

Using Product Placement in movies as a promoting channel

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<p>This research based thesis analyses the possible ways of creating a successful product placement in a movie, what type of risks are involved in product placements in movies and how these product placements affect the viewers image of the movie as well as the company whose product is placed.</p> <p>The main task in this analysis is to find out how product placements are made at the moment and what the similarities are in the way they are made. This includes the use of existing movies with various amounts of product placements as well as movie review sites and use of websites that discuss these product placements or show the product placements.</p> <p>The objective is to create simple ethical guidelines to follow when making product placements. The other objective is to define a successful product placement, which creates the most benefit to the company whose product is placed.</p> <p>The analysis is made by using the information available on the subject on websites as well as case studies from a book concentrating on the subject. This is due to the fact that there is only one book that concentrates only on the phenomena of product placement in movies. This way of advertising is evolving continuously and has become a routine in Hollywood movies.</p>	
<p>Key words Product placement, Benefits, Ethics</p>	

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1 Introduction

The title of the thesis “Product placement in movies as a promoting channel” comes from the general interest in the subject. The lack of specific theories and methods has made it possible for the companies involved in product placement to develop new ways to implement product placement in movies for their own benefit. Whether the product placement is of a phone that the hero figure in the movie is holding in one scene or the sporty luxury car that they are driving in a chase scene, the fact is that product placements surrounds us in everyday life as much as in the movies but how can the viewer identify a product placement that is poorly placed and how to identify a well placed product placement.

This thesis will define the different ways that product placement has been implemented in movies. Other parts of the thesis go through the benefits and negative aspects that product placement can cause as well as remarkable movies which include three different types of product placements in a movie. The conclusion is to come up with guidelines on how to do product placement in movies effectively without negative effects towards the product or company.

The main aspect of this thesis is to define the ways that any company can be involved in product placement in a benefit able way. There will be a concept map that will show how to make a product placement in a movie (badly criticized or good) that will give any company the possibility to make a product placement that they can benefit from. This of course will create the company a better image in the consumer’s eyes or/as well as it will grow the sales of the products of the company.

1.1 Background to the thesis

The research made for this thesis was done because the phenomena of product placement is a very popular way to advertise and it needs to be better understood to be able to use it for advertising, the reason why this is needed is that of identifying the benefits that companies that are interested in this type of advertising can achieve by being involved in product placement. The other reasons are to identify the best ways of product placement so that future product placements can be done more successfully.

1.2 Thesis objective

The main objective is to find out how to make a successful product placement in a movie and how to benefit from that placement. To answer this question the research questions presented under will be covered.

How to benefit from product placement:

What are the benefits of product placement?

What are the risks involved in product placement?

How Ethics affect in Product placement?

What is the most beneficial type of product placement in a movie?

The research questions are explained more deeply in the next paragraphs.

How to benefit from product placement

The main research question is that of how to benefit from product placement and the research will show different benefits, risks and how ethics plays a part in product placement and to prove how companies and movie makers can benefit from this type of advertising will be identified.

The benefits of product placement

Benefits that companies have had after a well made product placement can be seen in the rise of their sales on their products as well as the image buffering in the consumers eyes. How to identify the benefits of placing products in movies and how to make the right decisions to place a product in a certain movie? Benefits of product placements have been identified already in the 1930's and this has lead to the evolvement of the product placement practice.

The risks involved in product placement

As in any type of advertisement, risks are involved in product placement also. The levels of the risks in product placement are significantly higher than those that are involved in magazine advertisements. This is because the amount of consumers that will see the advertisement is much

higher than that of magazine adverts and the filtering of the advertisement can't be done afterwards as in magazines the advertisement pages can be modified just before the magazine is printed. A badly placed product placement can cause the movie experience to be spoiled to the viewer of the movie and this then will cause these viewers to criticize the movie by pin-pointing every single bad feeling they had watching the movie on the products that were overly advertised.

Ethics in product placement

What is ethical about any kind of advertisement is it that of keeping the consumer happy without making profit from them or is it making profit from the consumers by keeping them decently happy with a little less money in their pocket. These are questions related to advertisement in any media, how does a single advertisement affect the audience and what is the most ethical way to do product placement? The makers of the product placements in movies ask these questions from themselves when they decide how they will proceed in placing a product in a movie.

The most beneficial type of product placement in a movie

In every type of advertising there is one way which will be the most beneficial and this is the type that needs to be identified. What are the features of a good product placement is it the simplicity, the stealthy hidden advertisement, the straightforward advertisement or a bit of all of the above. The way to identify this is not to be looking at the movie itself but at the product placements in the movie. Since the product placement can be a success even though the movie is not a success.

1.3 Benefitters of the thesis

The benefitters of the thesis are divided into future students who are going to make a thesis on this subject, companies planning on using product placement in movies as a way of advertising and companies involved in the business at the moment. The guidelines that are presented later will give a better way in making product placements. Students can look for sources and come up with improvements for the way these placements are done from this thesis.

1.4 Key concept of product placement

Product placement is a way of promoting a company or a product by using movies and other type of media to advertise the product or company. This can be for example a Coke bottle or can on a table in a scene of a movie or TV-show, it could be there to create reality to the viewer but as a matter of fact it is a paid advertisement in the movie. Product placement can be visual or vocal, this means that the product can either be seen or the name of the product is mentioned.

2 Product Placement

2.1 Definition of product placement

Product placement is advertisement done through different types of media's, sometimes the advertisement is straight forward where the consumer see's the product and get's the sales message as a price and the use of the product, mainly on radio, TV-commercials and the internet . The other way of product placement is by stealth advertisement where the sales message and/or product is hidden in a TV-series or a movie, this way of advertising effects the consumer subconsciously and this is called product placement in its pure form.

Basically products that we use in everyday life are made part of a movie or a series by making them used by the movie characters or as a part of their life. Involving themselves in this, companies can launch concept products or new products to the market. With the benefit of advertising stealthily in TV-series and movies the companies can influence the consumers who try to avoid advertisement and they can have a more innovative advertisement channel.

(Galician, 116)

Almost every TV-series has product placement although not completely visible to the viewers eye but enough visible that the brand can be recognized. Such products are mobile phones, televisions, mp3-players, cars, motorcycles and make-up.

Concept cars can be seen in futuristic movies such as the Minority report, I, robot, The Island and the Transformers movies, by the companies such as GM, Mitsubishi, Audi, and Cadillac. These concepts themselves have had an influence on car buyers and have made major benefit for these companies in sales especially as well as reputation and the company image has grown as well.

Generally product placement is used for creating benefit for the company whose product is being placed in a movie; this benefit can be either financial benefit or an increase in the image of the company which therefore makes the company's products more popular in the eyes of the consumers.

2.2 Measuring the effects of product placement

There is not one way to measure the effects but many, the measuring of the effect of product placement can be done by making questionnaires about a company before and after a product placement (brand value/image measuring) comparing sales revenues some months before the movie and after the movie. These are some of the many ways of measuring the effects, but these are some of the most important ones. By doing this the companies doing these measurements can see whether the product placement has been successful even though the movie didn't get good ratings or vice versa.

As an example we have I, robot, a movie that grew the sales of Audi branded cars worldwide by the release of Audi's concept car Audi RSQ in the movie and having the major part of the cars seen in the movie as Audi cars in "disguise". The proof on how this movie grew the sales of Audi can be measured by looking at the sales of Audi branded cars three months before the release of the movie and three months after the release of the movie.

(<http://www.prnewswire.co.uk/cgi/news/release?id=135557>)

The movie grew the image of Audi as well as introduced the first concept for the Audi R8 which had an influence from the Audi RSQ's shapes and dimensions, was released in 2006 at the Geneva motor show. (<http://audi-rsq.co.tv/>)

The sales success was measured in the similar way as in the next formula:

- Product X's sales are €1,000,000/month with a unit cost of €40,000-60,000 equalling to 20 units sold per month. This is the sales figures 3 months before the movie
- Product sales grow to €2,000,000/month with the same unit cost of €40,000-60,000 per month equalling 40 units sold per month. This is the sales figures after the movie. In this case sales have grown by 100%.

Otherwise measuring success of product placement may be difficult if the person who is trying to measure the success does not have access to the sales figures of the company that has made the product placement.

2.3 Types of product placement movies

There are three types of product placement movies and these three types are very different from each other. Some movies have the products built around them to support the reality, while others input the product so that it is visible only for a second or two and the third type is when there are various different products input in the movie to just advertise them.

Movies that have products built around them are usually movies that tell about real life events that have happened or then just want the viewer to acknowledge that the events in the movie could happen in reality. Product placement where the product is visible for the consumer for a few moments or seconds is to submit advertisement to the consumer so that they recognize the brand or model of the product when they see these products in reality without being disturbed by the advertisement.

These three types of movies that are listed are the most popular ways of doing product placement, even though several other types do exist. The other types of product placements in movies include audio advertisement as well as banner advertisement. The focus of the research in this thesis is on the three major types of product placement.

2.4 Evolution of Product placement

The first product placements in a movie was in 1896 in the Lumiere brothers films *Washing day in Switzerland* and *“Défilé du 8e battalion”* (The parade of the 8th battalion) both having the same product Sunlight soap (product of the Lever Brothers a U.K soap manufacturing company) and both also being the first films or short-films made in history these films were shot in Switzerland in Geneva and Lausanne. The first movies and the first product placements in movies were introduced to the audience at the same time. Even though these were the first films to introduce product placement, the business of product placement in movies was invented by Thomas Edison (1847-1931) who was an inventor and a business man. He used short films of freight trains as well as passenger trains to advertise his company’s products as well as co-operating companies products to the public and these advertisements were made with banners attached to the trains and also by people buying train tickets from the train service provider. Overall Edison made 52

product placement movies and in most of them promoted his own products such as the phonograph, these films were shot in the USA. Most of Edison's films were financed by the manufacturers of products and service providers whose products were advertised in these films, basically these films were tailored to the customer.

(http://findarticles.com/p/articles/mi_m6836/is_4_50/ai_n25004463/)

Since the first product placement, the practice of it has changed in many ways but the measurement of success was difficult until the movie *It happened One Night* (1934) where Clark Gable wasn't wearing an undershirt, this caused the undershirt sales plummet nationwide. It was the first recognizable change in sales of products. In 1939, MGM (Metro-Goldwyn-Mayer) opened its first product placement office (Rothenberg 1991) and Walt Disney Studios began selling products with the images from its popular films ("Tie-in Advertising" 1951). The first time a movie star advertised a product was in *Mildred Pierce* (Warner Brothers 1945) where Joan Crawford was drinking Jack Daniels Liquor (Nebenzahl and Secunda 1993). (Galician 2004, 16-17.)

In the late 1960's movie directors began to use products to make their movies closer to reality, by placing actual product brands and advertisement images/banners into their movies (Weisberg, 1985). This way of advertising became the trend due to the economical benefits involved for the movie executives. Big studio bosses recognized product placement as a way of reducing the high production and advertising costs when making and marketing the movies, the studios had acute financial struggles in the early 1970's and this led to the increased use of product placements as a income source for the studios. The drop in ticket sales prices and over the top film budgets, the movie executives began to rely on product placement as a way to support the struggling film budgets (Magiera 1990). The 1982's Product placement in Steven Spielberg's *E.T: The Extra-terrestrial*, the placement of Hershey's Reese's Pieces caused the sales of the candy to grow by 65% in 3 months, this caused the marketers to realise the full potential of the product placements and made them seek for their own product placements (Caro 1996). The proof of product placements effectiveness encouraged Hollywood to begin making movie placement with the growing waiting line of corporate marketer suitors. Since the movie *E.T: the extraterrestrial* product placements in movies have experienced a lot, the way of making movies with product placements in the movie have evolved more and more but most of the placements have stayed the same in the way that the products are implemented in them. (Galician 2004, 17.)

Now the practice of product placement has become a routine for every movie studio and this means that almost all movies have some kind of product placement. The placement can be as small as a coca-cola bottle or as big as a cruise ship or an NFL team (National Football League). The truth is that product placements exist in all media that surrounds us.

Without Product placement movies the movie industry that we have nowadays wouldn't exist. The fact is that product placement movies were the first movies ever made and from the ideas that were used in them especially the plot and storyline factors created the modern movie industry. In this sense we should be thankful for the first product placement movies. The benefit is on the consumers in this case.

2.5 Product Placement Ethics

Is it ethical to advertise in movies or TV-series, here will be discussed the ethical issues facing product placement in the media as a whole, with the main weight of discussion on the movie industry.

The practice of product placement is now so widespread that it has become an industry of its own. The size of the industry is hard to measure due to the various ways that it exists, but it is estimated that only in the United States alone the industry is between \$50 million to \$1 billion per year (Harrison 1999, Mueller 2001). Yearly retainer fees that are paid to the product placement agencies vary from tens of thousands of dollars a year for a small new brand to a couple of million dollars to a big car producer (Klayman 1998). The product placement industry has its own trade association, over a decade-old Entertainment Marketing Association (EMA) [formerly known as the Entertainment Resources and Marketing Association (ERMA)] (www.erma.org). The EMA is made up of three groups that are closely related to each other by the high interest in the practice of product placement: 1) the corporations and manufacturers that are trying to get their brands placed in to entertainment vehicles, 2) studios and production companies which are trying to cut costs by having products mentioned or placed in their projects/films, 3) the product placement agency, that can be either a specialty agency representing a selection of corporate clients looking for placements or a more general advertising or PR-firm that offers placement services to its

clients. According to the past-president of the organization, the EMA's purpose is "to promote the profession and to ensure that it has a high standard of ethics" (Harrison 1999). (Galician 2004, 106-107).

The EMA has made a 12 point "Code of Standards and Ethics" to guide its members. This so called code of standards and ethics has little to do with the ethics concerning consumers.

The EMA 12 point Code of Standards and Ethics

- A. A member shall exemplify high standards of honesty and integrity while carrying out obligations to a client or employer.
- B. A member shall deal fairly with past or present clients or employers and with fellow practitioners, giving due respect to the ideal of free inquiry and to the opinions of others.
- C. A member shall adhere to the highest standards of accuracy and truth, avoiding extravagant claims or unfair comparisons and taking credit for ideas and projects borrowed from others.
- D. A member shall not knowingly disseminate false or misleading information and shall act promptly to correct erroneous communications for which he or she is responsible.
- E. A member shall not guarantee the achievement of specified results beyond the member's direct control.
- F. A member shall not represent conflicting or competing interests without the express consent of those concerned, given after full disclosure of the facts.
- G. A member shall not accept fees, commissions, gifts or any other consideration from anyone except clients or employers for who the services are performed, without their express consent, given after full disclosure of the facts.
- H. A member shall scrupulously safeguard the confidences and privacy rights of present, former, and prospective clients or employers.

- I. A member shall not intentionally, or knowingly, damage the professional reputation or practice of another practitioner.

- J. If a member has evidence that another member has been guilty of unethical, illegal, or unfair practices, including those in violation of this code, the member is obligated to present the information promptly to the Ethics Committee within the Association, for investigation and possible action.

- K. A member called as a witness in a proceeding for enforcement of this code is obligated to appear, unless excused for sufficient reason by the Ethics Committee.

- L. A member shall, as soon as possible, sever relations with any organizations or individual if such relationship requires conduct contrary to the articles of this code.
(Galician 2004, 108.)

These codes of standards and Ethics are mainly focused on the transactions between the three groups inside the EMA they do not include the rights of the artists in the movie or music industry nor do they include the ethics on excess commercialism. So basically the EMA has rules on how to do business but not on how to do product placement in an ethical way.

(<http://www.erma.org/>)

The lack of specific guidelines on how to commence in ethical product placement leaves the industry of product placement open to all kinds of innovations concerning on how to create more benefit to the companies wanting their products placed in movies and the development of new strategies.

These companies involved in product placements in movies need to be very careful on the way that their products are shown in movies, this requires a lot of decision making in the process of designing the placement. The problem is that of how loosely this is done by some companies and this means that some movies have had product placements that have affected the viewers of these movies very negatively, these movies have been straightforward commercials directed to the audience in a form of a movie. Usually these types of movies have been flopping in ticket sales,

due to the bad criticism on the product placements in them. The effects of bad product placement can be seen in the decrease in a company's image, which is mostly due to the un-happy consumers who are also the ones who have seen the movie where the company's product has been.

Ethical product placement can be seen as placing products in movies or other media, so that the consumer is not disturbed by it in anyway either by having it built in the plot of the movie or series, or by having the movie built around the product or company.

Ethical Marketing as a theory handles the marketing decisions of companies and specifies whether these decisions are morally right or wrong. The marketing decisions morality can be measured from any point from the beginning of advertising to the pricing of the product or service as well as the raw materials sourcing.

Ethical marketing questions have to do with the production of the products all the way to the sales of the products. A company needs to ask itself the following questions:

1. What is ethical in their line of business?
2. What branch of ethics will the company rely on?
3. How the ethical approach will be implemented in reality?
4. How broadly will the company implement its ethical decisions/ approach?

These questions help in implementing ethical marketing in a company's business strategy and it is important to have an ethical approach since the customers of a company will appreciate buying a company's products which thinks about the customer and the customer's needs.

(<http://www.learnmarketing.net/ethicalmarketing.htm>)

2.6 How Products are placed in movies

Products are placed in various different movies; the way that they are placed in the movies differs from the usage of the product in the movie and how they fit in the storyline of the movie. The process on how this is done is by the actions between the movie studios, the product placement agencies and the marketing division of the companies. The companies contact the agencies with products they want to be implemented in a movie; the product placement agencies work in collaboration with the film studios which decide what products they want to use and which products they need to use. The product placement agencies have many permanent product manufacturers as their clients; these companies' products are used to create reality or are the most used props in movies. These companies are usually refreshment drink manufacturers such as Coca-Cola or Pepsi as well as car manufacturers.

The product can be placed in the movie without the manufacturer of the product paying anything to the movie studio. This is when the product can be implemented in the movie and not presented in a favourable way.

The other way of placing a product is by the director asking the product manufacturer for a certain product that they would be willing to implement in the movie, by doing this the placement itself is the payment and the product cannot be presented in an unfavourable way.

The third way to place a product in a movie is by paying for the product to be shown in the movie and by doing this the company is also a financier of that certain movie that the product is shown in.

The main interaction on how the product makes its way to the movie is by the decisions made by the director of the movie; the only way the company can influence the director's decision is by paying a fee to the movie studio.

3 Research on product placement

3.1 Methods and data collection

The data was collected from 6 movie review sites: www.brandchannel.com, <http://www.scene-stealers.com>, <http://www.thevine.com.au>, <http://worstproductplacement.com/>, <http://brandsandfilms.com>, <http://www.watchmojo.com> that concentrate on the phenomena of product placement, as well as some articles on the phenomena.

The reason why the data was collected from these sources is that, that these articles and sites support the research. They are concentrated on the different products seen in movies as well as the effects these placements have had on the companies whose products they were. Some of the websites go through the positive and negative effects as well as discuss the movies and whether the product placements have been successfully implemented in these movies.

Especially brand channel is known from its deep insights on the product placements in movies as well as providing the newest information on upcoming product placements in the movie industry.

The main data was collected from these movies: *The Matrix*, *The Cast Away*, *The Island*, *I, Robot*, *Sex and the City 2*, *Cloverfield*, *Evolution*, *Transformers 2: Revenge of the Fallen*, *Transformers*, *Quantum of a Solace*, *Casino Royale*, *E.T.: The Extra-Terrestrial* that have product placement which can be categorized in the three different types that have been mentioned before.

The main focus is between the movies from the same series of movies as well as movies which have had either successful product placement or unsuccessful product placement. In these movies we can see how a beneficial product placement has been done as well as movies which have nearly flopped do to the product placements in them as well as movies which have flopped completely.

The movies also show the way of a simple product placement which means that the product is seen only for a little time. The research questions are covered movie by movie but not all of them have an answer for each of the questions. The movies listed are the most talked about movies in the industry of product placement, the reason for this is that of the different product placements that are in them have caused discussion amongst critics as well as consumers.

The data was collected by reading through the websites as well as some news articles on the subject, but the main data collection was done by watching through the movies listed above three times to be able to spot out the product placements shown in these movies.

The way that this was done is by:

- Watching the movie through to identify potential placements,
- Next watching the movie and stopping when a specific product is shown on screen
- Finally watching the movie scene by scene slowly to be able to collect any missing information from the movie that was under analysis.

Generally most of the time used on the analysis went into finding the certain product placements that were clear to the viewer for only a short time.

3.2 Qualitative approach

The basic features of the qualitative approach are the collection of data through various different sources and by collecting the most relevant information from the sources. The data collection is done in the way that supports the study the most, this makes it easier for the researcher to compile the data needed for the study.

The qualitative approach is used in this thesis do to the fact that information on theories and methods is not available, so the data collected is from various different sources that are concentrated on the same theme. The reason why the approach is good is that the information used is the most relevant information.

Qualitative research aims to understand the richness and complexity of social experience by attending closely to the actions, interactions, and social contexts of everyday life. It involves systematically “watching people in their own territory” or speaking with them in depth about their thoughts and feelings. In some instances, this will lead to descriptions of multilayered and intricate worlds of experience. In other cases, the researcher may show how everyday experience is meaningfully constructed in social interaction. In still others, the results are reports of experience from the perspectives of the research subjects. Throughout, qualitative research strives to be rigorously empirical, even while its subject matter requires flexible methodologies and hands-on involvement in the lives of the persons being studied.

Qualitative research focuses on the “qualities” of social life. The goal is to describe the dynamics and texture of everyday life that quantitative research methods typically overlook in their formal operationalizations and numerical representations. Rather than simply designating and enumerating categories of experience, qualitative researchers provide detailed descriptions of the social organization and interpersonal processes in question. Quantitative researchers who seek predictive or explanatory models of social behaviour often diminish the importance of qualitative studies by calling them “preliminary,” “exploratory,” or “merely descriptive.” Qualitative researchers staunchly resist this, insisting that we must have clear understandings of the qualities of the social world before we can attempt to explain or predict it. (Kirk and Miller, p. 9)

4 Analysis of Product Placement in selected movies

The movies analysed provide a perspective on how product placement has been used in movies, the three different types of product placements are shown in images as well as the movies are discussed.

The benefits, risks and the best type of product placement are explained through certain movies and ethical product placement will be shown in its purest form.

The following cases are focused on the different ways products are placed in movies and how successful or unsuccessful they have been as well as how the product placement affects the viewer. The negative and positive product placements are shown and discussed in these movies and also some results on how a successful product placement generates profit will be shown.

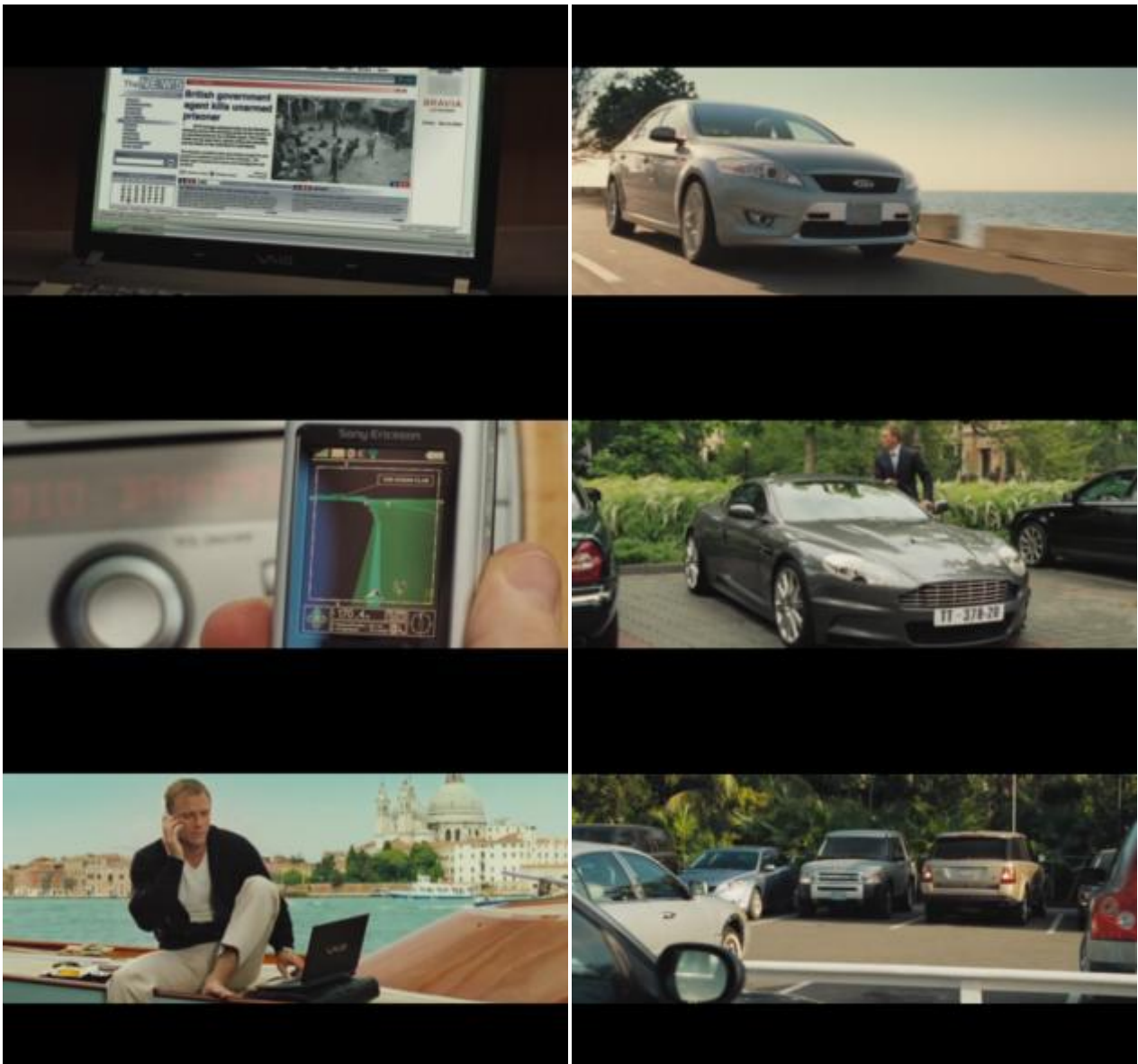
To begin the analysis the first movie is the movie that made the basis of modern product placement and this movie is E.T. The Extra-Terrestrial.



(Copyright owned by Universal Studios)

(Figure. 1: E.T. The Extra-Terrestrial (1982) Successful product placement

E.T. is known as the first movie that made huge success in product placement by making Hershey's Reese's Pieces extremely popular and growing sales of them by 65%. E.T advertised the Audi 5000, Coca-Cola & Fresca (product of coca-cola) and Raid in addition to the Reese's Pieces, but it didn't grow the sales for these products, reason why success occurred for only Reese's Pieces is due to the fact that they were not as popular as coca cola beverages or Raid insecticides. The reason to this unpopularity was the poorly made advertisements for the product as well as the weird candies that consumers were not used to. These products were implemented in this movie to make it closer to reality except for the whole plot with the alien being the main character. E.T was also the first movie that introduced the world to the benefits of product placements. Overall the products that were in the movie had no disturbance on the viewing experience and supported the reality of the movie to a certain extent. Hershey's didn't pay for being in the movie but made a contract that they would promote E.T for \$1 million if they can use E.T. to promote their products after the launch of the movie.

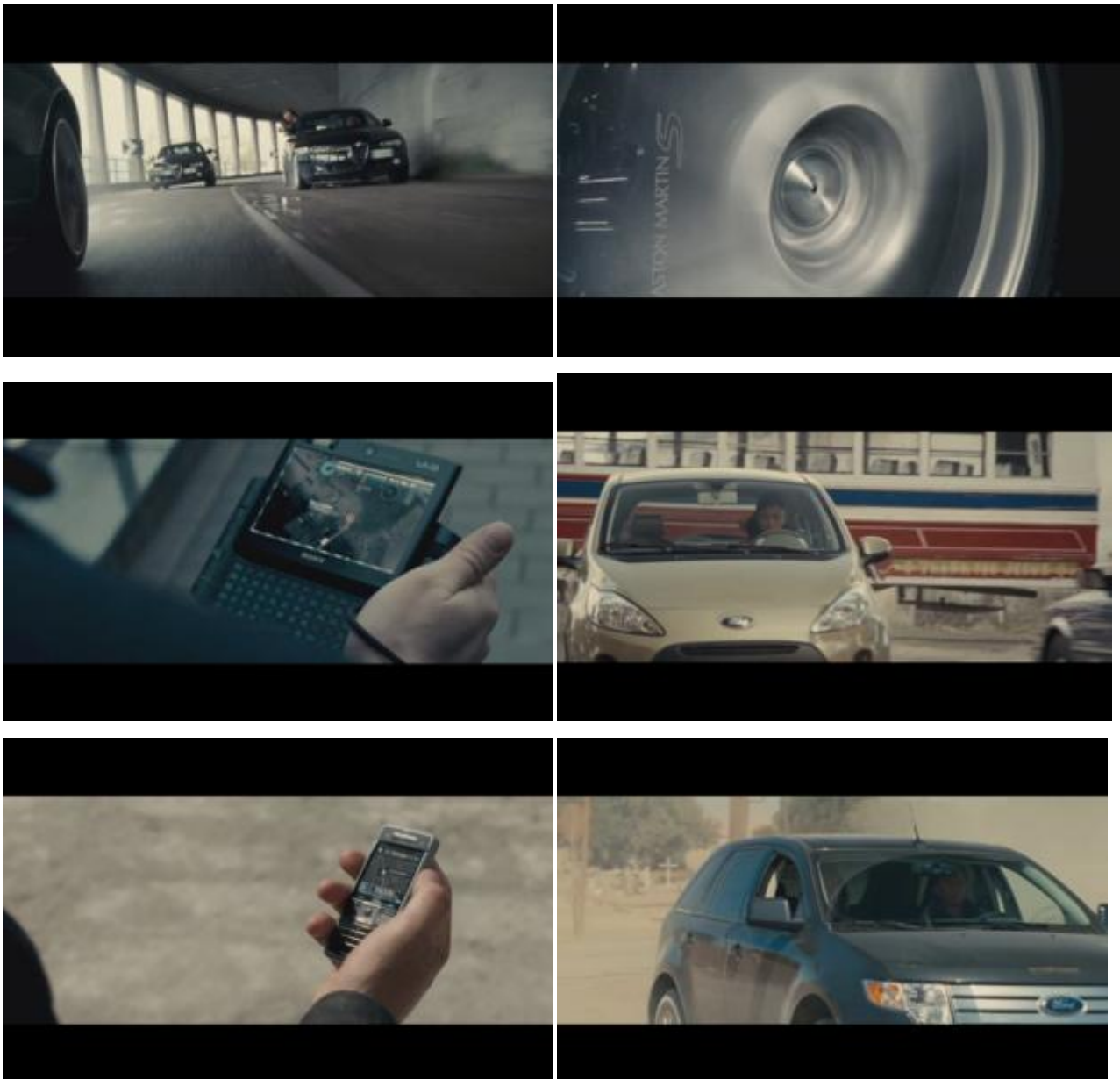


(Copyright owned by Metro-Goldwyn-Mayer and Columbia Pictures)

(Figure. 2: Casino Royale (2006) Neutral Product placement

James Bond movies have always had product placement in them, since the very first Doctor. No movie products have been placed in them to simulate reality as well as the scenery that the movies were filmed in. The most used products in all time in the James Bond movies are Sony, Omega watches as well as the cars which include Aston Martin, several GM models, BMW to name a few. Casino Royale follows the tradition with several product placements by Sony computers, Sony Ericsson phones, the brand new Ford Mondeo as well as the Range Rover Sport and of course the Aston Martin DBS V12. The way that the products were displayed was similar to the way that can be seen in commercials, especially on the part where Bond is driving the Ford Mondeo and when he is holding the Sony Ericsson in the same scene. This was the first Bond movie to emphasize

more on the product placement and it was successful in doing so it had promotional products from Coca-Cola, Smirnoff and Omega to promote the movie itself and the products in the movie were promoted by the different scenes they were in.

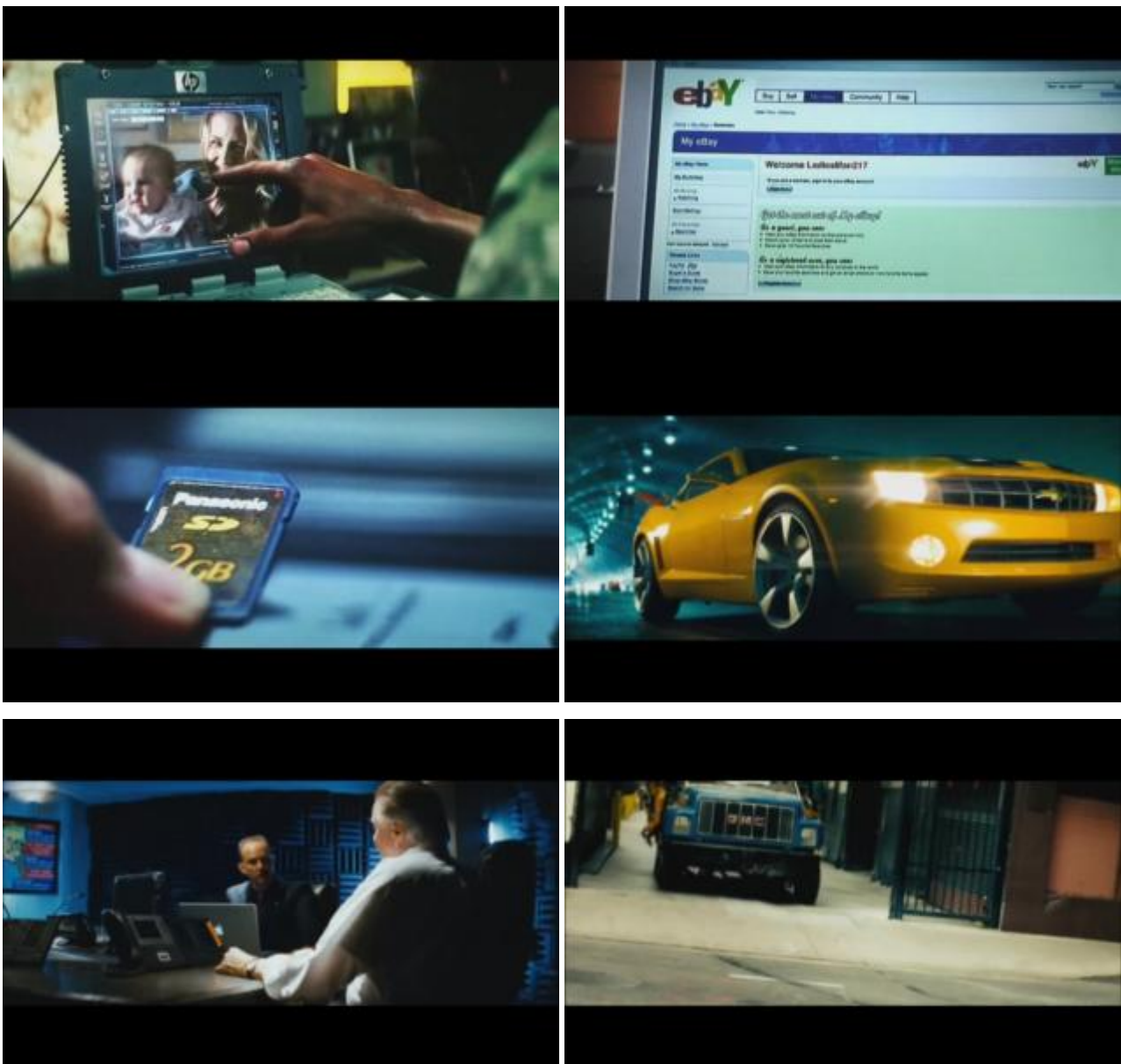


(Copyright owned by Metro-Goldwyn-Mayer and Columbia Pictures)

(Figure. 3: Quantum of a Solace (2008) Neutral product placement

Products that combine each of the James Bond movies together are the gadgets and watches used in them as well as the car's which have been driven by either James Bond or his Nemesis, there is no difference in the movies Casino Royale or Quantum of a Solace. Such brands as Sony

Ericsson, Omega watches, Aston Martin, Sony computers, Alfa Romeo 159, Range Rover Sport and Ford are promoted in these two films. Quantum of Solace features two models of Ford the Ka (2009) and Edge Hydrogen (2009 concept). The movie had many product placements which are not clearly shown and also product placements visible for the viewer. Even though the names of the products are not said the logo's and symbols tell the viewer what the products are. The placements are not disturbing and are in the movie to support the reality. The movie had the biggest budget in the Bond movies and this can be also seen in the various product placements.



(Copyright owned by Paramount Pictures)

(Figure. 4: Transformers (2007) Neutral/harmful product placement

Products placed in this movie were Hewlett-Packard, eBay, Panasonic, General motor's vehicles, Apple, Mountain Dew as well as Nokia which in a scene is said to come from Japan, but is quickly corrected by another character that Nokia comes from Finland. Generally the movie has a huge amount of product placement since all the main characters are cars that exist already.



(Copyright owned by Paramount Pictures)

(Figure. 5: Transformers 2: Revenge of the Fallen (2009) Neutral product placement

The second Transformers movie features products from Audi, Suzuki, General Motors as well as Panasonic, LG and Garmin. These products are displayed in such a way that the viewer experiences them as advertisement; nevertheless they don't really affect the storyline of the movie and the viewing experience that much. The most disturbing scenes are the scenes with LG

products; they can be seen in more than one scene either as television screens or mobile phones. Otherwise the viewing experience is much more interesting due to the special effects as well as the scenery.

The transformers movies include various different product placements but the majority can be seen in the GM (General Motor's) cars that are the main characters with the human actors Shia LaBeouf and Megan Fox, additional product placements are laptops from various manufacturers as well as mobile phones and beverage drinks. The movies had good ratings by the critics but some viewers feel that the overly advertised GM car fleet is disturbing, either or the movies split the viewers in half, others enjoy the movies whereas others disliked the way the products were placed in them. Nonetheless the first movie was a blockbuster movie as was the sequel to it. In this case the movies were so liked that the various product placements didn't spoil the viewing experience.

Product placements in the transformer movies were successful in promoting the new car models as well as the various electronic products without making the viewing experience uncomfortable for the audience by them.



(Copyright owned by Head & Shoulders)

(Figure. 6: Evolution (2001) “product promotion picture”)

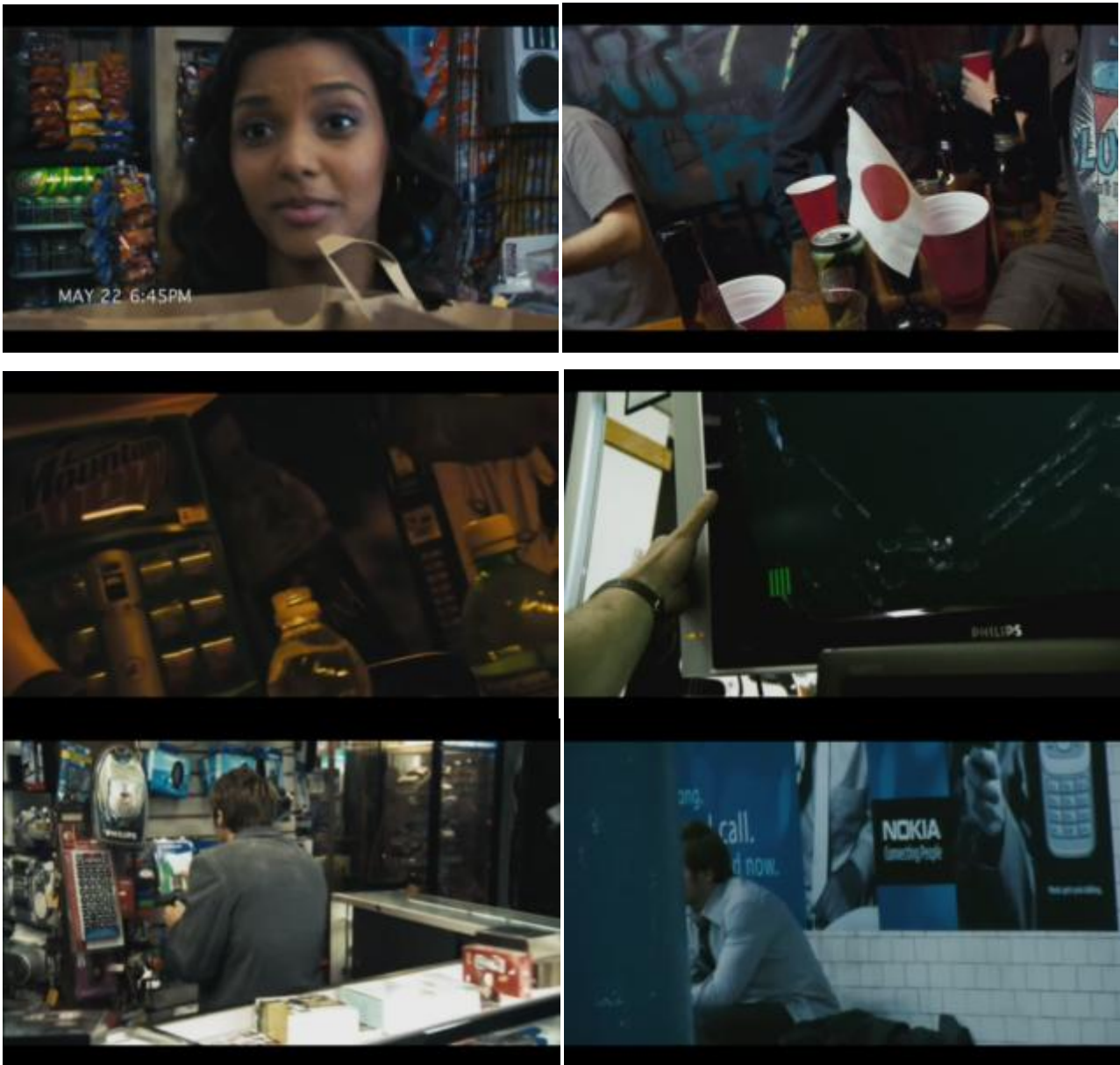


(Copyright owned by DreamWorks pictures and Columbia Pictures)

(Figure. 7: Evolution (2001) Excessive/ harmful product placement

This movie includes a straight forward commercial for head & shoulders shampoo, which is used by the main characters to destroy the alien that is growing and growing and evolving all the time. There is one major product placement in the movie and that is the Head & Shoulders shampoo, other products that are placed in the movie are the Jeep Wrangler that can be seen in some scenes, but the main emphasis is on Head & Shoulders. It seems that the movie was made to be a commercial for Head & Shoulders even though the product placement is very close to the end of

the movie. This is said to be the worst type of product placement movie of all time as well as being unethical product placement.



(Copyright owned by Paramount Pictures)

(Figure. 8: Cloverfield (2008) Excessive/harmful product placement

Cloverfield is considered to be a very bad example of product placements in movies with the overly advertised Nokia, Mountain Dew and Philips products and with other product placements which include Budweiser beer, Nestle chocolate bars and Aquafina. What makes these product placements in the movie not work with the plot is that they are seen too many times as if the movie was made to advertise these certain products. The Nokia advertisement scene that was

made at a metro station: the main characters were talking to each other, but the camera wasn't shooting the characters it was slowly going by the Nokia advert which had the slogan "Nokia Connecting people" on the wall of the station, the duration for this part of the scene was approximately 1 minute. This type of advertisement is the type that is usually seen on TV or in Magazines or as street adverts and it makes the viewer feel that there is a commercial in the movie. All mobile phones used in the movie are various different Nokia models and Mountain Dew is seen in various different scenes as well. The other interesting thing about the movie is when the main character springs to a store full of Philips Televisions and headphones as well as Nokia batteries, no other products are seen in this scene only the two brands products. The general feeling of what the viewers that have noticed the product placements of the movie have had is similar to each other, the movie plot and storyline was good but the product placements were disturbing. The movie has been voted to be one of the worst product placement movies.

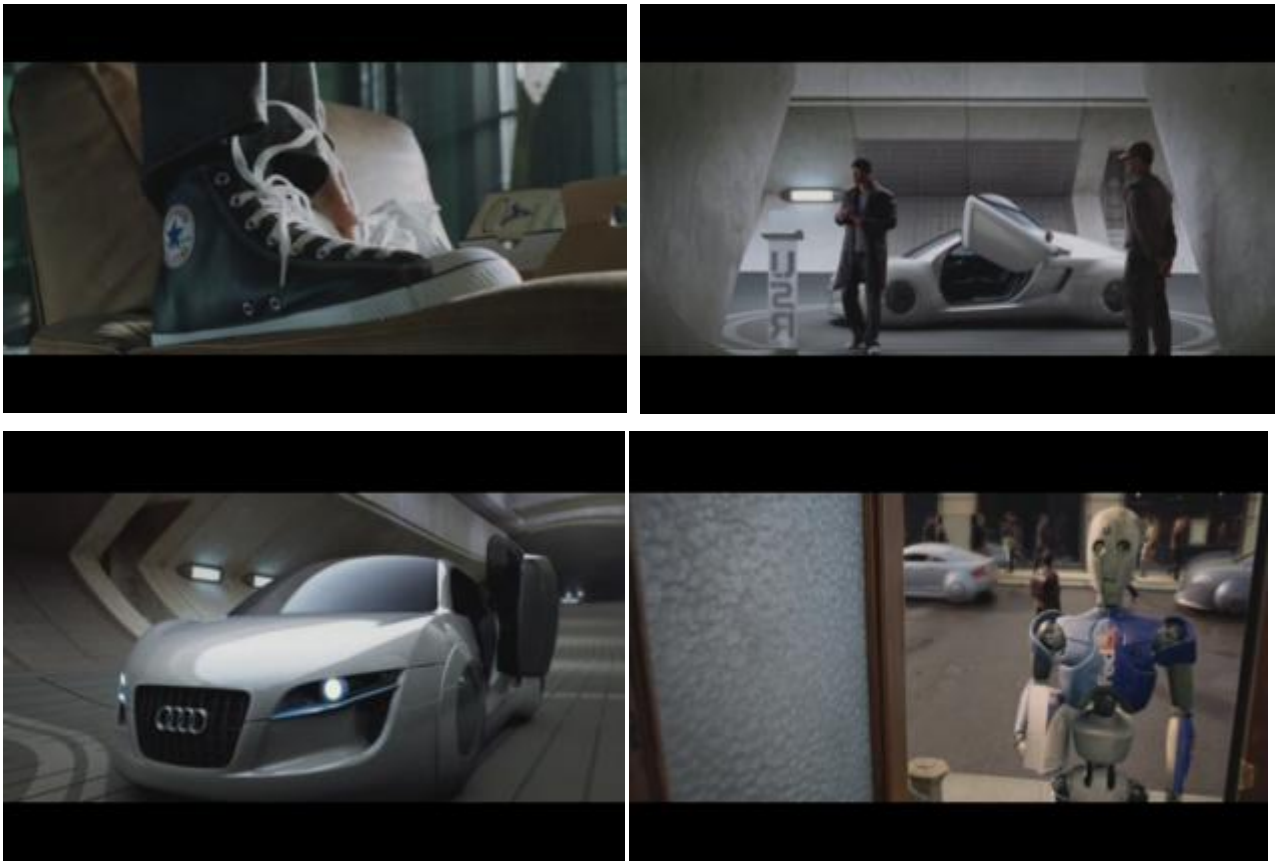


(Copyright owned by New Line Cinema and Warner Bros)

(Figure. 9: Sex and the City 2 (2010) Excessive/Neutral product placement

In this movie the viewer is shown the glamorous side of New York and the lifestyle of the upper-class of New Yorkers, and products from Mercedes-Benz, Rolex, Cuisinart, Pringles and various other manufacturers. These products are a part of the movie and generate the feel of reality that

these things could happen in real life. The success of the product placements in this movie has not been measured due to the fact that it is full of various designer clothes, jewellery, clothing accessories, bags, cars and some food products. The movie which is based on the previous Sex and the City movie follow the same etiquette as the TV-series which was also full of product placements from various different fashion brands and luxury car brands. The products placed in the movie do not catch the eye of the viewer in a disturbing way except the Cuisinart and Pringles “advertisements” which are shot closely and make the consumer feel that they are actual advertisements. Even though the Pringles text is Arabic the Sarah-Jessica Parker who plays Carrie Bradshaw in the movie says “Look Arabic Pringles , now I’m impressed” in the scene where they have boarded the Afdal airlines airplane, which is said to be the best airline in the world.



(Copyright owned by 20th Century Fox)

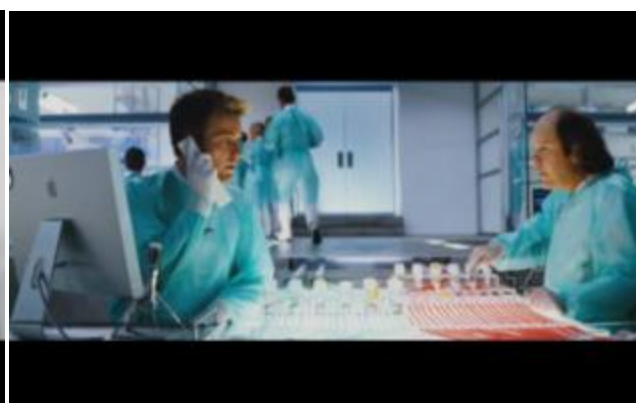
(Figure. 10: I, Robot (2004) Successful product placement

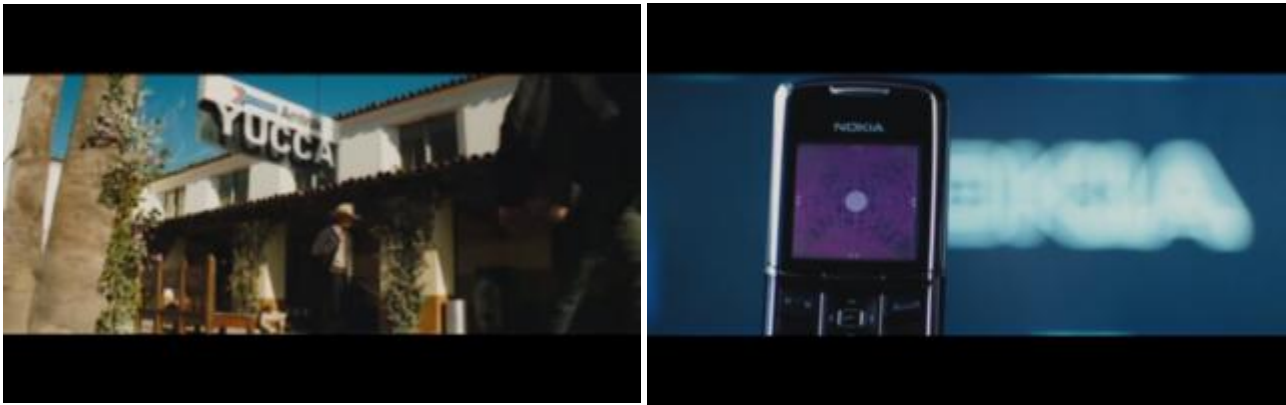
I, Robot which is based on Isaac Asimov’s book I, Robot; provides a perfect example of how the products work with the plot of the movie, by using products that consumers are familiar with to create an atmosphere of reality in the movie showing the 2035 Chicago. Product references which

are named in this movie are Converse all-stars vintage 2004. Products that are shown in this movie are Audi, JVC and Converse All-stars.

Companies and service providers in this movie are FedEx, Audi and Converse all-stars. Even though consumers see only the Audi RSQ concept car in the movie, by looking closer to the background cars in several other scenes the viewer can identify the Audi TT, Audi A4 and A6 in disguise as other cars in the movie. US Robotics with the logo USR in the movie; the fake company has a main part in this movie being the producer of the Robots. US Robotics is mentioned more than once during the whole movie, but this does not refer to the company US Robotics that produces modems and such in reality; the reason why the name is the same is that the real company based its name on the company's name in the book, which was US Robots.

The way the product placement in this movie is done is successful since the benefits that Audi got from it can be seen in the rise of their image and sales. The image of the company grew by 40% in the consumers eyes.





(Copyright owned by DreamWorks and Warner Bros)

(Figure. 11: The Island (2005) Excessive/harmful product placement

The Island was a controversial movie with the products of Microsoft and Apple as well as Nokia, just to name some of the manufacturers of products in the movie, what makes it also quite different from other movies is the amount of product placements. These include Microsoft Xbox, MSN search, Puma, Adidas, Reebok, Budweiser, Nokia, Apple, Amtrak, Calvin Klein, GM, Mack Trucks, Ben and Jerry's, Adidas, Speedo, Aquafina and NFL, they were input in the movie randomly so they don't support the actual storyline in any way and this is recognizable to the viewer.

The product placements in this movie were not successful due to the fact the movie was filled with them, this disturbs the viewers to that extent that the movie was voted as one of the worst product placement movies ever by movie critics. The other interesting part is that even though there was a lot of product placement in the movie, the general viewing experience was good.

There is a product placement one after another throughout the runtime of the movie; this movie is good for entertainment but bad for product placement. The ethical view on the product placements in this movie is diverse, while other products are placed to make the atmosphere closer to reality, the other products are put in just to advertise them they don't support the storyline at all and this disturbs the viewing experience.



(Copyright owned by 20th Century Fox and DreamWorks)

(Figure. 12: The Cast Away (2000) Successful product placement

The movie *Cast Away* has been said to have the FedEx courier service to support the reality, even though basically the whole movie the FedEx brand is all the time visible, the reason to this is that the director Robert Zemeckis wanted to use a real brand instead of a made up company. The movie had no paid product placement, instead the director had asked Federal-Express for the right to use their logo in the movie. The only real product placement is done by the placing of the Wilson volleyball, which the main character is talking to throughout the movie.

The appearance of FedEx is not that disturbing since it is built into the storyline of the movie; some might say that it is product placement and others see it as a part of the reality that exists in the movie. The image of FedEx is usually that of quick and on-time delivery, instead in the movie that is not happening since the package that the character is delivering is delivered 4 years after it was sent. This is controversial and it also mellows the brands visibility in the movie. The product placement in the movie is made with good taste even though the product/ service is all the time visible.



(Copyright owned by Warner Bros. Pictures)

(Figure. 13: The Matrix (1999) Successful/simplistic product placement

The first Matrix movie was not concentrating on advertising that much, the only advertisements were Nokia and Fed-Ex, they were seen in 2 scenes basically even though one other Nokia model was seen by a glimpse later on in the movie (unrecognisable as the only part that could be seen was the bottom of the phone). This product placement was built around the movie to support the reality, since the phone model was from 1996 and the year that the movie was situated was 1999. The product placement did not disturb the viewing experience, because it was a part of the movie. Even though the sales of that certain phone model 8110 had ended the movie made it popular again and a phone similar to it the Nokia 7110 began sales in October of 1999. The phone was an upgrade to the 8110 and was the first phone with a WAP browser, the phone released after the movie was a sales success. Generally the product placement was successful because the viewers

could familiarize themselves using the phone placed in the movie as well as using FedEx as a courier service. Product placement was not affecting the viewing experience negatively.

The next two films in the Matrix trilogy were full of product placements with such brands as Cadillac, Audi, Samsung, Chevrolet and Ducati in *The Matrix Reloaded*; and PowerAde and Samsung in *The Matrix Revolutions*. The way that the product placements were shown in these movies was different from the first movie, the products were shown more like advertisements instead of simple placements where the product is seen only for a little while. This made the sequels to *The Matrix* drop lower in ticket sales.

5 Discussion

5.1 Findings in a nutshell

The general findings or similarities of the successful product placements in movies such as *I, Robot* and *The Matrix* were the simple built in product placements which either created the feel of reality in the movies, what is meant by this is that products such as soda cans, car brands or services that we use in real life are placed in the movie in the way that they are not seen in all scenes and in the scenes that they are seen they can be seen for only a few seconds at a time. These types of product placements tend to be the most beneficial either to the company image or to the sales of the products of the company. Other benefits are the high ratings of these movies which benefit the movie studios also. Ethically this type of placement is also the best type since the viewer does not concentrate on the placement for a period longer than 20 seconds at a time and no often than 1-4 times in the movie. Movies with excessive amounts of product placements tend to cause unhappy viewers and also make the viewers think that they are forced to buy the products that are shown in the movie.

The unsuccessful product placements share similarities, usually these types of product placements are done so that the movie is made to advertise the product e.g. *Evolution* (2001). These placements can sometimes turn out to be successful product placements if the movie is well made and the products are not in the main role of the movie e.g. *Transformers* (2007). The product is either talked about all the time or then it is visible all the time in a scene of the movie or in scenes of the movie and it doesn't support the storyline at all in any way. This is ethically questionable since the product interferes with the viewing experience.

Movies with various products placed in them to basically just advertise them tend to have a mixture of good product placements as well as these product placements that are scattered around the movie, sometimes the movies are successful e.g. *The Island* (2005), but in other cases they tend to have lower ratings on sales and viewing value, these are the risks of bad product placements. The reason for this is either financial which mean that more sponsors are needed to be able to make the movie or that the director has needed products to support the reality in the movie.

Overall the most successful product placements have been innovative and different from the others and the movies such as I, Robot (2004), E.T. (1982) and The Cast Away (2000) have added more value to the product placements as well.

5.2 Ethical Guidelines

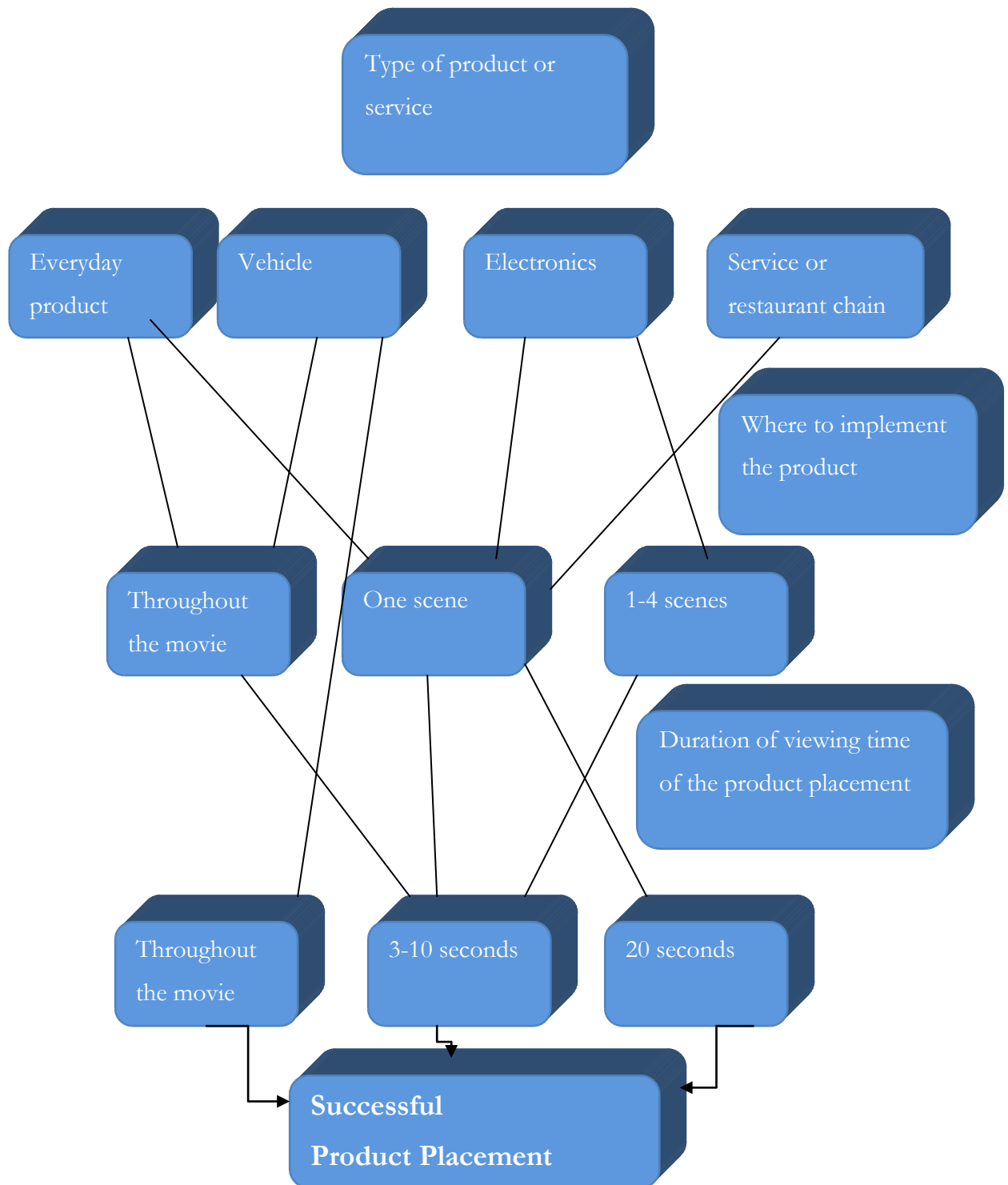
The movie makers and companies implementing product placements in movies should concentrate on making more and more creative ways of doing product placements. Creativity is not making the product the saviour of the movies characters like was done in Evolution, which was a straightforward commercial for “Head & Shoulders” dandruff shampoo. This type of product placement tends to make the movie to have very low ratings as well as angry consumers; the company manufacturing the product will have a drop in sales due to the bad image the consumers have built up in their minds. Generally if the movie is to have a product that saves the day, why not make it something that has a made up name or something that is impossible to have in real life like the transforming cars and other vehicles in transformers. When the product used in a movie is seen to have fictional features in a movie, they are more acceptable product placements. The following guidelines can be used to make more ethical product placements.

1. If the company is to implement a shampoo, soda, candy, cosmetics, chips or perfume in a movie, they need to make sure that it is only seen in the background as an accessory rather than a scene stealer. Unless the product is used as the way it is supposed to be used.
2. When implementing alcohol and tobacco products a company must be careful not to show excessive amounts of their products in a movie and if the product is seen it should be seen only for a maximum time of 10 seconds in the whole runtime of the movie. Generally using real brands of alcohol and or tobacco products should be avoided at all time.
3. When using cars in a movie the logo or appearance should be either changed or made unrecognizable from the logo/appearance the manufacturer is making at the moment and specific details of the car should never be said in the movie, since this is straightforward advertisement. In another case the car/ vehicle could have several features that cannot exist in real life and the appearance should be modified as well.

4. If a mobile phone, computer, CD-player, television or media centre is used as a product in the movie, the logo should be seen for a maximum of 20 seconds in the whole movie if it is implemented in one scene or if the product is seen more than that, then the logo could be visible for a maximum of 3-5 seconds three times in the movie.
5. When the movie will have many products from different companies the products should be all implemented in the way that they are used in everyday life if possible and in different scenes throughout the movie. Using good taste is a virtue in this case, which means that the products are seen no more than one time during the whole movie for a maximum duration of 10 seconds. The product placements should not steal the scene.
6. When a service that exist is placed in a movie, for example FedEx the logo of the service provider should not be seen in many scenes and in one scene for a maximum time of 5-20 seconds during the whole runtime of the movie. Exceptions can be made, if the main character is working for the service provider or the movie does not concentrate on the promises that the service provider makes.
7. When a movie features a restaurant/ fast-food chain the logo and/or name should not be clearly seen and the promotional characters that some fast-food chains should not be shown at any point. Only the meals without the packages can be shown.
8. When using certain clothes brands the name and/or designer should not be mentioned or shown during the runtime of the movie for longer than 5-10 seconds, it can be also left out from the actual movie and shown only in the ending credits.
9. If the movie is about sports then products used in that certain sport can be shown but for only 20 seconds during the running time of the movie and during the 20 seconds the product should not be seen clearly, by doing this the viewer does not get distracted by the real product.
10. If the movie is situated in some country, the products used specifically in that certain country can be used for product placement with the language used in that country and the language of the country should be used when speech is heard. Some movies use a location but the language that is supposed to be spoken is gibberish. This creates the wrong picture of the country.

These guidelines could be used in movies as well as television shows to make the viewing experience more pleasant for the viewer and the image of the companies involved in product placement better.

5.3 Concept Map



5.4 Reliability and validity

The data collected and analysed in this thesis have been from websites that have a long history in discussions about product placements and the movies which have been used in this analysis have been thoroughly examined. The various websites used for the analysis have provided a deeper insight on which movies have been criticised to be the worst type of product placements as well as the well made product placements.

The process on how the movies were examined is by three steps and these three steps are as follows:

1. The movie that is analysed is watched and the product placements are spotted.
2. The movie is watched again and this time stopped at the scenes where the product placement is in.
3. The movie is watched scene by scene to examine further products placed in the movie.

By doing this the movies have been examined three times and the possible product placements have been captured and the most visible product placements are captured as a screenshot. The process per movie takes nearly eight hours, due to the amount of time trying to find the product placements and examining in what content they are seen as in the storyline of the movie if the product placement is analysable in that way.

5.5 Benefits of the results

The benefits of the results can help companies to be involved in the right type of product placements in movies and make them take more a part in the designing of these product placements instead of just giving free hands to various product placement agencies that do the job their own way. By this is meant the placing of a product in many scenes or mentioning the product many times in the movie.

The other benefiterers are students who are making projects on the subject; they can use the results and the pictures that are used in this thesis to support their own project.

Since product placement does not rely on any certain theories of marketing or promotions except ethically, it is very modifiable by the companies who create these placements. The biggest gaps in ethical marketing concerning product placement is that generally the advertisement in movies does not make any promises to the consumer about the quality of the product or service, neither does it claim that the product does what it does in the movie in real life. These are specific gaps that product placement creates to theories within marketing and promotional theories.

Product placement theories depend only on basic marketing strategies vaguely since it was originally created by the first film makers to show what can be done with the technology they had in use.

5.6 Suggestions and recommendations

I suggest that the companies commencing in product placement would be involved much more with the making of their own product placements in movies so that the movie would stay as a movie not a car commercial or soda advertisement. How this could be done is by having the director of the commercials for the companies co-operate with the movie directors of the movie the product is to be placed in and make the product placement differ from the usual commercials the company produce to fit more in the movie. By this I mean that the products are not filmed in the way that is used in the commercials of these products.

The product placement agencies should have deeper insights on how the products are shown in the movie, especially if the movie has a lot of products which are used in everyday life the products should not have a visible brand, the brand or logo could be changed or completely removed. So the viewer doesn't get distracted by the product placed in the movie. They should have quality control over the product placements and this quality control could be done with the companies whose products are placed in the movies, the refusal of making the placement by the guidelines of the company in a way that could be harmful for the image of the manufacturer or service provider should be thought about. The product placements should not have any effect on the viewing experience except by improving it.

I would suggest the future product placement study/thesis makers to concentrate on certain movie series such as the "James Bond" movies, "Jurassic Park" movies, "Back to the Future" movies as well as specific movies with either excessive product placements or simplistic product placements. The reason I recommend this is that this thesis is a broader look over the product placement phenomena. It is much easier to concentrate on certain movies than a wide range of movies with variable product placements, since it is easy to mix the different types of product placements with each other and broader studies need to be made of those film series and those types of product placements.

5.7 Self assessment and reflection

I would say that if I could do this in a different way I would concentrate on certain movies instead of concentrating on all different types of product placements since the amount of information on these movies is excessively massive for one person to handle. Reasons to this are the many movies I have had to look through in a rather un-enjoyable manner which is the way that movies usually are not supposed to be watched, other reasons are the variability of resources that I have needed to use for this thesis and this includes many different websites with the certain type of information for my thesis as well as websites handling the phenomena in real time as well as criticising the older product placements as well as giving examples of them. Most of the information I have gone through in this thesis have given me a broader view of how the movie industry works and how the high cost movies are financed. I believe that from now on I will be looking at movies in a different

way and by this I mean that I will concentrate on the movie itself and spot the product placements more clearly now.

Before beginning to make this thesis I had always wondered why there were so much product placements in movies and how did they affect the viewers of the movies. I still do look at movies in a similar way since, since sometimes I find the advertisement/product placements very annoying and vice versa some of them are really innovative.

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