

## Is it Ethical to allow Product Placement in Films?

Rishi Shukla P\*

Symbiosis Centre for Management Studies, Symbiosis International University, Viman Nagar, Pune, India

### Abstract

**Purpose:** In recent years, the Product placement industry in India has seen a significant boom. The growth of Product placement continues as media seeks funding and branded products. Product placement in Indian films and television is becoming increasingly common.

**Background:** This research focused on central themes related to Ethical issue in Product Placement Strategy as advertisement or pure entertainment, need for government control and influence on viewers.

**Design:** The results of a survey of 963 respondents from Pune and Mumbai are reported in this paper. Results indicate viewers have mixed response to ethical issues related to product placement in Indian films.

**Result:** The results of the study may provide marketers and business decision makers with a further understanding of product placement in films and ethical issues involved in it.

**Future implication:** The study was restricted to analyze the product placement in Hindi films only. But the outcome of this study may apply to other regional films also.

**Keywords:** Product placement; Ethics in product placement; Indian films

### Introduction

Product placement has created a new way of communication by using media like films and television. Films are shot with special product-placed within films in association with lead actors or actresses in various important situations. Indian consumers are having a tendency to follow their dream heroes or heroines. Indian fashion market follows the trend set by Hindi film actors and actresses. In spite of this, Indian product placement industry is not as successful as the Hollywood. Product placements are on a meteoric rise in Hollywood. Greater numbers of advertisers are looking for alternatives to traditional advertising avenues, in search of more effective ways to reach an ever-elusive audience. Producers' desire to achieve realism on screen and the need for alternative sources of funding are further feeding the exponential growth of product placements and branded entertainment.

Western interest has been growing in "Bollywood," as India's large film industry based in Mumbai which produces more than 300 Hindi films every year [1]. With the end of colonialism, Indian popular cinema emerged as "India's sole model of national unity" with an emphasis on "realist aesthetics" [2].

"Hindi films are more than just Western-inspired products of market manipulation – like their Western counterparts, they represent a continuation of their culture's pre-cinema dramatic forms and stories, transformed by the capitalist economy of scale and the power of the mass media. Where they differ from their Western counterparts is in the dramatic traditions from which they emerged" [3].

"Approximately 300 films are announced and launched in Hindi Film industry every year out of which only 200 are completed and 150 are released. Fifteen of the released films are blockbusters with popular stars, renowned directors and big production and marketing budgets; around 35 films have a well-known star cast but with smaller production budgets ranging from \$1 million to \$2 million; and around 60 films are made for small towns and villages with production costs of less than \$200,000 [4].

Product placement (abbr. PPL) for this study means; potentially compensated (in the form of money or other promotional service) inclusion of consumer brand name, products, packages, signs, logos or other trademark merchandise, services, a verbal mentioning or an advertisement of the product within a motion picture, television show, music video, commercial, video/computer game, book or theatre play [5-7].

### Objectives

1. To discuss the ethical issues involved in practice of product placement in Hindi films
2. To analyze the viewers' response for acceptance of Product Placement
3. To analyze the need for government control

### Literature Review

Product placement started as a periodic barter arrangement for lowering film and television costs is now a vehicle for multimillion-Rupee integrated promotional campaigns"[8]. Friedman [9] found that the incidence of brand name appearances within both best-selling novels and popular songs has continually and substantially increased since World War II. Because of the success of product placement, it has become popular across the media. In recent years, marketers are now moving more aggressively, seeking star roles for their brands in feature films [10,11], video games [12,13], magazines [14], and television shows [15]. Product placement in the media has been viewed as a fusion of

\*Corresponding author: Dr. Rishi Shukla P, Asst. Professor, Symbiosis Centre for Management Studies, Symbiosis International University, Viman Nagar, Pune, India, Tel: 020-26634531, 09975846067; E-mail: [rishi.shukla@scmspune.ac.in](mailto:rishi.shukla@scmspune.ac.in)

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advertising and publicity [7]. As the practice of product placement continues to increase at swift rates, there is no sign of discontinuance or even slowing down in the near future. It has become a widely used form of increasing product awareness in various types of media. The increase of use has spark storm as to whether it should be regulated, and/or even allowed. Critics argue that the audience is incarcerated and may be unaware of the passive messages that they are receiving. Studies have noted the increase in product placement; simultaneously consideration has been given for the audience as receivers of the message.

### Research Methodology

In this study researcher was interested to analyze the ethical issues involved in product placement practice in films. Researcher was also interested to analyze their awareness level about product placement practice in Hindi movies. That’s why researcher has selected descriptive study as a research design. For primary data collection, Pune and Mumbai regions were selected on the basis of the assumption that the sample selected from these cities would represent the population. Random sampling was adopted for collecting the sample elements. Based on literature review and expert interviews, the following hypotheses were formulated:

**Hypothesis no.1:** There is no significant difference in respondent’s opinions about product placement in films is Ethical or unethical.

**Hypothesis no.2:** There is no significant difference in respondent’s opinions that the government should regulate the use of brand name products in Movies.

### Stimuli of the Study

The key constructs of interest in the present analysis are described in detail below:

1. Exposure to Hindi films and Brand Placement: Exposure to Hindi films is measured by two questions. The first measures where they normally watch Hindi movies, the second measures how attentive they are to brand placements in Hindi movies
2. Ethics: Viewers opinion about product placement practice is ethical or not was analysed through four questions

### Sample of the Study

It should be noted that as the population increases the representative sample size increases at a diminishing rate and remains relatively constant at slightly more than 380 cases [16]. A Sample size of 963 viewers was considered as the ample size for the study with 715 males and 248 females. All respondents were classified in three categories as those 60.7% respondents were below 25 years, 26.9% were between 25 to 40 years and 12.4% were 40 years and above. These categories of respondents are used to find out the categorical difference between various other phenomena of product placement in Hindi films. Then respondents were classified in two categories, Pune and Mumbai. Mumbai is a Centre place of Hindi Film Industry and Pune is selected due to its cosmopolitan nature. 60.1% of total respondents were selected from Pune and remaining 39.9% were from Mumbai. Out of total 963 respondents 12.5% were from professional/managerial categories, 21.5% were self-employed, 8.4% were government servant, 49.3% were university/college students and 11.3% were from other categories. Out of total 963 respondents 74.2% were male respondents and remaining 25.8% were female. A reliability analysis is conducted to measure the internal consistency of the measurement method.

### Detail of Experiment

Viewers were shown video clips of 8 Hindi film loaded with 9 different product placement without repetition of any product or brand about 15 minutes. Then subjects were asked to fill the questionnaire. In the first part of the questionnaire, the subjects were asked about their knowledge of the films and product placements and their frequency of watching film in big screens. Then their responses were measured on a 5-point Likert scale. In the second part of the questionnaire the viewers were asked to give their response about ethical concern related to Product Placement in Films. The Cronbach’s Alpha is used to measure the reliability of responses to the variable. According to *Cooper and Schindler, 2008* it should be above 0.6. Cronbach’s alpha (0.817) indicates the degree of reliability to which a set of items measure a single construct.

For the research, researcher has taken 8 movies with 9 product placement (Table 1).

### Result and Discussion

Is it ethical to allow product placement in Hindi films?

As product placement has become a common marketing tool, products are integrated so carefully that the audience can be completely unaware of the product presence as a form of marketing. Because of the possibility that the audience may not be aware of its subjection to product placement, there is a continual debate as to whether product placement is an ethical practice. Product placement reaches a captive audience, provides relatively greater reach than traditional advertising, demonstrates brand usage in naturalistic settings (that could sway an unaware consumer), and offers an alternative advertising option for alcohol and tobacco, both of which are restricted from broadcast television [10].

When viewers decided to watch a movie, their main objective is entertainment. When a producer of a movie decides for product placement or merchandising in the film, he is influencing, indirectly, the innocent viewers. Viewers are innocent, because they are not aware about intension of producers for such merchandising or product placement. Is it ethical? This study has discussed the moral and ethical concerns along with the acceptability of product placement in Indian films with special reference to Hindi Films Data have been analyzed with the help of tables, charts, diagrams, percentage, correlation analysis, chi-square.

### Hypothesis testing 1

**H0:** There is no significant difference in respondent’s opinions about product placement in films is Ethical or unethical (Table 2).

This hypothesis is supported by the analysis of data. Analysis shows that result is significant, the sig value is .422 for two tailed test and it is less than 0.05. So it is concluded that respondents have mixed opinion

| Film                    | Product                                |
|-------------------------|--|
| 3 idiots                | Volvo XC90 R Design and Mahindra Flyte |
| Namaste London          | Spykar                                 |
| Krrish                  | Lays                                   |
| Dostana                 | Verve                                  |
| Phir Hera Pheri         | Dominos Pizza                          |
| Break kebaad            | Zen mobiles                            |
| Bhootnath               | Mother dairy                           |
| Karthik calling karthik | Asian paints                           |

Table 1: Research objects.

|   | Test Value = 3 |     |                 |                 |   |       |
|---|----------------|-----|-----------------|-----------------|---|-------|
|   | t              | df  | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference |       |
|   |                |     |                 |                 | Lower                                     | Upper |
| Product Placement practice in films is Ethical. | .803           | 962 | .422            | .034            | -.05                                      | .12   |

Table 2: Hypothesis no. 1 one-sample test.

|  | Test Value = 3 |     |                 |                 |   |       |
|--|----------------|-----|-----------------|-----------------|---|-------|
|  | t              | df  | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference |       |
|  |                |     |                 |                 | Lower                                     | Upper |
| The government should regulate the use of brand name products in Movies. | -9.494         | 962 | .000            | -.361           | -.44                                      | -.29  |

Table 3: One-sample test.

about product placement practice is ethical or unethical in spite of Distribution of the respondent’s opinion related to product placement in films is unethical, is comparatively higher than those who think it is ethical.

**Hypothesis testing 2**

**H0:** There is no significant difference in respondent’s opinions that the government should regulate the use of brand name products in Movies (Table 3).

This hypothesis is not supported by the analysis. Analysis shows that result is not significant. The sig value is less than .05 and it is concluded that in respondent’s opinion product placement practice should be regulated by the government.

**Conclusion**

This research study has discussed and established the acceptability of product placement as a marketing communications method. Respondents don’t mind if brand names appear in Movies and producers receive money from manufacturers for placing their brands in Movie. Respondents also agreed that if brands are to be placed in a Movie for which producers receive a payment from the advertisers, this information should be disclosed at the beginning of the Movie. Respondents agreed that the government should regulate the use of brand name products in Movies. Respondents also agreed that people would be influenced by the brands they see in movies. Respondents have mixed opinion about the practice of placing product/brands in films are ethical or unethical. Majority of audience accepts the product placement practice in films. In general, the practice of product placement can be considered to be ethically sound and accepted by viewers.

**Managerial implication**

This practice may be useful for social advertising as viewer’s attitude is positive toward it. Product placement practice has a good awareness level in all age groups in spite of their occupation and geographic areas. Hindi films may be a good medium to convey social messages because of its awareness level and attitude of its viewers toward product placement practice.

As this study highlighted and presented the ethical issues involved in product placement practice and concluded that viewers accept this practice but express the need to have some government monitored legal framework. So, social advertising about smoking, child labor, aids awareness and other environmental issues may be addressed to mass audience with low cost and high recall value by using product placement and medium like Hindi films. Understanding the viewer’s media behavior may help advertisers to effectively achieve their product placement and marketing communication objectives.

**Scope for future research**

This study was focused on whether product placement practice in Hindi films is ethical and accepted by viewers or not. Analyzing the impact of different product categories on different categories of viewers may be scope for future research. Also this study was focused on product placement practice in Hindi films. Analyzing the scope and opportunity of this practice in other regional language and viewer’s opinion on ethical issues may be scope for future research.

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