



Why Product Placement Works.

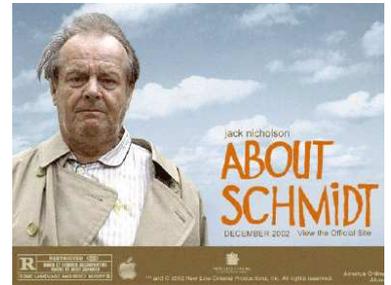
By Max Sutherland

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Nobody is surprised anymore that movies and TV programs seek payment for allowing brands to make appearances in programs. Just as journalistic war reporting has become 'embedded' with the military so too has brand advertising become 'embedded' with the mass media.

When the current movie "Sideways" eulogized pinot noir wine, USA sales of it for January (2005) shot up 22%.

After release of the movie "About Schmidt" in 2002 starring Jack Nicholson, child sponsorships for aid agency 'Plan International' quadrupled. (Nicholson played a retiree whose world is falling apart and by sponsoring a young Tanzanian boy, Ndugu, he finds something to live for.) While 'Plan International' did not pay to be in the film, it illustrates the potency of product placement!



Is it any wonder that brands and companies are prepared to *pay* to get into the movies?

Product Placement has gone mad.

In the USA in the first nine months of 2004, more than 8,000 "occurrences" were recorded on network TV alone for just the top 10 brands.

With the release of each new blockbuster movie comes another chance to play 'spot the paid product placements'. Not so long ago, they were fewer and often *not* paid for. The paid ones were harder to spot but nevertheless there if you looked closely.

Product placement (as traced by Howstuffworks.com) dates back to at least the early 1950s when Gordon's Gin paid to have Katharine Hepburn's character in "[The African Queen](#)" toss loads of their product overboard.

It has been on the increase ever since and nowhere is this more evident than in the James Bond movies. Never shy about product placement, these have featured a proliferation of brands including Aston Martin, BMW, Motorola, Microsoft, Omega and Bollinger (check out the [details here](#)).

Now suddenly, product placement is [everywhere](#). Reality programs like 'American Idol' and 'The Apprentice' are infested with it. It is even in [cartoons](#)

Product Placement Works!



When Clark Gable appeared without an undershirt in the 1934 film "*It Happened One Night*," sales of undershirts fell 40%.

Red Stripe Beer appeared in the 1993 movie *The Firm*. Within a month of the film's release, sales of Red Stripe in the U.S. rose by 50%.



Ray-Ban claims that sales of its Predator 2 sunglasses worn in the movie *Men in Black*, tripled after the release of the movie in 1997.

and [pop songs](#). It is anticipated that in the next few years, product placement is likely to be prevalent in [75% of all prime time shows](#).

But Why Now?

Obviously, product placement has been around for decades but it was never mainstream – until now. Why is it happening so prominently now?

An important reason why it has been catapulted into the mainstream is that it works! This was evident early but only to the few savvy marketers prepared to experiment and take a risk with it. However, in 1998 Business Week featured a '[Product Placement Hall Of Fame](#)' and as a marketing tool, it really began to take off about then.

Another important driver of this acceleration was the march of technology that allowed consumers to avoid commercials more and more. The remote control has now been followed by the hard disk video-recorder, which in turn has given birth to the ultimate 'category killer', Tivo. If people can screen out regular advertising, how do leading brands defend their top of mind position? Answer: They find other ways to keep the brand in front of peoples' eyeballs.

Marketers preferred to spend their ad budgets on regular advertising while it was a choice. But the choice is disappearing and this is now a game of 'Survivor' played out in many product categories.

How Product Placement Works.

Back in 1981, I co-authored a paper in the Journal of Advertising Research on [the subtle power of Agenda Setting](#). This explains much of why product placement works.

Agenda-setting says the media *don't* tell us what to think. But they do tell us what to think *about!* They set the mental agenda. So if something appears frequently in the media, it is raised up on our agenda of things to think about. (Adroit committee chairpersons and politicians claim that if you can control the agenda you can control the meeting.)

This process is subtle and works partly by indicating what's popular or 'what's cool'. Popularity is a magnet. It attracts!

Movies, TV programs, cartoons and pop songs don't tell us what to think but we infer from them what is popular and what other people think. Each appearance of a leading brand like Coke, Nike or BMW reaffirms its star-status and helps maintain its leadership image. If smaller brands can afford enough 'payola' for appearances, they can propel themselves into the limelight and become emerging stars.

A key part of brand development is making your brand more instantly accessible in memory and that's what product placement does. A person can think of maybe 1-3 brands instantly. But if pressed to continue (as Alba & Hutchinson showed¹), a person can dredge many more out of memory. So, when people reach into their memory for a product, just as when they reach for a word, those that come to mind quickly, the ones that are at the top of the mental agenda, have a distinct advantage over those that only emerge after extensive dredging.

The job of brand managers of *established* brands is to reinforce and maintain their position – to defend their mental accessing advantage. The job of challenger brands is to use whatever means they can to try to force themselves higher on the agenda and erode the inherent advantage of the leading brands.

It is an advantage that is not confined to *mental* agendas but also affects the order in which we notice things in cluttered displays. Sure, shelf height and the amount of shelf space are important but hold those constant and you find the order and speed with which packs are noticed is heavily affected by brand familiarity. Packs compete to be triggered into the conscious mind and we notice them one at a

time, the order being affected in turn by how often we are exposed to them. The exposure may be in advertising, in TV programs, in movies or in-store.

Clearly product placement is a powerful and increasingly popular marketing tool that is now in a feeding frenzy. It is only a matter of time before all this provokes a backlash and that is now beginning to happen. From country to country in Europe, the attitude to it ranges from indifference to outright ban. In Ireland and Finland it is totally illegal. Ethical moral and legal questions are [now being asked](#) and critics in the USA are petitioning federal regulators to crack down.



Brand familiarity affects the order and speed that packs are noticed.

Last week (10 Feb 05) in an opening skirmish in the USA, the Federal Trade Commission ruled against requiring an identification message like "advertisement" be superimposed whenever a product placement occurs. However [Commercial Alert](#), the Ralph Nadar inspired watchdog group, still has a request pending for a full investigation into product placement by the Federal Communications Commission.

There is a lot of resistance to intervention but ultimately, in some form or other, it seems inevitable.

"Denial ain't just a river in Egypt." Mark Twain

¹ Alba W. & Hutchinson W. "Dimensions of Consumer Expertise". Journal of Consumer Research, March 1987