

## **EFFECTIVENESS OF COVERT ADVERTISING ON CONSUMER BEHAVIOR- A CASE STUDY OF BOLLYWOOD MOVIES**

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### **ABSTRACT**

Product placement is the purposeful incorporation of commercial content into noncommercial settings, that is, a product plug generated via the fusion of advertising and entertainment. While product placement is riskier than conventional advertising, it is becoming a common practice to place products and brands into mainstream media including films, broadcast and cable television programs, computer and video games, blogs, music videos/DVDs, magazines, books, comics, Broadway musicals and plays, radio, Internet, and mobile phones. To reach retreating audiences, advertisers use product placements increasingly in clever, effective ways that do not cost too much. The purpose of this paper is to examine product placement in terms of definition, use, purposes of product placement, specific media vehicles, variables that impact the effectiveness of product placement, the downside of using product placement, and the ethics of product placement.

The research shows that product placements in films are a viable alternative to traditional forms of advertising. The reason for this is that product placement (especially prominent product placements) is readily recognized by viewers. Product placement is an immense field of research within which much is yet to be discovered.

### **KEYWORDS**

Product Placement, Covert Advertising, Brand Communication, Conventional Advertising, Consumer Perception

## INTRODUCTION

Over the years Advertising has emerged as a key component of integrated Marketing communication. Moreover, it has adjusted with the changing economic environment and consumer behavior. The clutter in the product market and media has made the task challenging for marketers to reach their consumers. Thus both the Media and Advertiser's search for innovative advertising techniques led to 'Covert Advertising'.

The concept of covert advertising (placing brand in a movie) is not new to marketers for the advertisement of the product. This association is very old and in Bollywood, it started with the presence of a Rajdoot motorcycle in the film Bobby. In English movies it dates back to early '50s when Gordon's Gin paid to have Katharine Hepburn's character in "The African Queen" to use tons of their product overboard. Though, then it was only a blink and gone appearance, but now it has become one of the important channels for the brand communication.

Brand communication is a key component in branding as it determines how successfully brand is established and turns profits. Advertisements and public relations have been conventional and most popular means of brand communication, but with evolving customer dominated business environment they seem to be losing their effectiveness. Thus comes in new form of brand communication: In film placement that works seamlessly with other form of communication methods to achieve success.

Covert Advertising is practice of including a brand name, product, sign or trademark merchandise within a movie to increase the brand recall or for instant recognition at the point of purchase. It can be implicit or explicit in movie depending on marketers' requirements and scene in which it is placed. It can be used to launch a new product (Swift Car in *Bunty and Babli*), demonstrate a long tradition of a brand (Indian Post) or to reinforce the brand image or its positioning in market (Allen Solly in *Corporate*). It can also be used to showcase the product's superiority over the competitor (BMW over Mercedes Benz in *Tomorrow Never Dies*).

Churning out nearly 1,000 films a year, the Indian film industry is the largest in the world. Now, aided by technological advancements, the industry is set to take a further leap – across production, exhibition and marketing. In such a scenario, product placement in mainstream films deserves a renewed focus because as a marketing communication tool, it is fast emerging as the medium with maximum potential to capture and covert audiences to potential consumers. This is especially relevant in a world where traditional media vehicles are increasingly failing to reach the consumers for various reasons.

Brand/product placement is a promotional tactic used by marketers in which a real commercial product is used in fictional media, and the presence of the product is the result of an economic exchange, it is an advertising technique in which the companies pay a fee or provide service in exchange for a prominent display of their product. Product placement occurs in plays, films, television series, music videos, video-games and books. The objective of such brand communication is to expose the audience to a brand,

whereby the effect can be maximized in terms of increased awareness and higher recall, so that the customer will buy the brand which has maximum recall; and to satisfy the customer to optimum level. Product placement has come as a blessing in disguise for both, the brand and the filmmaker. Through it, the brand managers get the clutter breaking opportunity to look beyond the 30 sec TV commercial and the filmmaker gets to earn huge revenues by just showing the brand being used by protagonist or let it exist in the background. The deal is just perfect for both of them. But the most important person in the deal is the consumer who is vigilant and smart enough to notice what's served to him and has reservations against in your face placements. Surely he does not want more intrusion in his life. Hence, product placement has arrived and here to stay. But a word of caution is to be always kept in mind, by both the brand and the filmmaker- if as communication purveyors they are looking for better and innovative means of reaching the consumer, the consumer himself is already bombarded with marketing tactics from all over and in the three hours of movie, he would want to forget about all these intrusions, including advertising. Thus overdose of brand placement will only drive away the consumers from the cinema halls, resulting in a flop film and a failed marketing endeavor.

### **LITERATURE REVIEW**

Homer (2009) in his study, "The impact of placement type and repetition on attitude" suggested that the type of placement (subtle/prominent) and repetition (low/moderate) interact to impact brand- and placement-related judgments. Specifically, repetition of prominent placements for known brands has a negative impact on brand attitude. For subtle cases of product placement, however, consumer attitudes are relatively positive and moderate levels of repetition have little incremental impact. In addition, findings suggest that studios ought to evaluate placement options carefully, as repetition of prominent placements may lead to reduced affect for their productions, thereby fueling a decline in their audiences.

Singhal (2009), in her study "advertising in multiplexes: Brand theatre" analyzed that cinema is certainly going to be a reinvigorating experience for both the brands and visitor. Multiplexes are a good place to run a quick awareness generation exercise more as a reminder than as contest.

Nelson et al (2006), in their study "Brand placements Bollywood style" stated that the globalization of media allows brand placements in subtle ways to reach local and international consumers. This study examines Indians' responses to brand placements in a Bollywood film. Film involvement showed an adverse effect on brand recall, while brand consciousness had a positive effect.

Barnoff et al (2002), in their paper "Product Placement and its Impact on Brand Attitude" said results showed that attitude and taste perceptions rose after viewing high product placement, but for medium and low product placement there was a decreased negative perception.

## Types of Product Placement

In films, product placement can be divided into three broad categories:

- **Implicit Mode:** in this the star appears in a situation and is seen openly stating that he is using the product/brand. For example, in the movie *Chalte Chalte*, Shahrukh Khan is seen asking his worker to fill Castrol in his truck.
- **Imperative Mode:** In this the star would ask his friend/co-worker/peer to use the product. For example, in the movie *Koi Mil Gaya*, Hritik Roshan is seen recommending Bournvita to Priety Zinta and her mother in the film.
- **Co-present Mode:** in this, the star appears in some kind of setting with the product or he or she could be seen consuming or using the product. In the movie *Diljale*, love is the ulterior theme, and Sonali Bendre, the lead actress is shown expressing her love through Archies cards, thus revolving around the 'social expression' feel of the Card makers.

Covert Advertising is a medium through which branded products are placed in movies, which is visible to consumers without any distraction. Leveraging on the entertainment value, emotional quotient of the film and its psychological impact on viewers has led the advertisers to utilize this medium. The phenomenon is gaining momentum due to its clutter free feature and advantages of celebrity endorsement for the product or brand in a movie. This advertising technique brings in an additional source of income for film producers, advertisers, corporate's and it has proved to be a technique to strengthen their brand.

A few firms get product placement at no cost by supplying their product to the movie company (Nike does not pay to be in movies but often supplies shoes, jackets, bags, etc). Scripts are tailor made for the desired brand so that when they are incorporated they look natural. It is done through special mention in the programs, placement of logo or may be a shot of that particular brand. Movies have been used as the most popular platform for product placement. Showman Subhash Ghai's *Yaadein* showcased brands like **Pass-pass** and **coca-cola**. But recall the Rishi Kapoor starrer *Karz* by the filmmaker, which had an entire song sequence with the **Emami** banner at the backdrop. Similarly time and again we have witnessed so many brands like *ICICI, Yamaha, Pepsi, Lays in movies Aakhein, Baghban, Dhoom, Khushi and Krissh* respectively. Product placement, as the numbers suggests is bringing revolutionary change in entertainment economics.

Covert advertising is when a product or brand is embedded in entertainment and media. For example, in a film, the main character can use an item or other of a definite brand, Hayabusa and Suzuki in *Dhoom*,

John Abraham uses Hayabusa in the movie as a thief, from that time only many of Indians came to know about that bike.

### **Reasons for Success**

Advertisements have been the most popular of all the means of brand communication. With increasingly competitive market, people have been surrounded with an excess of advertisement messages, be it while watching TV, struck in a traffic jam or even while travelling by airlines or metro. This has resulted in reduction in their effectiveness. With increasing number of advertisements day by day it is getting extremely difficult for the companies to create a differentiation in their advertisements, impacting the brand recall in a negative manner.

This can be supported by the facts that there has been a significant increase of 18% in off screen advertisements. With conventional advertisements being intrusive, they lose the attention of the audience against the expectation of the marketers. At some point, the customers get tired with them and even annoyed. Thus, there is a need to have a form of communication that is not obtrusive and has high brand recall.

Second reason that the effectiveness of the advertisements is wearing is the use of technology that allows the customer to skip the advertisements while watching TV. It is a common practice to switch over the channel or mute the television when advertisements crop up during a program or a cricket match. In a study conducted by a Media Planning Group indicate that 90% of people with DVRs skip commercials in recorded programming—and just 16% watch the ads when viewing live TV, rather than doing something else or channel hopping.

The 2007 advertisement spending outlook released by the Centre for Media Research indicates that there will be a slight decrease in advertising spending share for conventional media including TV, newspapers and radio. Also there has been a trend for increase in shares of cinema and internet. The figure below depicts the findings.

### **Advantages of Covert Advertising**

As compared to conventional 30 second advertisements, in film placements are less intrusive as they are part of a storyline and integrated with the film. It becomes a realistic stage where the marketers get a chance to show the brand value in the plot of the story itself. This tends to be more acceptable to the customers unless it is highly out of place.

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The association of brand and movie celebrities is very old. The effectiveness of communication increases when celebrity endorses a product, as people have tendency to imitate those whom they adore. With help of in film placements, the brand gets to be associated with the movie stars.

This is minus the huge endorsement fee that the company pays to a celebrity to be its ambassador. Example can be of Tata Indicom which willingly gave Rs. 2 Crore to be associated with Rajnikanth blockbuster, Chandramukhi. Had it roped in Rajnikanth to be its ambassador, it definitely would have paid a lot more.

The cost of in film placement is two to three times cheaper than the normal advertisement. It can cost anywhere between Rs 5 Lakh and Rs 50 Lakh, depending upon the level and length of integration of the brand in the movie, production banner and actor endorsement. Thus, marketers are now trying to weave brand personalities more tightly with the brand themes.

The in film placements is a better way for the advertisers to showcase the core value of brand. The usage and the attributes of the product are shown in a more effective way as there are integrated in the storyline itself. Advertisers take advantage of the storyline and the characters in the film to demonstrate what brand stands for. Be it Castrol in Chalte Chalte or Motorola in Delhi 6, Louis Vuitton in Sex and the City or Omega Watches in James Bond movies.

Another advantage is that in theatre audience is glued to their seats and thus, cannot switch over the channel. Also as these are not obtrusive, higher brand recall can be expected. Marketers get a chance to specifically target the market. Each film caters to different audience and if marketers place their brands keeping this in mind, the brand can enjoy a higher ROI.

A movie caters to a far wider audience than the traditional advertisements. A movie is not only played in theatres but is also broadcasted on TV a number of times in future. A movie can be watched in-flight; it can be watched on a VCD or DVD. Before movie is released, the brand gets placed in the promos of movie. The advertisers show the part reels of the movie instead of normal advertising campaigns. Goodyear in Tara Rum Pum Pum can be good example, where it showed the film promos as part of its normal advertisements.

Such show reels fall under the entertainment ad category as opposed to the 'commercial' category that traditional ads fall into. Thus, marketers eventually end up paying four to five times less to promote their brand. They are beginning to leverage on films through marketing tie-ups. Thus, it provides multiple windows and becomes a good medium to place a brand on.

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Apart from giving advantages to advertisers, it reaps benefits for producers as well. It helps them recover their film budget to a certain extent. For example Madhur Bhandarkar's Fashion recovered approximately 40% of its budget within film advertising. It had likes of Kimaya, Cellucom, Sunsilk, Lenovo, Reebok and LG among others. Thus the producers are also roping in multiple brands to advertise in their films. Sex and the City had more than 90 placements integrated in the movie (Louis Vuitton, Manolo Blahnik, Guess etc).

### **Considerations to Successful Covert Advertising**

Though covert advertising is gathering interest from both advertisers and producers alike, it is also important that the product meshes well with script and plot of the film. If this aspect is not taken care of and the product does not have any connection with the narrative, the result can be catastrophic, that cannot be reversed. The placement should seem to be natural to plot and not contrived or forced. Example of wrong placement can be of Coke in Yaadein; where Jackie Shroff would start singing a song with Coke in his hand.

Brand should get its due diligence and should not be used in a movie as a prop. The customers should be able to identify with the brand. Omega watches in middle class family would not have much impact and would lead to dilution of brand. A good synergy is necessary between brand and the movie. For example BMW in the movie Tomorrow Never Dies acts as one of the James Bond's intelligent weapons to fight against the enemies. The BMW brand's spirit, of appearing as driving-oriented, powerful, and sophisticatedly equipped, is thoroughly conveyed by the charm of James Bond and the plot showing Bond defeating his enemy in an ingenious way. It also portrayed the superiority of BMW over its rival Mercedes Benz. Thus, a right balance needs to be struck to be glamorous and yet get a value for money proposition.

The success of an in film placement lies heavily on the success of the film which is highly unpredictable itself. Marketers need to pay attention to the high risk high return factor in terms of cost and the impact. Attention needs to be given to production house, star cast of the movie and right fit for their brand personality. The release date, approximate budget of the movie, the professionalism involved in the film (to prevent change of script at eleventh hour, delay in release etc) and the possibilities of brand association through promotions are some basic factors that need to be considered.

The time taken to complete a film, from the time to brand getting incorporated in the script, to it being featured in the film and the film being released gets stretched to more than a year. With brands competing in such a competitive environment, it is a possibility that brands have changed their entire positioning. Thus, this constraint is one that needs to be looked into.

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Agencies need to do their part well when placing a product in the film. It is the agency, responsible for the placement to analyze the content of the film and its brief storyline and then to decide upon its potential viewer group or target audience, shortlist the brands that would appeal to their target audience, and make a comprehensive marketing plan for promotions during the various stages of a film's release.

Hindi films are made on a few stereotyped storylines. Therefore, associating brands in the right context into the film becomes difficult. So till Hindi movies evolve, there will be limited number of genres and the brands will have to be centred around these genres only. The producers still have not taken this form as advertising as a revenue stream. As a result, embedded advertising still has lot of growth prospects.

### **The Way forward**

This association of films and brands are here to stay and grow even stronger. This relationship can be a win-win solution to both advertisers and film makers. The brands across various categories from garments to cars to jewellery to banks to news channels (Aaj Tak), are approaching agencies specialized in doing this job of in film placements, as it is a great way to connect with the consumer and its environment.

Films are now becoming brands by themselves. When big films are thought of as a brand, co-marketing, merchandising, special edition products, whole new opportunities come up. Marketers are seizing many of these and are looking for more. It is after all about great ideas and brilliant execution and they have new partners in today's film-makers.

In summary, covert advertising is playing an important role in the current business of marketing communication and is predicted to become even more valuable to marketers. In today's customer-centric market place, the basic rule of brand placement is to be plot-oriented and integrated seamlessly into the content of the program. Only then will brand placement be widely accepted and distinguish itself from traditional marketing communication approaches.

### **CONCLUSIONS**

The study indicates that brand placement in Hindi films are effective. The high recall, recognition and positive attitude scores suggest that brand managers are seriously looking at product placements in movies as a new vehicle for reaching to consumers.

As the Indian economy develops a global perspective, Bollywood needs to follow suit. More importantly, as Indian audiences become fragmented into class specific segments, marketers are faced with the more difficult task of communicating their brand messages. Effective and well thought of product placement appears to be some solution.



The research results indicate that consumers are aware about product placement being a method of advertising. They are influenced by the placements and have bought products that had been placed in movies and other media. Thus product placement seems to have gained acceptance as a form of advertisement and can be continued to be used. Also, most do not feel that product placements are irritating and interrupting the flow of the movie. People are generally expressing a positive attitude toward product placement and are influenced by it.

A conclusion drawn from the research was that products placed prominently in films were better recognized than those placements placed subtly within the context of the film.

Another aspect closely considered in this research was the effect product placements have on the realism of the film.

The research shows that product placements in films are a viable alternative to traditional forms of advertising. The reason for this is that product placement (especially prominent product placements) is readily recognized by viewers. Product placement is an immense field of research within which much is yet to be discovered.

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