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# Master's Thesis

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# The Forms and Analysis of
# Product Placement

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**Title of the Master´s Thesis:**

The Forms and Analysis of Product Placement

**Abstract:**

The aim of this thesis is to describe marketing communication and product placement in the theoretical part, consequently analyze examples of product placement from the practice and last but not least also analyze the perception and examples of product placement based on the survey research. Therefore the thesis is divided into three main parts. The first, theoretical part, describes the marketing mix, concept of communication, communication mix, new forms of communication, integrated marketing communication, history of product placement, legal framework in the Czech Republic and the forms of product placement. The practical part then focuses on concrete examples of product placement in selected industries (namely TV shows and series, music videos, publishing and novels and computer games) followed by real offers of product placement in the Czech market – concretely offerings within TV shows of Czech TV channels of Česká televize, Nova and Prima. The third part of the thesis analyses perception of product placement and examples of good and bad product placement based on personal questionnaires. In conclusion, there is an evaluation of the presented information and overview of the survey findings.

**Key words:**

Marketing Communication, Product Placement, Forms of Product Placement, Usage of Product Placement

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# INTRODUCTION

Movies are a crucial part of the world nowadays, for both the people regularly watching them but also for those who are somehow involved in the movie industry. For many people movies represent an entertaining activity which they perform in their free-time, for others, it's a means of escaping the boundaries of their daily lives or the opportunity to express themselves and for some, movies have become an important way to make their living.

As today's world is constantly changing also the movie industry with its marketing practices is changing accordingly. When only speaking about the advancements in filmmaking, the breakthroughs in this particular form of art have been enormous - from the very first black-and-white movie that was created at the end of the 19th century[1] all the way to experiencing almost a "live experience" in IMAX 3D and 4D movie theatres.

Alongside the development of the movie industry, also the involvement of different parties in movies took place, especially in the context of private companies. Mainly with the rise of Hollywood, movies have become a valuable asset and an important revenue stream.

Since the situation in the consumer market has been constantly evolving in the last few years with the market being characterized by a heavy surplus of supply over demand, companies had to adapt and choose the most impactful set of marketing tools for communication with their final consumers in order to survive. And thus movies have become one of the central focuses of marketing with companies investing heavily and utilizing them as one of their communication tools.

However, not only the aforementioned movies have turned into an instrument highly used by companies for their product and brand placement, even though they still undoubtedly represent the paramount portion of investments. Besides movies, product placement can be noticed in other industries such as sports, travel, radio, computer games and TV or the publishing industry.

This master's thesis is therefore called **"The Forms and Analysis of Product Placement"** as its main aim is to demonstrate how product placement can be used in various industries while still influencing the consumers and thus possibly enlarging the potential consumer base of the companies and subsequently bringing revenues to the companies.

The author has chosen this topic for several reasons. First of all, product placement itself is a very sensitive tool of communication with the consumer. If consumers for instance enjoy watching a particular movie, their positive attitude will transcend on the product skillfully

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[1] Manley, B 2011, '*Moving Pictures: The History of Early Cinema*' Proquest Discovery Guides, viewed 29 January 2015, http://www.csa.com/discoveryguides/film/review.pdf

incorporated into the plot of the movie. However, the same applies to negative perception of the movie and if the viewer does not like the film, there is a greater chance that he or she will not like the product placement either. For that reason the placement of the product has to fit into the film and be considerate towards to viewer. Secondly, as a marketer working in an fast movie consumer goods company, the author is very enthusiastic to unveil some fascinating facts of this attractive discipline and discover some best-practices that might be beneficial for his future development in the field of marketing. Last but not least, as a keen movie fan that regularly goes to the movie theatre and indulges in watching even all the pre-roll advertisements, product placement as the focal point of author's master's thesis was spot-on.

The main objective of this master's thesis is, in a broader sense, to describe and analyze the method of product placement with its application in different industries. In a narrower sense, the aim is to analyze product placement's offerings incorporated within TV series of the main Czech television channels and also the perception of product placement on a selected sample of respondents. For the latter, three hypotheses were formulated and are as follows:

**H1:** The most recognized form of product placement is product placement in movies, followed by TV series.

**H2:** The respondents are rather displeased with products being placed within movies, TV series, computer games, books and music videos.

**H3:** Respondents from the Czech Republic and Slovakia will represent a higher percentage of those who do not have any knowledge of product placement compared to other foreign respondents of the survey.

This master's thesis comprises of three main parts, which are as follows. In the first part, the theory of marketing communications and product placement is being explained. In the second part, product placement and its application in different industries with concrete examples is being illustrated. In the last part, product placement with its impact on the consumers overall and its perception is being analyzed.

The theoretical part is prepared with assistance of contemporary academic literature from the field of marketing communications and product placement and Czech legislation. It focuses on the marketing mix, marketing communication and its mix and forms and product placement and its history, legal framework and types. For this purpose, secondary research was conducted and the author has put an emphasis on review of literature and examination of existing theories.

The second, practical, part comprises of two main sub chapters. In order to collect valid data, secondary research was conducted. For the first part, which is an analysis of product placement in selected industries with real life examples, reports, expert and published articles are being utilized. For the second sub chapter, the overview of real offers of the main Czech TV channels, internal reports of Ogilvy, Publicis and UM have been used.

The third part of this thesis focuses on the overall perception of product placement on the general public. The primary research was conducted to gain valuable insights on product placement's perception. For this part, a survey was distributed among the public and the answers were collected. The questionnaire was created in Czech and English so that it could be filled out by more nationalities and was composed of 24 questions. More details about the primary research are to be found in chapter three.

# 1 Theory of Marketing Communication & Product Placement

The aim of this chapter is to characterize the theory that lies behind marketing communications and product placement. Firstly, an emphasis is put on the marketing mix, different types of marketing communication and the possible measurements of their efficacy. Secondly, the history of product placement, its modes and possible ways of measurement are outlined.

## 1.1 Marketing

As technologies and consumers are constantly progressing, marketing needs to adapt to these changes in order to remain an effective tool. However, it is still very hard to predict the future development of the market, which was very well illustrated by the revolution and impact that the Internet has had on consumer marketing in recent years. In that matter, even the definitions of marketing differ and evolve. Nevertheless, all marketing efforts center on satisfying customer needs and for the purpose of this work, I will use two main definitions.

The first one was created by Philip Kotler, who argues that marketing is "the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return."[2] The next and more extensive definition defines marketing as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create and exchange value, and satisfy individual and organizational objectives."[3]

What these definitions have in common is that marketing is a process, which results in value creation for both the consumer as well as the company. This is important because companies nowadays realize that focusing only on profit-making is a rigid approach and in the longer run, having a satisfied customer is much more beneficial.

Kotler also argues that the marketing process can be well characterized by a model consisting of five steps (Figure 1). The first four steps are represented by companies, which are trying to understand their customers, offer a solution that fits their needs the best and thus build a powerful customer relationship. The fifth step reflects acquiring value from customers in the context of sales, profits and customer equity.

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[2] Kotler, P & Armstrong, G 2011, *Principles of marketing*, p. 5, 14th edition, Pearson Prentice Hall, New Jersey

[3] Pelsmacker, P, Geuens, M, & Bergh, J 2010, *Marketing Communications: A European Perspective*, p. 2, 4th edition, Pearson Education Limited, Essex

**Figure 1: A Simple Model of the Marketing Process**



| Understand the marketplace and customer needs and wants | → | Design a customer-driven marketing strategy | → | Construct an integrated marketing program that delivers superior value | → | Build profitable relationships and create customer delight | → | Capture value from customers to create profits and customer equity |
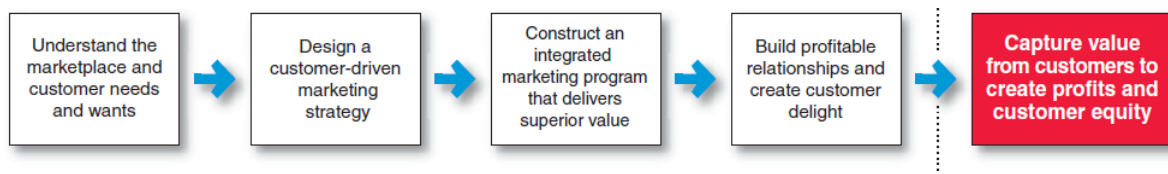
Source: Kotler, P & Armstrong, G op. cit. p. 5

Companies which understand the importance of comprehending well their consumer base typically conduct market and consumer research and consequently analyze the data. Based on the findings, they later execute their market strategies and address their consumers with market offerings, either in the form of a product, service or experiences and information.

## 1.1.1  The Marketing Mix

Marketing mix is a set of tactical marketing tools utilized in marketing strategy to achieve the objectives of the company. We speak about the tools with which the companies can manipulate and thus manage the market offerings and influence the demand for the product. "Traditionally, these instruments are divided into four categories, called the 4Ps of the marketing mix."[4] These are the product, price, place or distribution and promotion or marketing communications. The following table (Table 1) shows some of the tools of the marketing mix.

Table 1: Instruments of the marketing mix

| Product | Price | Place | Promotion |
|---|---|---|---|
| Benefits | List price | Channels | Advertising |
| Features | Discounts | Logistics | Public relations |
| Options | Credit terms | Inventory | Sponsorship |
| Quality | Payment periods | Transport | Sales promotions |
| Design | Incentives | Assortments | Direct marketing |
| Branding | | Locations | Point-of-purchase |
| Packaging | | | Exhibitions and trade fairs |
| Services | | | Personal selling |
| Warranties | | | Electronic communication |

Source:  Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 3

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[4] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 2

### 1.1.1.1  Product

Product policy includes everything that a company can offer to its customers for purchase and satisfying their wishes and needs. Product is then defined as "anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need."[5] Products in a broader sense are not only tangible objects but also services, organization, ideas, events, persons or a combination of these. Since services are increasingly becoming more and more important in the world economy, they certainly deserve a definition. Services can be characterized as "a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything."[6]

Products consist of three main layers. The first layer – the core product – is the exclusive benefit that companies market.  It is basically "the unique place in the mind of the consumer that will be focused upon."[7] This core product needs to be transformed into a palpable product, which is done in the second phase, where the exclusive core is turned into an actual product. The product planners must develop product features, which are a certain level of quality, product and service features, design, a brand name and the available options. Finally, the augmented product is built around the core product and the actual product by offering the service layer consisting of additional consumer services and benefits. These include installation service, prompt delivery, management of complaints and after-sales service.

### 1.1.1.2  Price

Price is the only instrument of the marketing mix that is costless for the company and on contrary generates revenues, which are used to finance other activities, such as production or marketing. In a broader sense, price can be characterized as "the sum of all the values that customers give up to gain the benefits of having or using a product or service."[8] Price is a flexible element of the marketing mix and can be modified really quickly.

The official price is called the list price. Nevertheless, not only the list price is put in place when executing the pricing strategy. Also, many incentives and discounts are used in the pricing policy to make the product more appealing to the consumers. Pricing needs to be treated very sensitively because only a small adjustment in price in a form of price cuts can lead to attracting more consumers but simultaneously can lead to a decrease in profitability

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[5] Kotler, P & Armstrong, G op. cit. p. 224

[6] Kotler, P & Armstrong, G op. cit. p. 224

[7] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 2

[8] Kotler, P & Armstrong, G op. cit. p. 290

and loss of margin. What's more, the customer can get "used to discounts and may gradually be educated to buy on price and be a brand-switcher."[9]

### 1.1.1.3 Place

Place or distribution policy helps the company to bring the production to the customer. This usually involves "transporting the product, keeping an inventory, selecting wholesalers and retailers, deciding on which types of outlet the product will be distributed in, and the assortment of products to be offered in the various outlets."[10]

Distribution is the least flexible tool of the marketing mix as the creating of new ways of distribution is a very expensive, complicated and long-term issue.[11] It also depends on various long-term contractual commitments, maintaining cooperation between companies and channels of distribution, or the number of existing ways of distribution.

### 1.1.1.4 Promotion

Companies nowadays use various elements of disciplines of communication to achieve their communication objectives, which can be for instance "increasing awareness about a brand or product, changing a brand image, encouraging product trial or just stimulation sales."[12] Due to the fact that communications also belong to the overall marketing mix, objectives of communication have to be decided in accordance to marketing objectives.

The combination of particular tools is called the communication mix. Thorough attention is paid to the communication mix and communication itself in the next chapter. Many marketers believe that "promotion and marketing communications is the most visible instrument of the marketing mix." [13]

An important role when setting these particular tools is synergy – the single tools have to be combined consistently so that they operate in the same direction and not conflict with each other. In other words, for example, "the effect of sponsorship will be multiplied if combined with sales promotion activity" or "intensive distribution will be more effective when combined with in-store communications and advertising."[14]

With a more intensive orientation of marketing toward satisfaction of customers' wishes and needs, a new approach toward marketing mix has been created. The traditional view of the

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[9] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 3

[10] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 3

[11] Machková, H 2007, *Mezinárodní marketing,*  s. 150, 3rd edition, Grada Publishing, Praha

[12] Machková, H, Král P & Lhotáková, M 2010, *International Marketing,* p. 164, Oeconomica, Praha

[13] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 3

[14] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 4

company from the point of view of 4Ps shifted towards 4Cs. This is well illustrated in the following table (Table 2).

Table 2: Comparison of 4 Ps and 4 Cs

| 4 Ps | 4 Cs |
|---|---|
| Product | Customer needs and wants |
| Price | Cost to customer |
| Place (distribution) | Convenience |
| Promotion (communication) | Communication |

Source: Author

## 1.2 Marketing Communication

Marketing communications, or in other words promotion, is the most visible part of the marketing mix. A company or another subject communicates through the communication mix toward its environment – especially with its consumers, employees, other relevant stakeholders and even the competition.

The primary goal of communication is to transmit some kind of information. The same applies even to marketing communication with the difference that as opposed to the "common" communication, marketing communication needs to be strategically well planned and must choose the most impactful tools of communication based on the objectives and the budget. In the marketplace, the communicated information should have an effect on the existing and potential consumers and influence their behavior in accordance with the interests of the organization.
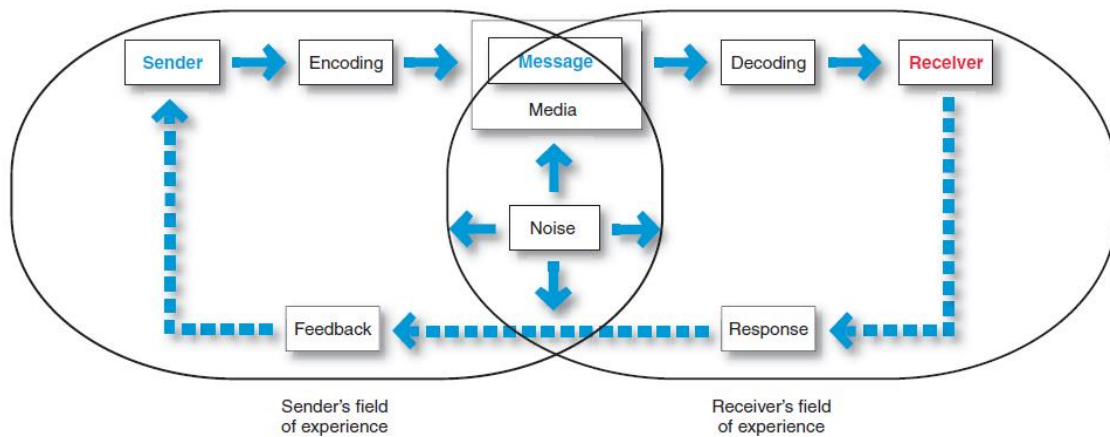
### 1.2.1 Concept of communication

Marketers are nowadays trying to obtain the desirable audience engagement in a very short time – they are focused on instantaneous awareness, preference goals or image in their target groups. However, this approach is proving to be very short-sighted. Therefore, marketing efforts are moving toward "viewing communications as managing the customer relationship over time."[15]

Customers are different and target groups differ as well and thus communication programs need to be developed for these various and unique segments. What is more, the process is becoming two sided. On one side, there are companies trying to figure out how to reach their consumers and on the other side, companies have to make it possible for their consumers to reach them. And due to technological advancement and new communication technologies, it is even more important to thoroughly understand the consumers' needs and wants. Therefore, current marketers need to understand the very basics – and that is how communication actually works.

In the figure below (Figure 2),the flow of communication and the elements involved in the process are nicely displayed.

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[15] Kotler, P & Armstrong, G op. cit. p. 414

Communication can be generally understood as an act of transferring information from its senders toward the subject receiving the information. The very process consists of the following nine parts[16]:

- **Sender** – The party sending or communicating the information
- **Encoding** – The process of transforming the sent information into a particular form
- **Message** – A set of words, symbols, numbers or illustrations that are being transmitted
- **Media** – The channels of communication through which the information is transmitted from the sender to the receiver
- **Decoding** – The process of assigning meaning to the symbols that have been encoded by the sender
- **Receiver** – The participant of the communication who receives the message sent by the sender
- **Response** – The reaction of the receiver after he/she has been exposed to the message
- **Feedback** – A part of the response of the receiver that is being communicated back to the sender
- **Noise** – The unpremeditated distortion or static happening during the process of communication, which might result in getting an incomplete or different message by the receiver.

### 1.2.1.1 Personal communication

In personal communication,the communicating message is transmitted directly to the person for whom it is intended. The sender has a direct physical contact with the receiver, and therefore can tailor the message even by using non-verbal communication such as kinesics,

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[16] Kotler, P & Armstrong, G op. cit. p. 415

proxemics, chronemics and chromatics. In other words – by body movements, gestures, facial expression, eye contact, space between the parties or usage of colors.

The advantages are a negotiating ability and almost always direct feedback with rich informative value. On the other hand, the disadvantage lies in the fact of high cost per one approached person and the demand of time. From the marketing communications point of view, personal selling and in some cases direct marketing, are personal communication.

### 1.2.1.2 *Impersonal communication*

Impersonal communication enables one to approach a high number of people in a relatively short time horizon. The media used for transmitting the message toward a large number of recipients are mainly television, radio, press and recently the Internet, which has gained an immense importance in the last few years.

These types of media are usually referred to as mass media. The costs per one person are substantially lower compared to personal communication; however, these types of media require a much higher total number of financial resources. Additionally, the next disadvantage is the overall low attention of focus of target segments which the mass media are often accompanied by. Moreover, the companies need to incur additional costs for media research and research connected with collecting feedback.

## 1.2.2 Communication Mix

The communication mix can be understood as a combination of various tools of marketing communication, which are utilized by companies for formulating and transferring of information toward their environment – in other words to meet their communication objectives. Generally saying, companies do not need to put all their tools into use but can wisely combine them based on their target audience and the message they are trying to communicate.

Besides the division on personal and impersonal forms of communication, some tools of marketing communication are referred to as commercial communication. Commercial communication is a paid form of communication toward the market. It is the most important communication of the brand with its current and potential customers. Different tools of commercial communication are applied to the different stages of the product life cycle.

In the marketing industry, the most frequently mentioned tools are as follows[17]:

- Advertising,

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[17] Kotler, P & Armstrong, G op. cit. p. 408

- Sales promotions,
- Personal selling,
- Public relations,
- Direct marketing.

For the purpose of this report, we will add three more and these are:

- Sponsorship,
- Publicity,
- The new media.

Besides this division, in the advertising industry also 'above the line' (ATL) and 'below the line' (BTL) division take place.

- **ATL communication** is a type of advertising, where mass media is put in place to promote brands and reach out to the consumers. These include media such as television, radio, outdoor advertising, the Internet as well as the print. "This is communication that is targeted to a wider spread of audience, and is not specific to individual consumers."[18]
- **BTL communication** is "more one to one, and involves the distribution of pamphlets, handbills, stickers, promotions, brochures placed at point of sale, on the roads through banners and placards."[19] It can also include samplings, product demos, event marketing or sponsorship.

In the next part of the report, an emphasis is put on the different types of commercial communication.

### 1.2.2.1 Advertising

"Advertising is a paid form of impersonal communication of companies, non-profit organizations and individuals through various types of media aiming at informing or persuading the people from a specific part of their audience – so called target group."[20]

Advertising is the most visible tool of the communication mix. No matter if the products, services, or ideas are being promoted, it is a suitable tool for reaching out to a mass number of people. It is characterized by a high effectivity and low CPT – in other words, the cost for

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[18] [19] Manral K, 'Difference between 'above the line' and 'below the line' advertising', *The Advertising Club,* web log post, 22 August 2011, viewed 3 February 2015,
http://www.theadvertisingclub.net/index.php?option=com_content&view=article&id=3256:difference-between-above-the-line-and-below-the-line-advertising&Itemid=175

[20] Pelsmacker, P 2003, *Marketingová komunikace*, p. 203, Grada, Prague.

reaching out to a thousand of consumers. However, its total costs are usually really high and represent the highest portion of the media budget.

An important step in the planning process of advertising campaigns is the transformation of the creative idea into the advertisement creation and the choice of the most suitable media channel. The most commonly used media are television, radio, press, outdoor advertising, promotional items and nowadays the Internet and mobile and tablet devices.

When specifying the application of advertising regarding the product life cycle, advertising is widely used when launching the product and in the maturity phase as well. When launching, advertising functions as the broadest source of information and in the maturity phase as a reminding medium.

The biggest disadvantage of advertising is an overloading of consumers by advertisement. The potential consumers can react irritably and dismissively or can ignore the advertisement at all (they can create so-called advertising blindness).

Kotler[21] argues that the advertising objective can be classified as follows – to inform, persuade or remind.

- **Informative advertising** is utilized heavily when launching a new product category. The ultimate objective is to create demand.
- **Persuasive advertising** becomes more important with the increase of competition. Here, the objective of companies is to build selective demand, therefore persuading that the particular product from the company is the best one for the consumer.
- **Reminder advertising** is important for mature products; it helps to sustain customer relationships and make consumers contemplate about the product.

### 1.2.2.2 Sales promotion

Sales promotion or sales support concentrates on influencing the decision process of customers directly at the point-of-purchase place. The tools of sales promotion are "price cuts, coupons, loyalty programs, competitions, free samples, etc."[22] This form of commercial communication capitalizes on the assumption that the majority of purchase decisions happens impulsively and at the place of purchase.

These tools of communication are usually perceived relatively well by the consumer, because they make the purchase decision easier for the consumers – for instance by cheapening of the brand from the portfolio of brands that the consumer chooses from or by free-sampling, which triggers the usage of new products and brands.

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[21] Kotler, P & Armstrong, G op. cit. p. 437

[22] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 4

The share of sales support in the communication mix is increasingly growing from the long-term point of view. This situation is caused mainly by the decreasing effectivity of advertising due to overload of advertisements, large costs and legal restrictions. What's more, the effectiveness of sales support is easily measurable. In fact, every single company can create a P&L statement of a particular activity and can measure the immediate outcomes of that particular activity.

### 1.2.2.3 Personal selling

Personal selling is the "oral presentation and/or demonstration of one or more salespersons aimed at selling the products or services of a company. It is a personal contact between a company representative and a prospect or client."[23]

The biggest advantage is its possible interaction which enables the salesperson and the client to communicate with each other, react to each other's behavior, answer the possible question and overcome the inconsistencies. What is more, personal selling enables to modify the tone of the message based on the current situation. On the other hand, the disadvantage lies in the low reach and relatively high costs per one customer.

Personal selling involves:

- Industrial sales (B2)
- Sales into a distribution network – retail and wholesale
- Direct sales to end consumers (B2C)

### 1.2.2.4 Public relations

Public relations (PR) is about creating good relations with the company's various stakeholders by obtaining favorable publicity and on the contrary by preventing unfavorable stories, rumors or events from happening. PR helps in framing a good corporate image. The functions of PR can be described as follows[24]:

- **Press relations**: Creating and placing newsworthy information in the news media to attract attention of the audience to a product, service, or a person.
- **Public affairs:** Creating and maintaining local or national community relationships.
- **Product publicity:** Publicizing particular products.
- **Investor relations:** Maintaining favorable relationships with shareholders and other parties in the financial community.
- **Lobbying:** The systematic promotion of company's interests especially in the media, in public, or by the authorities of the state and its representatives.

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[23] Pelsmacker, P, Geuens, M, & Bergh, J op.cit. p. 5

[24] Adapted from Scott Cutlip, Allen Center, and Glen Broom, Effective Public Relations, 10th ed. (Upper Saddle River, NJ: Prentice Hall, 2009), chapter 1

In today's world characterized by the previously mentioned information and advertisement overload, high quality PR is exactly the way to get through the advertisement blindness toward the minds of consumers.

We can generally divide PR into two stages. Both are comparably important and it is highly necessary for the company to maintain both of these stages on a very good level. The stages are standard and crisis communication. The essence of standard communication is to keep up the dialog between the company and the parties that decide the success or the failure of the company at all times. Consequently, in case of a crisis it then becomes much easier for the company to persuade the publics of the good intentions of the company.

The measurement of effectiveness of PR is highly problematic and that is also one of the reasons why PR is sometimes pushed into the background.

### 1.2.2.5 Direct marketing

Direct marketing is a direct and personal way to communicate with customers and potential prospects. It can be mediated through the post, the Internet, landline, mobile device, television broadcasting, radio, magazines or newspaper. It addresses customers intentionally using the information from the consumer database. Therefore, a direct connection between the company and its customer exists without the need to have an intermediary in the form of a retailer or wholesaler in the process.

Direct marketing makes it possible to target precisely and strongly adapt the message to particular motivations of individuals from the target audience. Its main objective is to "stimulate an immediate reaction from the target audience"[25], which makes it easier to evaluate the effectiveness of the campaigns. Companies can easily measure the percentage of people who responded to the particular activity. The disadvantage can be found in the fact that the cost per thousand of direct marketing is usually high compared to advertising.

Recently, we can observe two contradictory tendencies of direct marketing's evolution. One is starting to resemble spam due to its ineffective targeting and due to the fact that it bothers the target consumers. The second one, on the contrary, is trying to address more effectively by employing modern technologies and modern methods such as re-marketing and re-targeting which is a "type of behavioural advertising whereby a consumer who has visited a site but not met the site's objective (usually a purchase) is shown relevant ads for that site in their subsequent surfing around the web."[26]

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[25] Machková, H, Král P & Lhotáková, M op. cit. p. 171

[26] Charlesworth, A 2014, *Digital Marketing: A practical approach,* p. 255, 2nd edition Routledge, Abingdon, Oxon

Direct marketing is a truly accessible and convenient form of making a purchase for the consumers, who can make purchases in the safety of their homes while simultaneously saving time.

With the expansion of the Internet, direct marketing has transformed significantly, but we still recognize the following forms – online marketing, catalogue marketing, telemarketing, direct-mail marketing, face-to-face selling, direct-response television marketing, kiosk marketing and new digital technologies.

New digital direct marketing technologies opened a new era of direct marketing. Direct marketer can nowadays approach and engage with their consumers anywhere, anytime and about almost anything. The technologies that can be utilized for reaching out to customers are vast and for the purpose of this report, we can name these: mobile phone marketing, vodcasts, podcasts, and interactive TV (iTV).

### 1.2.2.6 Sponsorship

Sponsorship represents a communication technique that enables to purchase or financially support a particular activity, event, publication or program in a way that the organization has the opportunity to present its trademark, brand, name or promotional message. And by event, we mean a cultural, sport or a social one. It is a bilateral trade where the sponsor helps the sponsored carry out a concrete project and the sponsored helps him to realize his communication objective in return.

The variety of events and activities that can be supported is really broad. The key is mainly how close the activity is for the target group. In other words, what the overlap of the target group is with the activity itself.

Sponsorship is nowadays closely tied to PR in a sense that the sponsored activities are mostly held for only a relatively narrower circle of people, however, a much higher number of people have the chance to find out about them through communication media and thus increasing the brand awareness, eventually link it with a positive image.

The measurement of sponsorship also belongs to the more difficult forms mainly due to its interconnection with other commercial communications. Therefore, in practice, the effectiveness of pure sponsorship is not really measured.

## 1.2.3 New forms of marketing communication

In the last few years the interconnection of people with new communication technologies has been fundamentally changed. More than forty-two per cent of the world population has the access to the internet and in developed countries this number reaches more than seventy per cent. The internet in the connection with new technologies enables people to benefit from

new forms of communication. Various organizations are aware of it and therefore try to adapt their communication strategy to these changes and react to new demands of customers.

To reach consumers with traditional media has become a difficult task. Also, the increasing costs of mass media and the excess (and in some cases even saturation) of promotional messages makes companies to find new ways of marketing communication, which allows more effective targeting and more relevant transmission of the marketing message.

Most frequently, we refer to the digital marketing a new media such as viral marketing, event marketing, guerilla marketing and product placement.

### 1.2.3.1  New media

The term of new media is not precisely defined as each period of time has its new media. Currently, we consider as new media mainly digital and audiovisual forms of communication, which are characterized by their decentralization, mobility, interactivity and openness. No longer is valid that an individual waits for the information to reach him/her but he/she can create and distribute it from any place that is covered by the Internet. People can immediately react to current issues and stir up a debate regardless of their geographic distance.

And these new social media are highly utilized by companies trying to expand their promotional messages, engage their customer base and target groups either in a particular activity or to get a feedback from them. Among the most commonly used social networks belong:

- **Facebook** – serves the purpose of sharing information, interests, photographs, videos, opinions and experiences among friends. For commercial reasons, companies set up their fan pages which success is measured by the number of likes from their fans. An important role plays the gathering of users' data which enables highly narrow targeting of advertisements and other communication tools at selected target groups.
- **YouTube –** platform designed for uploading, recording and sharing users' video files. Companies set up their own video channels and through them publish practical tutorials/walk-throughs, products' reviews, commercial spots from their advertising and PR campaigns or their entertaining reworks. The measurement of efficiency is the number of video views and the users' engagement, therefore the content has to be highly appealing and relevant to the target groups.
- **Google+ –** is a social platform similar to the competition of Facebook. The difference lies in categorizing friends into so called circles and by characterizing which content will be shared with particular friends' circle.
- **Twitter –** enables its users to publicly post short text contributions (tweets) for a particular topic (hash) or to react to a concrete tweet. Users can subscribe to topics and tweets of anybody in the world and forward them in a form of retweet without a need of consent. Twitter helps companies to quickly spread current information.

- **Instagram -** is an online mobile social networking service that enables photo-sharing, video-sharing allowing its users to take pictures and videos, and afterwards share them on an array of social networking platforms, such as Facebook, Tumblr, Twitter or Flickr.[27] Instagram helps companies to relatively easy reach their consumer base by sharing photos and videos about a particular topic or a demonstrating their product.
- **Foursquare –** geolocation service allowing its users to share their location and places, they often visit via their mobile phones equipped with GPS. Organizations can notify users that their facilities are nearby and offer a reward for their visit.

We refer to new media not only in relation to social networks but we can include also other forms of interactive communication utilizing multimedia, the internet and modern cell phones or tablets. One of the forms is so called bluecasting, where advertising posters and banners are sent to mobile phones in their reach through Bluetooth. Also, there is a possibility to use QR codes readers, which are able to connect outdoor advertisement with online communication or other mobile program which is displayed on a cell phone.

### 1.2.3.2  Viral marketing and WOM

The essence of viral marketing is to create a message with such an appealing promotional content which is interesting enough to guarantee the recipient to enthusiastically spread it among his/her friends and acquaintances. In this matter, the message is usually quickly spread and resent via the Internet with such a speed that it resembles a virus, hence the name viral. The advantage is that the message spreads without any additional costs and, if received from a friend, may not be perceived as spam.

To make this whole process work, it is necessary to create an original and creative communication message and determine what will be the driving motive for its further spread. The message might be humorous, parodic, shocking, with sexual undertone; it can be an emotion, a story, but also a reward for its forwarding or a feeling of exceptionality. The message itself may be in the form of original videos, links to interactive microsite campaigns, games or interactive invitations. On the Internet, it is usually spread through social networking sites and email.

Due to the high and rapid impact, viral marketing is popular and useful tool for building brand awareness. With viral marketing is also related to the concept of WOM.

WOM (Word of mouth) is personal recommendation, sometimes also considered as a rumor. It is basically an advertisement of a product disseminated among existing and potential customers in the form of spoken or written communication. Arises spontaneously, but may also be caused by communication activities of the company.

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[27] Frommer, D 2010 *Here's How To Use Instagram*, Business Insider, 1 November 2010, viewed 6 March 2015, http://www.businessinsider.com/instagram-2010-11?op=1

### *1.2.3.3 Event marketing*

Event marketing is a form of communication with the target group realized by organizing events associated with the advertised product, service or brand that should cause an emotional experience to the participants. These events and actions usually complement other communication tools to help create a positive consumer experience and connection with the brand.

It is believed that these experiences cannot be easily forgotten and should be ideally shared among friends personally or on social networks. A number of original events are therefore designed to have the maximum response in the media and recordings of these events are made and later disseminated among the public who did not participate directly.

### *1.2.3.4 Guerilla marketing*

The name of this form of communication is derived from small guerrilla combat units, which even though fought against superiority of numbers, managed either surprise or defeat their enemies thanks to their perfect knowledge of the area and cleverness.[28]

Transferred to marketing communication, guerrilla marketing means the use of unconventional techniques at low cost, which allows small businesses to get a temporary publicity at the expense of large competitors with whom they could not compete due to lower communication budgets. These activities sometimes focus on the competitor's weakness but should always be eye-catching and innovative. Guerrilla campaigns are mostly carried out in the field and frequent places where they can directly reach the target group.

Although guerilla marketing should mainly serve smaller firms, it has been increasingly used by large multinational companies for which it is an extension of their traditional communication methods enabling them to get closer to their customers.

## 1.2.4 Integrated marketing communication

Integrated marketing communications began to emerge in the eighties when the companies started to realize that a high number of fragmented campaigns are not suitable for building a united image of a firm. Integrated marketing communication is about "Carefully integrating

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[28] The Free Dictionary, *Guirella,* Farlex, viewed 7 March 2015, http://www.thefreedictionary.com/guerrilla

and coordinating the company's many communications channels to deliver a clear, consistent, and compelling message about the organization and its products."[29]

The integration of marketing communications into one unified single stream is one of the most impactful tools of current marketing. The reason is mainly the fact, that the customer is influenced by a consistent message from many different channels. Hence, the chance to reach the customer in an intentional matter is much higher. The complete integration of commercial communications alongside with the sufficient continuity of the promotional message ideally leads to the consumer being able to identify the brand with one word or a combination of words that do not differ much among the consumer base.

Disproportion of promotional messages often stems from the division of tasks among different departments. It is not unusual for the ATL advertisement to be managed by a different agency than BTL. Moreover, for the communication with the stakeholders is hired a PR agency and the planning of media is managed by a medial agency. Therefore, it is highly important to coordinate all the activities in order to be as effective as possible.

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[29] Kotler, P & Armstrong, G op. cit. p. 412

## 1.3  Product Placement

Product placement is a method of marketing communication which is designed for enhancing the image of a particular product among the target consumers. This is achieved by "getting positive image enforcement from the positive aspects of the selected media vehicles, such as motion pictures, television series, commercials, theatre plays, video games and even school books."[30] Product placement is also an element of the marketing mix and helps in publicity creation.

**Figure 3: Product placement in marketing communications mix**
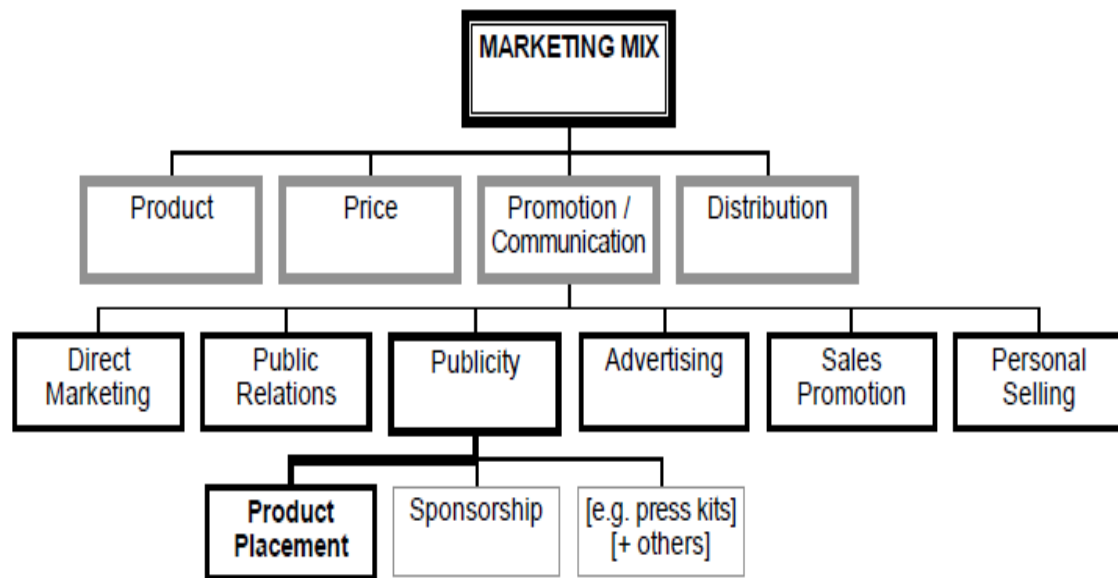


**Source: Kaijansinkko, R op. cit. p. 10**

As is visible from Figure 3[31]   many scholars categorize product placement as a tool of publicity which is then one of many tools of promotion/communication.

Even though a definition of product placement has been suggested in the previous text, there is no unified definition of product placement in the literature. However, what all have in common is that product placement is a method of promotion or presentation of a branded product or service by incorporating it into a plot of any "work of art" in order to make it more visible and thus increase awareness of this concrete product or service among the message receivers.

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[30]  Kaijansinkko, R 2003 *Product placement in integrated marketing communications strategy,* p. 9 Lappeenranta University of Technology, Finland

[31] Figure created by Kaijansinkko based on studies of Smith 1998, p. 7; Kotler 1997, p. 605; Ailloni-Charas 1984, p. 6-7; Pickton & Broderick 2001, p. 7-8

From the logical point of view, it is obvious that the incorporation of product placement is balanced with a concrete fulfilment either in form of money or other material elements from the side of the contracting party. In case of the material fulfilment, we refer to so called barter trade, in which the product placement is balanced for instance by providing catering or lending necessary items.

The concept of product placement mainly applies to integrating of product and services in a commercial fashion. The majority of academics as well as business practices include into this term also brand integration, which should be properly called brand placement. Another widely used term is brand entertainment, which includes both aforementioned aspects, therefore it implies product placement in the entertainment area.

## 1.3.1  History of product placement

Since the text of all events that happened in product placement history would be very extensive, the following paragraphs focus on the most important ones that shaped product placement as we know it today.

The history of product placement goes back in more than one hundred years into the era of cabarets, where the actresses where using concrete powder brands for their performances. One of the examples was Sarah Bernhardt who appeared on stage wearing La Diaphane powder (Picture 1).[32] Another important product placement appeared on a painting by Eduard Manet from 1982 portraying a lady in a bar. In the picture, we can observe many bottles with belonging to a concrete brand. These bottles were identified (due to the red triangle on them) as Bass beer (Figure 4).

In movies, product placement firstly appeared in 1896 in a French movie (Lumiere films), in which there was a product of a British soap manufacturer Lever Brothers. In early 1910s, the well-known model T-Fords were found in comedies of Mack Sennett. In its beginnings, product placement was also utilized in entertaining movies of Thomas Edison or "soap operas" in the 1930s, where soap powder by Procter & Gamble appeared.

Television and movies were often utilized to make cigarettes and smoking more attractive. After the Great Depression, the usage of product placement decreased and was reinforced in the 1960s and 1970s. Higher intensity of product placement was, however, observed only in the 1980s and 1990s.[33]

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[32] Lehu, J-M 2007, *Branded entertainment: product placement and brand strategy in the entertainment business,* Kogan Page Limited, Great Britain

[33] Williams, K, Petrosky, A, Hernandez, E & Page, *Product placement effectiveness: revisited and renewed*, viewed 7 March 2015, http://www.aabri.com/manuscripts/10712.pdf

**Figure 4: Edouard Manet, Un bar aux Folices-Bergere**



Source: Lehu, J-M, op. cit. p. 19

What we consider as a break-through movie with an obvious product placement is E.T. the Extra-Terrestrial (1982), where the chocolate of Hershey's appeared. The director Steven Spielberg firstly addressed the company of Mars Inc. However, the company of Hershey's paid a large sum of money for their product to be placed into the movie. [34]

After the success that the product placement of Hershey's chocolate had, product placement slowly became a stable part of the movies as was the case of the movies Risky Business or Top Gun. Product placement thus became a part of other marketing tools. Since then, the increase of product placements in movies has been enormous and we can only hardly imagine watching Hollywood movies without any branded products. This advertisement is becoming continuously more and more aggressive. Among many brand, those that are highly placed within movies as for example Coca Cola, Apple, Samsung, McDonald's or Volkswagen.

As for the expenditure of product placement, Lehu argues that for the United States, the investments in product placement reached US$190 million in 1974, US$512 million in 1985 and US$1.130 billion in 1994 and rocketed to US$3.458 billion in 2004. The biggest sectors of product placement investments were agricultural products, houselhold equipment, drinks and health and beauty products. All in all, these sectors accounted for more than half of total

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[34] Mansfield, S 1982, *Sweet Success: Reese's Cashes in on E.T.'s Candy Cravings*, The Washington post, New York, viewed 8 March 2015, http://luiscabral.net/iio/ch04/ET/

expenditure. More than ninety per cent of these investments on product placement were aimed at cinema and television.[35]

A really big issue of the art of motion pictures is nowadays are piracy activities. Product placement actually helps to solve this problem. The producers of the movie get directly money from the company, which pays for the product placement and thus does not lose its revenues. The companies which paid for product placement face no loses, on contrary, gain revenues, because the movies with their product placed within the movie is watched by a larger target audience.

## 1.3.2 Legal framework in the Czech Republic

In this sub-chapter, the analysis of product placement from the legal point of view is taking place. First of all, the author will try to distinguish between the definitions of product placement and hidden advertising. Consequently, the very legal analysis of product placement in the law of the Czech Republic is made.

### 1.3.2.1 Product placement and hidden advertising

Product placement is often (and wrongly) classified by the general public as hidden advertising. However, from the legal point of view, there is a clear distinction. The main difference is that product placement is legally authorized activity, whereas hidden advertising is forbidden activity, which is sanctioned by the law.

The definition of hidden advertising can be described as advertising which is difficult to characterize as advertising mainly due to the fact that it is not labelled as advertisement.[36] As a result of the law explicitly defining how product placement should be indicated in the broadcasting, there is no risk in it being considered as hidden advertising.

Another and more developed definition of hidden advertising is that hidden advertising means a verbal or visual presentation of goods, services, trademark, brand name or activities of the goods of manufacturer or service provider which does not have the nature of advertisement or teleshopping but this presentation aims at the advertising objective and may mislead the public about its nature; such advertising is considered intentional mainly when it is paid for or there is another value equivalent for it.[37]

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[35] Lehu, J-M, op. cit. 34

[36] § 2, Paragraph 1, article d) act no. 40/1995 Sb., about regulation of advertising

[37] § 2, Paragraph 1, article m) act about radio and television broadcasting

### *1.3.2.2  Product placement in the legal system*

The term of product placement appeared in the Czech law in 2010 only; in the directive of the European Parliament and the Council 2007/ES was firstly defined already in 2007 and was banned by this directive. However, some types of shows were still allowed to use it, as long as it was approved by the laws of concrete states.

The main objective of this directive was to unify the framework for the creation of the laws of various states, because until then only different laws dealing with product placement existed. There were some states freely allowing the usage of product placement (such as the Netherlands, Belgium, Greece or Malta), some were allowing it to a certain degree (for instance France, Germany, Austria, Italy or the Great Britain) and in some countries, product placement was banned (to name some – Bulgaria or Denmark).

Given the obligation of the member states to comply with the laws and directives of the European Union, the term of product placement was introduced into the Czech law system as well, specifically by the law 132/2010 SB., about audiovisual  media services which also clearly distinguishes the regulation of product placement.

The very definition of product placement based on the aforementioned law is as follows – product placement is any form of audio-visual commercial message, which consists in incorporating a product, service, trademark, which is bound to that product or service or a mention of a product or service in the broadcast for remuneration or a similar value.[38]

The law further specifies the concrete conditions for using product placement in practice, whereby these conditions can be divided into two main groups. Firstly, it is necessary for product placement to be placed in cinematographic pieces, in movies and TV series created for audio-visuals media purposes or for TV broadcasting, in sports and entertaining shows under the condition that these shows are not aimed at children.[39] Secondly, it is necessary that it was only cases where no payment is taking place but only where we speak about a free provision of concrete goods and service used for instance as rewards for competitors.[40]

It is also worth mentioning that product placement cannot be used for example for pharmaceuticals, cigarettes and other tobacco products.

To sum up, it is important to point out that product placement cannot be, under any condition, aimed at children and no payment can be made for the product placement to appear in a given show.

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[38] § 2, Paragraph 1, article h) act about audio-visuals media services

[39] § 10, Paragraph 1, article a) act about audio-visuals media services

[40] § 10, Paragraph 1, article b) act about audio-visuals media services

### 1.3.3 Forms of product placement

Product placement can be divided into more categories taken into account different elements. The following text will outline some of the forms of product placement.

#### 1.3.3.1 Classic product placement

Classic product placement is the oldest and most frequently used form of product placement. It is a classic form characterized by the product appearing in a natural way of using it normally. The principle of classic product placement is for the product to appear in a movie in such a way that it can be easily identified and registered by the viewer, who also noticed the brand.

A considerable advantage of this form of product placement is its ease of incorporation into a plot of a movie. It can be basically incorporated into any movies, with the exception of fantasy or historical movies. The disadvantage might be found when there are a high number of product placements within a movie. The quality of such a movie might drop and be negatively accepted by its audience. This could result in rather negative emotions of the audience and therefore, even this form deserves wise handling.

#### 1.3.3.2 Evocative product placement

Evocative product placement operates on the basis of creating an impression or an association based on the similarities of a product, which we know. We refer to a very inconspicuous and unobtrusive placement of a product, which unfortunately cannot be utilized for all sorts of products. The necessary prerequisite is the fact, that the product itself is so specific or has a very specific design that when only subtly indicated about the product, the viewers can already figure out what the product is and will not confuse it for another.

Quite often, alcoholic brands with their specifically designed bottles are mentioned – a great example of it would be a bottle of Becherovka, which is easily recognized in the Czech Republic. Worldwide, products of Apple, Kindle, Samsung or Coca Cola are relevant examples of evocative product placement.

#### 1.3.3.3 Corporate placement

From the name itself, it is apparent that corporate placement is about placing a brand and not a product either in form of a brand name or a logo. Brands normally have much higher awareness among consumers and longer life cycle; therefore their placement within a movie is more likely to be noticed by its viewers.

The advantage of corporate placement is that the brands can be only verbally mentioned and it does not necessarily have to disrupt the viewer. It is normal for the people to use brand names when speaking and it is also common practice to connect the brands with particular evaluative

expressions. A good example of corporate placement was the brand FedEx placement in the movie Cast Away with Tom Hanks.

### 1.3.3.4  Location placement

Location placement is about promotion of a concrete place, especially of touristic destinations. A frequent form is the departure of main heroes for a vacation to a concrete location. However, the very plot of a movie can be centered about a cultural heritage or a country.

In order to think of location placement as product placement, the location itself has to be recognizable and has to represent itself. For instance, in the movie Eat, Pray, Love with Julia Roberts, countries of Italy and India are well presented. Also, in the movie Mamma Mia, Greece is a nice representation of location placement.

### 1.3.3.5  Hidden placement

This way to display a product is characterized by being highly subtle, almost hidden in the plot but only to a certain level so that the viewers can recognize that product or read about it in subtitles. This is particularly the case of clothes, which the main heroes wear, the cosmetics which they use, the brand of car they are driving or the favorite alcohol or coffee brand they drink. Hidden placement can be also represented by sound form – as is the case of the main song from Mission Impossible utilized in some movies.

Hidden product placement in its pure form is not very widespread in the Czech environment. The reason behind might be the fact, that the contracting entities of product placement do not see its sufficient efficiency – a subtle placement of a product can result in lower recognition of a product and therefore the majority of entities go for a more obvious but often way more invasive form of product placement.

The great support for hidden placement is high quality PR activities. It is common practice for this type of placement to be supported by PR articles in relevant magazines and journals, which often lead to massive increase of sales when the public connects the dots and realize that for instance that particular dress that the main heroin wore in a concrete movie was designed by a particular designer.

### 1.3.3.6  Active and passive product placement

Active product placement is when the promoted product is actively utilized in the plot of a movie. This means that the individual characters manipulate with the product, drive cars of concrete manufactures, and communicate via cell phones of particular brands, which are easy to identify or consume concrete branded drinks or food.

Passive product placement is on contrary only helping to shape the plot of a movie, the product is not actively manipulated with. It works only as a static part of an audio-visual

work. Such product placement is for instance the household equipment, which is visible for the viewer, billboard advertisement that are possible to be seen within a plot of movie, etc.

### *1.3.3.7  Physical and virtual product placement*

Physical product placement is a classical incorporation of product placement into a movie or a television show during its filming – in other words, the actors can see the physical product. This form might remind of the active product placement and it definitely overlaps to a certain degree.

Virtual placement, sometimes also called postproduction placement is added into the plot only in the final phase of the implementation with the help of virtual graphics. There are two main types, which are as follows:

- **More invasive virtual product placement** – is usually more widespread in those countries, where the legislation regarding product placement is not so strict – in such countries as Latin America. It is not unusual in those countries for the products to appear during evening television news even though they have literally no connection with that particular show whatsoever. This form is not in the Czech Republic, because it is not allowed by the legislation for the product placement to appear within the context of television news and weather forecast news.

- **Less invasive virtual product placement** – this form is characterized by greater decency of display. It is not so obvious and abruptly demonstrative with many effects displayed in the middle of the television screen. It seems as if the product was a natural part of the scene.

The advantage of virtual product placement from the production point of view is that it enables to change the placed products without the need to rerecord the whole show – it enables to sell the some placement spot to more advertisers or modify the selection of placed products based on the need – for instance to change the label on a bottle of sparkling water based on the location, from which is the show broadcasted. It means that in some shows people can see different billboards within the plot of that show based on where they live.

# 2 Product Placement in Practice

The practical part of this work puts an emphasis on the product placement in practice. Firstly, an overview of product placement and its usage in selected industries is made. The utilization of product placement in industries of television and movies, music videos, publishing and novels and computer games is outlined.

This chapter continues with examples of product placement offerings of the main Czech TV channels, namely Česká televize, Nova and Prima.

## 2.1 Product placement in selected industries

This chapter firstly describes the most well-known product placement displayed in TV shows and movies followed by increasingly more and more important product placement in music videos. Subsequently, this work pays attention to publishing in novels and computer games.

### 2.1.1 TV and movies

TV product placement is often highly interconnected with movie product placement. It does not matter whether the products are being integrated into a plot of a movie or into a TV show, it is logical that the products have to appear in a certain form since the main heroes will have to use them as a part of their daily lives. The types of the products differentiate based on the environment that the main characters are in.

Most often those environments are connected with work settings – the examples might be office furniture, electronics or office facilities, then household arrangement and daily consumer goods. What's more, the movie and TV shows' heroes also have to dress, drink, eat and drive cars of concrete brands. If that would not be the case, the movie or a TV show would not look realistically.

However, the product placement should be utilized only reasonably and to a certain level. Otherwise, if the product placement is used too much, it might have a counterproductive effect on the viewer and might be perceived as a really long advertisement block, which will eventually start to bore the viewer. The objective for the majority of advertisers is to have their product placement noticed by the viewer but they do not want it to become the focal point of their attention.

TV shows are becoming an increasingly favorite source for product placement. Only during the years of 2004 – 2005 in the United States, the Nielsen Media Research counted above one hundred thousand of product placement in TV shows that appeared on the main television

channels.[41] Another reason for this increased number lies in the fact that episodes in TV series usually last around 45 minutes and this length is more suitable for todays' consumers, who are almost all the time in rush and cannot dedicate their time to watch a whole movie.

Very popular are especially TV series with more seasons and more episodes because they have higher number of views. They are also being filmed for a longer period of time and therefore it is easier to align the products displayed in the TV series with the plot and story as well as with the campaign of the advertiser.

Some really famous examples of product placement are described by J. M. Lehu[42] and include Alienware computers in Smallville, Nokia mobile phones in Alias, Buick and Lexus cars in Desperate Housewives, The Microsoft Xbox in Two and a Half Men, iPods and Levi's jeans in The Office, people eating Oreo cookies and using their American Express cards in Friends, Hummer vehicles in CSI, the Financial Times in Ally McBeal, Apple Laptos in Sex and The City, Subway sandwiches in Will & Grace and Coca Cola was highly visible on American Idol.

The impact of product placement can be surprisingly powerful in TV series. A great example is a placement of an imaginary product placed into a TV series called "All my Children" in 2004. This TV series have been running since 1970. The brand placed within this TV series was called Fusion and since it was mentioned multiple times during the years, the people started demanding their products and later on, this brand was consequently actually sold in stores and on the website of the television channel.[43]

The first step in integration product placement into a TV series or movies is searching for potential clientele, whose product or services would fit into the context of the TV or a movie script as a natural part of the story. The advertisers are being searched for already in the phase of preparation of the scenario.

The chosen clients need to be ensured about the advantages of the future cooperation and the need to invest into product placement in the forthcoming TV series or a movie. Alongside it, there is also a need to persuade the clients that the upcoming TV series or a movie is going to be well accepted by the public and will be sufficiently successful so that the decision of the advertisers to participate with their product placement was a smart one.

The next phase represents the agreement between the contractor, producers, writers and editors about the very incorporation of the product placement. The objective is to reach a certain degree of incorporation of product placement that would be "digestible" for all the

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[41] Lehu, J-M, op. cit. 159 - 160

[42] Lehu, J-M, op. cit. 160 - 163

[43] Lehu, J-M, op. cit. 162

stakeholders involved. Associated with it is also the number of repetitions of proposed product placement.

An essential part of the agreement is determination of the price. Normally, the price of product placement incorporated in a movie or TV series would be higher compared to classic advertising spots because the lifetime of movies and TV shows is substantially longer and thus the efficiency of product placement increases. When handling the terms and conditions, it is indispensable to have a legal party involved, because it is necessary for the whole matter to be legally treated based on the current legislative in a concrete country.

If the product placement is correctly processed, its final form has to be approved by the contractor and then the movie or a TV series can be introduced to the target audience. Viewers usually have the chance to see the movie/ TV series approximately two years after the initial stage of shooting.

Besides a number of advantages, product placement has of course some disadvantages as well. One of the major ones is the risk connected to a hardly predictable acceptance by the viewers and the inability to guarantee the quality of the final outcome. Thus, there is also a hardly guaranteed effectivity which is also very difficult to measure. In some cases, also the clients are problematic to find. And as was already aforementioned, another disadvantage of product placement is the limited number of its usage within one movie.

## 2.1.2 Music videos

Product placement in the music industry is not yet such a favorite marketing activity as product placement in the TV series and movies; however, its popularity has been increasing nonetheless.

Music industry is closely linked with radio industry and there are two main types of product placement utilized – the first is the usage of songs' lyrics and the second one is incorporating product placement into a music videos. The latter has seen a significant increase in the last years.

Even though in the majority of cases, there are advertisers behind the product placement in the music videos, sometimes the artists unknowingly utilize particular products and services in their videos and thus increase the products' awareness. In some songs, there are concrete brand names or products mentioned by music interpreters, but are not always paid forms of promotion. The interpreters often only express their predilection in particular brands.

Product placement can be nicely utilized by incorporating the products in an appropriate fashion, where the brand in smartly integrated into the story line of the lyrics. The usage of product placement in music videos has seen an increase mainly due to a higher number of views of music videos on the Internet – especially on YouTube and social sites. The viewers

can on top of it play the videos repeatedly. Nevertheless, even in music industry, product placement is used carefully, because the music interpreters are criticized by its fans when they promote brands and products in their videos heavily.

It is also quite common for the brands to be borrowed by particular artists, mainly today's rappers – we call this method "brand-dropping". Nevertheless, this phenomenon is definitely not a recent one. As J. M. Lehu argues "some may recall Janis Joplin asking God to buy her a Mercedes-Benz because her friends all drove Porsches, on the album Pearl (1971). Moreover, while searching the rap archives, we find the case of the song Rapper's Delight (1979), by the trio The Sugarhill Gang. An attentive listener will identify a Lincoln Continental and a sunroof Cadillac in the lyrics. In 1976, the Eagles placed Tiffany and Mercedes in the now-classic Hotel California, without the fans seeming to notice."[44]

As was aforementioned, product placement often takes place during filming of the song's videos. For example, General Motors paid USD 300,000 to have a Hummer placed in the videos called "Ching ching" by Ms Jade[45].

From the recent songs, another great example is a music video called Telephone by Lady Gaga featuring Beyonce. In the video that is 9:30 minutes long, among other also the following brands were included: LG, Virgin Mobile, Ray-Ban, Channel, Diet Coke, PlentyofFish.com date site, HP, Polaroid, Miracle Whip, Heartbeats earphones, Chevrolet and Wonderbread. However, despite the high number of products, only some of them were actually paid placement.

As Advertising Age[46] investigated, several brands were Lady Gaga's ideas and did not pay for inclusion. For instance, the scene with Diet Coke being curled into Lady Gaga's hair (Figure 5) is a tribute to her mom, which used to do the same grooming technique. Virgin Mobile was then a sponsor of Gaga's Monster Ball tour.

Also, PlentyofFish.com, which is an online dating site, makes an appearance as a result of ongoing debates with Lady Gaga's team of marketers at Universal Music. The vicepresident Kimberly Kaplan admitted that the brand was nervous about the project initially but highly please with the outcome – there has been an increase of fifteen per cent in search one day after the release of the music video.

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[44] Lehu, J-M, op. cit. 171

[45] Lehu, J-M, op. cit. 173

[46] Hampp, A 2010, *How Miracle Whip, Plenty of Fish Tapped Lady Gaga's 'Telephone'*, Advertising Age, New York, viewed 28 March 2015, http://adage.com/article/madisonvine-news/miracle-whip-plenty-fish-tap-lady-gaga-s-telephone/142794/

## 2.1.3  Publishing and Novels

Even in publishing and literature, the most important aspect for product placement is to look realistically. The authors therefore in some cases write about real brands and names of products. This approach meets the criteria of both, the advertising point of view as well as the literature, because real existing companies and concrete types of products may help illustrate the story, the usage of these products by the main hero can help better describe and familiarize the readers with the character of the main hero or the plot of the story.

Product placement exists in the literature already since the 19th century. A great example would be the author Jules Verne, who used in his books real names of shipping companies. Some brands entered into thoughts of writers even before the actually appeared – in Balzac's Comedie humaine, the author described for example the indispensable Carminative Balm or the Double Paste of Sultans even though these brands were made up ones.  Moreover, Oscar Wilde mentions in his novel the Grand Hotel in Paris and the champagne of Perrier-Jouet brut, vintage 1889.

Even those authors, who do not need financial support, use product and brand placement. We can for example state the novel The Perfect Manhattan (2005) by Leanne Shear and Tracey

Tommey[47] where the brands of Budweiser (mentioned fifteen times in the book), Hermes, Armani, Louis Vuitton, Cartier or Chanel are introduced.

Even better example is probably the book The Da Vinci Code by Dan Brown[48] where the brands of Ferrari, Aston Martin, Audi, BMW, Mercedes, Rolls-Royce, Porsche, Citroen, Smirnoff, the hotel Ritz and many others are used to better describe the environment and better pull the reader into the plot of this very well critically accepted book.

However, the frequency of utilizing product placement in literature is rather rare compared to TV and movie product placement. Nevertheless, the opportunities to incorporate product placement into literature pieces definitely exist.

Also the placement in books can be repeated many times throughout the work. Plus, regarding books, there is also an advantage of time since the readers can easily stop, look up the brand if interested and then continue with reading.

### 2.1.4 Computer games

The first case of product placement in video games goes back to the year 1980 and since then, product placement in computer games has seen a steady increase. The advantage of this form is the number of repetition – with every new start of the game, product placement appears again and again.

The next advantage is relatively low costs connected with implementation of the product placement and constantly increasing number of computer games users. The target group of computer games is also an ideal target group for product placement, because the majority of consumers are below forty. It is also common for the players of the games to get back to the games over and over again.

The main reason for inserting a brand into a computer or video game is financial support. The cost of placement obviously very varies and can range from a couple of thousand to several millions of dollars.[49]

Quite an important role also represents branded entertainment, which means that the consumers experience positive and intense feelings while playing their favorite computer games, the games make them happy and this feeling is afterwards transmitted also on their impression of the brands incorporated in the games. The incorporation of brands in computer games (also as in other forms of product placement) has to be done only to a certain level. The

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[47] Shear, L & Toomey, T 2005, *The Perfect Manhattan*, Broadway Books, Random House, New York.

[48] Brown, D 2003, *The Da Vinci Code*, Doubleday, New York.

[49] Lehu, J-M, op. cit. 182

level of brands incorporation cannot exceed a healthy rate; otherwise the users of computer games are bothered by the level of brands in their games.

From the industry experience, it can be pointed out that it is usually a male target group who the advertisers of product placement put an emphasis on. It is also done by the fact, that the majority of games take place in sport arenas, war battlefield or on racing circuits.

Two demonstrative examples are shown in the following figures (Figure 6 and Figure 7). These are the screen shots from FIFA 15 with a brand placement of Puma; and PGA Tour 14, where the golf players are wearing Nike items of clothing.

**Figure 6: FIFA 15**



Source: http://assets.vg247.com/current//2014/09/fifa15_xboxone_ps4_barclayspremierleague_arsenal_wm.jpg

**Figure 7: Tiger Woods PGA Tour 14**



Source: http://i1.cdnds.net/13/04/618x347/gaming-tiger-woods-pga-tour-2.jpg

## 2.2 Product placement in selected Czech TV channels[50]

## 2.2.1 Česká televize (ČT)[51]

Česká televize is the oldest TV broadcasting company in the Czech Republic. Firstly, Česká televize was known as Československá televize and was a broadcasting provider for former Czechoslovakia. The first testing broadcasting was initiated already in 1953 and from the year 1954 started regular broadcasting. Firstly TV programs were broadcasted only three days in a week and two days in summer. From November 1953 the number of broadcasting days was increased to four and from the year 1955 to six days. From the year 1958 the TV started broadcasting seven days in a week. It did not take long for other TV studios to be established – firstly in Ostrava, then in Bratislava, followed by Brno and last but not least by Košice.

Also, with the increase of TV, the number of viewers increased simultaneously. In 1962 there were already over a million of subscribers, in 1965 the number climbed to two million TV viewers, in 1969 the boarder of three million was surpassed and finally, in 1978 there were over four million of regular subscribers.

In the 1960ies, the government decided that a second channels should be established. So next to ČT1, also ČT2 started broadcasting. This became technically possible in the year of 1970, where the regular color broadcasting started in 1973. The color broadcasting was later also implemented to ČT1 and this happened in 1975.

In 1989, Československá televize managed to get out from the influence of the communistic party and became an independent TV broadcasting provider. In 1991 Slovak National Council established its own channel – Slovak TV and in 1992, the Czech Republish established the Czech TV (Česká televize).

Nowadays, Česká televize is broadcasting twenty-four hours seven days in a week. It has three television studios in Praha, Ostrava and Brno. It owns six nationwide TV channels and creates over 1600 TV programs a year.

### 2.2.1.1 Product placement possibility examples in programs of ČT

**Dobré ráno**

This program on ČT2 provides its viewers with the necessary amount of energy, contentment, information, music, interesting guests, cultural tips and invitations to spectacular events in

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[50] This chapter is based on internal reports of Ogilvy, Publicis and UM Media - 2015

[51] The following text is based on available information from http://www.ceskatelevize.cz/vse-o-ct/historie/ceskoslovenska-televize/prehistorie/ and http://www.ceskatelevize.cz/kariera/o-ceske-televizi, viewed 20 March 2015

interesting places every morning during a working week. The program focuses on regional life, culture and education. Only those guests who can bring remarkable topics, new information and can enlarge the viewers' knowledge are invited. There is also an emphasis put on children through the favorite children programs such as "Raníček".

The structure of the program offers the viewer an easy orientation and natural rhythm due to its format of regular half hours that are always separated by regular news and weather forecast. There are also many different sections regarding stories from different places or "culinary corner" to increase interaction with viewers. This program is being broadcasted from two studios, either from the studio in Brno (with the hosts of Lenka Tčková and Ondřej Blaho) or Ostrava (Gabriela Lefenda and Petr Rajchert or Jan Souček).

The following table (Table 3) outlines the target group, broadcasting and the prices for product placement on Dobré ráno.

Table 3: Definition of target group, broadcasting and price list – Dobré ráno

| Target Group | Broadcasting | Price List |
|---|---|---|
| Middle aged women | ČT2 | Competition: 30K CZK |
| People with high revenue | Monday till Friday | Product placement: 50–80K CZK (based on the extent of product placement) |
| Housewives with children | Time: 5:59 – 8:30 | |
| People from big cities | Length: 150 minutes | |
| High school and university students | | |
| Young housewives | | |

Source:  Internal reports of Ogilvy, Publicis and UM Media - 2015

## Sama Doma

Sama Doma is a life-style magazine, which is broadcasted live. It is a "current affairs" program which provides to its mainly female audience an interesting and aspiring insight, service, entertainment as well as useful pieces of information – and all of it in direct interaction with its viewers.

The program is composed of a whole range of sections and is often supplemented by guests such as doctors, sociologists, psychologist and famous people. The female audience also has a chance to get to know about current trends in the field of clothing, cosmetics, different haircuts etc. There is also an appealing competition in every episode.

The team of moderators is composed of Ester Janečková, Iva Kubelková, Stáňa Lekešová, Jana Havrdová and Martina Hynková Vrbová, who regularly host the program in turns.

The following table (Table 4) defines the target group, time of broadcasting and the price list of product placement in this show.

Table 4: Definition of target group, broadcasting and price list – Sama Doma

| Target Group | Broadcasting | Price List |
|---|---|---|
| Active mothers | ČT1 | Competition: 30K CZK |
| Women and housewives | Monday till Friday | Product placement: 80K–120K CZK (based on the extent of product placement) |
| People with lower to medium education | Time: 12:30 –14:00 | |
| | Length: 90 minutes | |

Source: Internal reports of Ogilvy, Publicis and UM Media - 2015

## StarDance…když hvězdy tančí

The whole concept comes from BBC where this TV show saw its creation already in 2005. Each Saturday, a few dancing pairs are competing to become the winner of the particular season. The pairs are composed of one dancing professional and one celebrity. This celebrity might come from the ranks of sportsmen, singers, actors/actresses, moderators or politicians but they have to come from a profession that is unrelated to dancing.

The winner of the competition is the one who attract the jury and the viewers the most. The jury gives a concrete number of points and viewers send their votes. The voting takes place each week and therefore the dancing pairs have to learn two new dances. The winner pair will be crowned the King and the Queen of the dance floor award.

This TV show is really popular with its viewers and the viewership is stable over time. In numbers from 2014, the Saturdays' evening broadcastings were on average viewed by seventeen per cent of all viewers older than fifteen years watching television at that time. The final evening was viewed by more than twenty per cent of all viewers.

After the first part composed of dancing, there is also "The decision time" broadcasting, which is separated by a commercial break. The decision time is usually watched even by a higher number of people.

Since there are more possibilities for product placement, the following table (Table 5) focuses only on the target group and broadcasting time of StarDance…když hvězdy tančí.

| Target Group | Broadcasting |
|---|---|
| Higher socioeconomic status | ČT1 |
| Higher level of education (high school and university) | Saturday |
|  | Time: 20:00-21:25 (21:25-21:45) |
| Housewives |  |
| Retired people | Length: 85 (20) minutes |

The next table (Table 6) focuses on the possibilities of product and brand placement in the aforementioned TV show. The following proposition states the prices only for one partner.

| Overview of implementation for one partner | | |
|---|---|---|
|  | **Number of episodes** | **Total Price** |
| Sponsorship of the evening - the dance part | 10 | 3 200K CZK |
| Sponsorship of the evening – the decision time | 9 | 3 150K CZK |
| Injection of the evening – the dance part | 10 | 1 200K CZK |
| Injection of the evening – the decision time | 9 | 1 260K CZK |
| Sponsorship at previews - Primetime ČT1 total | 15 | 1 080K CZK |
| Sponsorship at previews – outside of PT ČT1 total | 15 | 405K CZK |
| Verbal mention about a partner – main evening | | 80K CZK |
| Presentation of the price incl. the visual presentation – main evening | | 150K CZK |
| Special promotion at web | | 670K CZK |
| **Total sum** | | **11 995K CZK** |

As is visible from the table above, there is also a possibility for product or brand placement on the web www.star-dance.cz in form of prerolls and postrolls in all the videos, which include the whole episodes, interviews with contestants, competition for viewers, the school of dance and the evaluation by the jury.

## 2.2.2  TV Nova[52]

20 years ago, on the 4th of February 1994, TV viewers witnessed the first broadcasting of TV Nova. The viewers were back in the day looking for innovative and new TV shows both local and international and this is exactly what TV Nova provided them with. Since then, its viewership is the strongest in the Czech Republic.

TV Nova was the first nationwide private TV channel in the Czech Republic. After its creation, TV Nova became the symbol for commercial media. Back then, no one actually realized how impactful influence TV Nova will have on the television and media environment.

The success of TV Nova is built on three main pillars, which are its own TV series, news programs and entertaining programs. Their portfolio of own TV series is wide and among some of them definitely belong Kriminálka Anděl, Doktoři z Počátků, Policie Modrava and some of the most viewed Czech TV series are undoubtedly Ulice and Ordinace v růžové zahradě.

The evening news of TV Nova have been the most watched TV evening news since its creation and are overall one of the most watched TV program on Czech television. Next to it, also the programs Víkend and Střepiny became very popular. The last pillar is represented by talent reality shows such as Hlas ČeskoSlovenska (the voice of CzechoSlovakia).

TV Nova, however, does not concentrate only on its own production. It co-produced a number of high-quality and yet publicly well perceived movies and supported local movie production. The examples of some might be Vratné lahve, Bobule, Román pro ženy, Účastníci zájezdu or Muži v naději.

### 2.2.2.1  Snídaně s Novou

Snídaně s Novou is a morning show that is very similar to Dobré ráno on ČT1. Its focus and the information provided are again putting an emphasis on similar topic as the morning show on competing channels.

This show firstly appeared on the Czech TV screens on the 7th February 1994. It used to be initially broadcasted since five o'clock in the morning. The show is composed of interviews; there is a news block each half an hour followed by a print overview and the traffic news. There are also music clips and children stories. The show is composed of two parts. The first is a live broadcasting from the studio and the other one called Na cestách (On the go) is from the field somewhere in the Czech Republic.

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[52] This chapter is based on available information from http://www.parlamentnilisty.cz/zpravy/tiskovezpravy/TV-Nova-slavi-20-let-od-sveho-vzniku-302323, viewed 27 March 2015

The following table (Table 7) again outlines the main target group and the broadcasting time of Snídaně s Novou.

| Target Group | Broadcasting |
|---|---|
| Higher socioeconomic status | Nova |
| Higher level of education (high school and university) | Monday till Friday |
| | Time: 5:55-9:00 |
| Housewives | Length: 185 minutes |
| Mothers with children | |

The possibilities of presentation of product or brand are really vast in Snídaně s Novou and thus deserve a special table (Table 8).

| Overview of implementation for one partner | | |
|---|---|---|
| | Time | Total Price |
| Sponsorship – 2 blocks | 4 x 10" | 30K CZK |
| Sponsorship – 4 blocks | 8 x 10" | 50K CZK |
| Possibility within "Tescoma s chutí" part | 4 x 10" | 35K CZK |
| Interview with the host on a given topic | 4 mins | 150K CZK |
| PP – placement of one product – passive PP (incorporation into the setting of the show) | Weekly | 60K CZK |
| PP – interview  with the host – competition | Once a week (4 mins) | 100K CZK |
| PP – discussion about cosmetics, clothes, hairdresser's | 2 interviews (4 mins each) | 100K CZK |
| Competition with a product provided by client within one show | Weekly - verbal mention 3x and product shown 3x | 150K CZK |
| Na cestách - live | 9 x 4 mins within one show | 350K CZK |
| Na cestách - prerecorded | 2 x 4 mins within one show | 110-160K CZK |

## Ordinace v růžové zahradě 2

Ordinace v růžové zahradě is an ongoing Czech TV show from the environment of hospital in Kamenice. The TV show started its broadcasting in 2005 already where the plot was centered about a private gynecological practice and from the year 2008 the plot was shifted to environment of hospitals on the departments of surgery, pediatrics and plastic surgery.

Ordinace v růzové zahradě is the overall most watched TV show in the Czech Republic. The episodes are averagely watched by two millions of viewers. The average share of viewers was in 2013 an unbelievable number of 45 per cent.

The table below (Table 9) outlines the target group, broadcasting time and price list for product placement.

Table 9: Definition of target group, broadcasting and price list – Ordinace v růžové zahradě 2

| Target Group | Broadcasting | Price List |
|---|---|---|
| All targets groups | Nova | Passive PP 2x: 200K CZK |
| Especially housewives and women | Tuesday and Thursday | Active PP 2x: 400K CZK |
| All educational levels | Time: 20:20-21:30 | |
| Great opportunity to reach younger women | Length: 60 minutes | |

Source: Internal reports of Ogilvy, Publicis and UM Media - 2015

## Ulice

Ulice is the first Czech long standing TV series. It contains a number of highly breath-taking and dramatic scenes. The main roles are represented by a few families living in houses on the same street (Ulice) which lies on the outskirts of Praha.

This unique TV project was a first TV show broadcasted on a daily basis. The broadcasting started in 2005 and has become an ongoing "certainty" before the evening news. The story focuses on lives of ordinary people and in the street, residential houses, hairdressers, a pub, a florist shop and a couple of companies are to be found.

The possibility for product placement is really broad since the story is happening in the normal lives and the incorporation of existing products only make the plot more realistic. And on top of it, the TV show represents lives of many social groups of people.

The average viewership in 2013 reached 1.1 million people, which represents the share of 35 per cent viewers.

Table 10: Definition of target group, broadcasting and price list – Ulice

| Target Group | Broadcasting | Price List |
|---|---|---|
| Housewives and older women<br><br>Lower to medium educational level<br><br>Retired people | Nova<br><br>Monday till Friday<br><br>Time: 18:30-19:30<br><br>Length: 43 minutes | Passive PP 2x: 120K CZK<br><br>Active PP 2x: 320K CZK |

Source: Internal reports of Ogilvy, Publicis and UM Media - 2015

## **Prásk!**

Prásk! is a lifestyle magazine bringing news from the show business and the lives of celebrities. The show is compounded of approximately ten reportages. The show is hosted by Pavel Novotný. The show is averagely watched by 950 thousands viewers.

Due to the show's format and the target group, the show is suitable mainly for fashion and cosmetics brands, entertainment and luxury services. It is possible to incorporate a natural implementation of products into the studio or make a review of a new product's launch or organize a competition.

Table 11: Definition of target group, broadcasting and price list – Prásk!

| Target Group | Broadcasting | Price List |
|---|---|---|
| All range of women | Nova | Reportage 1x: 80K CZK |
| From 15-54 mainly | Thursday | Competition 1x: 80K CZK |
| Housewives with children | Time: 21:30-22:10 | |
| Medium educational level | Length: 25 minutes | |

Source: Internal reports of Ogilvy, Publicis and UM Media - 2015

## 2.2.3  TV Prima[53]

On the 26th of February 1992, TV Prima was granted a license for broadcasting in the area of Prague and the Central Bohemia. This was a very first license provided for commercial television broadcasting in the Czech Republic. The broadcasting itself started in 1993.

The viewership was firstly struggling a little bit but between the years 1997-2000 increased from fifteen to twenty per cent because the target group was found. This target group was represented by families with children. The importance was put on the creation of its own TV shows and overall flexibility.

In 2001, the coverage of television signal increased to 94 per cent of inhabitants. Following years are represented by a continuously increasing viewership and TV Prima managed to increase its license in 2003 for another fifteen years. A huge success was reached by a completely new show called Rodinná pouta and mainly a reality show called VyVolení, which controlled the Czech general public in 2005. The show was averagely watched by 1.5 million people and the finale was watched by recording 2.2 million viewers.

In 2008 TV Prima introduced a new 3D logo and their new websites www.iprima.cz, where shows can be watched. In 2009 a highly awaited new entertaining channel called Prima COOL was launched. The success of this channel was followed by the launch of channel Prima LOVE in 2011. This trend continued and therefore another channel called Prima Family bringing romantic and trendy shows and focusing mainly on female audience was launched.

### Všechny moje lásky

The TV series Všechny moje lásky tells stories about a positive approach toward life. It is about the desire to overcome all the obstacles that are a part of daily life. Even though the fight against the odds is often quite dramatic and heavy, it can be overcome positively and with humor. The main hero is Marie Svobodová, played by Veronika Žilková, who is perceived by her friends as a positive and always smiling person. Her presence brings calmness and good mood into every situation, which is further spread among her friends and surrounding. After a life changing news, the life of the main hero changes completely; and she needs to find a way how to get through this situation.

Many famous Czech actors and actresses are appearing on this show. Just to name some, the main heroes are played by Monika Zoubková, Mahulena Bočanová, Iva Janžurová, Jiří Bartoška, Lukáš Vaculík, Vojta Kotek, Roman Vojtek, Stanislav Majer and many others.

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[53] This chapter is based on available information from http://www.iprima.cz/o-spolecnosti/historie-spolecnosti, viewed 29 March 2015

| Target Group | Broadcasting | Price List |
|---|---|---|
| Mainly women | Prima | Passive PP: 100K CZK |
| Age groups 18+ | Wednesday | 15s injection 2x: 140K CZK |
| Housewives with children | Time: 20:15-21:35 | Sponsorship messages 2x: 170K CZK |
| All educational levels | Length: 55 minutes | |

## Topstar Magazín

Lifestyle magazine TOP STAR brings hot news from the lives of celebrities each Monday. The reportages show both private as well as public successes, but also failures of famous personalities. Simply, this magazine brings everything that is going on in the lives of the famous elite. The host of the show is Iva Kubelková.

| Target Group | Broadcasting | Price List |
|---|---|---|
| Mainly women | Prima | Passive PP: 100K CZK |
| All age groups | Monday | 15s injection: 70K CZK |
| All educational levels with focus on medium level | Time: 21:30-22:45 | Sponsorship messages 2x: 170K CZK |
| | Length: 55 minutes | Sponsorship messages 4x 238K CZK |
| | | Competition (30s spot): 160K CZK |
| | | PP – reportage: 160K CZK |
| | | Sponsorhip of a section: 80K CZK |

# 3   Analysis of perception on product placement

In this part of the work, an analysis of perception of product placement is taking place. Firstly the goal of the analysis is defined. Secondly, the hypotheses of the master's thesis are determined. This is followed by characterization of the research sample and later on, the methods of acquisition and analysis of data are described. Last but not least the results are drawn and interpreted in the context of product placement perception.

## 3.1   Objective of the survey and formulation of studied hypotheses

The focal point of the following research is to analyze the perception of general public on product placement – what are their attitudes towards product placement and how do they perceive product placement's incorporation within TV series or movies.

This part of the work aims to map these attitudes, establish their overall portion and outline how product placement is perceived by individuals being exposed to it.

In order to reach the aforementioned goal, the author of the work created a survey and distributed it among general public. The objective was to analyze if product placement is perceived rather positively or negatively in the analyzed sample.

Fulfilling of these goals is however limited by an unintentional exclusion of concrete classes of people because the surveys were mainly distributed on social sites and thus some the researched sample might not be complete.

Another limitation is the fact that not all people know the term "product placement" even though they are in a daily contact with it. Therefore, those respondents who did not know product placement were excluded from further continuation of the survey. The survey automatically closed for them after stating their unfamiliarity with product placement. The number of those respondents was 52.

In order to get a first understanding of the current situation, three hypotheses were determined, which are not based on previous research or knowledge. The first two hypotheses are dealing with the very perception of product placement. The last hypothesis is focusing rather on the respondent and their knowledge or product placement – whether they even know the term.

**H1:** The most recognized form of product placement is product placement in movies, followed by TV series.

**H2:** The respondents are rather displeased with products being placed within movies, TV series, computer games, books and music videos.

**H3:** Respondents from the Czech Republic and Slovakia will represent a higher percentage of those who do not have any knowledge of product placement regardless of media type compared to other foreign respondents of the survey.

Due to the software used for collection of the answers from the survey, it was possible to map particular respondents and analyze their concrete answers.

Verification of the aforementioned hypotheses is based on a comparative analysis of the samples' responses (see chapter 3.1.5).

## 3.2 Description of the analyzed sample

The analyzed sample is composed of respondents who came across the survey. There were two possibilities how to fill out the survey. Firstly, the survey was distributed on the Internet mainly on social sites. The second possibility was to fill out the hard copy of the survey which has been distributed by to author to a particular number of people.

As was already aforementioned, those respondents who never heard of product placement were automatically excluded from filling out the survey. In order to obtain valid data for the survey's questions, this research was focusing on those who are familiar with product placement.

The total number of respondents who took part in the survey is 292. In the following graph (Graph 1) is nicely shown the total number of respondent and the representation of those who decided to fill out the survey in English and those who proceeded in Czech.

**Graph 1: Division of respondents based on the language variant of the survey**



In which language would you like to fill out the questionnaire?

40%

60%

■ English  ■ Czech

Source: Authors

As is nicely visible from the Graph 1, a higher percentage of respondents decided to fill out the survey in Czech. Nevertheless, the English survey is not far behind with 40 per cent of overall responses. At this place is also important to point out that not all the respondents who started the survey also completed it. The number of people who entirely completed the survey is 166, which represents a dropout rate of 43 per cent.

In the following graph (Graph 2) is an outline of respondents who completed the survey to very end based on their nationality.

Graph 2: Representation of the sample based on Nationality
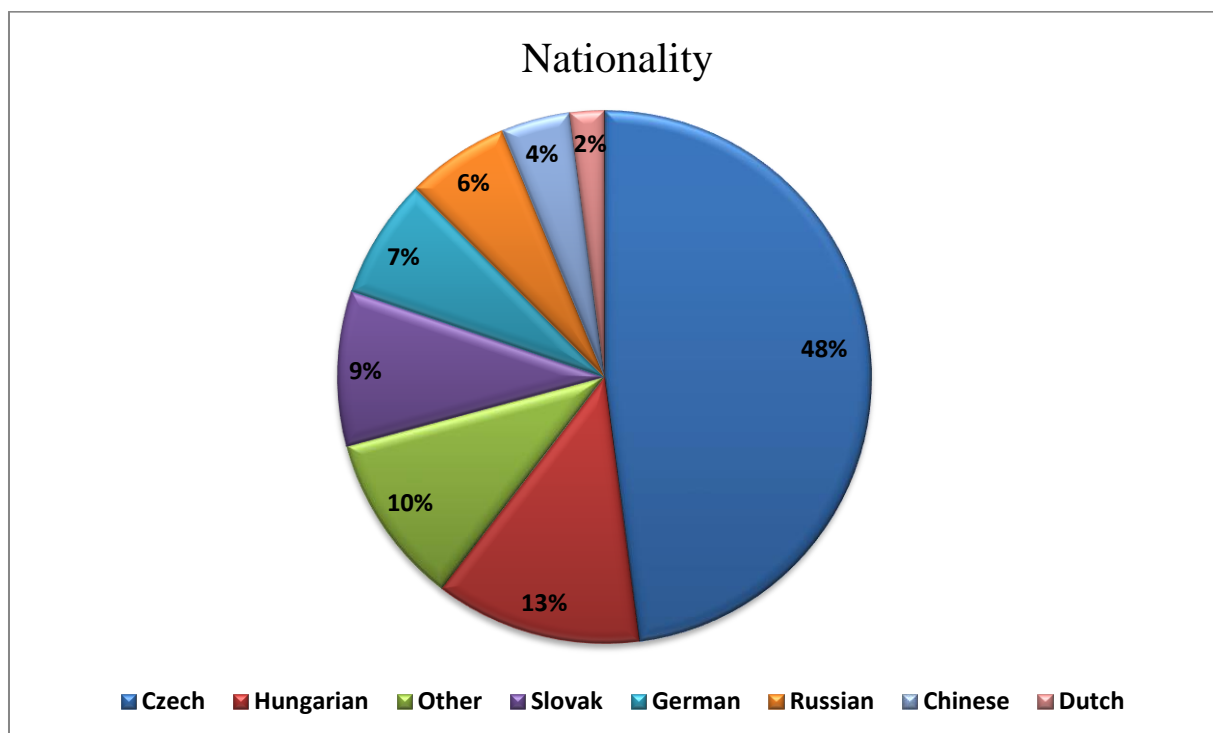


Source: Author

There are a high number of respondents with different nationalities and in order to make the graph more understandable, only those who are represented at least by four and more respondents are shown. The others, who were represented by only one respondent were calculated together and are called Other in the graph. This share (Other) was calculated by adding respondents from the following nationalities – American, Australian, Belgian, Brazilian, Bulgarian, Croatian, Danish, Indian, New Zealand and Polish.

The highest representation is the Czechs, who in numbers represent 55 per cent of all respondents. This is followed by Hungarians with 14 per cent, Slovak with 9 per cent, German with seven per cent, Russian with six per cent, Chinese with four per cent and last but not least by Dutch with two per cent.

As is obvious from the next graph (Graph 3), the majority of respondents are very well educated, almost half of the sample is bachelors' graduates and one quarter is master's graduates.

Highest Level of Education

| | | |
|---|---|---|
| ■ Bachelor | ■ Master | ■ Secondary |
| ■ Some college (not finished) | ■ Elementary | ■ Doctorate |

47%
25%
17%
7%
2% 1%
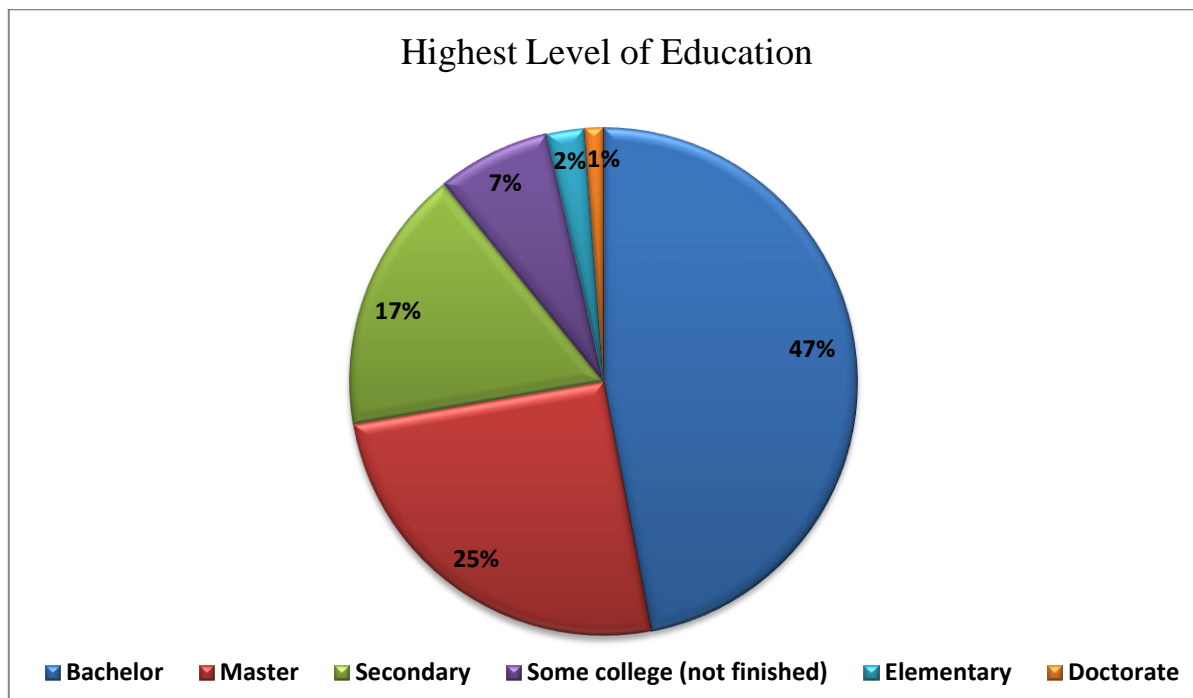
If we were to divide the participants of the survey based on their sex, we would get the representation below (Graph 4). The majority of participants are female with the share of 72 per cent. This unequal representation based on the gender is due to the fact that for the collection of data, the method of self-selection was used, which means that anyone could have filled out the survey and there were no gender restrictions. The only criterion was a willingness to fill out the survey.

## Gender



■ Male  ■ Female
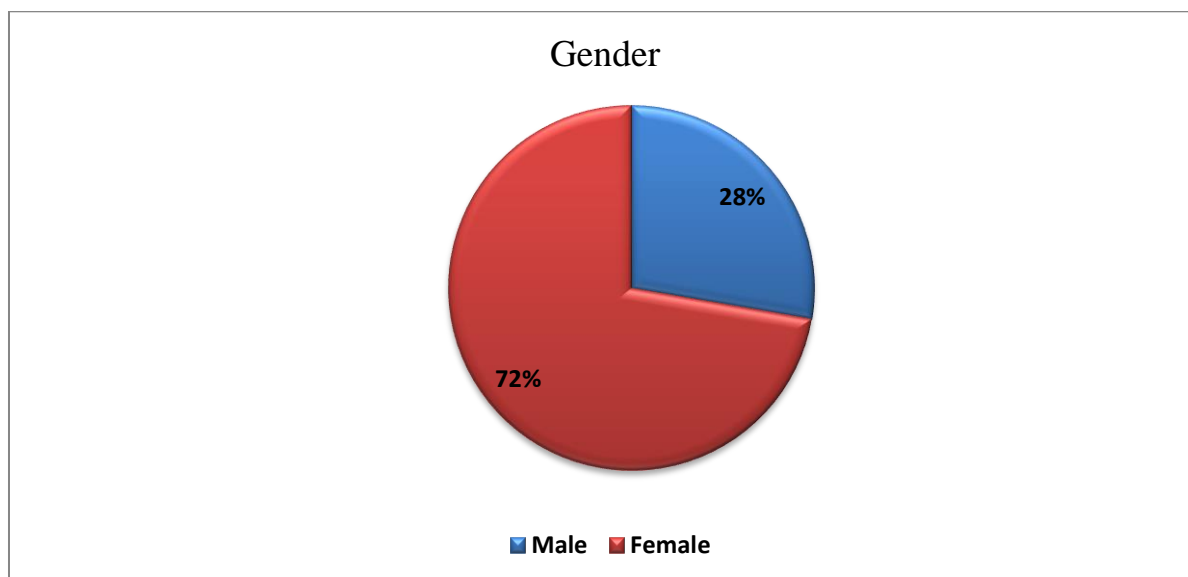
## 3.3 Methodology of collecting and processing of data

In order to obtain data a survey was used as a method of collection of data. The survey's questionnaire was put on social sites and individually distributed to respondents who were a relevant target group for the survey. This target group was mainly students and college graduates. The reason behind is the assumption that university graduates would be more familiar with product placement and thus would be a valid target group for the survey able to respond the survey's questions.

The time frame for filling out the survey was from the $14^{th}$ of March until the $31^{st}$ of March, thus in total 18 days. The most responses were gathered immediately after the release of the survey. The peak happened on the second day after the release. This was followed by a steady decrease until no one filled the survey on the $31^{st}$ of March and as a consequence the collection of data was closed.

The questionnaire itself is composed of 24 questions. The questions were created by the author of this master's thesis and consulted with the advisor of this thesis.

When filling out the survey, there were six ways how the questionnaire could have been displayed. First of all, there was a possibility to fill out the survey either in English or in Czech. Secondly, when displayed in a concrete language, the second question in both versions put an emphasis on the knowledge of product placement. In case the participants had no previous knowledge of product placement, the survey stopped in both cases. Only when the respondents came across product placement previously and knew what product placement is,

they were able to proceed. Therefore, the further presented data relates only to those respondents who know product placement.

The survey is composed of aforementioned 24 questions, where the first one is only focusing on the selection of the coherent language. Then from the next 23 questions, 19 of them were closed questions and four of them were open questions.

The results are in most cases shown in percentage shares from the total number. These results were calculated in Microsoft Excel and the graphs were also created in the same program.

The respondent took part in the survey voluntarily and their participation in the research was completely anonymous.

Also, due to the size of the sample, which is 292 of those respondents, who started the survey, and 166 of those who completed it, we can consider the researched sample as a sufficiently representative.

## 3.4 Results and their interpretation

Graph 5 displays the percentage of people who knew product placement before taking part in the survey. The graph shows cumulated data for both language versions of the questionnaire. The existing knowledge of product placement of the analyzed sample is rather high – representing 82 per cent of all responses.

**Graph 5: Knowledge of product placement**



Do you know product placement?

18%

82%

■ Yes  ■ No
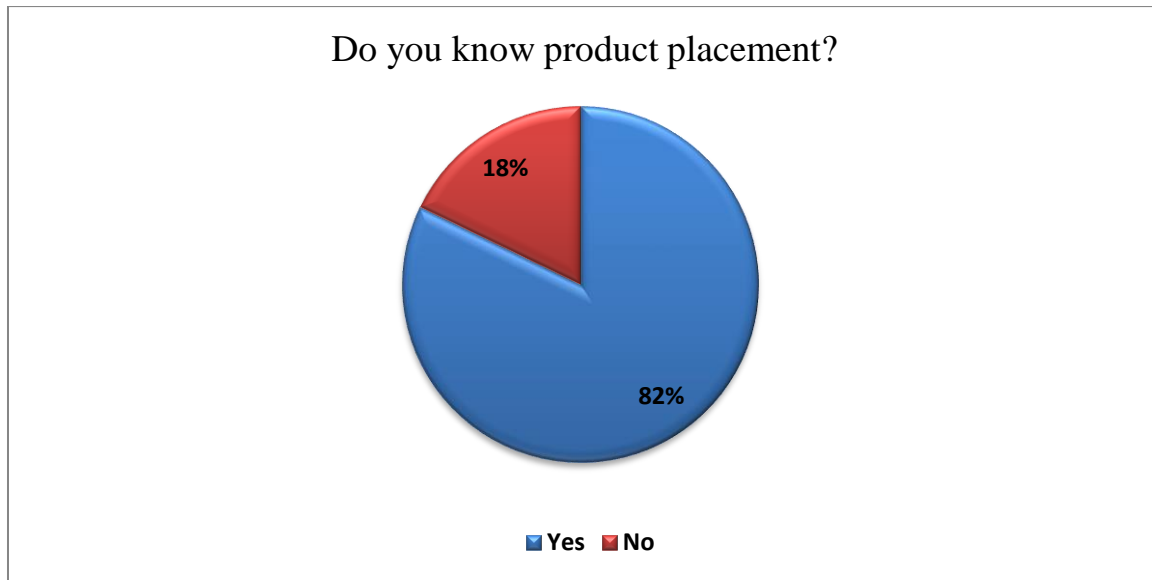
Source: Author

This result would mean that respondents are aware of product placement in its different sources. Nevertheless, it is important to point out the there is a high representation of well-educated people in the sample and the theories of product placement are usually taught at economic and business universities which might be an explanation for such a high knowledge of product placement.

Graph 6 outlines the areas of product placement that the respondent came across. As is nicely visible the area with highest representation is TV shows, followed by movies. They both represent 20 per cent of all respondent, but in total numbers, TV series scored slightly higher. Based on the percentage size, the next areas are videos, sports, newspapers, music, books, radio, computer games and other. When the "other" option was selected, respondent were given another questions and they should have specified what they meant by other. Most frequent answers were social media.

It is also relevant to state that this question was a multiple choice, because it is obvious that the influence of product placement is not usually only from one source but from many.

In which area have you come across product placement?

- TV shows
- Movies
- Videos (online, music,...)
- Sports
- Newspapers
- Music
- Books
- Radio
- Computer Games
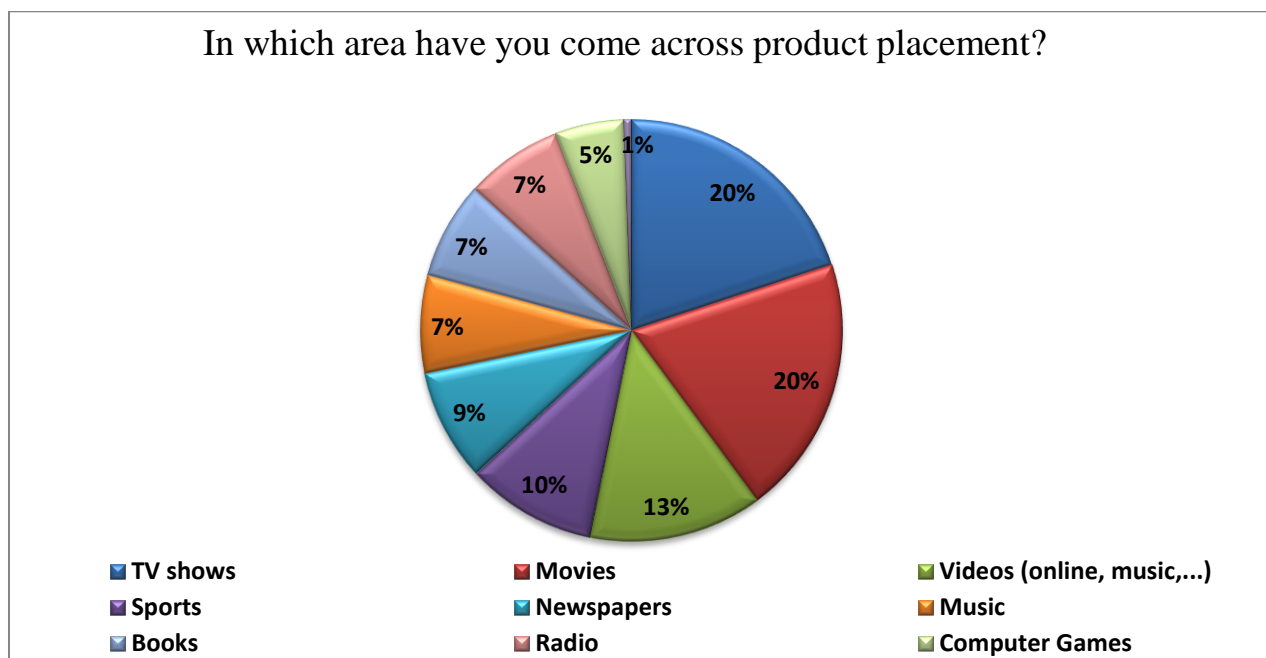
Source: Author

The following table (Table 14) shows the frequency of watching movies and TV series, respectively. The percentage is a number of total movies (episodes) watched during one typical week.

Table 14: Number of movies/episodes watched in a week

|  | No. of movies seen in a week | No. of TV series seen in a week |
|---|---|---|
| **None** | 14 % | 18 % |
| **1 - 3** | 81 % | 51 % |
| **4 - 6** | 4 % | 19 % |
| **7 or more** | 1 % | 12 % |
| **Total** | 100 % | 100 % |

Source: Author

For both – movies and episodes of TV series – respondent most often watch one to three movies or episodes in a typical week. The next frequency, however, differs – for movies, the most often number of movies watched is none but for episodes it is four to six. This is possibly given by the fact the TV series are usually at least two times shorter than movies and therefore, participants of the survey find time to watch a higher number of episodes of TV series as opposed to movies. Also, seven or more TV episodes are watched in a typical week by 12 per cent of respondent and for movies, it is only one per cent. The reason behind is probably the same – the length of the movies compared to episodes of TV series.

Graph 7 shows whether the respondents are aware of product placement in movies, TV shows, broadcasting, books and computer games. The absolute majority of respondents do

and this is represented by almost 90 per cent. Only seven per cent do not and five per cent are not sure about it.

Do you notice brands and products placed in movies/ TV shows/ broadcasting/ books/ computer games etc.?

- Yes: 88%
- No: 7%
- I do not know: 5%
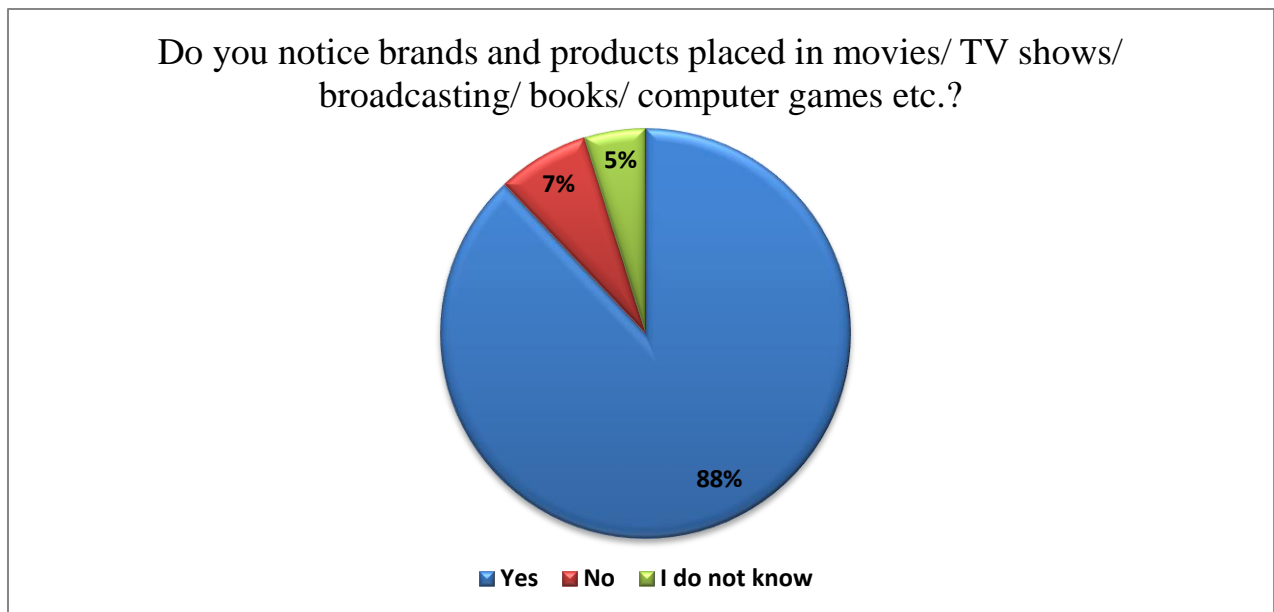
The explanation for the graph above might lie in the fact that was already mentioned in this work and that is that the majority of respondents are highly educated. Therefore, they are more sensitive towards product placement as they know what are they supposed to look for since they already got in touch with it previously – for example at universities or at their jobs. Also, those people who did not know what product placement is, were excluded from the survey in the first place. Thus, it makes sense that if people know what product placement is, the chances of them noticing it are also higher.

In the table 15, the attitude of respondents towards product placement in movies, TV shows, broadcasting, books and computer games is being analyzed. As is obvious from the table, in most cases (57 per cent), the respondents do not mind product placement being a part of their favorite shows and movies. However, second and third most often stated answer is rather negative (I mind it represented by 16 per cent and it annoys me by the same amount). Combined, these per cents would represent 32, which is already a considerable number. Therefore, it is of high importance to incorporate product placement always rather naturally as a part of the plot as opposed to making it very obvious, because that might result in high dissatisfaction of the viewers. Overall, consumer are rather indifferent about product placement but if they after that, they are rather negative towards product placement.

| | |
|---|---|
| I do not mind it. | 57 % |
| I mind it. | 16 % |
| It annoys me. | 16 % |
| I enjoy it. | 8 % |
| It should be forbidden. | 2 % |
| I have no opinion of it. | 1 % |
| I am highly interested in it. | 0 % |

Source: Author

Graph 8 shows if respondents have ever bought a product or used a service after they saw it or heard it in movies, TV shows, broadcasting, books or computer games. And as is visible from the graph, respondents are not as easily influenced by product placement because 55 per cent of respondent did not buy/used any. The more intriguing question is whether the participants of the survey really did not buy any or if they only think they did not. This question, however, cannot be answered in the extent of this thesis as a more investigative follow-up would have to take place.

Graph 8: Influence of product placement on purchase behavior



**Have you ever bought a product/used a service after you saw it in movies/ TV shows/ broadcasting/ books/ computer games etc.?**

■ No ■ Yes ■ I do not know
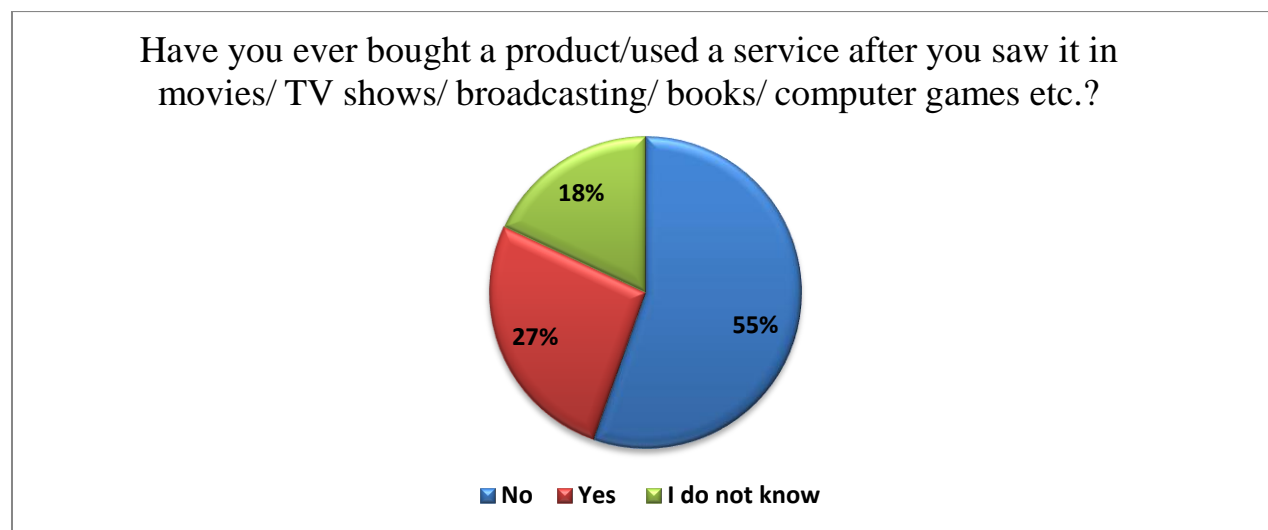
Source: Authors

The next questions (Graph 9) from the survey focused on the product placement influencing respondents' choice of purchased goods. Here, the results are comparable because 47 per cent of respondents do not consider product placement to influence their choice but on the other hand, 43 per cent of respondents think the opposite. What is the underlying assumption here is the influence that product placement has on consumers' sub consciousness, which consumers do not even realize.

Do you think that product placement influences your choice of product/services when purchasing goods?

47%
43%
10%

No   Yes   I do not know

In the graph 10, we can see how respondents perceive products and services after they saw or heard them in movies, TV shows, broadcasting, books or computer games. For the majority of them, and this is close to half of all respondents, it really depends on a particular product placement.

This should be a signal for all companies aiming at product placement that they really need to incorporate it very smartly and naturally, because otherwise it will trigger a negative attitude of viewers.

The second most represented group is those respondents, who remain unaffected by product placement. Those, whose interest is decreased by product placement, represent almost the same amount as those, whose interest actually increases after being exposed to product placement.

## How do you perceive a product/ service after you see it in movies/ TV shows/ broadcasting/ books/ computer games etc.?

2%
10%
13%
48%
27%

- It depends on a concrete product placement.
- I remain unaffected.
- It decreases my interest in that very product/ service
- It increases my interests in that very product/ service
- I do not know
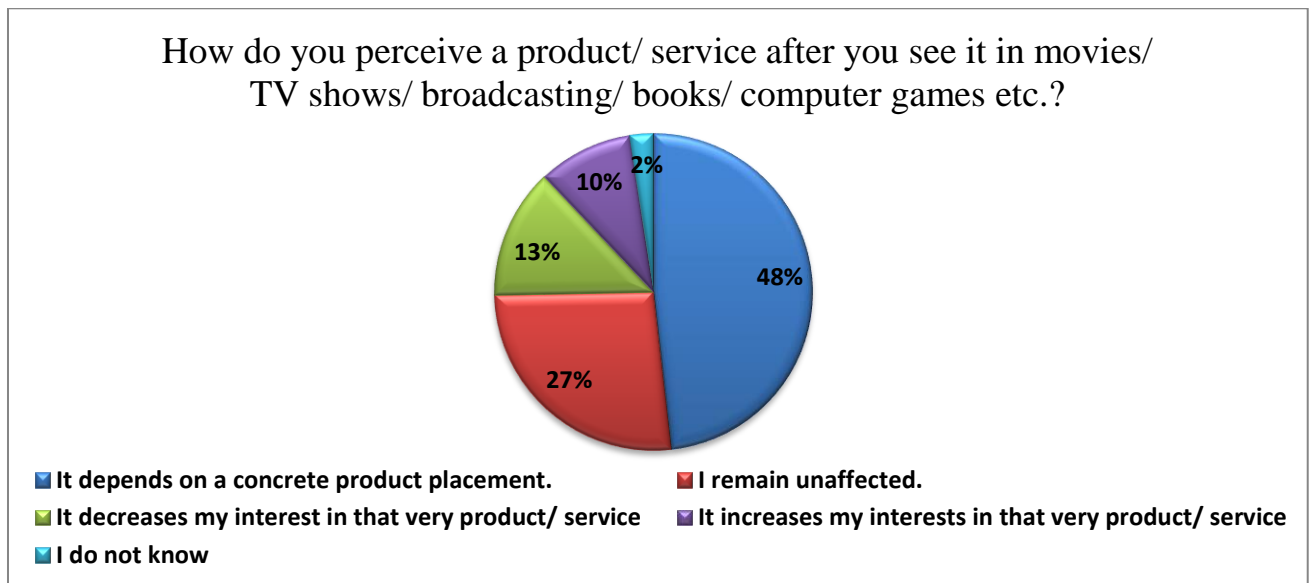
Source: Author

Quite a similar question as the previous one was a question focusing on product placement influencing the perception of a brand as a whole (Graph 11). The results are very comparable to the previous one. Again, the most frequently answered option is that it depends on a concrete product placement followed by respondents being indifferent about it. There is a bigger difference between these two options compared to the previous result (Graph 10).

Graph 11: Influence of product placement on the brand perception

## Does product placement influence your view on a brand as a whole?

4%
7%
14%
53%
22%

- It depends on a concrete product placement
- I remain indifferent
- Yes, it decreases my interest in a brand
- Yes, it increases my interests in a brand
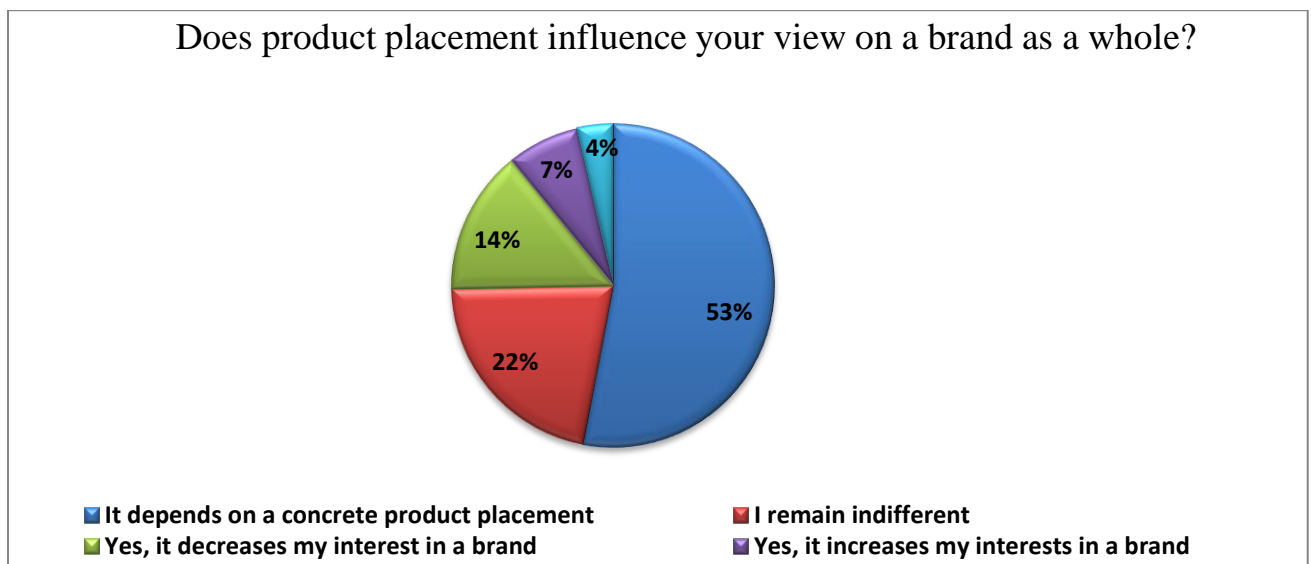
Source: Author

Graph 12 displays whether respondents consider product placement as a good way how to present a product or a brand. In more than half cases, respondents stated that they think so. Almost one quarter, however, think that a better tool would be proper advertisement. This is followed by 14 per cent of respondents approaching product placement negatively. These two options make a total of 38 per cent which is already a considerable number representing those who are not completely satisfied with product placement being a way how to demonstrate products or services.

**Graph 12: Perception of product placement presentation**
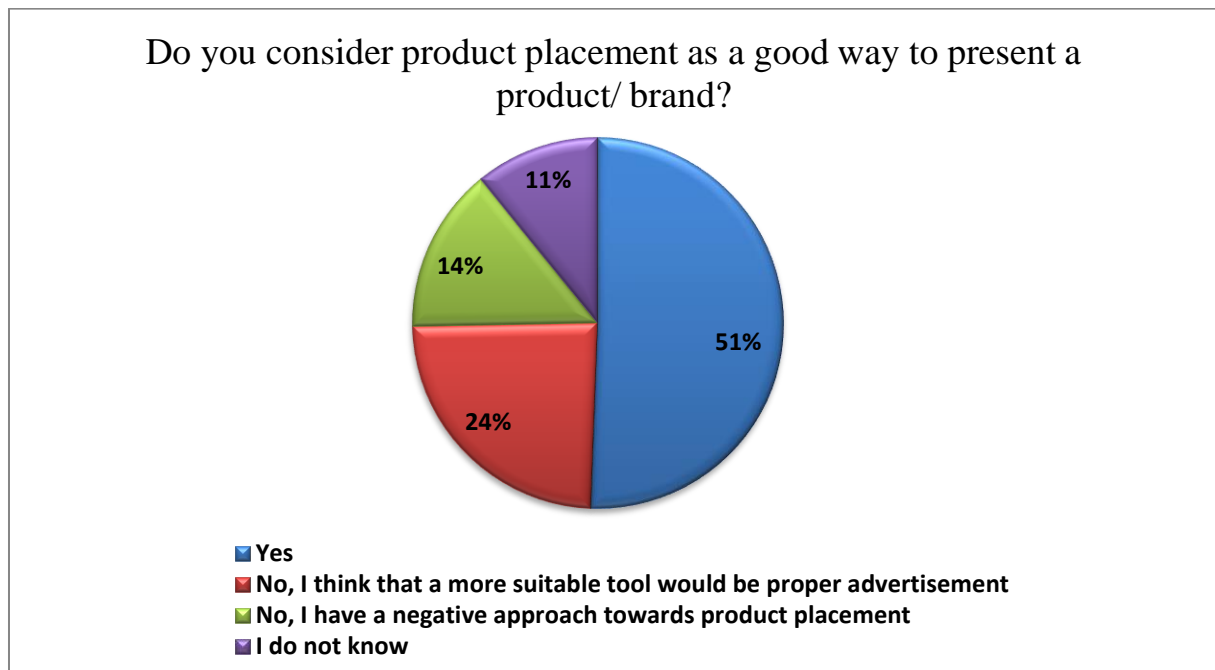


Source: Author

As for the ethicality of product placement (Graph 13), 53 per cent of all respondents consider product placement to be a suitable and ethical tool how to present a product or service. Almost one third of all respondents (concretely 29 per cent) then do not consider product placement as a suitable and ethical tool. 18 per cent of respondents do not know.

This result nicely correlates with the previous question. There 53 per cent of respondents considered product placement as a good way how to present a product or a brand, which is similar to 51 per cent of respondents considering product placement as an ethical tool. We might assume that in case respondents do consider product placement as an ethical tool, they also consider it as a good way of presenting a product or a brand.

Do you consider product placement to be a suitable and ethical tool?

18%
29%
53%

Yes  No  I do not know

Source: Author

More than a half of respondents was not able to think of an example of good product placement (Graph 14). This amount is represented by 54 per cent. 46 per cent of respondents on the other were. And therefore, an additional question was given to those, who answered yes. The respondents should have specified what good product placement are they thinking of.

As if was not explicitly specified whether the respondents should state brands and products incorporated in the movies and TV series or those TV series and movies in which the noticed product placement, the following examples are a mixture of both. The most frequent cases of good examples of product placement noted by the respondents are Apple, James Bond movies, Heineken, Beats by dr. Dre, Ford, BMW, Samsung, Chevrolet, Michael Kors, San Pellegrino, Forest Gump and recently premiered Fifty Shades of Grey.

Graph 14: Knowledge of good examples of product placement



Can you think of an example of good product placement?

46%
54%

Yes  No
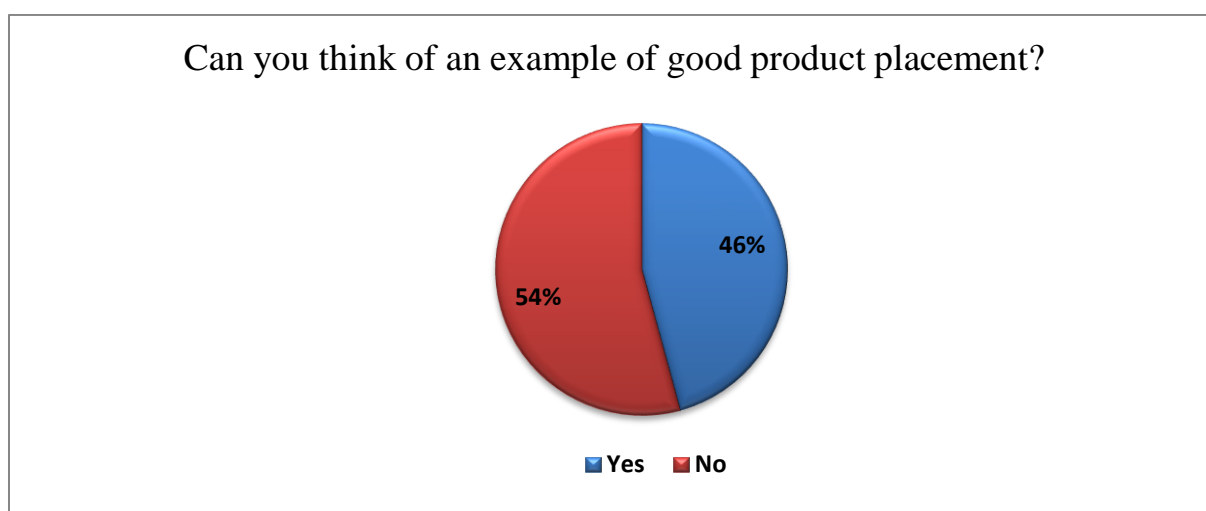
Source: Author

Even in this case (Graph 15), the bigger half of respondents was not able to think of an example of bad product placement – in numbers this is represented by 59 per cent of all respondents. We can only estimate if in both cases the respondents are really unable to think of these examples or are just unwilling to do so.

Nevertheless, those respondents who answered yes to this question were also approached with an additional one specifying these examples. In the absolute majority, the respondents who filled in the survey in the Czech language agreed on TV series and movies from the Czech environment such as Ordinace v růžové zahradě, Ulice, Líbáš jako Bůh, Babovřesky or Román pro ženy.

Those respondents who filled out the survey in English then stated Lady Gaga's music videos, Britney Spears's music video, car brands such as Mercedes or Ford and too much exposure of product placement in terms of Apple and Nokia as examples of bad product placement.

What is interesting to compare from this and the previous question is that similar brands and product placement can be seen both as good as well as bad examples of product placement. For instance Apple was stated most often as an example of good product placement but simultaneously received a high number of answers as bad product placement.

This, once again, only shows the crucial importance of incorporating product placement really highly discreetly as a natural part of the movie so that the viewers are not bothered by it and on contrary, it helps them understand and imagine the story of that movie, book or a TV series better.

**Graph 15: Knowledge of bad examples of product placement**
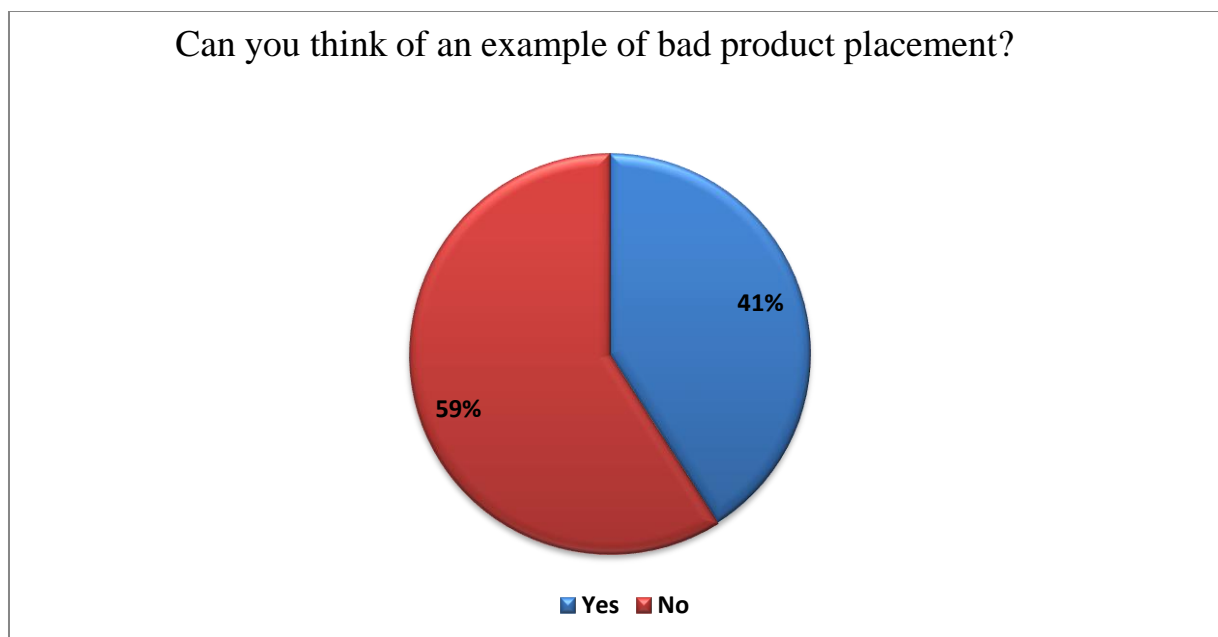


**Source: Author**

The last question (Graph 16) before the demographic part was focusing on concrete products, brands or services being seen by the respondents recently in movies, TV shows, books or computer games. More than half respondents were able to think of these brands. 31 per cent were not and 17 per cent was not able to realize whether they saw any.

Out of those 52 per cent, the most frequently stated examples of concrete products, services and brands are these – Starbucks as a takeaway coffee in almost every American movie, Apple (and overall iPhones and MacBook laptops) being the first electronic brand in American TV shows and movies, Sex and the city movies, Heineken and Redbull, 50 Shade of Grey, Suzuki, Coca Cola as the main soda drink, Hyundai, Lexus and Johnny Walker in the book Kafka on the shore Haruki Murakami.

Czech and Slovak respondents were again often stating Czech TV series of Ulice and Ordinace v růžové zahradě as the source for product placement such as Teta drugstore, Raiffeisenbank, grocery shopping in Billa, the pharmacy Dr. Max. Often stated example is also the chewing gum Orbit in the movie Probudím se včera.

Graph 16: Knowledge of concrete examples of product placement
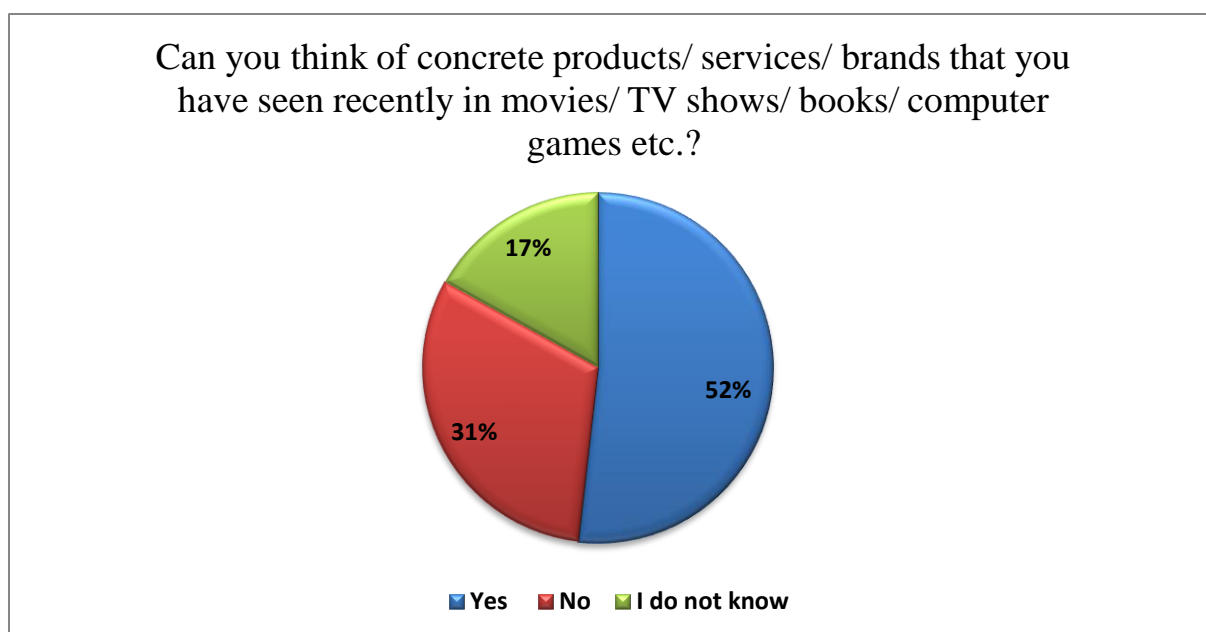


Source: Author

# 3.5 Verification of the hypotheses

In this part of the thesis, the verification of hypotheses is taking place. To remind of them, the hypotheses are as follows:

**H1:** The most recognized form of product placement is product placement in movies, followed by TV series.

**H2:** The respondents are rather displeased with products being placed within movies, TV series, computer games, books and music videos.

**H3:** Respondents from the Czech Republic and Slovakia will represent a higher percentage of those who do not have any knowledge of product placement compared to other foreign respondents of the survey.

It is important to point out that the verification is derived only from data from the survey and the conclusions are limited by structure of respondents.

<u>**Hypothesis 1**</u>

Based on the results from the survey, the most recognized forms of product placement are those in TV shows, followed by movies. They both represent 20 per cent of all respondent, but in total numbers, TV series scored slightly higher. Therefore, the first hypothesis **H1 has been disproved.**

<u>**Hypothesis 2**</u>

For the verification of this hypothesis, we have to take several elements into account. Firstly, there were more questions in the questionnaire focusing on the attitude towards product placement. If those questions were to be gathered and a single result should be stated, it is that for the consumers, their approach depends in most cases on a particular product placement. This is followed by a higher dissatisfaction of product placement being a part a movies, TV series, computer games, books and music videos. Nevertheless, since the most frequently stated answer is that it depends on a particular product placement, the second hypothesis **H2 has been disproved.**

<u>**Hypothesis 3**</u>

After the calculations of the answers and their percentage expression, it was found out, relative to the survey that 80 per cent of respondents from the Czech Republic have some previous knowledge of product placement compared to 85 per cent of the respondents from other countries. In other words, those respondents from the Czech Republic and Slovakia who do not have any knowledge of product placement represent a number of 20 per cent compared to 15 per cent of respondents from other countries. Thus, the third hypothesis **H3 has been**

**confirmed.** Nevertheless, this result is partially limited due to the size of the sample but is nonetheless also an area for further research in the future with a larger and more diverse sample.

# CONCLUSION

The objective of this thesis was to map product placement with its problematics in a wider sense. In a narrower sense it was then to show concrete examples of product placement in the practice, demonstrate existing offers of product placement in TV shows of the main Czech TV channels and analyze the perception that consumers have towards product placement.

Given the fact that product placement is in close relation with marketing, it was essential to concisely define relevant terms of marketing. These included marketing communication, its new forms but also the marketing mix because it is precisely an important part of marketing.

The content of this work focusing on product placement is not only formed by its definition but the reader is also introduced to its history and is familiarized with its legislative framework in the Czech Republic.

The concrete types and forms of product placement are then dealt with in the practical part where an emphasis is put on the integration of products, services and brands into movies, TV shows, music videos, publishing and novels and also computer games. This is followed by an overview of offers of product placement in the TV shows of the main Czech TV channels, specifically the TV shows Dobré ráno, Sama doma, StarDance…když hvězdy tančí, Snídaně s Novou, Ordinace v růžové zahradě 2, Ulice, Prásk!, Všechny moje lásky and TopStar magazín.

The last part of the thesis is then devoted to the survey that was distributed among the researched sample of respondents. Their perception towards product placement and their knowledge of product placement was examined.

From the results, it is obvious that the majority of respondents came across product placement even before filling out this survey. This fact is supported by 82 per cent of respondents knowing what product placement is. Therefore, we can generalize and say that the overall knowledge of product placement is high.

As for the majority of respondents, their overall perception depends mainly on the concrete product placement and its very incorporation. This fact is supported by 48 per cent of respondents saying that they perception of a product or service seen in a TV series or a movie depends on the concrete product placement. Even more respondents – concretely 53 per cent – then stated that they perception of a brand as whole, after seeing it in a concrete form of art, also depends on a particular brand incorporation. The second biggest group are then those who consider themselves either unaffected or are indifferent about product placement. If we should state whether product placement either increases or decreases respondents' interest, then it would rather decrease but there is only a negligible difference between these two groups.

What's more, 51 per cent of participants of the survey consider product placement as a good way how to present products, services and brands. And even more – in numbers 53 per cent of all respondents – think that product placement is an ethical and suitable way of products', services' and brands 'presentation. Therefore, it might be assumed that overall, the majority of participants of the survey do not mind product placement and have a rather positive attitude towards it.

Another two interesting questions focused on purchase behavior connected to product placement. 55 per cent of respondents stated that they never bought a product or used a service after they came across it as product placement but on the other hand 43 per cent of respondents do think that product placement influences their purchase behavior. This might mean that product placement raises awareness effectively but then does not convert it to a purchase. Here, however, we also have to realize how product placement influences sub consciousness of respondents. Many respondents might think that they never bough anything after coming across it in a form of product placement, but the opposite might be the truth. The respondents might have simply not realized it.

Last but not least, if speaking about examples of product placement, a high number of cases repeated itself. Namely, the most frequently mentioned examples of product placement by the respondents are Starbucks as a takeaway coffee in almost every American movie, Apple (and overall iPhones and MacBook laptops) being the first electronic brand in American TV shows and movies, Sex and the city movies, Heineken and Redbull, 50 Shade of Grey, Suzuki, Coca Cola as the main soda drink, Hyundai, Lexus and Johnny Walker in the book Kafka on the shore Haruki Murakami. Czech and Slovak respondents were often stating Czech TV series of Ulice and Ordinace v růžové zahradě as the source for product placement - concretely Teta drugstore, Raiffeisenbank, grocery shopping in Billa, the pharmacy Dr. Max.

The aforementioned examples of product placement often fit into both categories – examples of bad product placement as well as good product placement. This finding emphasizes the fact that the same product placement can be perceived differently by its audience. T

The very last finding, which has been repeated many times during this work, is that it really mainly depends on the way how product placement is incorporated into a plot of a movie, TV series, music videos or a computer games. It needs to be implemented as a natural part of the story showing the products and services in an unobtrusive and discreet way. Only this will make the products fit perfectly into the stories and might result in the audience searching for the products on the Internet and possibly going to the stores to actually buy them. And this behavior is exactly the one that the companies were looking for in the first place.

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# LIST OF FIGURES

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# LIST OF GRAPHS

# ATTACHMENTS

Attachment 1: The Forms of Product Placement and its Analysis – survey

**<u>The Forms of Product Placement and its Analysis</u>**

Hereby, I would like to kindly ask you to fill out a short questionnaire. This questionnaire puts an emphasis on product placement, its application in selected industries and its perception by the general public. The results will serve as support for my master's thesis. The completion of the questionnaire should not take you more than a few minutes. If you are interested in the results, email me at hlavacek.josef@gmail.com.  Thank you very much!

1) Have you ever come across product placement? (Explanation: product placement is placement of a particular product/ service into a TV show/ movie/ book etc. to enhance its visibility and awareness)
   a) Yes
   b) No

2) In which area have you come across product placement?
   a) TV shows
   b) Movies
   c) Music
   d) Books
   d) Computer Games
   e) Radio
   f) Sports
   g) Newspapers
   h) Other

3) How many movies do you see in a typical week?
   a) None
   b) 1 - 3
   c) 4 - 6
   d) 7 or more

4) How many TV shows do you see in a typical week?
   a) None
   b) 1 - 3
   c) 4 - 6
   d) 7 and more

5) Do you notice brands and products placed in movies/ TV shows/ broadcasting/ books/ computer games etc.?
   a) Yes
   b) No
   c) I do not know

6) How do you feel about product placement in movies/ TV shows/ broadcasting/ books/ computer games etc.?
   a) I am highly interested in it
   b) I enjoy it
   c) I do not mind it
   d) I mind it
   e) It annoys me
   f) It should be forbidden
   g) I have no opinion of it

7) Have you ever bought a product/used a service after you saw it in movies/ TV shows/ broadcasting/ books/ computer games etc.?
   a) Yes
   b) No
   c) I do not know

8) Do you think that product placement influences your choice of product/services when purchasing goods?
   a) Yes
   b) No
   c) I do not know

9) How do you perceive a product/service after you see it in movies/ TV shows/ broadcasting/ books/ computer games etc.?
   a) Yes, it increases my interests in that very product/ service
   b) Yes, it decreases my interest in that very product/ service
   c) I remain unaffected
   d) It depends on a concrete product placement
   e) I do not know

10) Does product placement influence your view on a brand as a whole?
   a) Yes, it increases my interests in a brand
   b) Yes, it decreases my interest in a brand
   c) I remain indifferent
   d) It depends on a concrete product placement
   e) I do not know

11) Do you consider product placement as a good way to present a product/ brand?
   a) Yes
   b) No, I think that a more suitable tool would be proper advertisement
   c) I remain indifferent
   d) I do not know
   e) No, I do not like product placement at all

12) Do you consider product placement to be a suitable and ethical tool?
   a) Yes
   b) No
   c) I do not know

13) Can you think of an example of good product placement? If yes, can you please state where you came across it?
   a) No
   b) Yes

       14) If yes, please specify:

15) Can you think of an example of bad product placement? If yes, can you please state where you came across it?
   a) No
   b) Yes

       16) If yes, please specify:

17) Can you think of concrete products/ services/ brands that you have seen recently in movies/ TV shows/ broadcasting/ books/ computer games etc.?
   a) Yes
   b) No
   c) I do not know

       18) If yes, please specify:

19) Gender:
   a) Male
   b) Female

20) Age:
   a) 0 - 18
   b) 19 – 25
   c) 26 – 35
   d) 36 – 45
   e) 46 and older

21) Highest level of education achieved:
   a) Elementary
   b) Secondary
   c) Some college (not finished)
   d) Bachelor
   e) Master
   f) Doctorate

22) Nationality: ………

Thank you for your participation. Your response has been recorded.