

**IMPACTS OF PRODUCT PLACEMENT IN TELEVISION PROGRAMME
TOWARDS CONSUMERS' PURCHASE INTENTION**

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DECLARATION

“I hereby declare that this report is the result of my own, except the certain explanations and passages where every of it is cited with sources clearly.”

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DEDICATION

I would like to dedicate the appreciation to beloved family members who supported me from spiritually and financially, supervisor and panel who guided me throughout the research, friends that assisted me through the journey of research.

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I would like to take this opportunity to express my deepest gratitude to my supervisor, Miss Atikah Saadah for her guidance and encouragement throughout the journey completing this final year project.

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ABSTRACT

In fact, product placement is not a new marketing communication tools and the adoption of product placement as marketing tool has emerging in case to reach the potential customers. Therefore, this research aims to study the impacts of product placement in television programme through the measurement of factors of product placement represented as independent variables and consumers' purchase intention represented as dependent variable. The research objectives is to identify the general understanding of product placement by consumers and to identify which factors influencing by product placement in television programmes has significant impact towards the consumers' purchase intention. The research is approached explanatory study in respond to collect primary data by using quantitative method through survey questionnaire. Meanwhile, secondary data is collected through related published sources. Probability sampling is used in the simple random way on the judgement of researcher by involving 200 respondents to accomplish the research. The data collected is analysed by using SPSS software. The findings revealed that there is a significant relationship between brand attitude and prominence product placement with consumers' purchase intention. However, brand awareness, brand recall and subtle product placement fail to achieve a significant relationship with consumers' purchase intention. Moreover, prominence placement has most significant impact on consumers' purchase intention. The research able to discover useful information with empirical evidence as well as contribute to academic and industry as well as to facilitate the necessity of future research regarding to the discussion on findings.

Keywords: Product placement, general understanding, impacts, consumers' purchase intention

ABSTRAK

Tidak dapat dinafikan bahawa penempatan produk bukan lagi alat komunikasi pemasaran yang baru malahan pula penggunaan penempatan produk sebagai alat pemasaran telah muncul sebagai taktik yang efektif untuk menarik perhatian pelanggan yang berpotensi. Oleh itu, kajian ini bertujuan untuk mengkaji kesan penempatan produk dalam program televisyen yang menyebabkan niat pembelian pengguna. Objektif penyelidikan adalah untuk mengenal pasti pemahaman umum tentang penempatan produk oleh pengguna dan seterusnya mengenal pasti faktor-faktor yang menyumbang kepada impak yang signifikan terhadap niat pembelian pengguna. Penyelidikan tersebut diklasifikasikan sebagai kajian penjelas untuk mengumpul data primer dengan menggunakan kaedah kuantitatif melalui soal selidik tinjauan. Sementara itu, data sekunder dikumpulkan melalui sumber terbitan. Persampelan kebarangkalian telah digunakan secara rawak mudah yang ditetapkan oleh penyelidik dengan melibatkan 200 responden untuk menyempurnakan penyelidikan. Data yang dikumpul telah dianalisis dengan menggunakan perisian SPSS. Hasil kajian menunjukkan hubungan yang signifikan antara sikap jenama dan penempatan ketara dengan niat pembelian pengguna. Namun, kesedaran jenama, penguatan semula dan penempatan halus gagal mencapai hubungan yang signifikan terhadap niat pembelian pengguna. Selain itu, penempatan ketara mempunyai kesan yang paling ketara terhadap niat pembelian pengguna. Penyelidikan ini dapat menemui maklumat yang berguna dengan bukti empirikal dan menyumbang kepada akademik dan industri serta memberi cadangan bagi keperluan kajian masa hadapan.

Kata Kunci: Penempatan produk, pemahaman umum, impak, niat pembelian pengguna

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LIST OF ABBREVIATIONS

PPL	=	Product Placement
TPB	=	Theory of Planned Behaviour
SPSS	=	Statistical Package for Social Science

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Undeniably, advertising always plays the essential role in communicating with the consumers and delivering the related information towards the consumers. Advertising assist to inform the consumers about the brands available in the market and build up an image of a product in the mind-set of the consumers. However, the development of technology enables the consumers to skip advertising on television and hence led to the frustration of the advertisers with the fact that traditional advertising tools are facing a loss of credibility.

In order to grab the consumers' attention, advertisers have created various new and unique marketing communication channels. Product placement is one of the important and new differentiation strategies for products and brands which is also a respond to the need to breakthrough advertising clutter in unique and the solution to have more effective brand image (Wilson and Till, 2011).

There are different definitions of product placements in academic and trade publications. According to the Russell and Belch (2005), they defined product placements as the purposeful incorporation of a brand into an entertainment vehicle.

In other words, some television shows will intentionally display the products and brand names towards the audience for a certain period of time. On the other hand, Karrh (1998) has defined product placement as advancing item or brand as paid incorporation of branded products or brand identifiers, generally through audio or visual means inside broad communications programme.

Homer and Miles (2009) defined product placements as a marketing tools towards consumer and mainly help brands build up the brand awareness. By implementing this marketing tool, it enables the brands to enhance relations with consumers rather than it is just a tool to develop the credibility of films. Besides, brand placement has a positive effect on brand memory, but it can affect attitudes and behaviour without memory of the placement (Reijmersdal, 2009).

Regarding on the research conducted by Lim and P'ng (2014), they concluded that a millennial consumer's belief on the product placements able to influence their attitude towards the product placement and this will indirectly affect their purchase intention. Therefore, the variables on the impacts of product placement can be study in order to find out the relationship between the product placements in television programme towards the consumers' purchase intention.

1.2 Problem Statement

In fact, product placement is not a new marketing communication tools in case to reach the potential customers. This is consensus with the statement cited by Jan and Martina (2014) about the product placement is known as a cutting edge of marketing tool and been emerged within the industry. According to Newell, Salmon and Chang (2006), the Lumiere brothers used Lever's Sunlight Soap in their early film experiments and this is claimed to be the first product placement in film. The most obvious differences between the product placement in the early years' and the current

ones is the nature of the process. As time flies, the application of product placement become more organized as compared to the product placement strategies which were looked unnatural (Sung and de Gregorio, 2008).

Moreover, marketers might replace traditional advertising spots by utilizing product placement which is hard to circumvent due to the chances to avoid the advertisement message (Torben and Torbias, 2011). The utilization of product placement technique regularly overcoming the issue of zapping since the viewers are improbable to switch the channel when a product shows up in a film or television program like what they may do in order to avoid the advertisements.

Regarding to Homer and Miles (2009), advertising professionals consider product placement as one of the strategy for influencing consumers' perceptions toward brands and products. Repeated exposure in films has been positively influencing consumers' attitudes toward product placement (De Gregorio and Sung, 2010). This is because consumer might not aware on the existence of the brands or products in the beginning, however with the continue exposure of the product placements towards the consumer, it may affect the consumers' attitudes and purchase intentions.

Although there are plenty of companies strive with various marketing communication tools and they have perceived product placements as one of the solution to their problems, but sometimes consumers feel less reluctant to this technique due to the fact that this specific form of advertising is included in entertainment (Homer and Miles, 2009). In this context, consumers consider product placement as less manipulated than traditional advertising during watch the television programmes or films.

Even though there are many studies have been done on product placement, however the consumers' attitude toward general product placement in television programmes within Malaysia still in ambiguous status. Hence, this research aims to

clarify the relationship between the impacts of product placement and consumers' purchase intention and helps to provide essential factors to consider in creating effective advertising strategies for the advertising professionals.

1.3 Research Questions

This research aims to answer the following research questions:

1. What is the general understanding of product placement in television programmes by consumers?
2. Which factors influencing by product placement in television programmes has significant impact towards the consumers' purchase intention?

1.4 Research Objectives

Regarding on the research questions, there are several objectives have been determined to be studied which including:

1. To identify the general understanding of product placement in television programmes by consumers.
2. To identify which factors influencing by product placement in television programmes has significant impact towards the consumers' purchase intention.

1.5 Scope and Limitations of Study

The scope of this research is to identify the general understanding of consumers on product placement, and examine the impacts of product placements towards the consumers' purchase intention. This study was conducted in Malaysia to determine which factors that influencing by product placement in television programmes has significant impact towards the consumers' purchase intention.

The respondents were gathered through the consideration of geographical area which focused at Melaka and Johor and focused on the range of age above 9 years old and under 65 years old. This is because the respondents within this age segmentation including the Baby Boomers, Generation, Generation X and as well as Generation Y who are familiar with the advanced technology within the market. Hence, the quantitative method has been adopted as the methodology of the study in order to accomplish this research.

This study is limit to conduct within two states only in Malaysia which including Melaka and Johor. In other words, this research are not including the whole nation of the Malaysia. Besides that, this research is conducted by studying the general perceive of the consumer rather than take account on the deep understanding of the demographic profiles of the consumer. Besides, respondents who are not familiar with the product placements techniques may lead to the improper response. Hence, researcher need to concern on this issue and try to minimize inadequate response from the respondents.

1.6 Significant of Study

The purpose of this research is to study the impacts of product placement in television programmes towards the consumers' purchase intention. The importance of this research is to provide the better understanding on the product placement technique and hence researcher able to aware with the development of product placements as an effective marketing communication tools as compared to the traditional advertising tools. Finally, this study aims to contribute the essential factors and as the guideline for the advertising professionals to consider in creating effective advertising strategies. In addition, this research may able to provide academic and practical contribution within the area of product placement.

1.7 Summary

In chapter one, the description of background of study, problem statement, research questions and research objectives are discussed in case to build up the fundamental understanding of whole research. Additionally, the scope and significant of this research are discussed in order to provide the insight throughout the research. For the background of study, history and the concept of product placements been introduced. Problems have been detected that product placement technique has emerging as a marketing communication tool due to the tendency of viewers avoiding commercials. Regarding on the previous research, there is study claimed that repeated exposure of products in films able positively affecting consumers' attitudes, however sometimes consumers feel wary to product placements technique since this form of advertising tool is include in entertainment. Therefore, the impact of product placements in television programmes will be discussed among the consumers in order to study the consumers' purchase intention.