

Michael Knöppel

An analysis of "Product Placement" as a strategic communication instrument

With particular regard to its effects on viewers of cinema and television film

Diploma Thesis

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and television film*

**Diplomarbeit
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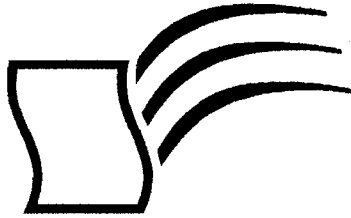
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"Can one really distinguish between the mass media as instruments of information and entertainment, and as agents of manipulation and indoctrination?"

-Herbert Marcuse-

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LIST OF ABBREVIATIONS

AFP	= Associated Film Promotions
ARD	= Allgemeine Rundfunkanstalten Deutschlands
art.	= Article
cf.	= confer
CPT	= Cost per thousand viewers reached
Diss.	= Dissertation
DM	= Deutsche Mark
EC	= European Community
ed./eds.	= Editor/Editors
edn.	= Edition
e.g.	= exempla gratia (for instance)
ERMA	= Entertainment Resources & Marketing Association
et al.	= et alii (and others)
et seq.	= et sequentia (and the following)
etc.	= et cetera
EU	= European Union
FAZ	= Frankfurter Allgemeine Zeitung
FF	= Frankfurt/Main
FT	= Financial Times
GfK	= Gesellschaft für Konsumforschung
i.e.	= id est (that is to say)
Ibid.	= Ibidem (in the same place)
insp.	= inspected

MPAA	= Motion Picture Association of America
n/a.	= not available
N.A.	= No author
Op cit	= Opere citato (in the work mentioned)
p./pp.	= page/pages
PP	= Product Placement
PR	= Public Relations
R & D	= Research and Development
RfStV	= Rundfunkstaatsvertrag
ROI	= Return on investment
Sect.	= Section
SGI	= Silicon Graphics Incorporated
TU	= Technische Universität
TUI	= Touristik Union International
TV	= Television
US/USA	= United States of America
UWG	= Gesetz gegen den unlauteren Wettbewerb
VCR	= Videorecorder
Vol.	= Volume
vs.	= versus
WDR	= Westdeutscher Rundfunk
WIST	= Das wirtschaftswissenschaftliche Studium
ZAW	= Zentralverband der deutschen Werbewirtschaft e.V.
ZDF	= Zweites Deutsches Fernsehen
ZUM	= Zeitschrift für Urheber- und Medienrecht

0 Executive Summary

"Product placement is the most inexpensive way to get visibility and image enhancement and sales power. Given the long lead times in film production, it's not instant gratification. You have to take some risks with it. But you're getting into the most powerful medium in the world. It's fun."

-Gisela Dawson, president Catalyst Group-

In a business environment of saturated consumer goods markets and advertising clutter in most established communication channels, marketers will need to find innovative means of communicating product benefits to consumers and gain competitive advantages. One way of doing this is placing products in entertainment media such as cinema, TV or video films. Thereby, the obvious shortcomings of traditional advertising can be avoided and substantial benefits reaped that are associated with the subtle integration of promotional messages into a medium that is unequalled in both reach and efficacy.

In order to maximise the envisaged promotional effect and to facilitate target-orientated marketing, a diverse selection of instrumental placement options are at the marketer's disposal. Their implementation can have many advantageous consequences, but product placement's indefinite legal status in Germany may also impair its applicability for companies operating there. Scientific research has so far fostered the role of placements in raising brand awareness and recall as well as provoking attitudinal changes. However, despite numerous examples for unprecedented placement success in marketing practice, a concrete confirmation for its direct impact on buying behaviour is still elusive. Nevertheless, product placement is a growing market and, providing some managerial guidelines are adhered to, could be a profitable and effective addition to a competitive company's communication mix.