennan, 2008; Brennan, Rosenberger III, & Hementera, 2004; Carvalho, Yetika, & Giraldi, 2008; ChangHyun & Villegas, 2007; Cowley & Barron, 2008b; d'Astous & Chartier, 2000; d'Astous & Seguin, 1999; Gould & Gupta, 2006; Gould, Gupta, & Grabner-Kräuter, 2000; Gupta & Balasubramanian, 2000; Gupta & Gould, 1997; Gupta & Lord, 1998; Hudson, Hudson, & Peloza, 2008; Karrh, Frith, & Callison, 2001; Law & Braun, 2000; Lehu & Bressoud, 2008; Matthes *et al.*, 2007; Mau, Silberer, & Constien 2008; McKechnie & Thou, 2003; Ming-tiem *et al.*, 2007; Morton & Friedman, 2002; Nelson & Devanathan, 2006; Nelson & McLeod, 2005; Nelson, Yaros, & Heejo, 2006; Russell, 2002; Schmoll *et al.*, 2006; Sung, de Gregorio, & Jung 2009; Tiwsakul *et al.*, 2005). Prominent researchers and academics have stressed upon the importance of product placement as an additional activity to the promotion mix, although there are a number of challenging questions regarding this strategy.

Although it is recognized as an alternative to traditional advertising, product placement has significant advantages and disadvantages (ChangHyun & Villegas, 2007). This strategy is widely gaining acceptance as a cost-effective and efficient alternative to traditional forms of marketing communications (McKechnie & Thou, 2003). Furthermore, as a marketing tool it offers numerous advantages like a captive audience, the implied associated celebrity endorsement, and the avoidance of counter argumentation (Dunnett & Hoek, 1996). Other benefits of this strategy include prominent display, lower cost, global reach, and recall (Lehu, 2007). A typical movie with international distribution can reach over one hundred million consumers as it moves from box office to DVD and TV.

For the audiences, the older audiences view product placements as a cause for concern, unrest, and discomfort and the younger audiences relate to the product placements with feelings of association, comfort, and security (DeLorme & Reid, 1999). A study by Raphael (2001) reveals that the product placement strategy is apt for targeting younger audiences. This reaffirms the fact that attention must be allocated to study the implementation of this activity, since consumers worldwide will be exposed to a static strategy, one that is the same regardless of the nationality, culture, or age of the audience watching the feature film.

One of the most critical advantages of the product placement strategy for the filmmakers is the ability of this strategy to significantly offset the film production and rental costs (Govani, 1999; Gunther, 2000; Gupta, *et al.*, 2000). In addition to the above, the product placement strategy enables filmmakers to depict the contemporary and realistic world in the story, hence adding a touch of realism to the film (Brennan, *et al.*, 1999; Gunn 2001). Due to the worldwide distribution of most American films, the marketers stand to gain tremendously from placing the products in the films

and resultantly reaching out to a global audience at a significantly lower cost (Marshall & Ayers, 1998; Curtis, 1999; Gould, *et al.*, 2000).

However, the product placement strategy has some disadvantages to consider as well. Although the strategy is an effective cost saving promotional tool for marketers, the eventual inclusion or deletion of the placement is contingent on the filmmaker and script, thus making the practice rather unpredictable (Bamrud, 2001). The depiction of the product placement may eventually prove to be unflattering and displeasing within the context of the film, thus resulting in the loss of the intended message (Cowlett, 2000). As Balasubramanian (1994) explained, the impact of the product placement in the films may not be as potent as traditional marketing and promotional tools.

Furthermore, the lack of verifiable measures of tracking the efficiency of the product placements makes the practice rather unreliable from the marketer's perspective. Moreover, there is a significant majority of the audience who may not approve of subliminal advertising; i.e.; "*commercial messages directed to the unconscious mind*" (Nebenzahl & Secunda, 1993). Gupta, *et al.*, (2000) discussed that product placements comprising cigarettes and alcohol have faced tremendous criticism from audiences and are often viewed as unethical.

There is a lack of empirical research exploring the effect of the product placement strategy and its influence on the audiences/consumers purchase intention and change in attitude. Very few studies have examined the effect of consumer attitudes and perceptions toward the product placement strategy (Lai-Man & Wai-Yee, 2008; McKechnie & Thou, 2003; Morton & Friedman, 2002). Furthermore, as noted by Karrh (1998), the results of academic research on the influence of the brand placement strategy on brand memory are diverse. In order to increase the number of these studies, the three variables (attitudes towards brand, recall, and purchase intentions) are tested in the current study.

While analyzing the efficacy of product placements, it is imperative to study the effect of product placements on brand evaluation. According to Babin and Carder (1996a), there is an association between product placements and their influence on brand evaluations or attitudes of the audience. However, research suggests that extant studies have only analyzed the explicit measures of brand evaluations and purchase intention. There is substantial research suggesting that the consumer's attitudes can be conditioned without their explicit memory of exposure to the product (Olson & Fazio, 2001). Moreover, implicit memory may be a good determinant of analyzing the consumer's attitudes (Fazio & Olson, 2003).

Gupta and Lord (1998) state that both mode and prominence are relevant in order to incorporate the brand into the programming and help the marketer to ascertain its cost. Also, different types of placements are expected to have various degrees of impact on consumers'

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attitudes and memory. In order to comprehend the potential of brand placement and choose the most befitting placement strategy, it is imperative to conduct further studies on the effects of different types of placements. The three dimensions discussed by Russell (1998) exemplify the complexity of investigating how consumers may process product placements. The difference of each of these dimensions illustrates the multidimensional nature of product placements, suggesting that a variety of psychological processes are at work when a viewer comes across a brand in the context of a movie or TV show.

At the most basic level, when product placements are merely seen or mentioned in a story, the process may be as simple as mere exposure (McCarty, 2004). Studies reveal that 'mere exposure' to a product or brand may prove effective in encouraging a consumer to develop a favorable attitude towards the product, in spite of the fact that the consumer may have no evident recollection of seeing the product (Janiszewki, 1993; Zajonc, 1968). The 'Mere Exposure Theory' has been described as 'the exposure of an individual to a stimulus is a sufficient condition for the enrichment of his attitude towards it' (Zajonc, 1968).

Janiszewski (1993) showed that mere exposure may result in more positive attitudes toward a brand, although the viewers may not necessarily recall the exposure to the brand. It would appear that mere exposure might help clarify some types of product placements particularly the ones involving brands presented as props in one or more scenes of a movie. To sum up, the most likely processing route for product placement messages is peripheral, wherein low-involvement learning continues to occur.

Product placement may affect viewers' implicit attitudes, which can be influenced just by mere exposure to the brand name or because of associations created by the brand and the movie/show. Moreover, the mere exposure theory is believed to produce a positive affect towards the stimuli, which may be an indication that the stimuli may be a source of benefit to the individual, hence resulting in influencing the individual's purchase intention (Young & Claypool, 2010).

Most researchers and academics who have conducted studies on the subject of product placement have concurred that it is crucial to also investigate the acceptability of product placements across different cultures and analyze the manner in which individuals in different countries interpret them (Gould *et al.*, 2000). Moreover, most studies indicate that globalization will eventually lead to cultures converging to create a world of one common culture (Tse *et al.*, 1988).

However, fundamental elements underlying a culture are durable, resistant to change, and persist through generations. For this reason, despite changes driven by globalization, cultures will retain their fundamental values and identity over generations (Hofstede & Hofstede 1984). Therefore, the examination of cultural effects on consumer behavior is necessary to carefully understand international consumer behavior associated with product placements. In spite of the

critical effects of cultural differences on consumer behavior, the question of how culture might moderate consumer behavior remains mostly unanswered because of the confounding culture meaning and its consequences.

According to Gould, *et al.* (2000) it is necessary for marketers to analyze and study the ramifications of product placement on a cross-cultural basis in order to comprehend the issues related to standardization vs. adaptation. Since it is not possible for a filmmaker to have different international versions based on the product placements offered by the marketer, the product placement strategy becomes a strategy of standardization.

2.1 HYPOTHESIS DEVELOPMENT

The hypotheses are formulated by analyzing the existing theoretical frameworks and previous research on brand placements in movies. Based on this, four categories of variables will be used to compare the behavior of consumers in Brazil and the United States under the influence of the product placement strategy: attitude towards the brand, recall, recognition, and purchase intentions. With regards to the above-mentioned variables, it is expected that some aspects of these variables are convergent, and while others will diverge (Burton 2003; Malhotra & Agarwal 1996; Samiee & Athanassiou 1998).

According to studies by Karrh, *et al.* (2003) movies are an effective medium for marketers to include brand placements because films have the ability to influence mood, social judgments, have the benefits of having a long shelf life and global distribution (Forgas & Moylan, 1987). The above is corroborated by Moster *et al.*, (2002) who explained that movies enable marketers to expose and promote their products/brands to millions of customers, making product placements a rapidly growing marketing communication medium. Furthermore, studies by Keller (1999, p.102) suggest that consumers exposed to product placements through a stimulus like a movie are more likely to later recall an advertisement or commercial for the brand. There is academic evidence to suggest that the influence of product placement on a consumer's memory is better in cases where the product is placed within a film, as opposed to the same brand when it does not feature in a film (Karrh, 1998).

Considering the above, it can be surmised that product placements in movies could be used a strategic tool to increase consumers brand knowledge, comprised of 'brand awareness and brand image,' (Keller, 1999, p. 102). However, there is conflicting research, which suggests that influence of product placements on the consumer's brand/product related memory is divergent and not always positive (Babin & Carder, 1996a, 1996b; Ong & Meri, 1994 cited in Yang & Roskos-Ewoldsen, 2007).

Moreover, it is difficult to comprehend and establish the effectiveness of product placements despite its escalated use to target audiences, since most of the extant data on the effectiveness of product placements is patented (Karrh, 1998; Yang, Roskos-Ewoldsen, & Roskos- Ewoldsen, 2004). Furthermore, it is difficult to ascertain the effect of product placements due to its dynamic nature (Babin & Carder, 1996a; Bhatnagar, Aksoy, & Malkoc, 2004; d'Astous & Chartier, 2000; Gupta, Balasubramanian, & Klassen, 2000). The inconsistent results of extant studies prompt the development of the hypothesis as proposed below;

H1: Consumers/Participants who viewed brands/products in a movie have higher brand/product recall compared to consumers/participants who did not view the brands/products in a movie.

Russell (2002) explains that the different levels of product placement could result in varied reactions from the audience. A study conducted by Russell (2002) investigated the consequences of varying levels of two types of plot connection on product placements. Firstly, high plot placements are those where the products/brands feature prominently in a story line (Russell, 1998, p. 357). Secondly, low plot placement in where the product/brand appears in the background (Russell, 1998, 2002).

The results of the above-mentioned research suggested that the product/brand recognition rate was higher for products of high plot visual placement than the low plot visual placement. Thus implying, that a low plot placement (a brand in the background) may not be as effective as a high plot placement (Russell, 2002). However, the background placement is the cheapest option among the product placement strategies (McCarty, 2004). It is also the easiest to be included in the movie, since it is not involved in the script and has no audio mention, thus it is one of the cheapest marketing and promotional tools for practitioners. Furthermore, the inclusion of brands/product placements in movies is relatively undemanding because it is least likely to encounter on the spot counter argumentation.

Lastly, previous studies have revealed that the mere exposure effect impacts consumers' attitude towards the brand placed. Mere exposure induces a positive reaction to familiar stimuli as compared to their novel counterparts (Zajonc, 1968). According to Young and Claypool (2009), previous mere exposure to stimuli can provide valuable information regarding the most vital stimuli in the current environment. Researchers have suggested that an individual's memory may work tacitly or implicitly without awareness. Furthermore, implicit memory may influence the interpretation of future events (Jacoby & Witherspoon, 1982) and behavior related to choice (Law & Braun, 2000).

With regard to background placements, since they are not in the foreground, they do not

receive the same amount of processing as the prominently appearing brands. However, the mere exposure or implicit memory of the consumer may enable the consumer to recall the brand for a longer time (Graf & Mandler, 1984; Graf *et al.*, 1982; Jacoby & Dallas, 1981; Tulving *et al.*, 1982). Furthermore, with regard to the cross-cultural effect of product placement, several studies have raised questions about apprehending the similarities and differences in the acceptance of product placement across consumers from different nations (Gupta and Gould, 1997).

Gould *et al.* (2000) and Brennan *et al.* (2004) demonstrated significant differences between gender and movie watching frequency among Americans, Austrians, French, and Australians. Additional cross-cultural studies (Gould et. al. 2000; McKehnie & Thou, 2003) revealed that U.S. consumers have a tendency to accept product placement more than the French, Austrian, and Chinese consumers. In a study conducted by Tiwsakul, *et al.* (2005) in the USA, it was observed that most respondents in the survey were not affected by the appearance of brands on television programs. Moreover, researchers have observed that the decisions made by consumers belonging to individualistic cultures like US are contingent on accurate facts and driven by a need of the consumers to derive their own conclusions. However, in collectivistic cultures consumers base their decisions on emotional appeals rather than rational appeals (Han & Shavitt, 1994; Taylor *et al.*, 1997).

Research on cross-cultural marketing has assumed great importance in academia and business practice. Academically, such research has gained acceptance in both international business journals and in specialized ones. Non-familiarity with the cultures and environmental factors in which research is being conducted may substantially increase the difficulty of achieving comparability. To compare two phenomena, they must share some common characteristics and should also differentiate other ones (Malhotra & Agarwal 1996). The culture of a country can be proclaimed as one of the most important environmental characteristics which lead to differences in people's behavior (Steenkamp 2001). However, many companies / brands have failed to take into account cultural differences among stakeholders. Thus, it is necessary to validate theories that could be tested in different cultural environments, identifying the possibility of their generalization and the discovery of new boundary conditions (Barcellos, 2007).

Researchers in cross-cultural studies do not deny the uniqueness of each culture, while also acknowledging that similarity is always present as well. The most basic assumption in cross-cultural research is that comparison is possible because cultural characteristics (the type of phenomenon that occurs repeatedly) can be identified (Ember & Ember, 2009). Hofstede & Hofstede (1984) identified four dimensions of culture in their study, involving over 100,000 IBM employees in more than 40 countries: 'Individualism *versus* collectivism; Masculinity *versus* femininity; Power distance; Uncertainty avoidance'.

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In spite of the critical effects of cultural differences on consumer behavior, the question of how culture might moderate consumer behavior remains mostly unanswered because of confounding culture meaning and its consequences. Also, some researchers predict that globalization will eventually lead to cultures converging to create a world of one common culture (Tse *et al.*, 1988). However, fundamental elements underlying a culture are durable, resistant to change, and persist through generations. For this reason, despite changes driven by globalization, cultures may retain their fundamental values and identity over generations (Hofstede & Hofstede, 1984). Therefore, the examination of cultural effects on consumer behavior is necessary to carefully understand international consumer behavior associated with product placements.

Thus, it can be concluded that there is basis for assuming that there is a discernible difference between consumers in different countries with regards to their attitude towards product placement. Most of the extant research has focused on the effectiveness of product placement as a promotional strategy. However, since most of the studies are based in US, there is a lack of research on how the product placement strategy is perceived by consumers in different countries (Gould, *et al.*, 2000). A study by Gould, *et al.* (2000) comprising 1012 US, 204 French, and 240 Austrian college students explains that the country of origin and subjective differences of the individuals belonging to those countries, may affect not only their acceptance levels of the product placements but also influence the purchase intention.

Furthermore, the results indicate that the standardized strategy of product placement across different countries and cultures can exist despite the subjective differences and interactions. To investigate the above mentioned issues discussed here, the following three hypotheses were proposed with regard to cross-cultural analysis of product placements between participants from the USA and Brazil:

H2: Consumers/Participants from the USA are more likely to recognize and recall brands/products that appear in the background of the movie compared to their counterparts in Brazil.

H3: Consumers/Participants from the USA are more accepting of product placements compared to their counterparts in Brazil.

H4: There are discernible similarities in consumer/participant brand attitudes and purchase intentions in consumers/participants from USA and Brazil in spite of the fact that their country of origin is different.

3 METHOD

The study is an investigation of the use of implicit and explicit measures on product placement in a cross-cultural research. Brazilian and American consumers were investigated, and the perceptions of viewers who are exposed to product placement and those who are not are examined, as shown in figure 1:

Figure 1: Design of study

CONTROL GROUP	EXPERIMENTAL GROUP
No exposure to stimulus (brand edited out of the movie clips)	Exposure to stimulus (brands placed in the movie clips)

Based on the literature review, this study used an existing measurement scale, which was created by Gupta and Gould (1997) and replicated by Gould, Gupta, and Grabner-Kräuter (2000) in their cross-cultural study among Austrian, French, and American consumers related to attitudes towards product placement. Construct equivalence means that the constructs in the original and translated versions of an instrument have the same meaning (Malhotra, Agarwal, & Peterson 1996). To get construct equivalence in both the English and the Portuguese versions, two backward and forward translations were conducted by the two Brazilian researchers for each measurement item to ensure instrument equivalence between the two countries. All measurement items had good construct validity assessed in previous research (Brennan *et al.* 2004; Gould *et al.* 2000; Karrh *et al.* 2001) and the instruments also generated good construct validity and reliability in the pre-testing as confirmed through Confirmatory Factor Analysis (CFA).

Besides that, other items were created to measure the constructs in the present research. By semi-structured interviews, six graduate students in Brazil and nine graduate students in the U.S, talked about specific information concerning their perceptions on Product Placement and, therefore, more items for the quantitative inquiry were created. The interviews lasted from 20 to 25 minutes each. In order to accomplish the objectives of this research, the model was tested with respondents representing consumers in the two studied countries, Brazil and the USA. Each group of respondents saw the stimuli and responded to the questionnaire afterwards.

The questionnaire was pre-tested in Brazil and in the US. The first section was designed for assessing attributes of the sample population. The second section of the questionnaire was designed to assess various variables about product placement in movies in as a cross cultural study between Brazil and the USA using five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Various approaches were used to administer questionnaires to the targeted respondents. A

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total of 800 questionnaires were prepared and sent to respondents in different geographical locations. Out of 800 questionnaires 651 questionnaires were successfully completed and the responses thereof subjected to statistical analysis.

The pre-test was used to identify items that could be unclear and to enhance the conceptual equivalence for the Portuguese and English versions of the instrument. Pre-tests were conducted with service marketing students at Itajai Valley University for the Brazilian pre-test sample (n=34) and market research students at the University of Nebraska-Lincoln for the American pre-test sample (n=38). They all got class credit for participating in the pre-test.

The reliability of each construct was established using Cronbach (Cronbach, 1951) alpha coefficient with a cut-off value of .70 to proceed in further analysis. Each construct showed good reliability for the Brazilian and American pre-test data. Confirmatory Factor Analysis was conducted to identify whether the measurement items measured the construct interest. To confirm the degree of construct equivalence, measurement equivalence in the pre-test was checked using simultaneous multi-group factor analysis (Mullen, 1995; Steenkamp & Baumgartner, 1998), since the size of the sample was somewhat small for using a Confirmatory Factor Analysis (CFA) model. No items were dropped based on the pre-test results.

Since this study investigates the effects within the context of Product Placement, great care was taken to select the scenes from the movies for the video clip we created. Excerpts from popular movies were used as stimuli for this study. The movies were selected based on the list available on the Brand Cameo website, which provides information about product placements in movies. The films were chosen based on three criteria: Released within the last five years (current and realistic brands and brand association); brands placed in the background of the scene; and, similar level of brand familiarity among respondents.

To guarantee the comparability of results among all used brands, a pre-test was conducted to ensure that they possessed equivalent levels of familiarity within the population of interest, both in Brazil (n = 39) and in the U.S (n = 42). A total of 25 brands were tested and the ones that got similar levels of familiarity in both countries were chosen to be used in the stimulus. Two movies were chosen to be part of the clips: Hitch, released in 2005, and Funny People, which came out in 2009. Two clips were edited; one with all the brands in the background and the other one had them all erased, in order to check the differences between the groups.

The selected brands in the movie "Hitch" were Sony, Google, and Honda Civic. The first scene, which lasts two minutes and 11 seconds, shows the main couple having a conversation over a walkie-talkie and the brands that appear are Sony and Google on the computer of the female character. The second scene lasts two minutes and 11 seconds and it shows again the main couple talking outside a building. The brand here is a Honda Civic parked on the street.

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We also used two scenes from the movie "Funny People". The first one shows two male characters having a conversation and Apple is in the background. That scene lasts one minute and one second. The second scene, which lasts 27 seconds, shows three people watching TV and the brand Sharp appears as a low plot connection.

As said earlier, background placement (a low plot) was chosen to be used in this study for the following reasons: (1) Erdelyi and Zizak (2004) affirm that if the message-by-association is too explicit, the subject might critically reject it, since too much awareness can initiate critical or defensive evaluations of the message and may well lead to its rejection; (2) Cowley and Barron (2008a) comment that a prominent placement may activate persuasion knowledge (Friestad & Wright 1994), which may be interpreted as an attempt to influence the viewer and could guide to negative shift in brand attitude.

Furthermore, the motivation for this selection was that respondents were thought to be an appropriate sample since young adults (18 to 24 years of age) are avid film attendees and product placement in films is therefore an effective way to target young, affluent, and well-educated consumers (Van der Waldt, Du Toit, & Redelinghuys, 2007). According to Dortch (1996), the 18-24 year old is the primary audience for film makers and many television producers, which justifies the use of the sample.

The research used both quantitative and qualitative methods to analyze the data that was collected. Qualitative data analysis was used to analyze the qualitative data collected from the interview conducted by the researcher. Concerning the quantitative data collected using closed ended questionnaires, Structural Equation Modeling (SEM) was employed where factor analysis and regression was conducted accordingly. Other methods that were used in analysis of different variables include Confirmatory Factor Analysis, ANOVA, Regression and model-fit indices, such as the Chi-square statistic, Degrees of Freedom (DF), Chi-square statistic (CMIN)/DF, CFI, and RMSEA. AMOS was used to run SEM.

4 RESULTS

The hypotheses of the research model presented in the earlier sections were tested using SEM. The results of the hypotheses tested, based on the research model and their comparative analysis for the hypothesized path, is provided below.

While testing the research model, the error variance for product placement attitudes was negative for both the groups. The Heywood Case was used to fix the negative value by using a very

small positive value (0.005) (Bentler & Chu, 1987; Dillon, Humar, & Mulani, 1987). Thus, the error variance was set in both the groups. After changing the error variance, the model-fit indices were obtained as reported in Table 1. The hypotheses proposed were tested using the final model.

The first hypothesis examined the difference between the consumers who were exposed and those who were not exposed to the different brands in the movie and their abilities to recall those brands. The exposed group showed a regression weight of 0.221 and the unexposed group showed a regression weight of 0.108 in the SEM. The estimates within the groups were significant at 0.05 levels in the SEM. The hypothesis supported both the groups with exposed consumers having higher regression estimates compared to the unexposed consumers, which indicated that the hypothesis could be accepted given there was a significant difference as indicated by the Chi-square test in SEM.

Table 1. Regression estimates and t test results of Hypothesis 1

HYPOTHESES	ESTIMATES (EXPOSED)	ESTIMATES (UNEXPOSED)	X ² TEST
H1	0.221***	0.108***	0.0001

***Significant at 0.0001 levels

Model	D F	CMI N	Р	NFI Delta-1	IFI Delta-2	RFI rho-1	TLI rho2
Hypothesis 1	1	12.62 0	.00 0	.001	.001	.00 0	.00 1

Assuming model Unconstrained to be correct:

4.1 HYPOTHESES 2

H2: Consumers/Participants from the USA are more likely to recognize and recall brands/products that appear in the background of the movie compared to their counterparts in Brazil.

The second hypothesis examined whether there was a significant difference between the consumers of the USA and Brazil regarding recognizing and recalling the brands that appeared in the background of the movie. As indicated in Table 2, the American consumers had a regression estimate of 0.251, while the Brazilian consumers showed an estimate of 0.164. The estimates within the group were significant at 0.05 levels in SEM. The hypothesis was supported in both countries, with American consumers having higher regression estimates and mean values as compared to the

Brazilian consumers, which indicated that the hypothesis could be accepted since there was a significant difference, which was also indicated by the Chi-square test in SEM.

HYPOTHESES	ESTIMATES (USA)	ESTIMATES (BRAZIL)	X ² TEST
H2	0.251***	0.164***	0.0001

Table 2 - Regression estimates of Hypothesis 2

***Significant at 0.0001 levels

Assuming model Unconstrained to be correct:

MODEL	DF	CMIN	Р	NFI Delta-1	IFI Delta-2	RFI rho-1	TLI rho2
Hypothesis 2	1	64.702	.000	.003	.003	.003	.003
Hypothesis 3	1	.039	.843	.000	.000	.000	.000
Hypothesis 4	1	77.195	.000	.003	.004	.003	.004

4.2 HYPOTHESES 3

H3: Consumers/Participants from the USA are more accepting of product placements as compared to their counterparts in Brazil.

The third hypothesis examined the product placements between the countries. As indicated in Table 3, the regression estimate for American consumers was 0.072, while that for the Brazilian consumers was 0.070. The estimates of SEM within the group were significant at the 0.05 levels for both the groups. The mean values for product placements were also higher for the Brazilian consumers than the Americans. So we can conclude that the consumers from both countries were accepting product placements, with greater acceptance on the part of American consumers. This hypothesis was rejected as the chi-square test in the SEM showing a p value of 0.843 > 0.05.

Table 3 -	Regression	estimates	Hypothesis 3
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HYPOTHESES	ESTIMATES (USA)	ESTIMATES (BRAZIL)	X ² TEST
НЗ	0.072***	0.070***	0.843

***Significant at 0.0001 levels

Product placement is a marketing strategy that thrives on communication channels in order to reach target consumers. The Chi Square statistical test results showed that there is no significant difference between the U.S. and Brazil Consumers regarding Product Placement Attitude. These results imply that the American and Brazilian consumer populaces hold attitudes towards product placement that do not differ in dynamics. In other words, it is expected that differences and similarities in attitudes towards product placement will occur in the U.S. populace as well as in the Brazilian one (Singhal, 2004 p.266). This means there is a possibility to generate a trend for the relationship between the patterns of consumers' attitudes towards product placement have concentrated on recall and recognition of brands and products that feature (Babin & Carder, 1996; d'Astous & Seguin, 1999; Gupta and Lord 1998; Dayal-Gulati and Finn, 2007 p.93). There has been a shift in the position of product placement in the motion pictures (movies) from an inconspicuous integral to an indelible one (Yang & Roskos-Ewoldsen, 2007; Hardy, 2010 p.334). According to Nelson and Devanathan (2006), due to divergences in the cultural backgrounds, there are differences in product placements perception among the target audiences across countries.

4.3 HYPOTHESES 4

H4: There are discernible similarities in consumers/participants' brand attitudes and purchase intentions among the consumers/participants from the USA and Brazil in spite of the fact that their countries of origins are different.

The fourth hypothesis stated that the American consumers had discernible similarities in terms of brand attitudes and purchase intentions with consumers from Brazil in spite of fact that their countries of origins were different. The regression estimate for brand attitudes for the US consumers was 0.348 and for Brazil's consumers it was 0.201. Brazil's consumers also had a higher mean value for brand attitude than the US consumers. The regression estimates for purchase intentions in the US sample was 0.308, while that for Brazil was 0.218. The American consumers also had higher mean value for purchase intentions compared to Brazilian consumers. The estimates within the group in the SEM model were significant at 0.05 levels. Since the estimates were different for both the countries, there were no similarities between them.

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HYPOTHESES	ESTIMATES (USA)	ESTIMATES (BRAZIL)	X ² TEST
H4 Brand attitude	0.078***	0.418***	0.0001
H4 Purchase intention	0.453***	0.453**	0.0001

Table 4 - Regression estimates of Hypothesis 4

***Significant at 0.0001 levels

** Significant at 0.05 levels

HYPOTHESIS	BRAZIL	USA	X ² TEST	RESULT
H1	0.221*** (Exposed)	0.108*** (Unexposed)	0.0001	Accepted
H2	0.251***	0.164***	0.0001	Accepted
НЗ	0.072***	0.070***	0.843	Rejected
	0.078***	0.418***		A 1
H4	0.453***	0.453**		Accepted

Table 5 - Summary of the Hypothesis testing

In particular, the overall reliability index for the section on the implicit memory of the consumer was at 0.90. This implies the near effectiveness of this as an instrument. The t-test statistic of implicit memory between consumers of Brazil and the U.S. show that there is a significant difference between the two. Yang and Roskos-Ewoldsen (2007) have provided an interpretation of consumer implicit memory, in particular, in relation to brand placement. Other scholarly works by Auty and Lewis (2004) as well as Law and Braun (2000) demonstrate the strengths associated with implicit memory measures on the effectiveness of product placement.

The overall reliability index for the second section on unaided recall of different brands was 0.81. The same criterion for the distinction of the respondent ability was applied just as in the first section. The parameter on recall and recognition abilities of the respondents is a common feature in most studies in the field consumer behavior as well as in the product placement. The t-test statistic of unaided recall between consumers of Brazil and U.S. show that there is a significant difference between the two. Andriasova (2006) views that research has substantiated recall abilities of the audience as being positively related to prominent product placement.

The overall reliability index for the aided recall, which formed the third section of the questions, was 0.94. The product placement was embedded in a movie, which was viewed by the target audience. The results for this index indicated a robust consistency trend with the aided recall for the product placement. Zanjoc (1968) describes the aided recall as a simple exposure impact of

an individual causing a stimulus that is enough for the enrichment of the audience attitude towards the product. Bornstein and D'Agostino (1992) emphasize that the simplified exposure impacts are higher when the stimuli are seen without conscious awareness better than when consciously perceived.

The overall reliability index for attitude towards the brand, which formed the fourth section of questions, was 0.77. This was well above the recommended threshold. Past studies have revealed that the mere exposure effect impacts consumers' attitude towards the brand placed. Ramaprasad (2001) found out that consumers in different countries hold divergent attitudes towards promotional messages and advertisements. The correlation result patterns for brand attitude showed that Honda and Google featured in the extreme ends of the highest and lowest in correlation with other brands, respectively. Arguably, Honda brand is a distinctively overseas brand in both Brazil and the U.S. Thus, it is a probability that a common product placement strategy applied in either countries will have a similar impact since it is an introduced rather than native brand in either country. Google is natively a U.S. brand, introduced in Brazil, thus this could form the bases of the differences in promotional activities by country marketers resulting in differences in the correlation within the brand as well as with other brands. This aligns with the views by ChangHyun and Villegas (2007); Gould et al. (2000); Hudson and Hudson (2006); McKechnie and Thou (2003) as well as Nelson and Devanathan (2006), that there are high chances that end users in different countries have varying attitudes towards brand such that they need to be customized to fit that particular taste.

The overall reliability index for purchase intentions, which formed the fifth section of the questions, was 0.89. The t-test statistic of purchase intention between consumers of Brazil and the U.S. show that there is a significant difference between the two. ChangHyun and Villegas (2007) view that there has been limited research focused on the effect of the strategy of product placement on consumer purchase intentions. Based on the mere exposure theory, exposure is perceived to generate a positive attitude towards a stimuli, insinuating that the stimuli is a source of benefit to the individual, hence leading to an influence on the individual purchase intentions (Young & Claypool, 2010; Segrave, 2004 pp.185). The correlation results pattern for purchase intentions showed that Sharp and Yahoo were the highest and lowest.

The overall reliability index for product placement attitude, which formed the sixth section of questions, was 0.81. The reliability index reported was substantially well above the required threshold. The t-test statistic of Brand attitude between consumers of Brazil and the USA show that there is a significant difference between the two. Based on Lee et al. (2010), intensive research revealed that attitude is a core factor influencing the decisions and perception of product placement in movies. Other lead factors are cultural characteristics as well as consumer beliefs. According to Babin and Carder (1996a), there is an association between the product placements and their

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influence on brand evaluations or attitudes of the audience. Based on Avery and Ferraro (2000), there is increasing realization about the use of product placement as a promotional tool by marketers; this is in relation to its influence on the brand attitudes of the consumers.

5 CONCLUSIONS

The reliability index for the overall questionnaire instrument gave a sound indication that it had satisfactorily met the overall consistency threshold. The finding on the significant differences on implicit memory between consumers of Brazil and U.S. augured well with the findings by Yang and Roskos-Ewoldsen (2007). Actually, the audiences' behavioral and judgmental tendencies implied that product placement has significant impact; however this will vary markedly between the Americans and the Brazilians. Implicit memory measures provide the status of a non-conscious effect on the brand placement. This finding has provided an important insight into the alternative measures that are not consciously accessible as well as provided bases on making inferences on the less understood elements along these tendencies.

5.1 THEORETICAL IMPLICATION

The ties between the prominent product placement and recall abilities could best explain why there are significant differences in unaided recall between consumers of Brazil and the U.S. This is also captured in the works of Andriasova (2006). Overlap in the comprehension of the marketers' strategies and consumer behavioral tendencies for products and their placement could alienate the potential impacts of the cross-cultural influences if research findings show that marketers' strategies are primary and the end users behavioral tendencies act as the compounding factor.

The fact there is a significant difference in the attitude towards product placement as well as brand between consumers of Brazil and USA implies that marketers must aim at maximizing promotional impacts on end users with varied background and regional isolation. Anecdotally, the factor of attitude is compounded by other factors as captured by Lee *et al.* (2010). Thus, it difficult to find that attitude has individually led to divergent impacts of the product placement. Babin and Carder (1996a) found out that a positive relationship existed between the product placements and their influence on brand evaluations or attitudes of the audience. According to Avery and Ferraro (2000), there is increasing realization on the use of product placement as a promotional tool by marketers; this is in relation to their influence on the brand attitudes on the consumers. Karrh (1998)

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noted that cross cultural differences among nationalities influence the attitudes held by consumers on the product placement, and that marketers should significantly factor this in, more so with regard to international promotions.

According to the mere exposure theory, the perception of stimuli during product placement leads to a positive impact on the consumer's purchase intentions. Product placement shows that the stimulus is the source of benefit to the individual hence leading to an influence on the viewers purchase intentions (Young & Claypool, 2010; Aldridge, 2003 p.253). According to ChangHyun Villegas (2007), there is insufficient research on the effect of the strategy of product placement on consumer purchase intentions.

Based on the Chi Square statistical test, the null hypothesis that consumers/participants who viewed the brands/products in the movie have a higher brand/product recall compared to the consumers/participants who did not view the brands/products in the movie, was retained. However, a t-statistical test on the same hypothesis led to the conclusion that there is a substantial difference regarding aided recall between Brazil and the U.S. Zanjoc (1968) provides an explanation on the aided recall as a mere exposure effect of a person leading to a stimulus that is sufficient for the enrichment of the audience attitude towards the product. Bornstein and D'Agostino (1992) stresses the mere exposure effect as more influential when the stimuli are perceived without conscious awareness rather than when consciously perceived. Hence, the occurrence of the mere exposure effect associated with product placement implies that end user exposure to the brand in the movie influenced their attitude but probably the viewer did not even see the brand. Sabherwal et al. (1994) add that audio-visual placement leads to better levels of recall and recognition compared to visual placement. Gupta and Lord (1998) illustrated that prominent placement led to better recall compared to commercials and, by extension, has higher performance than subtle placement. The mention of the brand even once led to higher recall than just the subtle placement lacking any audio reinforcement.

The chi square statistical tests in this study imply that there are no significant differences between Consumers/Participants of US and Brazil regarding ability to recognize and recall brands/products, which appear in the background of the movie. This can be interpreted to mean that individuals in both Brazil and the U.S. are drawn from a common population and that how the U.S. (as a whole) recalls brands/products is similar to the way Brazilians will. It is imperative to factor that the group dynamics considered in the pack of a country (Brazil and the U.S.) will imply that they come from a single population, however this does not directly imply that the individual dynamics of persons in the U.S. and Brazil (i.e., Americans and Brazilians) come from the same population. Actually, the difference is between and within the group dynamics as well as intra- and inter-individual dynamics. A caveat is that even if these statistical tests indicate the groups (Brazil

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and the U.S.) are drawn from the same population, it is yet to be clarified whether it is intercontinentally, hemisphere-based, or globally. In other words, there is no sufficient information within this study on which population the findings can be generalized to.

The findings of this study show that there is no significant difference between the U.S. and Brazil Consumers regarding Product Placement Attitude. Other studies by Babin and Carder (1996); d'Astous and Seguin (1999); and Gupta and Lord (1998) indicate that there has been a shift of focus towards the effectiveness of product placement concentrating on recall and recognition of brands and products that are featured. In addition, based on Yang & Roskos-Ewoldsen (2007), marketers using product placement have given preferences to indelible motion pictures (movies) rather than the inconspicuous ones. Attributes that differ in the cultural background has led marketers to apply varied product placements strategies in order to capture the perception of the target audiences across countries.

The Chi Square statistical test results indicate that actually there is a discernible semblance in consumer/participant brand attitudes and purchase intentions in consumers/participants from the U.S. and Brazil in spite of the fact that their country of origin is different. These results are interpreted to imply that there are relational overlaps, where the Americans consumer purchase intentions are similar to the Brazilians.

Finally, based on the overall findings of this study, there are existing differences from one country to another on the consumer attitude, thus the impact of common marketing may yield divergent effects across the cultures due to response on the aided, unaided, and differences in implicit memory of both. Brennan *et al.* (2004) have also viewed this in their study. The nationality aspects are increasingly gaining popularity in the product placement research as vital variables the significantly influence the marketer strategy.

5.2 MANAGERIAL IMPLICATIONS

Mere exposure effect falls under the product placement strategy. This study has given focus to the mere exposure effect concept and its effectiveness in delivering product placement. Based on the revelations in this study and previous ones, as part of product placement, mere exposure effect can play an imperative role delivering promotional services for marketers, more so due to its cost effective nature. Moreover, the mere exposure effect leads to an adequate stimulus condition that imparts a positive influence on the audience towards the brand, particularly on their attitude. Mere exposure effect clarifies particular product placement types with increased impact on the individual brands presented. In that sense, marketers use an effective strategy by relying on mere exposure effect which positions the target product at the advantage of the product placement platform.

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In order for marketers to achieve maximum impact on the target, the end user audience, through product placement, they may need input from different parts of the company; this can be concluded from this study. The research and development arm of the company can come in handy in exploring the particulate nature of the target audience since it has been revealed that there is more than one underlying factor and each has a distinct influence on how the consumer will perceive the promotional activity. Considering the massive intrusion into the market of similar products with the same functional use, there is a need to give special focus to each market segment for the product or else application of a common promotional strategy in varied segments may yield disappointing results.

As the management of the companies intend to invest in new consumer segments, there are multiple factors to consider when designing the promotional activity for maximum impact. In other words, there is no single panacea among the product placement can serve every end user segment around the world.

5.3 LIMITATIONS

The overall study interest that formed the impetus of the quest can conclusively be considered as satisfactorily and exhaustively met. However, the study faced some challenges that were potential or outright limitations. The research interest of this study involved field visits in both Brazil and the U.S. The researchers need to have had prior acquaintance and familiarity with more unique aspects of the respondents considering the study had to deal with attitude as well as cultural backgrounds.

Indifference among some of the respondents in understanding the outcome benefits of the research slowed the speed of the study and caused the researchers to dedicate more time in the field at the expense of other study activities within the time schedule. Moreover, statistical modeling and testing for this study was a herculean task that required endurance and rigorous and repeated recasting in a bid to produce the finest analysis and findings. The researchers spent many man-hours in conducting the statistical methods and models trials to reach successful analysis and conclusions. Analyses are also tied with some assumptions.

5.4 FUTURE RESEARCH

The main focus of this study was on product placement as a promotional strategy. The study focused on the psychosocial and economic dynamics influencing the end user based on product placement in contrasting geographies. There is need for research to shift focus towards sell-ability aspects of product placement strategy (The Atlantic, 2011). This will effectively fuse with the findings of this study since it has created a head start from the end user perspective. The sell-ability perspectives will provide the market place understanding (SAM, 2008; MPG, 2011).

The merge of the two will provide a fast track for robust strategies that can provide anticipative capabilities on the market place impact and outcomes, regardless of the product placement platform used (Aarronrobb, 2010). This could result in great pay offs in the movie industry (Epstein, 2006; Wordpress, 2011). Take for instance, the Individual Detection Scores and Proprietary Formulas models for measuring marketplace product placement value worth. Moderators will involve continuous fine-tuned formulas to deliver an as accurate measurement as possible (PMA, 2006).

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