



## PRODUCT PLACEMENT IN BRAND PROMOTION

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### Abstract

Product placement can have a significant impact on brand awareness and customer purchasing decisions. The article discusses techniques applied in the mass media against the EU legal background and the opportunities it offers in reaching the target audience.

**Keywords:** product placement, brand promotion, media promotion, audiovisual commercial communication

### Introduction

The phenomenon of advertising avoidance – considered an intrusive and obvious form of promotion – has occupied the minds of marketers for many years. The emergence of product placement, derived from favorably perceived celebrity endorsement advertising, has gained popularity among marketing strategists. Similarly to this form of brand promotion, it was assumed that inserting a brand in a popular film, TV show or program will enhance the brand image and affect consumer awareness, thus stimulating their purchasing decisions and making advertising spending more reasonable and consumer-oriented.

### 1. The EU and legal regulations

Product placement – often referred to as brand placement, in-program sponsoring, embedded marketing or branded entertainment – can be essentially described “as the location, or more accurately, the integration of a product or brand into a film or televised series”.<sup>1</sup> However, the scope of brand inclusion has broadly developed to other forms of visual arts and entertainment so now the brands are embedded into the content of songs, lyrics, novels, computer games, pictures, exhibits, plays or musicals. The definition of product placement mentioned above does not include an inherent aspect of this marketing tool which is explicitly emphasized in the EU Audiovisual Media Services Directive. According to the Directive,

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<sup>1</sup> Jean-Marc Lehu, *Branded Entertainment: Product Placement & Brand Strategy in the Entertainment Business*, Kogan Page Limited, London 2007, p.1.

product placement should cover “any form of audiovisual commercial communication consisting of the inclusion of or reference to a product, a service or the trade mark thereof so that it is featured within a programme, in return for payment or for similar consideration”<sup>2</sup>. The provision of goods or services free of charge, such as production props or prizes, should only be considered to be product placement if the goods or services involved are of significant value.<sup>3</sup> Thereby, the financial aspect of product placement qualifies it among advertising techniques.

Product placement has developed its strong position as a subliminal tool of audiovisual commercial communication among European marketing strategists when the European Union ultimately considered it necessary to adopt rules for product placement on the EU level with regard to traditional audiovisual media services such as television and emerging on-demand audiovisual media services. As audiovisual media services are provided across frontiers by means of various technologies and due to the broad application of product placement in the US media sector and the fact that most of the films watched by the European audience were produced in the USA or financed with American funds, the lack of clear regulations on this promotional technique could deteriorate a competitive position of brands financially supporting European productions. New regulations were meant to ensure a level playing-field, thus enhancing the competitiveness of the European media industry. The Directive of the European Parliament and of the Council of 11 December 2007 which amended the Council Directive of 3 October 1989 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities, introduced the definition of product placement distinguishing it from sponsorship in which the references to a product, although allowed to be shown during a programme, are not built into the action of a program and do not constitute part of the plot.<sup>4</sup> The subsequent Directive of 10 March 2010 (called Audiovisual Media Services Directive) which substantially codified the previous one, in principle prohibits product placement, however, considers it admissible strictly limiting the types of programs and works to cinematographic works, films and series made for audiovisual media services, sports programmes and light entertainment programmes, with an explicit exclusion of children’s programmes. Product placement is also admissible where there is no payment but only the provision of certain goods or services free of charge, such as production props and prizes, with a view to their inclusion in a programme.<sup>5</sup>

The Directive regulates other issues related to the product placement, such as the kinds of products prohibited and the requirements to meet in order to embed the products within a program. It stipulates that any event program should not contain product placement of tobacco products, cigarettes or other products from undertakings whose principal activity is the manufacture or sale of cigarettes and other tobacco products. Among other products prohibited by the Directive are specific medicinal products or medical treatments available only on prescription in the Member State under whose jurisdiction the media service provider falls.<sup>6</sup> The Directive pays a particular attention to the impact of product placement on the quality of a program. The content of a program and, in the case of television broadcasting, their scheduling cannot in any circumstances be influenced in such a way as to affect the responsibility and editorial independence of the media service provider. Furthermore, the program cannot directly encourage the purchase or rental of goods or services, in particular by making special promotional references to those goods or services and will not give undue prominence to the

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<sup>2</sup> Directive 2010/13/EU of The European Parliament and of The Council of 10 March 2010 (Audiovisual Media Services Directive), Official Journal of the European Union, L 95/10, 15.4.2010, Article 1.1 (m).

<sup>3</sup> *Ibidem*, (91).

<sup>4</sup> Directive 2007/65/EC of The European Parliament and of The Council of 11 December 2007 amending Council Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities, (61).

<sup>5</sup> Directive 2010/13/EU, *op.cit.*, Article 11.3.

<sup>6</sup> *Ibidem*, Article 11.4.

product in question. Taking special care of the viewers, the Directive prohibits surreptitious product placement because of its negative effect on consumers, unless the viewer is adequately informed of that fact. Therefore, in order to avoid any confusion on the part of the viewer, they should be clearly informed of the existence of product placement. It means that a program containing legitimate product placement is appropriately identified at the start and the end of the program and when a program resumes after an advertising break. However, the EU Member States may waive these requirements provided that the program has neither been produced nor commissioned by the media service provider itself or a company affiliated to the media service provider.<sup>7</sup>

While the Directive accepts product placement in limited cases stipulated above, the EU Member States were allowed to increase the scope of restrictions or even impose a complete ban on product placement. With the implementation of the Audiovisual Media Services Directive, the European countries introduced their own even stricter regulations on product placement. The United Kingdom, beside the mandatory limitations, forbade alcohol, food or drinks high in fat, salt, sugar, gambling and infant formulas to be embedded within audiovisual works, similarly to France which banned placement of alcohol, firearms and infant formula. The Netherlands prohibited placement of alcoholic drinks only between 6 a.m. and 9 p.m. Germany allowed public service broadcasters to transmit shows featuring placements provided they have not produced or commissioned the program, while commercial broadcasters are not restricted this way. Initially, Denmark completely banned product placement but changed its restrictions to allow this form of audiovisual communication.<sup>8</sup> The stricter prohibitions applied by some European countries enhanced Poland to consider implementation of such solutions in Polish regulations. The main opponents of product placement indicated that this tool would significantly affect the artistic value of audiovisual programs and impact free creativity through excessive interference. However, additional funding from business enterprises interested in inserting their brands within a film would financially support the Polish media sector. As a result, a total ban on product placement could significantly reduce the quality and quantity of film projects as, apart from the funding received from the Polish Film Institute and private sponsors, the majority of funding was derived from this form of commercial communication.<sup>9</sup>

The provisions of the Audiovisual Media Services Directive were implemented by Poland in the amendment to Broadcasting Act of 25 March 2011 regulating in detail the rules for product placement.<sup>10</sup> National Broadcasting Council implemented Regulation of 30 June 2011 concerning detailed conditions of product placement.<sup>11</sup> The Regulation determines the detailed conditions of identification of programs that contain product placement by the broadcaster, including the specimen of the graphic sign informing about product placement, applicable to the broadcaster of a television program service, and the form of the acoustic signal informing that the program contains product placement, to be used by radio broadcasters; the manner of keeping and storing the register of programs that contain product placement by the broadcaster and the scope of data to be entered in the register. With regard to television programs, the broadcasters are obliged to identify programs that contain product placement by defined in the Regulation graphic signs at the beginning of a program, when the program resumes after an

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<sup>7</sup> *Ibidem*, Article 11.

<sup>8</sup> James Morris, *How European Media Companies Are Dealing With Product Placement*, Advertising Age, 13 June 2011, <http://adage.com/article/global-news/european-media-companies-dealing-product-placement/228121/>, retrieved: 16 April 2015.

<sup>9</sup> Janusz Krzeszewski, Katarzyna Dudziak, *Lokowanie produktu sposobem na zwiększenie sprzedaży*, Rzeczpospolita Prawo i Praktyka, 22 February 2012, <http://prawo.rp.pl/artukul/815850.html>, retrieved: 16 April 2015.

<sup>10</sup> Act of 25 March 2011 on the amendment of Broadcasting Act, Official Journal 2011, No. 85, item 459.

<sup>11</sup> Regulation of the National Broadcasting Council of 30 June 2011 concerning detailed conditions of product placement, Official Journal No. 161, item 977.

advertising or teleshopping break, at the end of the program and throughout the duration of closing credits. (Figure 1 and 2)



**Figure 1.** The graphic sign inserted at the beginning of a program, when the program resumes after an advertising or teleshopping break.

Source: Appendixes No. 1 to the Regulation of the National Broadcasting Council of 30 June 2011, Official Journal No. 161, item 977.



**Figure 2.** The graphic sign inserted at the end of the program and throughout the duration of closing credits.

Source: Appendixes No. 2 to the Regulation of the National Broadcasting Council of 30 June 2011, Official Journal No. 161, item 977.

With regard to radio programs, the broadcasters are obliged to identify programs that contain product placement by an acoustic symbol in the form of a voiced-over text with the wording in Polish “*audycja zawiera lokowanie produktu*” [this program contains product placement] at the beginning of the program or when it resumes after an advertising or teleshopping break, and the wording “*audycja zawierała lokowanie produktu*” [this program contained product placement] at the end of the program.

## 2. Types of product placement

The exposure of a brand to the targeted customers in media vehicles may be visual, verbal or a combination of both methods. Visual placement entails placing the brand on screen within the setting or background of a program. The product or brand displayed may not be integral to the story and there may be no interaction between the characters and the product so the placement can be easily overlooked by the audience. However, nowadays the viewers has become so brand-aware that hardly ever an insertion maintains unnoticed. Verbal placement occurs when an actor references or requests a product by name. While in audiovisual media this type of placement is usually followed by its visual presentation, a pure verbal placement is most common in non-visual media, such as music and books.<sup>12</sup> Visual or verbal product placements may bear various names depending on their impact on and interaction with the media. Brand interaction is a term for a situation when the actors actually handle the product or physically interact with it, i.e. while driving a car or wearing a wristwatch of a popular brand in a scene of a movie. A wider degree of connection occurs in brand integration when the brand is composed into the film storyline becoming part of the plot or context, like the BMW Z3 vehicle model in a James Bond film, “Golden Eye”, featured as the agent’s main means of transport fully equipped

<sup>12</sup> Frank R. Kardes, Maria L. Cronley, Thomas W. Cline, *Consumer Behavior*, Second Edition, Cengage Learning, Stamford 2008, s. 482-483.

with all the essentials including a self-destruct system and stinger missiles located behind the headlights. Branded entertainment reaches the highest degree of brand control over the media work content. The brands are embedded into the content of a show, weaving messages of commercial nature within the script and scenery of the program.<sup>13</sup> It is a kind of communication that perfectly aligns with the brand features and reflects the brand personality. Therefore, it is considered less intrusive and more appealing to the target audience as is naturally integrated into the content. Branded entertainment appeared first on television drama, comedy series and shows, as watched by mass viewers and covered popular fast moving consumer brands. An effective branding can be observed in the “Up in the Air” movie with George Clooney starring as a business traveler whose aim was to earn 10 million frequent flyer miles with American Airlines, while staying in various Hilton hotels during his travels. The thread focuses on the leading character’s ambition to become the seventh client of American Airlines to have achieved that result. However, in this case no financial funding was provided by the brands but the producers were delivered with services and locations free of charge in return for brand exposure.

The verbal exposure of a brand may appear in television series, shows and visual media when the characters discuss the brand. Verbal mention is believed to be more effective and to stand out more in the minds of the audience of a film than the visual one.<sup>14</sup> A scene in the 1987 “Throw Mama from the Train” movie provides an example of a “spontaneous mentioning” a brand when Denny DeVito asked by Billy Crystal if there was anything he wanted uttered: “Get me a Chunky”.<sup>15</sup> A good example of pure verbal product placement was applied in the “Back to the Future” movie when the leading character, Marty McFly, played by Michael J. Fox, is called “Calvin” by a newly met girl after his time travel to 1955 because of the Calvin Klein label spotted by the girl on his underpants. The protagonist of the “Demolition man” film, Sergeant John Spartan played by Sylvester Stallone, just revived after 36 years of being cryogenically frozen asks not for just a cigarette, but turns to Officer García saying: “Yo, get me a Marlboro”.

### 3. Content and techniques applied

Brand managers while incorporating a commercial product into a non-commercial setting seek to ensure that the content seems to be natural and implicitly not profit-driven. The exposure of the target audience to the brands occurs in a natural process of its contextual use in a film, television series, show, radio program. The promotional strength of a brand embedded in content is amplified with a popular actor, artist or performer involved and thus contributes to increasing awareness of the brand. Nevertheless, if the placement is too distracting or intrusive to the viewer, the effect may be contrary to the assumed. Therefore, in this marketing strategy the context and environment the brand is displayed within is more significant than in other promotional techniques.

Films, television series, shows, songs, or other forms of visual arts and entertainment reach a broader audience as they can be broadcast multiple times, viewed frequently, and easily on-demand accessed over years. The power of brand placement in such contents consists in their artistic merits and values to the audience who keeps on returning to their favorite movies, songs, television programs. Furthermore, the audience increases as new viewers discover then

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<sup>13</sup> Gabriella Lukács, *Scripted Affects, Branded Selves: Television, Subjectivity, and Capitalism in 1990s Japan*, Duke University Press, 2010, p. 14.

<sup>14</sup> Kerry Segrave, *Product Placement in Hollywood Films: A History*, McFarland & Company, Inc., Jefferson 2004, p. 188.

<sup>15</sup> Mary-Lou Galician (edit.), *Handbook of Product Placement in the Mass Media: New Strategies in Marketing Theory, Practice, Trends, and Ethics*, The Haworth Press, Inc., Binghamton 2004, p. 29; Chunky is Nestlé’s candy bar brand.

unknown to them, older productions. Thus, the reach and longevity of product placement is far more extensive than that of standard media advertisements.

The advantages above cause that nowadays virtually all movies or shows are inserted with commercial brands. The examples of most effective and remembered cases of brand placement include Ray-Ban sunglasses worn by Tom Cruise in the “Top Gun” movie. The Aviators model was so perfectly matched with the actor and his role making it one of the most iconic and timeless sunglass models in the world. The DeLorean DMC-12 car model, a time machine featured in the “Back to the Future” movie, gained such an impressive recognition among the audience and subsequently of the key market players that the movie sequel, “Back to the Future Part II”, featured such major brands as Pepsi, Mattel, Pizza Hut, 7-Eleven, AT&T, Nintendo, Black & Decker, Texaco, The Weather Channel, and the biggest winner, Nike, with its special lace-free shoes model. Still following the film success, as the 1989 Part II movie took place in 2015, after 26 years from the film’s debut just in 2015 Nike announced a release of a line of self-lacing, light-up sneakers worn by the *Back to the Future Part II*’s leading character, Marty McFly<sup>16</sup> (Figure 3).



**Figure 3.** Nike's “Back to the Future” lace-free shoes model

Source: Jack Linshi, *Self-lacing ability with “power laces” technology*, TIME, 11 January 2015, <http://time.com/3662868/nike-back-to-the-future-shoes/>, retrieved: 18 April 2015.

The 2015 year also marks the 30th anniversary of the original “*Back to the Future*” film. The continuation of Nike brand placement strategy following the movie success indicates great reach and, foremost, longevity of this form of audiovisual communication. It may be one of the reasons why contemporary made films seem impossible to appear without financial, merchandise, or service support of commercial brands with examples of movies and their sequels like the James Bond film series or “*Sex and the City*” sitcom so inserted with high-profile brands that their placement arouses enormous interest and enthusiasm among viewers comparable to the movies themselves. The 007 film series have a long history of product placement with brands over the years like Martini (“shaken, not stirred”), BMW, Aston Martin, Range Rover, Coca-Cola, Sony, Ford, Rolex, Omega, Belvedere, Procter & Gamble, Heineken, etc., applying a sponsorship rule not to promote itself with a competitive brand in the same film.

Legitimized product placement with the EU’s Audiovisual Media Services Directive impacted primarily television programs. Brands are weaved into TV series and shows, featured briefly on screen or playing a key role in the plot. Integrated into the actual content of a program

<sup>16</sup> Jack Linshi, *Self-lacing ability with “power laces” technology*, TIME, 11 January 2015, <http://time.com/3662868/nike-back-to-the-future-shoes/>, retrieved: 18 April 2015.

are innately much harder to skip and to remain ignored. With the implementation of Regulation of the National Broadcasting Council of 30 June 2011 concerning detailed conditions of product placement, Polish TV programs are inserted with brands trying to reach their target audience. Viewers watch Ikea kitchen in the “Rodzinka.pl” series as the family is shopping online in Alma foods supermarket chain drinking Coca Cola. Guests at “Kuba Wojewódzki” talk show are offered Hellena soda. Participants of the “Ugotowani” cooking show season their food with Prymat spices. Ubiquitous product placement lowers the production costs and builds brand promotion. A phenomenon in the U.S. market is Apple brand placement in television programs with its iPhones and Macbooks featured in many popular shows. Although Apple never pays for brand placement, television producers integrate the brand in their productions. A whole episode of “Modern Family” sitcom was fully dedicated to Apple iPad – a dream birthday gift of one of the characters – with the family trying to get the about-to-be-released product standing in Apple Store lines and singing the praises of the iPad.

Brands reach their target audience with various forms of expression in new media services. A music video may contain more brands than a commercial feature film, to mention Lady Gaga’s single “Telephone” with 9 brands embedded into a 9:30 minute video clip including: Virgin Mobile cell phones, Chanel sunglasses, Hewlett-Packard, Polaroid, HeartBeats headphones, PlentyOfFish.com dating website, Wonder Bread, Miracle Whip, and Diet Coke cans applied as hair curlers. (Figure 4) Since the video’s debut on 15 March 2010, it has received over 223 million views on the official Lady Gaga YouTube video thus far.<sup>17</sup>



**Figure 4.** Diet Coke brand placement in Lady Gaga’s music video “Telephone”

Source: <https://www.youtube.com/watch?v=EVBsypHzF3U>, retrieved: 18 April 2015.

Artists incorporate brands not only in music videos but also embed brand names into song lyrics. Paid product placement in music industry is a recent trend and not each brand reference is an artist’s endorsement. As the music producers usually do not contradict the visual brand insertion, verbal promotion may be more controversial. Musicians often deny actual product placement lyrics and claim the brand reference to be their own decision so as not to damage their image as real artists. Nevertheless, both musicians and brands benefit from brand mentions in popular songs, even though a brand does not appear in the music video. Jay-Z, featured in Beyoncé’s “Drunk in Love”, raps about D’USSE cognac with a glass of brandy in hand. Kesha refers to Jack Daniels in her “Tik Tok” 2010 debut hit: “Before I leave, brush my teeth with a bottle of Jack”. Product placement seems to be particularly ubiquitous in the hip-hop world. An

<sup>17</sup> YouTube, <https://www.youtube.com/watch?v=EVBsypHzF3U>, retrieved: 18 April 2015.

impressive increase in Courvoisier liquor sale triggered by the Busta Rhymes “Pass the Courvoisier” hip-hop song of 2002 changed the approach of rap artists towards songwriting. Although the placement of the cognac brand is said to be merely an artistic choice, the song became a symbol of the economic power of hip-hop and made the rap world entrepreneurial.<sup>18</sup> Originally, hip-hop was the leading purveyor of fashion and culture mainly among the US young generation but when the rap music got into the mainstream it heavily influenced lifestyle of successful 30-40 year olds. Beside urban clothing lines, shoes brands, beverages (mostly alcoholic) and fast food restaurants, artists rap about top-shelf products available to middle and upper class as multiplatinum rappers turned from urban streets to luxury clients. The “Mercy” song by Kanye West, Big Sean, Pusha T and 2 Chainz praises Lamborghini car. 50 Cent raps about Dom Pérignon, Mercedes-Benz and Hennessy, while Ludacris about the Cadillac Escalade (“Southern Hospitality”) and Conjure Cognac (“Turnt Up”), and Snoop Dogg about Moët et Chandon, a high-class champagne, in “Stoplight”. The massive and initially unexpected impact of hip-hop on retail sales has made this type of music a powerful marketing tool and a viable space for brand promotion.

## Conclusions

With the implementation of the EU’s Audiovisual Media Services Directive regulating the application of product placement, the European broadcasters started intensively to benefit from a new opportunity to acquire additional resources for their productions. Films, television series, shows and other TV programs, even songs, games and books became a new vehicle for brand promotion. Product placement, if applied correctly, can generate awareness of new products or brands. Too intrusive placement can distract viewers from a movie plot or a television program and be considered even more annoying than advertisements easily to be avoided during a commercial break. Thus, it is an editorial challenge to skillfully integrate the brand into the context of a scene as not every brand fits a role designed by producers with their own image and personality distinct from their competitors. Creative product placement is subliminal, almost furtively appears on the screen, whether it is a brand name hovering in the background, a natural use of a product integrated as a prop, or just a verbal mention. When practiced thoughtfully, product placement can add a sense of realism to a film or television program that a no name product cannot.

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<sup>18</sup> Lynette Holloway, *Hip-Hop Sales Pop: Pass the Courvoisier And Count the Cash*, NY Times, 2 September 2002, <http://www.nytimes.com/2002/09/02/business/media-hip-hop-sales-pop-pass-the-courvoisier-and-count-the-cash.html>, retrieved: 21 April 2015.



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## PRODUCT PLACEMENT W PROMOCJI MARKI

### Streszczenie

Product placement (in. lokowanie produktu) może mieć znaczący wpływ na wzrost świadomości marki i decyzje zakupowe klientów. W artykule omówiono techniki stosowane w środkach masowego przekazu na tle uregulowań prawnych Unii Europejskiej oraz możliwości, jakie oferuje ten rodzaj promocji marki w dotarciu do grupy docelowej.

**Słowa kluczowe:** product placement, lokowanie produktu, promocja marki, media, komunikacja audiowizualna

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