Exploring Consumers' Attitudes and Behavior toward Product Placement in Television Shows

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Abstract

In recent years, many studies have investigated consumers’ attitudes toward product placement in media content such as movies and television shows. However, few studies have used systematic framework to assess influence of social structural variables and socialization agents on consumers’ product placement attitudes and purchase intentions for product placements in television shows. Based on Consumer Socialization framework and agenda-setting, cultivation theory, current study investigates product placement attitudes and behavioral intentions among college students. The results show that peer communication, one of the socialization agents, has strongest relationship with for both placement-related attitudes and purchase intentions. Findings also show the associations between different demographic variables and consumers’ attitudes and purchase intentions.

Key words: Product placement, Attitude change, Purchase intention, Television show
EXPLORING CONSUMER’S ATTITUDES AND BEHAVIOR TOWARD PRODUCT PLACEMENT IN TELEVISION SHOWS

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Master’s Thesis

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CHAPTER 1
INTRODUCTION

While technological developments enable consumers to skip advertising on television, advertisers have been frustrated by the fact that traditional television advertising is no longer an effective tool to promote brands or products. According to a Nielsen report, more than 40% of U.S. households enjoy Digital Video Recorders (DVRs), which facilitate watching television programs without any interruption from commercials (Nielsen, 2010). To catch consumers’ attention, advertisers have adapted a new way of promoting brands and products, called product placement (e.g., placing branded products in a television show). There are various definitions of product placement or brand placement in academic and trade publications. Ferraro and Avery (2000) defined brand placement as “the inclusion of brands in movies or television scripts.” Other definitions are more likely to be limited in terms of the purpose of product placement, such as “the purposeful incorporation of a brand into an entertainment vehicle” (Russell & Belch, 2005, p.74). In this definition, the word purposeful indicates that some shows deliberately display brand names and products to the audience. In this study, product placement or brand placement is defined as the purposeful incorporation of brands or products into media content (Russell & Belch, 2005; Schneider & Cornwell, 2005).

It is important to be aware that each purposeful product placement is different from every other. On one hand, unpaid placements are used to boost the reality factor of television shows and movies. For example, there could be a cereal box on the table in an episode of a sitcom with a scene that easily displays the brand name of the cereal. On the other hand, paid placements are used only for the advertisers’ benefit (Balasubramanian, 1994). Sometimes product placement is a result of business between advertisers and television program producers or movie producers.
(Karrh, 1998; Russell & Belch, 2005). For instance, the advertiser provides a service or a product in exchange for media exposure in a television show or a movie

Product placement can be initiated by either advertisers or media producers (Reijmersdal, Neijens & Smith, 2009). In the first case, the media content is created under the control of the advertiser. Advertisers tell producers to portray a specific message or look for their product that is later incorporated into the media content. Meanwhile, media producers create special formats for product placement opportunities in television shows and advertisers pay to have their designs featured in the content. As Table 1 shows, there are different purposes of using product placement along with diverse product displaying techniques. Today, it is easy to find brands and products in media content that become an intrinsic part of the plot. This is called brand integration or hybrids (Balasubramanian, 1994). In this study, many different types of product placement are considered.

Table 1

_Different Definitions of Product Placement (PPL)_

<table>
<thead>
<tr>
<th>PPL Initiator</th>
<th>Purpose of Using PPL</th>
<th>Types of PPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisers</td>
<td>Promoting specific product Images</td>
<td>Explicit images or brand names in product placements</td>
</tr>
<tr>
<td>Media content producers</td>
<td>Boosting reality of media content</td>
<td>Integration between products and media content</td>
</tr>
</tbody>
</table>
History and Current Trend of Product placement

Product placement is not a new advertising strategy. During the 1890s, the Lumiere brothers used Lever’s Sunlight Soap in their early film experiments. This is considered to be the first product placement in film (Newell, Salmon, & Chang, 2006). The biggest difference between the early years’ of product placement and the current ones is the nature of the process. In the early years, product placement strategies were very green and looked unnatural (Sung & de Gregorio, 2008). As time went on, the practice slowly got advanced, sophisticated, and more organized with new techniques. One of the most significant examples of product placement in the advertising industry is the appearance of Reese’s Pieces candies in the 1982 film E.T., which resulted in a significant sales profit (Karrh, Frith, & Callison, 2001).

As previously described, product placement is widely employed in various media genres such as movies, music videos, songs, and video games (Balasubramanian, Karrh & Patwardhan, 2006; Ferraro & Avery, 2000; Russell, 2002; Sung & de Gregorio, 2008; Van Reijmersdal, 2009). For example, the Kraft Television Theater and Colgate Comedy Hour in the 1950s used product placements in the show, and NBA basketball video games for Play Station have been sponsored by companies like Master Card and Sony for years. Based on the popularity of product placement in entertainment media, there are many advertising agencies that specifically work on product placements for music videos and video games.

Current product placement strategies are not just putting a Pepsi can in the background. Production studios and advertisers keep creating sensational ideas for product placement strategies. For example, in competition television shows, competitors use sponsored products in ways so that they are showing the product name directly to the camera. In movies, actors drive
sponsored vehicles, use sponsored cell phones and computers, all of whose brand names or logos are clearly visible to the viewers.

Media consumers may or may not recognize the placements depending on which different tactic of product placement is being used. Some product placements are very obvious whereas others are more subtle and are usually only noticed by the consumers who already use the products (Lehu, 2007). According to Lehu (2007), advertisers’ best scenario of product placement is when the products are ‘seen’ by the consumers, but not obviously ‘noticed’. Ultimately, the main goal of product placement is to increase awareness of the products among media consumers. As a secondary goal, advertisers aim to have the increased exposure result in increased sales profits.

**Types of Product Placement**

A number of studies have explored the effectiveness of product placement among consumers (Brennan, Schoutte, & Moos, 1999; Cowley & Barron, 2008; de Gregorio & Sung, 2010; Gupta & Lord, 1998; Homer, 2009; Karrh et al., 2001; Lehu, 2007; Russell, 2002). Among different types of product placements, two dominant product placement techniques are found in media content: prominent and subtle product placement. Prominent product placement is commonly found in TV shows or movies. Consumers can easily recognize that certain brands or products are sponsored by companies. Conversely, subtle product placement is less likely to be vivid in terms of placement presentation in media content (Homer, 2009). In this section, more detailed discussion about different types of product placement is explained.
First, prominent product placement has been discussed by a bountiful number of studies (d’Astous & Chartier, 1999; Gupta & Lord, 1998; Homer, 2009; La Ferle & Edwards, 2006). Among this research, many of the studies on product placement have focused on experimenting with different types of placements such as congruity with the program theme and prominence of placement (Russell, 2002; d’Astous & Senguin, 1999). Prominent product placement attributes have been discussed, including the centrality on the screen, the number of product mentions, the strength of the placement, and its integration into the storyline (Cowley & Barron, 2008). For example, General Motors (GM) vehicles were the main characters in the Transformers movies. Consumers can easily recognize that the movies were sponsored by GM without much explanation. In many studies, prominent placement has been tested to determine the relationship between brand memories (Gupta & Lord, 1998; La Ferle & Edwards, 2006; Law & Braun, 2000). Studies found that prominent placement leads consumers to remember the sponsored brands much better than the less prominently sponsored brands. However, it is known that consumers’ past experience with particular brands influences their recall in many ways. In other words, consumers tend to recall more easily brand names with which they are more familiar than others.

Secondly, subtle product placement is also known and defined as the ‘not in your face’ placement strategy or evocative placement (Homer, 2009; Lehu, 2007). For example, in a quiz show, consumers can see sponsored products or company logos in the background but the show host never mentions the company name or products. Previous studies investigated how subtle product placement tactics affect consumers’ brand memory and recall (d’Astous & Chartier, 1999; Gupta & Lord, 1998; Homer, 2009; La Ferle & Edwards, 2006). When consumers were asked to recall brand names in the movie they just watched, they were more likely to remember explicit brand names or products than their counterparts. However, consumers report that explicit
product placement is more annoying and feels more intrusive than subtle product placement (La Ferle & Edwards, 2006). Hence, in terms of consumers’ attitudes toward product placement, the subtle placement technique is more favorable than the prominent technique. Moreover, consumers are more likely to remember placed products which are central to the plot of the show. However, centrality of placement showed no impact on consumers’ brand choice.

Growth of Product Placement Market and Consumers’ Attitudinal Change

Advertisers consider product placement as one of the most effective strategies for influencing consumers’ perceptions toward brands and products (Homer, 2009). Not only are advertisers spending enormous amounts of their budgets on product placement but production studios also heavily rely on these deals as one of the major sources of funding (Bensinger, 2008). The global market for product placement is annually increasing and marked approximately $7.5 billion in revenues in 2006 (Graser & Stanley, 2006). In 2009, advertisers in global market spent more than $3 billion on product placement in movies, internet websites, videogames, television shows and other media channels. Although their budget was decreased due to extreme reductions in brand markets’ budgets, this number is still to be expected more than double by 2014 (Hampp, 2010).

Specifically, product placement is prevalent on television shows because advertising industry wants to catch consumers’ attention through the media most consumers frequently use. Whenever consumers see television shows, they are exposed to numerous product placements. Often times, consumers get annoyed by blatant product placements such as the Coca-Cola placements in ‘American Idol’ (Homer, 2009). In addition, ethically charged products (e.g.,
tobacco, gun) are unacceptable for placement due to their negative impact on young consumers (Gupta & Gould, 1997). On the other hand, consumers want to buy products that their favorite television show characters used (Morton & Friedman, 2002). They might not recognize these products in early episodes of the show, but constant exposure to product placements may ultimately influence consumers’ attitudes and purchase intentions. Influence from repeated exposure in films has been found to be positively affecting consumers’ attitudes toward product placement (de Gregorio & Sung, 2010). However, very few studies have focused on the relationship between repeated exposure to television shows and consumers’ attitudes toward product placement. Moreover, little is known about consumers’ attitudes toward general product placement in television shows.

Previous studies have found that peer communication is another significant element of consumers’ attitude change (Moschis, 1987; Ward, 1974). Consumers talk about placed products with their peers while they watch television shows. Peers are transmitters of behavioral or attitudinal standards by which other consumers’ beliefs and behaviors may be adjusted. Especially when consumers have low certainty about products, they tend to rely on their peers’ opinions or past experiences with such products or brands. However, limited studies have investigated this issue in relation to product placement.

Therefore, there is a need to explore a more refined understanding of how consumers perceive product placement in television shows. In addition, there is also a limited understanding of consumers’ attitudes and purchase intentions in response to product placement in television shows. Thus, the current study investigates the discussed gaps in product placement in television shows by exploiting Consumer Socialization as a theoretical framework.
Regarding the aforementioned issues, this study proposes Consumer Socialization (CS) as an effective lens to analyze both consumers’ product placement attitudes and purchase intentions in a theoretically grounded way. The Consumer Socialization framework offers a systematic framework by analyzing how peer communication while watching television shows influences consumers’ attitudinal and behavioral changes, and considering the impact of demographic characteristics.

The results of this study have implications for consumer researchers and advertisers regarding the relationship between product placement in television shows and consumer behavior. The findings also provide essential factors to consider for creating more effective advertising strategies.
CHAPTER 2

LITERATURE REVIEW

There are dozens of product consumption and media-consumerism theories and many studies have conducted research on children’s and teenagers’ attitudes and behaviors toward product placement in media. However, less is known about general consumers’ attitudes and behavior intentions for product placement. There are several theories and definitions to consider in order to answering the questions about consumers’ attitudes and purchase intentions as outcomes of peer communication and exposure to product placement in television shows.

In order to establish a solid theoretical framework for studying product placement and related consumer behavior, this chapter reviews a few theories and concepts from the fields of consumer behavior and advertising. The first part of the chapter presents Consumer Socialization theory and its background theories, including social learning and cognitive development theory. The second part of the chapter presents Cultivation theory Agenda-Setting theory. Although these theories are not directly used in this study, they have an influence on consumers’ cognitive processes. These theories are the foundation of this research and explain how research hypotheses are formulated. All of the theories and concepts are followed by detailed discussion of each research variable.

Theoretical Background

Mass Communication and Consumer Behavior

Since the early 1920s, mass communication research has been frequently described as an interdisciplinary field (Robertson & Kassarjian, 1991). Researchers from sociology,
anthropology, psychology, and business often find pivotal variables explaining some phenomena in society. This is because human behavior and social processes are heavily dependent on communication. This chapter explores how mass communication affects consumers’ behavior and attitude changes. Although this chapter will not cover the whole communication field that has been discussed for a century, it will present two relevant communication theories: agenda-setting theory and cultivation theory. These theories are applicable to explain how consumers are influenced by media and eventually change their preferences and behaviors.

**Consumer Socialization Theory**

The term socialization has been discussed by scholars for more than few decades (Blythe, 1997). Brim (1966) defined socialization in a more confined view, especially focusing on the content of the learning process. His defines it as “the process by which individuals acquire the knowledge, skills and dispositions that enable them to participate as more or less effective members of groups and the society” (Brim, 1966, p. 3).

In other studies, socialization refers to processes affecting one’s current and final behaviors which are often called anticipatory socialization (Merton & Kitt, 1950). Hess and Torney (1967) identified anticipatory socialization in three types. First, children learn values and attitudes about adult roles with limited relevance for the child but to acquire basic behaviors for learning. Second, children learn information which is not useful for childhood but applicable for later in their lives. Third, children learn both general and specific skills which can be exercised during childhood.

Derived from this socialization concept, Ward (1974, p.2) defined Consumer Socialization as the “process by which young people acquire skills, knowledge, and attitudes
relevant to their functioning as consumers in the marketplace.” The framework of Consumer Socialization provides a means of analyzing the influences on how people learn to perform their consumer roles in society.

The concept of Consumer Socialization has been discussed in the development of consumption-related attitudes, behaviors, and cognition in adolescents and children (Moschis, 1987). The reason is that one’s early behaviors, skills, and attitudes are continuously modified, reinforced and developed through a person’s life cycle (Brim, 1966). Especially, when children grow old enough to have disposable money from their parents, they develop consumer behavior patterns which are significantly reflected into those in their adulthood. Consequently, children who have regular interaction with their parents develop roles as consumers at an earlier age than those who have less interaction.

Consumer Socialization tries to understand many elements in the consumer decision-making process (Moschis & Churchill, 1978; Ward, 1974). One study (Bush, Smith & Martin, 1999) suggests that socialization occurs through consumers’ relationships with peers and other social influences. For example, as people grow older, they tend to have relationships and interact differently with diverse sources of consumer information such as media channels, school, friends and family members. Moschis and Churchill (1978) refer to these diverse sources as socialization agents. Agents can be anyone or anything having interaction with consumers and facilitating individual consumers’ perceptions and attitudes.

Two of the most commonly utilized theoretical frameworks to explain Consumer Socialization process have been social learning theory and the cognitive development model (Moschis & Churchill, 1978). Social learning often explains the sources of influence on a learner. Moschis and Churchill found that social learning theory better explains a young individual’s
ability to play a role as a socialized consumer. Meanwhile, cognitive development proficiently explains each age group’s ability as consumers. The cognitive development model is based on Jean Piaget’s perspective of socialization and the learning processes which occur as a function of the ongoing cognitive changes throughout one’s lifetime. More detailed discussion of cognitive development theories and social learning are in the following.

**Social Learning Theory**

Social learning is based on theories emphasizing sources of influence, which are often called social agents (Moschis & Churchill, 1978). These agents mainly convey norms, perceptions, behaviors, and motivations to the learners. More specifically, Moschis (1987) argues that social agents are environmental sources, such as peers, parents and the media. These agents both directly and indirectly influence one’s socialization activities because of their predominance over the individual, the control over the punishments and rewards given to the learner, and the occurrence of interactions with an individual (Brim, 1966). An individual learns cognition and behaviors from the socialization agents through modeling, reinforcement, and social interaction. Observation of other’s behaviors is the foundation of the social learning process. Consumers imitate the agents’ behaviors through observations which are referred to as modeling. Second, reinforcement includes positive and negative prizes given by the agents. Lastly, Moschis (1987) noted that the specific type of social interaction mechanism is not clear, but it could imply the combination of modeling and reinforcement. In a consumer’s perspective, socialization agents play a role to reinforce and form consumer-oriented attitudes and behaviors (de Gregorio & Sung, 2010).
Theories of Cognitive Development

Theories of cognitive development have been studied for a long time by many researchers. Kohlberg (1971), Piaget (1928), and others posit that socialization is based on several stages between infancy and adulthood. In each stage, children can use what they learn by developing cognitive structure. Children are able to observe their environments and deal with them accordingly at different ages. Bandura (2001) adopted social cognitive theory rather than social learning theory because it explains the internal characteristics of the learner as well as the components of social learning.

Strauss and his colleagues (Strauss & Schuessler, 1951; Strauss, 1952) who used Piaget’s theories of conceptual development and stages, examined the development of children’s understanding processes of economic value, consumer role, and knowledge of store credit. They chose monetary objectives as stimuli for children aged 4 to 11 years old to find out how early learning processes contribute to one’s conceptual knowledge of economic values and roles as a consumer. The results suggested that children’s logical thinking processes are qualitatively distinctive from those of adults. Children’s progression of concept learning occurs through stages, and each stage is necessary to move forward to the next one. It implies that children’s capability of learning economic knowledge is growing as they age. Moreover, the study found that different sexes, income levels, and educational backgrounds bring little difference in terms of learning processes.

Other studies explored how different age groups of children process television program and commercial messages (Ward, 1974). The results show that young children show greater concentration on television programs and commercials than older children. However, older children could differentiate between television programs and commercials. They could even
criticize what commercials claim to be about. Ward (1974) suggests that children, as they age, develop more complex learning processes and equip advanced skills as consumers.

These studies are evidence of how early age learning processes and socio-economic status affect one’s attitudes and behaviors as a consumer. In addition, these findings suggest that children require gradational cognitive development stages along with interaction with environmental factors such as family members, friends and education.

In summary, social learning theory is the foundation for social cognitive and Consumer Socialization theory. Moreover, discussion of how to be a consumer is similar in social learning, social cognitive theory, and Consumer Socialization theory. The mechanism of these theories can be shown through changes in consumers’ attitudes and purchase intentions following exposure to product placement in television shows.

**Cultivation Theory and Agenda-Setting theory**

Cultivation theory and Agenda-Setting theory are well-known theories in communication research. Both theories are linked to consumers’ perception toward media messages but are originated from different studies. This section explains brief introduction of both theories and how these are related to product placement study.

In the mid-1970s, George Gerbner and his colleagues developed cultivation theory (Robertson & Kassarjian, 1991). Cultivation theory represents the significance of mass communication messages and their effects on viewers. The basic concept of this theory is the more people watch television, the more likely they are to perceive the real world to be similar to what they have seen on television. Gerber et al. (1994), in their study of network television programs in the 1960s, found that television content is significantly different from the real world.
For example, in television shows there are more characters who are 25 to 40 years old than there are in other age groups and more people are professionals (i.e. doctors or lawyers) than not. More specifically, it has been found that heavy viewers overestimate the occurrence of violence in the real world than light viewers.

Cultivation theory was applied to other areas of mass communication studies. For example, few researchers found that heavy viewers of television are more likely to remember consumer goods or activities than light viewers (O’ Guinn & Shrum, 1997; Robertson & Kassarjian, 1991). In terms of product placement, consumer attitudes and purchase intentions, current study proposes that heavy viewers are more likely to experience more product placement in TV shows. Accordingly, heavy viewers would become familiar with placed products based on favorable product placement attitude and purchasing intention.

Agenda-setting theory also explains how media messages influence consumer behavior. This theory is one of the limited effects theories and referred to as the ability of the media to affect the public’s perspectives on the significance of different social issues (Robertson & Kassarjian, 1991). According to Cohen (1963), media does not tell people what to think, but it provides them with what to think about. His writing became the foundation of what we now call the agenda-setting theory in mass media. Two researchers, Maxwell E. McCombs and Donald Shaw, articulated their understanding of agenda-setting through empirical studies. They found that mass media plays an important role in shaping viewers’ realities. For example, newspaper articles provide facts about an incident but readers also learn how important that incident is in society. Baran and Davis (2009) suggested that media viewers are greatly influenced by the vividness of the presentation of messages. Besides, people pay more attention to the lead stories of the news and accept that those stories are the most important stories at the time. McCombs
and Shaw (1972) found that there is a causal relationship between media messages and viewers’ perception.

Agenda-setting theory assumes that the more viewers are exposed to the cued media messages, the more they have chance to learn new information and knowledge (Robertson & Kassarjian, 1991). Previous studies found that advertisers have the power to influence consumers’ brand attitudes by increasing the salience of consumers’ beliefs of material possesses (Robertson & Kassarjian, 1991). Consumer behavior perspective in agenda-setting theory explains how media messages cognitively affect viewers’ knowledge on products which are advertised or shown in television shows. Furthermore, TV program producers and advertisers play significant roles in the agenda-setting process by selecting products or services for product placement in TV shows. Viewers are more likely to learn and get familiar with placed products which directly affect their purchase intentions.
Conceptual Framework

The conceptual framework is captured in Figure 1. Figure 1 is adapted from Moschis and Churchill (1978) and de Gregorio and Sung (2010). This model shows the general framework of Consumer Socialization along with the specific variables used in the current study. It summarizes the proposed model with both independent and dependent variables. This section presents how previous studies have discussed both the independent and the dependent variables. In addition, proposed hypotheses and research questions are followed by the discussion of each variable.

Figure 1
A conceptual model of consumer socialization and product placement attitude and behavior outcome

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
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<tbody>
<tr>
<td>Socialization Agents: Peer Communication Media (watching TV shows)</td>
<td>Perceptual Outcomes: Attitudes toward product placement</td>
</tr>
<tr>
<td>Social Structural Variables: Education Income Gender Ethnicity Age</td>
<td>Attitude Outcomes: Purchase Intentions</td>
</tr>
</tbody>
</table>
Attitudes toward Advertising

Attitude towards advertising is an essential concept as it is one of the determining factors of attitude toward particular advertisements (Lutz, 1985). Research on attitudes toward advertising has been done by many scholars and the research topics have taken numerous directions including exploring the relationship between cognitive process and attitude and the conceptual characteristics of attitudes toward advertising (Muehling, 1987). Greyser (1973) found that consumers’ overall perceptions of advertising have impacts on the effectiveness of advertising. In addition, other research has found that attitudes toward advertising have great impacts on consumers’ brand attitudes and brand recall (Lutz, 1985; Mackenzie and Lutz, 1989; Muehling, 1987).

Many researchers have explored attitudes toward advertising in general among the student population (Larkin, 1977; Muehling, 1987) and adult consumers (Mittal, 1994). Focus has also been on specific advertising media (Alwitt & Prabhaker, 1994) and advertising’s economic and social dimensions (Andrew, 1989). For example, Andrew found that consumers who have more favorable attitudes toward advertising in general have more positive attitudes toward advertising products. In addition, Muehling (1987) suggests that consumers’ general attitudes toward advertising is multi-dimensional and includes attitudes toward the advertising instrument used by advertisers. More specifically, consumers’ perceptions of the creativity of advertising play an important role in shaping their attitudes toward advertising. However, consumers’ perceptions are affected by their social and economic environments as well. Based on previous research, exploring consumers’ attitudes toward product placement in television shows would expand Muehling’s (1987) findings of consumers’ general attitudes toward advertising.
Attitudes toward Product Placement

Prior studies on attitudes toward product placement have heavily focused on the audiences’ responses toward product placement in films. These studies have uncovered that media consumers generally have positive perceptions. However, consumers’ positive attitudes are limited in certain products, media genres, product placement tactics, and demographic variables (Brennan et al., 2004; Gupta & Gould 1997; Ong 2004; Sung & de Gregorio, 2008). Media audiences have negative attitudes toward product placement with ethical charges (Gupta & Gould, 1997). They found that viewers generally tolerate product placement but most viewers showed negative attitudes toward problematic products. The other product placements were mostly accepted as a part of advertising tactics. However, an interesting point they found is that there are individual differences in the consumers’ results. Viewers who watch movies more frequently than others show more favorable attitudes toward ethically-charged products and males tend to be more favorable to general product placement than females.

Viewers’ nationalities were studied as an important variable in research on product placement attitudes (Gould et al., 2000; Rosselr & Bacher, 2002). Cross-cultural explorations found that there are complex interactions between one’s nationality and product placement attitudes but general attitudes toward product placement among French, Austrian, and German consumers are positive.

The relationship between media genre and product placement attitudes was rarely studied, but when it was, significant factors were found. Sung and de Gregorio (2008) investigated how college students perceive product placement in different media genres: music videos, movies, TV shows, and video games. Respondents showed more favorable attitudes toward product
placement in TV shows and movies than ones in video games and music videos. This is because respondents perceive that video games and music videos are not as suitable for product placement. These genres are less effective sources that enhance content realism, and are often more misleading and unethical for product placement.

As stated above, investigations on product placement attitudes were focused on specific topics, but limited studies have been done on consumers’ attitudes toward product placement in television shows. In addition, little is known about the influence of peer communication and watching television shows on product placement attitudes. Thus, this study adopts a Consumer Socialization framework to find more general attitudes toward product placement and behavior outcomes. This framework would support analyzing the origins of consumers’ product placement attitudes and behaviors.

Purchase Intentions

Previous studies have examined the impact of product placement on consumers’ intentions for purchasing the placed products (Morton & Friedman, 2002; de Gregorio & Sung, 2010). For example, Bagozzi et al. (1979) and Ostrom (1969) defined purchase intentions as personal action tendencies relating to the brand. They also distinguished intentions from attitudes: while intention is an individual’s motivation and conscious plan to exercise an effort to carry out a behavior, attitudes are summary evaluations (Spears & Singh, 2004).

In Morton and Friedman’s (2002) study, they investigated how consumers’ general beliefs about product placement affected their behaviors. By measuring the respondents’ self-reported product usage behavior after exposure to product placement in movies, the results showed that a subset of consumers’ beliefs can predict purchase intentions for the placed
products. Moreover, research data shows that positive portrayals of products in movies can positively affect consumers’ decisions to purchase the placed products, while negative portrayals lead them to discontinue use.

Another study examined the effects of product placement on children’s product choice as an outcome of exposure to a scene from the movie *Home Alone* (Auty & Lewis, 2004). In this particular scene, Pepsi is spilled over a counter during a meal. The children’s product choice was measured discreetly, as they were invited to have either Pepsi or Coke at individual interviews following the movie. The results showed that the number of children who chose Pepsi significantly outnumbered those who chose Coke. However, follow-up interviews with the children showed that movie exposure was not the only reason for their choice of Pepsi, but previous exposure also helped them to choose that brand.

In conclusion, consumers’ purchase intentions for placed products are influenced by various types of product placement strategies. And the effects of product placement on consumers’ purchase intentions are some of the most important ones for advertisers and marketers. However, a number of issues are still unanswered. Among these are: How does product placement in television shows affect consumers’ purchase intentions for placed products? Does peer communication about product placement play a role in terms of consumers’ purchase intentions? How do consumers’ demographic variables influence their purchase intentions?

As explained above, purchase intentions have been discussed and defined in the context of product placement by a number of studies. In this thesis, based on theoretical background, purchase intention is defined as a consumer’s behavior outcome from television show exposure and peer communication about product placement. Moreover, one major concern of purchase intention variables is the link between consumers’ peer communication, television exposure, and
purchase intentions. Therefore, the following section will discuss hypotheses regarding explained research variables along with a brief discussion of past research in each variable.

**Peer Communication**

When consumers choose a product, they are affected by multi-level influences (Narayan, Rao & Saunders, 2011). Consumers consider attributes of the products, ask people whether they have used products before or go online to read reviews in order to make their final choices. This is called peer influence. The Consumer Socialization theory posits that consumption-related communications between consumers serve as transmitters of attitudes and behavior changes (Bush et al., 1999; Moschis & Churchill, 1978). Current research defines peer communication as conversation among peers (family members, colleagues, friends, etc.) about consumption-related topics, specifically product placement in television shows.

Ward and Wackman (1971) tested the influence of the media and parents on one’s attitude change. They found that younger adolescents communicate with their parents about consumption practices and roles. Moreover, those communications play the role of the mediator between purchase intentions and exposure to commercials. It is an important finding because adolescents’ consumer behaviors continue through the rest of their lives. Therefore, family communication on consumption develops one’s role as a consumer even with the increased number of expected social roles as they age.

Another study (Bush et al., 1999) explored how peer communication, particularly with friends and parents, affects consumers’ attitudes toward advertising among African-American and Caucasian college students. In this study, peer communication is divided into both parental communication and peer communication (i.e., friends). The results suggest that peer
communication plays a major part in forming consumers’ general attitudes toward advertising. Both parental communication and peer communication about consumption showed a positive correlation with consumers’ attitudes toward advertising. However, this study is limited to consumers’ attitudes toward general advertising in television (not exclusively product placement) and only pertains to the two specific demographic groups.

De Gregorio and Sung (2010) also examined how peer communication about consumption affects one’s attitudes and behaviors toward product placement in movies. This study is the first one to explore the relationship between peer influence and media consumers’ attitudes and behaviors toward product placement based on Consumer Socialization theory. De Gregorio and Sung posit that more peer communication regarding consumption-related topics would greatly influence one’s brand choices and decision-making processes. The results showed that peer communication is the strongest factor of product placement attitudes and behaviors in movies. Furthermore, discussions of placed products while watching movies positively affect one’s attitude toward product placement. However, they could not confirm which social structure variables (e.g., ethnicity, gender) are mediating this relationship.

As discussed above, a number of studies have been done about the influence of peers as reference source on purchasing behaviors. However, little is known about the relationship between peer communication and consumers’ attitudes toward product placement in television shows. Therefore, based on the given robust relationships between peer communication and consumers’ attitudes and behavior changes, the following hypotheses can be formulated:

H1a: The more consumers conversation about product placement in television shows, the more favorable are their attitudes toward product placement.
H1b: The more consumers conversation about product placement, the more likely they are to have positive purchase intentions for the placed products.

**Media Usage: Watching Television Shows**

Consumer Socialization framework considers the media as an important source of consumption-related beliefs, attitudes, and behavior changes. While peer communication directly affects one’s attitudes and behaviors, media content indirectly affects and even intercedes one’s attitudes and behaviors. Media messages influence an individual’s daily decisions. Generally, it is considered that different media vehicles play different roles in consumers’ decision-making processes (Choi & La Ferle, 2004). It is widely believed that watching television shows contributes to the learning processes of a wide range of consumer orientations.

Tied to the impact of media, advertising has been given attention by scholars because of its specific target on consumption-oriented messages (Ward, 1974). Advertising messages and images constantly provide a fundamental for reality establishment (Choi & La Ferle, 2004). Advertisement messages contain information about products and brands as well as desirable symbols and images. Repetitive exposure to advertisements leads consumers to engage with consumption-related ideas and desires. Similarly, repeated exposure to products in television shows facilitates consumers to have both positive and negative attitudes toward product placement and leads to certain behavioral outcomes (Homer, 2009; Karrh, Frith & Callison, 2001; Lehu, 2007).

A number of studies attempted to look at the relationship between consumers’ television consumption and their attitudes. O’Guinn and Shrum (1997) explored consumers’ time spent with television programs and their perceptions of reality. Based on cultivation theory and
Consumer Socialization theory, their study results suggest that heavy television viewers tend to believe that other people enjoy more luxurious lives and possess more materials than light viewers. This is because television viewing affects normative perceptions of consumer behavior, and television as a socialization agent causes changes in consumers’ attitudes.

Bush et al. (1999) explored the influence of television watching on both African-American and Caucasian consumers’ attitudes toward advertising. In their survey with college students, respondents were asked to answer how many hours they watch television, what their general attitudes toward advertising are, and how many hours they spend on family communication about consumption. The results showed that heavy television viewers have more positive attitudes toward advertising. Moreover, the results confirmed that African-American consumers watch more television and use it more for guidance of social utility than their Caucasian counterparts. However, this study was limited to consumers’ attitudes toward general advertising in television and was also restricted to two ethnicities at the college age level.

As other studies have found, the current study also posits that consumers’ television consumption is significantly related to advertising exposure. Particularly, watching television shows inevitably leads to exposure of product placement in today’s television environment. For clarification, watching television is defined in this thesis as consumers’ exposure to television shows which contain product placements in each episode. Based on this notion, the following hypotheses can be formulated:

H2a: The more consumers watch television shows, the more favorable are their attitudes toward product placement on TV.

H2b: The more consumers watch television shows, the more likely they are to have positive purchase intentions for the placed products.
Social Structural Variables

In Consumer Socialization theory, there are two commonly used variables in the context-social structural variables and developmental variables (Moschis, 1987). Social structure variables are social class, ethnicity, sex and race, while developmental variables include age and life cycle. These variables have been used efficiently by advertisers and marketers in dividing consumers by their demographic characteristics. Regarding product placement attitudes, scholars have conducted analyses of differences in demographic factors.

Although social class is hard to define due to the lack of accurate and accumulated information, other variables have been strongly considered in many studies (Choi & La Ferle, 2004; de Gregorio & Sung, 2010; McKechnie & Zhou, 2003; Moschis, 1987). The following discussion provides details about how social structure variables have been analyzed and discussed in previous product placement literature.

Social Class

Social class is usually measured by household income and education (Winkleby, Jatulis, Frank & Fortmann, 1992). Advertisers and marketers have paid significant attention to this element because social class plays an important role in consumer behaviors and market segmentation. Mass media targets specific consumer segmentation for advertising for efficiency and usefulness of advertising messages (Munson & Spivey, 1981).

Few studies have been conducted on the relationship between consumers’ social classes and their attitudes towards advertising (Alwitt & Prabhaker, 1992; Dutta-Bergman, 2006). In these studies, scholars found that consumers with higher education and higher incomes show more negative attitudes and perceptions of advertising. In other words, less educated consumers
are more likely to depend on advertising messages to help with their decision making. They are less likely to find other sources of information than higher educated consumers. These studies also considered the fact that higher educated consumers generally have higher incomes.

Regarding the Consumer Socialization framework for product placement attitudes and behaviors, a recent study (de Gregorio & Sung, 2010) found that consumers with lower educational backgrounds have more favorable attitudes toward product placement in movies, while consumers’ income levels do not reflect a significant difference in attitudes. However, limited studies have investigated the relationship between social class variables and product placement in television shows. Thus, the current study defines social class as a combination of consumers’ education levels and income levels. Moreover, investigations on the correlation between social class and consumers’ attitudes toward and purchasing intentions for placed products in television shows will be conducted.

**Gender**

A number of studies have been conducted regarding the difference between male and female consumers’ attitudes toward advertising (Bush et al., 1999; Dutta-Bregman, 2006). These studies found that female consumers are more likely to have negative attitudes toward advertising and they support government regulation on advertising. More specifically, a few studies have explored how the different genders perceive product placement in movies (Brennan et al., 2004; de Gregorio & Sung, 2010; Gupta & Gould, 1997). Gupta and Gould (1997) found that male consumers are more accepting of product placements in movies than females. On the other hand, another study (de Gregorio & Sung, 2010) found that female respondents show more positive attitudes toward product placement in movies than their male counterparts. But they also
found that male consumers have more favorable purchase intentions for placed products in movies than female counterparts. However, little is known about the gender difference on consumers’ attitudes and purchase intentions for placed products in television shows. Therefore, this study will explore how males and females perceive product placement in television shows and examine their corresponding purchase intentions.

**Ethnicity**

Ethnicity is defined as large groups of people with the same cultural values, race or national origin (Moschis, 1978). Few previous studies have been conducted on consumers’ attitudes toward product placement by ethnicity. In de Gregorio and Sung’s research (2010), African-American consumers showed the most favorable attitudes toward and purchase intentions for product placement in movies. However, it is not clear why African-Americans show more favorable attitudes than other ethnic groups. Furthermore, it is still questionable whether African-Americans would show positive attitudes toward product placement in television shows.

Bush et al. (1999) discuss that African-Americans watch more television than other ethnic groups. Accordingly, they are exposed to more TV advertisements and build more favorable beliefs about advertising. Specifically, the study shows that African-Americans have more positive attitudes toward advertising than their Caucasian counterparts regardless of education level and gender difference. However, this study explores consumers’ attitudes toward advertising in general, not specifically product placement. Thus, the current study will investigate the difference between ethnic groups and their attitudes and purchase intentions for products placed in television shows.
Age

Age is considered as an important index of a person’s developmental process. It is commonly assumed people learn different things at different times as they grow older throughout their life cycles. Accompanied with this notion, a number of previous studies on Consumer Socialization have focused on children and adolescents’ consumer behaviors such as purchase decisions or brand choices (Moschis & Moore, 1979; Ward, 1974). As people age, they develop skills in using information, product evaluation, and brand preferences.

Regarding consumers’ attitudes toward advertising, scholars found contradictory results from their research. Durand and Lambert (1985) suggest that there is no significant difference between younger and older consumers on their advertising attitudes. But another study found that older age groups show more negative attitudes toward advertisements (de Gregorio & Sung, 2010). However, these research results are often blurred with other social structure variables. Accordingly, it is difficult to indicate whether age solely affects consumers’ attitudes and preferences of advertising. Moreover, limited studies have been conducted on the relationship between consumers’ age and product placement-related attitudes and behaviors. Therefore, this study will explore differences between age groups’ product placement attitudes and purchase intentions.

Research Questions of Social Structure Variables

Although the Consumer Socialization framework does not provide a theoretical means of explaining the influence of social structure variables on CS outcomes (de Gregorio & Sung, 2010), previous studies found influences of social structure variables on consumers’ attitudes and behavior changes. Thus, the current study proposes the following research questions:
RQ1: How demographic variables (education, income, gender, ethnicity, and age) are related to consumers’ attitudes toward product placement in television shows?

RQ2: How demographic variables (education, income, gender, ethnicity, and age) are related to consumers’ purchase intentions for placed products in television shows?
CHAPTER 3

METHODOLOGY

Sample

The sample consisted of college students from a large northeastern university in the United States. The respondents were asked to participate in an online survey. The use of online surveys has become significantly popular due to reduced costs, increased response rates, and overall convenience for respondents. This sample included a methodological limitation because college students are not necessarily representative for the general adult population. However, college students are appropriate for this study. This is because college students are one of the most heavy television viewers than other age groups (Vasquez, 2007). Accordingly, heavy exposure to television shows lead more exposure to product placement.

Procedure

Data for this study were collected from 500 college students registered communication classes and 100 college students outside of those communication classes. Professors of these classes agreed to compensate extra credit for participants upon completion of survey. Moreover, participants who were not in those communication classes were recruited via e-mail and Facebook posts. After sending out invitation through email, 209 students agreed to participate this study, resulting in a response rate of 38%. All participants had a chance to win one of seven gift cards by drawing. Participants were told that the purpose of the study was to get consumers’ opinions on product placement in television shows. They were asked to complete a questionnaire and were allowed as much time as they needed to complete it. The questionnaire took about 10 to 15 minutes to complete.
Among the 209 participants, 160 (77.7%) were females and 46 (22.3%) were males. Approximately 81% of the respondents were age 18-24, followed by ages 25-35 (14.4%), and ages over 36 (4.5%). Caucasian students comprised 74.8% of the sample, followed by Asian or Pacific Islander (10.7%), Hispanic (5.7%), African American (5.0%), Native American or Alaskan native (1.9%), and other ethnicity (1.9%). Additional demographic characteristics of the respondents are shown in Table 2.

Table 2

**Demographic Profile of the Sample (N=209)**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>160</td>
<td>77.7%</td>
</tr>
<tr>
<td>Male</td>
<td>46</td>
<td>22.3%</td>
</tr>
<tr>
<td><strong>Age Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24</td>
<td>163</td>
<td>81.1%</td>
</tr>
<tr>
<td>25-35</td>
<td>29</td>
<td>14.4%</td>
</tr>
<tr>
<td>Over 36</td>
<td>9</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Education Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Some College or Attending</td>
<td>128</td>
<td>80.0%</td>
</tr>
<tr>
<td>College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>13</td>
<td>8.1%</td>
</tr>
<tr>
<td>Attending Graduate School</td>
<td>17</td>
<td>10.6%</td>
</tr>
<tr>
<td><strong>Income Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $24,999</td>
<td>44</td>
<td>28.0%</td>
</tr>
<tr>
<td>$25,000-$49,999</td>
<td>28</td>
<td>17.9%</td>
</tr>
<tr>
<td>$50,000-$99,999</td>
<td>30</td>
<td>19.1%</td>
</tr>
<tr>
<td>$100,000-$149,999</td>
<td>32</td>
<td>20.4%</td>
</tr>
<tr>
<td>Over $ 150,000</td>
<td>23</td>
<td>14.6%</td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>119</td>
<td>74.8%</td>
</tr>
<tr>
<td>African American</td>
<td>8</td>
<td>5.0%</td>
</tr>
<tr>
<td>Native American or Alaskan</td>
<td>3</td>
<td>1.9%</td>
</tr>
<tr>
<td>Native</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
<td>17</td>
<td>10.7%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>9</td>
<td>5.7%</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

**Research Instrument and Reliabilities**
A survey instrument was developed to find respondents’ attitudes toward product placement in television shows and purchase intentions for the placed products. Respondents were asked to answer four sets of questions regarding attitude toward product placement in television shows, purchase intentions for placed products, time spent watching television shows, peer communication about product placement, and demographic information. The complete list of the survey measurement items are listed in Appendix A.

**Attitudes toward product placement in Television show.** Regarding consumers’ attitudes toward product placement, many studies have adopted Gupta and Gould’s (1997) product placement study. Researchers have utilized the same type of modified questionnaires in different studies. However, this questionnaire assesses different dimensions of consumers’ attitudes toward product placement. Since current research attempts to assess consumers’ general attitudes toward product placement in television shows, the survey questionnaire was modified by Muehling’s (1987) three-item attitudes toward advertising measures (e.g., bad versus good; negative versus positive; unfavorable versus favorable). One additional item (unlikable versus likable) was added to the questionnaire. These items were measured along a five point Likert scale, ranging from “Strongly Disagree” (1) to “Strongly Agree” (5). The four items were found to be reliable ($\alpha = .97$).

**Purchase intentions.** Questions regarding consumers’ purchase intentions for placed products were modified from the four-item purchase intention measures from Heijden and Verhagen’s (2004) study. Questionnaires in the current study included “I will buy placed products which I saw in television shows in the next two weeks,” “I will buy placed products which I saw in television shows in the next two months,” and “I will buy placed products which I
saw in television shows when I need the products.” These three items were averaged to form a “purchase intention” scale and found to be reliable ($\alpha = .77$).

*Media consumption.* This variable was operationalized as the time spent watching television shows on a daily basis. Respondents were asked to indicate how much time they typically spend watching television shows in a day.

*Peer communication about product placement.* Consumers’ peer communication about product placement was assessed through questionnaires modified from Moschis and Churchill’s (1978) six-item, five-point Likert scale measuring peer communication about consumption. (e.g., “I ask my peers for advice about buying things,” “I and my peers talk about things I see or hear advertised,” “I and my peers often talk about product placement in television shows,” and “I and my peers often talk about products used by television characters in television shows.”) The four items were found to be reliable ($\alpha = .67$).

As shown in Table 3, all variables were found to be reliable with Cronbach’s alphas ranging from .67 to .97.

Table 3

*Descriptive Statistics of Key Variables*

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
<th>Cronbach’s alpha</th>
<th>Measurement scale</th>
<th># of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Placement Attitude</td>
<td>3.14</td>
<td>.93</td>
<td>1.00</td>
<td>5.00</td>
<td>.97</td>
<td>5-pt Likert</td>
<td>4</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>2.77</td>
<td>.77</td>
<td>1.00</td>
<td>5.00</td>
<td>.77</td>
<td>5-pt Likert</td>
<td>3</td>
</tr>
<tr>
<td>Peer Communication</td>
<td>3.27</td>
<td>.67</td>
<td>1.25</td>
<td>5.00</td>
<td>.67</td>
<td>5-pt Likert</td>
<td>4</td>
</tr>
</tbody>
</table>
CHAPTER 4

RESULTS and DISCUSSION

Hypotheses Testing

The relationship between peer communication and consumers’ attitudes toward product placement in television shows and purchase intentions for the placed products were examined using correlation analyses. As shown in Table 4, the results indicate that there are positive correlations between peer communication and both product placement attitude \( r = .29, p < .01 \) and purchase intention \( r = .47, p < .01 \). Therefore, hypothesis 1a and 1b are supported. Moreover, hypothesis 2a is supported by a positive relationship between watching television shows and product placement attitude \( r = .15, p < .05 \). However, the association between watching television shows and purchase intention indicates marginally significant correlation \( r = .13, p = .07 \). The results indicate that the more consumers have conversation about product placement with peers, the more they have favorable product placement attitude as well as purchase intention for placed products. In addition, consumers who are heavy viewers tend to have more favorable product placement attitude.

Table 4

*Correlation Matrix*

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PPL Attitude</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 PI</td>
<td>.42*</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Peer Comm</td>
<td>.29**</td>
<td>.47**</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>4 Watching TV</td>
<td>.15*</td>
<td>.13</td>
<td>.09</td>
<td>1.00</td>
</tr>
</tbody>
</table>

**P < .01 (2-tailed)**

*P < .05 (2-tailed)

2 PI=Purchase Intention, 3 Peer Comm= Peer Communication, 4 Watching TV= Watching TV Shows
Research Questions Testing

Consumer Socialization framework does not provide theoretical bases supporting the development of hypotheses regarding the impact of social structural variables. Thus, the analyses used to answer RQs include two different tests. First, one-way ANOVA was conducted to test mean differences for different ethnicity, income, education, and age levels and an independent sample t-test is conducted for gender.

One-way ANOVA. As shown in Table 6, the results suggest there are statistically significant mean differences for both consumers’ education levels and age regarding product placement attitude as well as purchase intention. First, one-way analysis of variance (ANOVA) was calculated on participants’ product placement attitude and each independent variable. Test result for education found to be significant, \( F (4, 196) = 3.98, p = .004 \). In addition, test for age was found to be significant, \( F (2, 193) = 4.30, p = .015 \). Especially, a post hoc Turkey test showed that 18-24 age group’s attitude toward product placement (\( M = 3.22 \) S.D. = .93) was significantly higher than 36 older groups (\( M = 2.38 \) S.D. = .92). However, other groups did not show significant difference between groups. Second, ANOVA was conducted to calculate on participants’ purchase intention for placed products. Test for respondents’ different education levels showed significant mean difference \( F (4, 197) = 2.67, p = .034 \). Moreover, test for age was found to be significant, \( F (2, 194) = 4.78, p = .009 \). Especially, a post hoc Turkey test showed that 18-24 old age group respondents showed higher level of purchase intention (\( M= 2.85 \) S.D. = .72) than 36 years and older groups (\( M= 2.11 \) S.D. = .72). The results indicate that there are statistically significant mean difference exists between participants’ purchase intention on their education level and age. However, the results indicate that participants’ ethnicity and income level does not have statistically significance on both product placement attitude and purchase
intention. A post hoc test Turkey also showed there is no significance difference between different income groups.

Table 5

*ANOVA Results for Research Questions*

<table>
<thead>
<tr>
<th>DV</th>
<th>Variables</th>
<th>Education</th>
<th>Age</th>
<th>Income</th>
<th>Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPL Attitude</td>
<td>SS</td>
<td>12.82</td>
<td>7.20</td>
<td>1.94</td>
<td>3.28</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>3.98</td>
<td>4.30</td>
<td>.56</td>
<td>.76</td>
</tr>
<tr>
<td></td>
<td>df</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>P</td>
<td>.004</td>
<td>.015</td>
<td>.690</td>
<td>.577</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>SS</td>
<td>6.18</td>
<td>5.47</td>
<td>1.74</td>
<td>1.01</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>2.67</td>
<td>4.78</td>
<td>.72</td>
<td>.42</td>
</tr>
<tr>
<td></td>
<td>df</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>P</td>
<td>.034</td>
<td>.009</td>
<td>.578</td>
<td>.795</td>
</tr>
<tr>
<td>Peer Communication</td>
<td>SS</td>
<td>3.72</td>
<td>5.47</td>
<td>1.27</td>
<td>1.01</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>2.09</td>
<td>4.78</td>
<td>.70</td>
<td>1.20</td>
</tr>
<tr>
<td></td>
<td>df</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>P</td>
<td>.083</td>
<td>.009</td>
<td>.594</td>
<td>.311</td>
</tr>
<tr>
<td>Watching TV Shows</td>
<td>SS</td>
<td>6.98</td>
<td>2.89</td>
<td>4.25</td>
<td>3.97</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>1.24</td>
<td>1.01</td>
<td>.74</td>
<td>.56</td>
</tr>
<tr>
<td></td>
<td>df</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>P</td>
<td>.295</td>
<td>.367</td>
<td>.560</td>
<td>.734</td>
</tr>
</tbody>
</table>

*t-test.* Regarding testing mean difference on respondents’ product placement attitude and purchase intention, independent sample t-test was used and the result suggests that there are no significant mean differences between male and female respondents’ attitude toward product placement and purchase intention. Furthermore, watching TV shows and peer communication were found to have no statistical significance as well (see Table 6).
Table 6

Summary of Independent Samples t-tests for Gender

<table>
<thead>
<tr>
<th>Variable</th>
<th>Male Mean</th>
<th>SD (n)</th>
<th>Female Mean</th>
<th>SD (n)</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPL attitude</td>
<td>3.22</td>
<td>.89 (46)</td>
<td>3.12</td>
<td>.94 (155)</td>
<td>.61</td>
<td>.76</td>
</tr>
<tr>
<td>PI</td>
<td>2.76</td>
<td>.90 (45)</td>
<td>2.79</td>
<td>.74 (157)</td>
<td>-.20</td>
<td>.85</td>
</tr>
<tr>
<td>Peer Comm.</td>
<td>3.07</td>
<td>.63 (46)</td>
<td>3.34</td>
<td>.67 (157)</td>
<td>-2.42</td>
<td>.07</td>
</tr>
<tr>
<td>Watching TV shows</td>
<td>2.08</td>
<td>1.20 (46)</td>
<td>1.99</td>
<td>1.18 (158)</td>
<td>.47</td>
<td>.49</td>
</tr>
</tbody>
</table>
Discussion

Based on the Consumer Socialization framework, this study tested how peer communication and watching television shows affect consumers’ attitude changes and behavior intentions. Moreover, the correlation between consumers’ demographic characteristics and both their placement-related attitudes and behavior intentions was assessed. Research questions and hypotheses were proposed based on Consumer Socialization, Agenda-Setting, Cultivation theories and tested through an online survey. The findings of this study suggested that having conversations about product placement with peers positively affects consumers’ product placement attitudes and purchase intentions. In addition, heavy television viewers are more likely to have favorable attitudes toward product placement and purchase intentions. However, consumers’ income levels, gender, and ethnicities were not found to have a statistical significance with placement attitudes and purchase intentions. Yet, consumers’ education level, and age were found to have a significant difference among the groups regarding product placement attitude as well as purchase intentions. Therefore, the current study suggests several implications for scholars and advertisers.

First, the current study corroborates with previous studies of peer communication as the predictor of attitude change toward product placement in films and advertising (Bush et al., 1999; Moschis & Churchill, 1978; Ward & Wackman, 1971). For example, Bush and his colleagues (Bush et al., 1999) found that peer communication positively affect consumers’ attitudes toward advertising. The current study found similar results for product placement in television shows. Consumers who often have conversations about product placement with their peers are more likely to have favorable attitudes toward product placement in television shows than consumers who have fewer conversations with their peers. These findings reflect what social learning theory
scholars have discussed in previous studies (Moschis & Churchill, 1978; Moschis, 1987). Consumers acquire new knowledge and skills through imitating others’ behaviors when they are motivated to learn. Based on this notion, having conversation about product placement with peers provide consumers to have opportunity to learn new knowledge about products. For example, two people have conversation about a placed product, dishwasher, while they watch a television show. One might have positive experience of the dishwasher and encourage the other person to try that product. Therefore, advertisers need to facilitate consumers to talk about placed products by placing products prominently in popular television shows. When products’ name or brand name is shown in several scenes in the show, consumers might get interested and discuss about those products with peers.

Second, the current study also investigated the impact of watching television shows on consumers’ attitude changes and purchase intentions which have been less explored in past research. The findings of this study resonate with previous research based on agenda-setting theory (Baran & Davis, 2009; Moschis & Churcill, 1978; Moschis, 1987; Robertson & Kassarjian, 1991). As Robertson and Kassarjian (1991) found, consumers are greatly affected by media messages and images. Most notably, consumers who are frequently exposed to particular brands are more likely to change their evaluation of those brands. The results of the current study found that consumers who are heavy television viewers have more favorable attitudes toward product placement and stronger purchase intentions for placed products. It is possible to assume that heavy viewers are more likely to be exposed to sponsored products in television shows and get familiar with those products. Accordingly, heavy viewers are more motivated to purchase products that have been on television shows than those that have not. Therefore, advertisers
would do better if they place products in television show targeting younger consumers because they were found to watch television longer than any other age groups (Perse, 1986). Third, social structural variables and their mean with product placement attitudes and purchase intentions were assessed in the current research. In addition, the mean of social structural variables with peer communication and watching television were explored. Previous studies (Bush et al., 1999; Brennan et al., 2004; de Gregorio & Sung, 2010; Gupta & Gould, 1997) have found that gender difference is murky in terms of consumers’ attitudes toward advertising and product placement. For example, de Gregorio and Sung (2010) found that female consumers hold more positive product placement attitudes than their male counterparts. However, the results of the current study suggest that both male and female respondents have favorable product placement attitude (see Table 6). However, it is hard to generalize the results because the majority of respondents are female. Therefore, future researchers need to employ more representative samples to test gender difference.

In addition, the results of the current study show that respondents’ attitudes toward product placement and purchase intentions show significant mean differences across respondents’ education levels. Specifically, a post hoc test Turkey showed that there is a statistically significant mean difference exists between respondents with some college experience and postgraduate school experience. These results reinforce those from previous studies (Alwitt & Prabhaker, 1992; Dutta-Bergman, 2006) that suggested that higher educated consumers show more negative attitudes and perceptions of advertising. However, in the current study there were no statistically significant differences of mean scores by income levels in consumers’ product placement attitudes and purchase intentions (See Table 5). It is possible to assume that the
majority of respondents were college students in the current study, thus their household incomes do not reflect each respondents’ individual income.

Although prior studies (Bush et all, 1999; De Gregorio & Sung; 2010) found that African Americans have the most favorable product placement attitudes, the current study found that there is no significantly different mean scores among ethnicities in response to product placement attitudes and purchase intentions (see Table 5). Again, the majority of respondents were Caucasians, which caused skewed results. Compared to de Gregorio and Sung’s (2010) study with over 3,000 respondents, the current study only had about 200 participants. Thus, it is possible that future researchers would get different results with more ethnically diverse samples.

The results of age group analysis show that there is a statistical significance regarding product placement attitudes and purchase intentions (see Table 5). It is consistent with findings from previous research (De Gregorio & Sung; 2010), suggesting that younger consumers are more likely to have favorable product placement attitudes and stronger purchase intentions for placed products. Moreover, further analyses of peer communication and television show consumption suggest that only peer communication show significant difference between age groups (see Table 5). As social learning theory indicates, younger consumers learn cognition and behaviors from others’ behaviors and socialization agents such as peer communication (Moschis, 1987). Thus, social learning theory is applicable to the current study. The results also suggest that advertisers would do well to match up their television product placements with targeted consumers. For example, as previous studies found that younger consumers are more likely to have favorable product placement attitudes and purchase intentions. Thus, it may be better to place Coca-Cola products in teenage-targeted programs such as ‘Glee’ than in television shows
targeted to older audiences. Younger consumers may have more peer communication about placed products than other age groups and they get motivated to learn more about products.

However, advertisers should not completely rely on the current study’s results because there are limitations in product placement practices. Although the current research does not explore consumers’ attitudes toward ethically charged product placement (e.g., tobacco, alcohol), previous research (Gupta & Gould, 1997) found that consumers would not accept these product placement practices in television shows due to their negative impacts on young consumers. Moreover, marketers and advertisers need to be aware that the demographic groups in the current and previous studies who reported the most favorable attitudes toward product placement and purchase intentions are younger consumers who are also the most vulnerable consumers. Often times these consumers have a lack of knowledge to distinguish the negative impacts of advertising (Moschis, 1987). For example, few organizations want FCC to ban product placement in kids programs because of potential risk of misleading messages in embedded advertising (Eggerton, 2008). Therefore, practitioners need to be careful when choosing program genres, products, and target audiences.

Limitations and Future Research

Although the current study has expanded the knowledge regarding consumers’ product placement attitudes and purchase intentions for placed products, there are a number of limitations in this study. The sample was limited to college students. While they are appropriate targets for product placement, a more diverse sample may generate different results. It was also limited ethnically and geographically. Thus, future research should employ more diverse demographic groups in various geographical areas.
Moreover, future research should delve into the influence of demographic variables on attitudes toward product placement. Although the results of this found that there are significant mean differences exist across consumers’ age groups and education levels, it is still unknown why gender, income level, and ethnicity have no significant difference between groups with placement attitude and purchase intention. Thus, it is critical to recruit sample from more diverse group to investigate social influences or motivations for attitude changes. Specifically, additional research is needed to have a better understanding of socialization agents which facilitate attitudes and behaviors changing related to product placement. The current study results suggest that having conversations about product placement has correlation with attitude and behavior changes. However, it is limited to conversations among friends and families. Current media environments provide consumers with extended peers. For example, there are countless online blogs, websites, and forums to share product information and experiences with other consumers. Accordingly, the conceptual meaning of ‘peer’ should be expanded in the future research.

In addition, the current study is limited to consumers’ television show consumption through television only. In other words, consumers enjoy watching television shows through various media devices such as tablet computers, mobile phones, and the internet. These up-to-date media environments provide placed products’ information to consumers through more convenient and comprehensive ways. For example, one of the major broadcasting companies in Korea provides VOD (Video-On-Demand) service for dramas, sitcoms, and more. Consumers can watch not only television shows but also get product information about what the television characters use in the show (e.g., clothes, kitchen appliances). Therefore, consumers are exposed to more opportunities to learn about placed products which may increase their curiosity and
purchase intentions. Future researchers need to assess whether consumers’ attitudes and purchase intentions are differ by different media platforms.

As noted earlier, an individuals’ childhood period is when they develop consumption-related behaviors and thoughts (Moschis, 1987). Thus, the majority of the previous Consumer Socialization-based studies have focused on children and adolescents’ consumer behaviors. However, little is known about how a person’s consumer role has changed between childhood and adulthood. Consumer Socialization literature indicates that one’s childhood consumption-related attitudes and behaviors continue throughout one’s lifetime and get modified by social and psychological influences. Previous studies heavily focused on assessing certain age groups’ consumer behaviors rather than investigating the same consumers over an extended period of time. Thus, there is little knowledge of how consumers’ consumer socialization-based behaviors have been changed with regard to product placement attitudes and behavior outcomes. Therefore, future researchers need to adopt a Consumer Socialization framework to look at how one person’s attitudes and behaviors are changed in his lifetime.

Finally, the current study found that watching television shows affects consumers’ product placement attitudes and purchase intentions. However, it is limited to consumers’ general experience of product placement in television shows. More specifically, some products are both positively and negatively portrayed in the shows. Moreover, it is possible that consumers get more intrigued by certain products which are used by their favorite television characters. Thus, it is critical to assess how consumers are affected by different portrayals of product placement. In addition, marketers need to actively manage product portrayals in the shows in order to facilitate consumers’ favorable attitudes which may result in increased purchase intentions for placed product.
Appendix A.

Questionnaires items used in this study

1. **Attitude toward product placement in Television shows (Muehling [1987])**

   My overall attitude toward product placement is…

<table>
<thead>
<tr>
<th>Very 1</th>
<th>Somewhat 2</th>
<th>Neither 3</th>
<th>Somewhat 4</th>
<th>Very 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Unfavorable</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>B. Bad</td>
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<tr>
<td>C. Unlikable</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>D. Negative</td>
<td></td>
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2. **Purchase intentions (van der Heijden, & Verhagen [2004])**

   The next set of items deal with your opinion about purchase intention of placed products. Please rate the following statements on a scale of 1 to 5.

   1: Strongly Disagree   2: Disagree   3: Neutral   4: Agree   5: Strongly Agree

   A. I will buy placed products which I saw in television shows in next two weeks
   B. I will buy placed products which I saw in television shows in next two months.
   C. I will buy placed products which I saw in television shows when I need the products.

3. **Peer Communication (Moschis & Churchill [1978])**

   The next set of questions is about your opinion of peer (friends & family) communication and product placement. Please rate the following statements on a scale of 1 to 5.

   1: Strongly Disagree   2: Disagree   3: Neutral   4: Agree   5: Strongly Agree
A: I ask my peers for advice about buying things.

B: I and my peers talk about things I see or hear advertised.

C: I and my peers often talk about product placement in television shows.

D: I and my peers often talk about products used by television characters in television shows.

4. Demographic Questions

A. What is your gender?  
   ① Male  ② Female

B. What year were you born?  
   19____ (last two digits of year)

C. How would you classify yourself?  
   ____Caucasian  ____Asian or Pacific Islander  ____African American  ____Hispanic  ____Native American or Alaskan Native  ____Other

D. If you chose "other" in the previous question, please specify your ethnicity. ________________________

E. What is your highest level of education?  
   ____Below High School  ____High School  ____Some College  ____Undergraduate Degree  ____Attending Graduate School

F. If you are currently a college student, what is your year in college?  
   ____Freshman  ____Sophomore  ____Junior  ____Senior  ____Graduate Student
G. What is your annual household income?  
(Approximately)  
  ______ Less than $24,999  
  ______ $25,000 to $49,999  
  ______ $50,000 to 99,999  
  ______ $100,000 to $149,999  
  ______ $150,000 or more
References


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