



# Towards a better understanding of practitioners' ideas about product placement: an empirical analysis in the Italian context

Giacomo Gistri<sup>1</sup> · Matteo Corciolani<sup>2</sup>

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## Abstract

Product placement is an increasingly essential technique in marketing communications. The majority of previous contributions, however, focused on investigating the product placement impact on consumers in the various entertainment contents. In this article, we focus on practitioners' ideas about the practice. Specifically, we carry out a survey in the Italian context by replicating and extending previous seminal studies conducted in the USA. Replication studies are essential for practitioners to be more confident when applying theoretical insights to their ordinary activities. Findings provide some preliminary insights about the product placement industry in Italy, which is less developed and more linked to the film industry than the product placement industry in the USA. Managerial implications and suggestions for future research are presented at the end of the article.

**Keywords** Product placement · Practitioners · Digital communication · Replication study · Survey

## 1 Introduction

The practice of product placement has a long history (Karrh et al. 2003). In the USA, MGM Studios already opened an office for taking care of product placements throughout the 1930s (McKechnie and Zhou 2003). Until the 1990s, however, the

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✉ Matteo Corciolani  
matteo.corciolani@unipi.it

Giacomo Gistri  
giacomo.gistri@unimc.it

<sup>1</sup> Department of Political Sciences, Communication and International Relations, University of Macerata, Via Don Minzoni, 22a, 62100 Macerata, Italy

<sup>2</sup> Department of Economics and Management, University of Pisa, Via Ridolfi, 10, 56124 Pisa, Italy

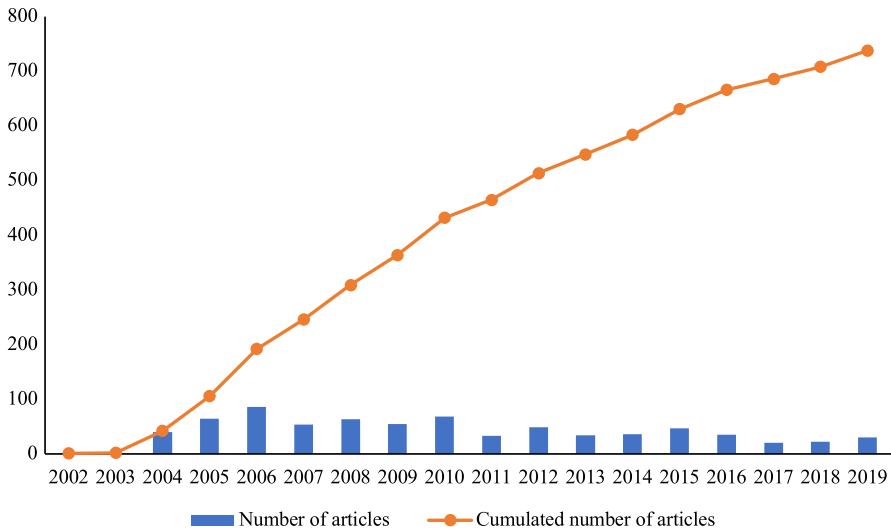
product placement technique was applied very haphazardly and experience generally determined decisions (Steertz 1987).

Over the years, this practice has then become increasingly sophisticated. More recently, the development of digital technologies has significantly changed the rules of the game, by also opening the door to many new opportunities. For instance, several companies now try to integrate brands in entertainment products by employing virtual product placement. In fact, by adopting current technologies, it is possible for marketers to position a specific brand in a scene and then, if necessary, to virtually replace it with another brand. Netflix has recently experimented this possibility by asking viewers to choose which brand of cereals the Black Mirror's protagonist should eat in the movie "Bandersnatch". Similarly, Ryff has established a partnership with the Endemol Shine Group,—which, among others, produce successful reality TV shows like MasterChef and Big Brother,—to place brand products into scenes by also making it possible to digitally replace them with others at a later stage (Tynan 2019). Moreover, since leading subscription video streamers, such as Netflix, Amazon Prime Video, Disney+ and Apple TV+ do not sell traditional advertising spots on their services, the incidence of product placement and brand integration in their content offerings, as well as outright branded entertainment programming, has soared in recent years.

According to PQ Media (2020), 2019 is the tenth year that product placement revenues keep growing globally. Specifically, the total value of product placements in all media has now reached \$20.57 billion (+14.5%). Product placement in TV is the largest media platform category by far, valued at \$14.05 billion globally in 2019. Product placement in films, the second largest media category, generated \$3.04 billion worldwide in 2019. Virtual brand integration, however, continues to push into traditional and digital video programming. Particularly, product placement in digital media platforms, including online, mobile and social media channels, grew the fastest,—up 20.9%,—in 2019.

From a research standpoint, product placement has been investigated from three separate angles: the viewer, the content and the practitioner. Most product placement studies analyse viewers' responses, which are well summarised in Balasubramanian et al. (2006). According to these authors, the interaction between the placement's characteristics and the individual-specific factors produces different means to process the stimulus and, in turn, a different impact on the audience. Alternatively, studies on the content are generally used to identify placement methods in different kinds of programmes (La Ferle and Edwards 2006; Naderer et al. 2019; Chan and Fong 2016). Practitioner-focused research, by focusing on knowledge shortfalls, aims at exploring the needs and expertise of professionals, contributing to future studies and bridging the divide between scholars and practitioners.

Our study's main objective is to achieve a better understanding of practitioners' ideas about product placement. In fact, similarly to many other authors who think that the practitioner's viewpoint is generally not studied in enough detail (Craig-Lees et al. 2008; Russell and Belch 2005), we also believe it is important to offer a new, updated perspective on how these fundamental actors relate to the practice of product placement. This is even more important if we consider the relevant changes and transformations this context is now experiencing, which we have briefly described above. To date, moreover, not only just a few research reports have studied the decision-making of



**Fig. 1** Media articles on product placement by year

product placement professionals, but most of these research reports focus on the USA (Karrh 1995; Karrh et al. 2003; Pardun and McKee 1999; Russell and Belch 2005). Conversely, the manner in which professionals outside the USA execute product placement decisions has scarcely been investigated thus far (Craig-Lees et al. 2008). Therefore, while US placement practitioners tend having considerable global influence, an increasing number of authors argue that research should be conducted not only in the USA but also in other countries (Chang et al. 2009; Morikawa and Hosoda 2015). In fact, although most entertainment products—for example, films, TV shows and videogames—are made in the USA, they are often intended for worldwide distribution.

To fill this gap, the present study, by means of a survey, which is a replication of Karrh et al.’s (2003) study, aims at investigating the latest views of the use and efficacy of product placement by Italian practitioners. Specifically, Italy is a context in which product placement has been analysed in few contributions and only from a consumer behaviour perspective thus far (Guido et al. 2010; Nelli 2009; Sabour et al. 2016). As discussed below, the practice of product placement in Italy is relatively new because it was legalised in 2004. Also in the public debate, this topic has started to be discussed only recently. For instance, by examining the evolution of the Italian newspaper articles mentioning the expression “product placement” at least once, it is possible to observe how an interest in this topic has especially started in 2004. The increased interest in this technique has then doubled over the last ten years<sup>1</sup> (see Fig. 1).

<sup>1</sup> We based this exploratory research on a dataset of 738 articles, which was downloaded from the Lexis-Nexis database in January 2020. In order to identify the articles, we searched for all the articles written in Italian that mentioned the expression “product placement” at least once.

In particular, the results of our survey are used to compare the Italian practitioners' views with those of their US counterparts, which are reported in previous research (Karrh 1995; Karrh et al. 2003). To this end, the rest of the article is arranged as follows. Firstly, we review the contributions that dealt with practitioners' viewpoints on product placement thus far. We then analyse the main differences between the Italian and the US product placement regulations followed by research questions and our study's methodology. Lastly, we illustrate and discuss the results of the empirical research, identifying implications and future research developments.

## 2 Past research on practitioners' ideas about product placement

Research on product placement practitioners, which is summarised in Table 1, can be categorised into two extensive but connected groups: industry focused studies as well as practitioners' ideas and practice studies. Research that falls into the first group aims at investigating how product placement deals have been arranged in a specific context, describing the involved actors, their roles and the relationship among them. More specifically, Russell and Belch (2005), after interviewing 56 US and Canadian product placement professionals, noticed that the practice of product placement is usually uneven among customers. There is no department that assumes responsibility for the activity and, depending on the organisation, anyone from the marketing department or the public relations team could handle product placement. In fact, for certain companies, product placement is not part of an overall communication strategy but more of an incidental operation and often without any specific goals. According to this research, it appears that many clients are pleased with merely having the product featured in the entertainment programme. However, other professionals would like to have access to accurate and objective assessments to identify how product placement operates, how to incorporate it into the general marketing strategy and to make its efficacy clearer.

In the same context, Chang et al. (2009) investigated the process of product placement in more detail. Through in-depth interviews with 19 key players in the USA—four from entertainment firms, 13 agents and two brand marketers—Chang et al. (2009) found that three placement process models could work: serendipitous, opportunistic and planned product placement. Serendipitous placements are characterised as those that occur by chance and are usually informal. Opportunistic placements generally originate from the side of the entertainment firm and require agents to negotiate with clients for partnerships. Planned placements arise whenever a production corporation has an agreement with a corporate brand to use its products in the film/TV programme. Chang et al. (2009) also indicate that all industry players are monetarily driven. Essentially, studios want brands to satisfy at least one of the following three main requirements: (1) cross-promotional or advertising media opportunities to offset their promotion and advertising budget, (2) cash for shooting scenes and (3) products to reduce their production costs. In a different study, Smit et al. (2009) focused on brand placement in Dutch television and the resulting industry. They report how, in Holland, TV programmes with brand placement have grown significantly in recent years up to the point where brands are considered an intrinsic

**Table 1** Summary of the main contributions about practitioners' investigations in the product placement context

Authors	Methodology	Sample	Results
1 Karrh (1995)	Survey	22 product placement practitioners in the USA (ERMA members)	Informants consider unaided recall to be the best measure of product placement success. They also think that representing the product in a favourable light is the most relevant executional factor
2 Pardun and McKee (1996)	Survey	156 advertising practitioners in the USA	Respondents indicate the placement price and the style of the film as the most significant variables in making a decision on product placement for motion pictures. Practitioners appear to focus more on the performance of the vehicle, i.e. the film, in which the brand is embedded to decide about a product placement investment
3 Pardun and McKee (1999)	Survey	106 PR practitioners in the USA	Public relations practitioners can be active players in choosing whether to use product placements in order to enhance a client's product. Practitioners also prove to be more expert about product placements than previously assumed. Finally, public relations practitioners are more eager and optimistic than advertising experts about the future of product placement
4 Karrah et al. (2003)	Survey	28 product placement practitioners in the USA (ERMA members)	Practitioners consider an extended set of brand and executional factors to be significant for successful product placements. They also think that product placement may lead to trade-offs between financial and creative needs and wants in film production
5 Russell and Belch (2005)	In-depth interviews	56 product placement practitioners in the USA and Canada	Power, trust and commitment are deemed key factors in the relationship-driven industry. Practitioners also recommend how professionals should plan, use and assess their placement efforts
6 Craig-Lees et al. (2008)	Survey	23 Australian product placement practitioners	Australian practitioner attitudes and beliefs tend to be more similar to those of US practitioners in 1995 than those of US practitioners in 2003. Like its US counterparts, Australian practitioners are also sceptical about the possibility to apply academic research findings to their activities
7 Chang et al. (2009)	In-depth interviews	19 product placement practitioners in the USA (ERMA members)	Three models about how practitioners participate in the process through which products are inserted in movies and television programs are proposed: serendipitous placements, opportunistic placements and planned placements. These alternative models imply a distinct, conceptual and practical framework to think about the product placement process

Table 1 (continued)

Authors	Methodology	Sample	Results
8 Smit et al. (2009)	In-depth interviews	24 product placement practitioners in Holland	The interviewed practitioners believe brand-integrated programs to be the future of advertising. Moreover, they offer insights into the mutual relationships between the different parties involved in the product placement process. For instance, they adopt the law restrictions to examine the consumers' acceptance levels concerning television sponsoring
9 Lee et al. (2011)		100 advertising and PR practitioners in Korea	Practitioners view the use of brands by the main character in film or television programs to be the most important factor contributing to the success of the practice, whereas they show a lack of consensus about the brand being verbalized in dialogue. As for a brand's executional elements that enhance placement effectiveness, they believe that a brand's unique personality is the most important factor, followed by a very recognisable package or design. They also indicate that aided recall is the most effective and appropriate means to measure effectiveness, followed by recognition of the brand in media entertainment. Finally, they predict that brand placement will become an integral part of their marketing communication and that the practice will continue to rise in popularity in the future
10 Um and Kim (2014)	Survey	35 Advertising and brand entertainment practitioners in the USA (ERMA members)	Marketing practitioners, i.e. branded entertainment agents and advertisers, prove to conceptualise branded entertainment differently from product placement. Furthermore, these practitioners' perspectives on branded entertainment provide insights on the future of this type of entertainment

part of the shows. Smit et al.'s (2009) results also give insights into the reciprocal interaction between the various groups, demonstrating that practitioners use the law's constraints to measure the public's extent of approval with regard to television sponsorship.

The second stream of practitioners' studies aim at investigating these subjects' attitudes and ideas regarding product placement practices. Specifically, practitioners' concerns and skills are considered of particular interest in order to somehow identify information shortfalls to direct future research and bridge the gap between practitioners and academics. Karrh (1995) performed the first documented analysis of practitioners' views about product placement within the USA. He polled a group of 22 ERMA representatives and discovered that practitioners find presenting the good or service in a positive light as the most critical implementation element and unaided recall as the strongest means to assess the effectiveness of product placement. Pardun and McKee (1996) built on this research by surveying 156 advertising agency media directors knowledgeable on the topic of product placement. Respondents described the national market opportunity, the placement price and the style of film as the most significant variables in making a decision on product placement for motion pictures. Media directors appeared more focused on the performance of the vehicle, i.e. the film, in which the brand is embedded to decide about a product placement investment. A few years later, Pardun and McKee (1999), following Karrh's (1995) approach, analysed 106 PR companies around the USA and reported similar findings. Again, the size of the audience, the placement cost and the film's theme were considered the most important factors for deciding whether to use product placement or not. Moreover, Pardun and McKee (1999) noticed that practitioners think product placements have a beneficial impact on a product's image and, in turn, it is this gain that is desired in product placement activities, not an increase in sales per se. Informants of this research also predicted that product placement would grow significantly in the future.

Karrh et al. (2003) also collaborated to investigate how professionals had modified their opinions about the application and efficacy of product placement by replicating the Karrh (1995) survey. Compared to the initial study, no factor has decreased in importance. However, it appears that practitioners have adopted a broader perspective: in fact, many aspects were perceived to be central for the performance of product placements. Notably, as for executional factors, practitioners highlighted the importance of screening the product in use and preventing rival brands to appear in the same entertainment content. Karrh et al. (2003) also assumed that the promotion of the placement itself was essential for success, as expressed in the growth of cross-promotional initiatives. As for the means to measure product placement effectiveness, there still was an elevated emphasis on discretionary decision-making factors. From a quantitative viewpoint, unaided recall and recognition continued to be the two most common methods of evaluating placements, but following up on actual purchases or reporting the placement in the press were also listed as methods of evaluating placements.

Outside the USA, a number of other researchers have similarly started investigating different contexts by highlighting correspondences and differences with the product placement managerial model adopted in the USA. For instance, Lee et al.

(2011) surveyed a sample of 100 Korean advertising and PR practitioners. Findings suggest that Korean practitioners view the use of brands by main characters in films or TV shows to be the most important factor contributing to the success of the practice. As for the measure of effectiveness, the Korean practitioners indicated—in contrast to their US counterparts—aided recall and brand recognition as the most effective and appropriate indicators. Lastly, the Korean practitioners predicted that brand placement would become an integral part of marketing communications and that the practice of product placement would continue to rise in popularity in the future. Similarly, Craig-Lees et al. (2008) ran a survey targeted at product placement practitioners in the Australian context. Their findings indicate that the opinions of Australian practitioners are more in line with those of the US professionals in 1995. Moreover, Craig-Lees et al. (2008) note that practitioners are not particularly inclined to use findings from academic research, even though these could inform their decisions.

Thus far, however, only a few studies have considered the practice of product placement outside the USA and, more specifically, no study has addressed the practitioners' views of product placement in the Italian context. With this study we aim at filling this gap by contributing to the second stream of practitioners' studies. This topic is particularly interesting, as the adoption of product placement in Italy uniquely distinguishes itself due to important differences regarding law and regulations, which only legalised product placement from 2004 onwards. The next section briefly reviews the legal and regulatory context in the USA and shows how the Italian one differs from it.

### 3 Regulatory differences between the USA and Italy

Unlike advertisement legislation, the regulatory provisions for product placements in the USA vary from being scarce to absent (Balasubramanian 1994). Next to the implementation of the Audiovisual Media Services Directive (AVMSD), a range of countries in Europe have also recently modified their regulatory environment. Despite these changes, there are already significant differences between the USA and other countries, such as Italy, on the extent and reach of the regulatory predisposition for product placements (Sabour et al. 2016). Therefore, the next two sections briefly summarise the main differences between the US and the Italian regulation systems.

#### 3.1 USA

Product placements in the USA progressed from a spontaneous, unplanned operation (DeLorme and Reid 1999) to a specialised activity in the 1980s (Balasubramanian 1994). Owing to professional advertising companies in the mid-1980s, placements became an ordinary practice in the 1990s (McKechnie and Zhou 2003). Today, the USA product placement industry is heavily organised and legitimised (Russell and Belch 2005).



As mentioned earlier, the regulation of film and television product placements in the USA varies from minimal to absent. Television placements, though, are associated with comparatively more constraints than film placements. Placements derived from broadcast/cablecast media must, in addition, necessarily comply with the Communications Act (Cain 2011). In contrast, film product placements are not regulated (Ong 2004).

### 3.2 Italy

As Dalli and Gistri (2006) observed, branded products have been present in Italian films since the 1930s and 1940s. Nevertheless, we cannot say the same for product placement agreements. In Italy, the practice was actually not explicitly regulated before 1992. During this time, placements included implicit agreements between producers/directors/actors and private companies instead of structured or legal agreements. Between 1992 and 2004, Law No. 74, which focused on fraudulent sales practices, was extended to product placements. However, since product placement has a hybrid nature, the implementation of this legislation faced major difficulties. In 2004, Law No. 28, therefore, came into force by officially authorising product placement in Italian films. The legislation mandated the simple, honest and equal portrayal of brands in order to prevent viewer deceit. This legislation also demanded that sponsors who provided any form of financial assistance for the film be identified in the closing credits. Moreover, products needed to be introduced into the storyline without disrupting the narration. The placement of medicines, cigarettes and alcohol items was banned in all spheres.

It is noteworthy that until 2010, when Law No. 44 integrated the AVMSD into the regional legislative framework, this statute did not deal with placements in television programmes. Consequently, the cumbersome evolution of Italian legislation and its fragmentation have made the formation of a stable product placement industry very difficult compared to other countries. To date, moreover, regulations on product placements only apply to self-styled traditional audio-visual products. No specific references have been made to new entertainment content, such as online user-generated contents, music videos, video games, comics, etc.

As a final note, we argue that the particular development of the Italian product placement industry could also be affected by other factors, which go beyond the specific legal and regulatory context that has directly affected it. Although we do not explore other factors in this paper, we could imagine that cultural differences between Italy and the USA might also play an important role in explaining why the two systems are so dissimilar. In this regard, we just mention that, considering Hofstede's (2001) model, Italy and the USA occupy significantly different positions on all five dimensions identified by him (power distance, uncertainty avoidance, individualism, masculinity and long-term orientation) (Sabour et al. 2016). Accordingly, they may be considered part of different cultural clusters: Italy makes part of the Latin-European cluster, while the USA are positioned in the Anglo cultures cluster (Gupta et al. 2002). We thus think it might be worth to address these cultural differences in future research.

## 4 Research questions

We defined our research questions following previous contributions on product placement practitioners. Therefore, the items used by Karrh (1995) and Karrh et al. (2003) also form the basis for this study. By adopting the same variables, we had the important chance to compare past views of product placement to the present perspectives. Moreover, although the studies by Karrh (1995) and Karrh et al. (2003) were conducted several years ago, they still represent the reference point for the most advanced product placement industry in the world.

Specifically, the Karrh (1995) and Karrh et al. (2003) studies analysed four different groups of items: the executional factors that practitioners deem to be most effective in product placement; the brand characteristics that, according to them, most significantly contribute to success; the measurement tools they think to be most appropriate for estimating product placement effects; and their overall ideas about the practice itself. Hence, our first research question also deals with the factors that, according to practitioners, could attract particular attention to the brand object of placement. For example, because product placement is increasingly used in a complex communication environment, we could hypothesise that practitioners nowadays bestow major importance on immediately showing consumers using the brand in order to obtain competitive exclusivity. In more general terms, we ask—

RQ1: Which executional factors<sup>2</sup> do Italian product placement practitioners consider to best influence product placement effectiveness? Do these ideas differ from the ones expressed in earlier US surveys?

Regarding brand characteristics, previously interviewed practitioners especially identified the brand's visual characteristics as the most effective ones. However, several other questions may relate to the importance practitioners ascribe to further factors, including the necessity of supporting product placement with other promotional tools or the audience's brand familiarity. We thus ask—

RQ2: Which brand characteristics<sup>3</sup> do Italian product placement practitioners consider most important for effective product placement investments? Do these ideas differ from the ones expressed in earlier US surveys?

Among the tools for measuring product placement, we learn from previous studies (Karrh 1995; Karrh et al. 2003) that practitioners tend referring to cognitive-based measures, such as unaided recall and recognition. Therefore, an interesting question may be related to whether other measures have also become relevant over time, such as affective (e.g. brand attitude) and behavioural (e.g. buying intention) measures. In more formal terms, we ask—

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<sup>2</sup> The executional factors refer to the aspects that practitioners perceive to attract additional attention to the placed brand. For example, its auditory mentions in the dialogues, the showing of the branded product in use, its association with the leading actor or its competitive exclusivity within the movie.

<sup>3</sup> Among the brand characteristics practitioners perceive to be most important in leading product placement effectiveness, we may mention, for example, the audience's familiarity with the brand, the recognisability of the package or the design and the number of movies the brand has already been placed in.

RQ3: Which measures<sup>4</sup> do Italian practitioners view as the most appropriate for measuring product placement effectiveness? Do these ideas differ from the ones expressed in earlier US surveys?

Karrh (1995) also addressed personal ideas about product placement. In this regard, we think that these ideas may also have changed, forcing us to ask new related questions. For instance, since product placement is increasingly used as a mainstream tool, the number of practitioners interpreting it more as an institutionalised than a temporary practice could have increased over time. Moreover, several brand marketers have started using product placement in a more transparent manner. For instance, brand marketers release certain advertising that directly refers to the films in which they position the brand. Consequently, it is more unlikely for practitioners to interpret these attempts as surreptitious or even subliminal actions. Furthermore, European countries appear more inclined to regulate the practice than the USA. Such predisposition is not only limited to the kind of products to be placed (i.e. tobacco, alcohol) but also involves the protection of weak targets (i.e. children) and the integrity of programmes (i.e. news).<sup>5</sup> Accordingly, we expect that Italian practitioners would perceive more of a regulatory threat than their US counterparts. We thus ask –

RQ4: How do Italian practitioners assess the present and future<sup>6</sup> of product placement? Do these assessments differ from the ones expressed in earlier US surveys?

Finally, it is fundamental to highlight that, considering the important changes that product placement practice currently faces and that could not be examined via the original studies we replicated (e.g. the usage of digital communication techniques), we decided to add a few open-ended questions to the research protocol developed by Karrh (1995) and also employed in this empirical study. As explained more fully in the next section in which we summarise this study's methodology, we believed these additional questions could help us better answer our last research question.

## 5 Methodology

As anticipated above, we investigated the Italian practitioners' ideas about the product placement practice by replicating and extending Karrh et al.'s (2003) survey; we then added a section including a number of open-ended questions to also explore

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<sup>4</sup> Among the most appropriate tools used for measuring product placement effectiveness, we may indicate, for example, the viewers' levels of brand recall and recognition, the viewers' brand attitude and the viewers' purchase intention toward the brand.

<sup>5</sup> The AVMSD was implemented in Italy through the legislative decree No. 44 on 15 March 2010. Consequently, product placement is forbidden in programmes targeted at children alongside and during the news. Instead, in programmes where it is allowed (i.e. sports and entertainment shows), the law expects an alert—when a programme starts and after every commercial break – informing about the presence of product placement.

<sup>6</sup> Among the factors that were considered particularly important for the development of the practice, we may indicate, for instance, the diffusion of digital communication technologies, the different regulations addressing the topic and the different acceptance of the practice in different cultural contexts.

the opportunities and threats attributable to the digital environment. Karrh et al.'s (2003) study was already a replication of the original Karrh (1995) study; therefore, by considering both Karrh studies, it was possible to set a type of longitudinal analysis of practitioners' views of product placement.

In more general terms, replication studies aim at identifying the objective and limitations of previous studies by verifying whether the previous studies can be extended to other samples, periods or geographical areas. As Hubbard and Armstrong (1994) as well as Easley et al. (2000) have highlighted, marketing scholars only rarely carry out replication-based research. In fact, published replications report significantly fewer citations than the original studies and notably this also happens if the new results do not support the old ones (Hubbard and Armstrong 1994). Hubbard et al. (1998) also show that little replication and extension research is published in the business disciplines. However, this trend is considered to have potentially negative consequences for the advancement of knowledge in these and other areas (Easley et al. 2000; Hubbard et al. 1998; Singh et al. 2003). Peterson and Merunka (2014, p. 1035), therefore, maintain that only through replications studies can scholars realistically "assess the reliability, validity, and generalizability of research findings". Several other contributions, moreover, acknowledge the importance of replication studies, especially to provide practitioners with more insightful and reliable academic research (e.g. Evanschitzky et al. 2007).

Tsang and Kwan (1999) classify replication studies more fully into various types according to two dimensions. Regarding the source of data, in particular, replication studies may use the same dataset, the same population or a different population. Regarding the method of analysis, an empirical replication may, instead, employ the same or different measurement and analysis tools. In our case, considering that the US product placement industry is the most advanced in the world, we used the two studies conducted by Karrh (1995) and Karrh et al. (2003) in the USA as our comparison points. Then, in order to compare their findings with a new, different population, we collected our data in a diverse population, that is the Italian product placement practitioners. Considering the method of analysis, we also slightly adapted the original approach. Specifically, a cross-sectional survey was used in which both quantitative and qualitative questions were employed to evaluate how Italian practitioners currently view the development of product placement in Italy. Thereby, we could examine the original topics of interest in the Italian sample by also introducing new, more updated themes in the analysis, such as the possibility of applying product placement in the digital environment. In particular, considering that the latter topics were not considered in the original studies that we replicated but only explored in our research, we decided to investigate them through open-ended questions. We purposively chose qualitative techniques in order to capture as many views as possible from our informants. These emerging issues could then be quantitatively analysed in further research.

More in detail, the quantitative portion of the survey provided 36 items based on Karrh et al.'s (2003) study; these 36 items were then divided into the four sections anticipated above: executional factors, which were believed to be most effective (see Table 2); the brand characteristics, which were believed to contribute to effectiveness (see Table 3); the measurement tools most appropriate for capturing effects on

audiences (see Table 4); and ideas about product placement (see Table 5). The survey's qualitative part then added five open-ended questions to investigate how digital communication affects product placement practice and investments (see Appendix). The first author translated the questionnaire, which was originally developed in English to collect data in the USA (Karrh 1995; Karrh et al. 2003), into Italian. Adopting a backward translation method, a research assistant fluent in both English and Italian then confirmed the accuracy of the final version.

To collect data for the US studies, we sent a conventional letter to ERMA members. In Italy, however, product placement practitioners are not formally included in a single group or association; hence, it was harder to identify the totality of product placement practitioners. A convenience sample was, thus, extracted in the present research. Specifically, an online survey link was created using SurveyMonkey, which was then sent out to professionals using personal connections and LinkedIn. Consequently, we had the opportunity to select only practitioners with at least three years' professional experience in the product placement industry. We sent out approximately 160 invitations; the response rate was 21.87%, which is similar to that of analogous investigations (e.g. Emerson et al. 2007). Ultimately, the sample was composed of 35 respondents (20 males, 15 females), comprising placements agents (20.02%), communication consultants (25.71%), marketing managers (31.42%) and advertisers (22.85%) directly involved in placement decisions.

## 6 Findings

### 6.1 Survey items

With the objective of responding to our research questions, our data analysis has, firstly, been performed within the country context in order to explore, from a descriptive perspective, the Italian practitioners' ideas. Secondly, in accordance with the Karrh et al.'s (2003) contribution, we also performed an analysis across countries (Italy vs. USA), which consists of a means comparison (i.e. t-tests) to illustrate any significant changes for each item measured.

Specifically, our first research question relates to the executional factors Italian practitioners considered to best influence product placement effectiveness and to how these ideas could differ from those of US experts. Among these factors, the Italian practitioners believe that the most important ones are omitting competing brands in the same film (Mean = 5.83) and showing the product/service in familiar settings (5.60), in use (5.43) and in a favourable light (5.37). On the contrary, they indicated that the brand name being mentioned in the dialogue (4.06) or shown for a long period of time (3.86) were among the least important factors.

Notably, out of the 12 executional factors considered to best influence product placement, four were differently evaluated by the Italian practitioners and their US counterparts interviewed in 1995. Specifically, considering Karrh's (1995) study, the Italian practitioners regarded omitting competing brands from the same movie ( $M_{Ita} = 5.83 > M_{USA1995} = 4.50$ ;  $t(55) = 3.47$ ;  $p < 0.01$ ), the placement receiving publicity from the news or trade press ( $M_{Ita} = 5.06 > M_{USA1995} = 3.59$ ;

**Table 2** Importance of executional factors—comparison between Italy-based and US-based practitioners

Survey item	Present study (Italy, 2020)	Karrh et al. (US, 2003)	Karrh (US, 1995)
The product or service is portrayed in a favourable light	5.37 <sub>a</sub>	6.93 <sub>b</sub>	5.91 <sub>a</sub>
The product or service is shown in use	5.43 <sub>a</sub>	6.00 <sub>a</sub>	5.27 <sub>a</sub>
The brand name is mentioned in the dialogue	4.06 <sub>a</sub>	5.93 <sub>b</sub>	5.27 <sub>b</sub>
The brand is shown for a long period of time	3.86 <sub>a</sub>	5.86 <sub>b</sub>	4.55 <sub>a</sub>
The placement receives publicity from the news or trade press	5.06 <sub>a</sub>	5.79 <sub>a</sub>	3.59 <sub>b</sub>
Competing brands are not shown in the film	5.83 <sub>a</sub>	5.68 <sub>a</sub>	4.50 <sub>b</sub>
The film earns box-office success	5.20 <sub>a,b</sub>	5.64 <sub>a</sub>	4.86 <sub>b</sub>
The film receives critical acclaim	4.37 <sub>a</sub>	5.36 <sub>b</sub>	4.18 <sub>a</sub>
The lead actor is associated with the brand	4.37 <sub>a</sub>	5.32 <sub>a</sub>	5.05 <sub>a</sub>
The product or service is shown in familiar situations	5.60 <sub>a</sub>	5.21 <sub>a</sub>	4.77 <sub>a</sub>
The placement repeats themes from the brand's traditional advertising	4.09 <sub>a</sub>	4.96 <sub>a</sub>	4.09 <sub>a</sub>
The product is used or shown in a new or novel manner	4.74 <sub>a</sub>	4.86 <sub>a</sub>	3.41 <sub>b</sub>

All items were marked by respondents along a 7-point scale, ranging from 1 for “not at all important” to 7 “extremely important”

Values in the same row and sub-table not sharing the same subscript are significantly different at  $p < 0.05$  in the two-sided test of equality for column means. Cells with no subscript are not included in the test. Tests assume equal variances

**Table 3** Brand characteristics leading to effective placements—comparison between Italy-based and US-based practitioners

Survey Item	Present study (Italy, 2020)	Karrh et al. (US, 2003)	Karrh (US, 1995)
The brand has a very recognisable package or design.	5.91 <sub>a</sub>	6.71 <sub>b</sub>	6.05 <sub>a</sub>
The brand is supported with other promotion and advertising.	5.62 <sub>a</sub>	6.29 <sub>b</sub>	5.95 <sub>a,b</sub>
The brand has a unique personality.	5.50 <sub>a</sub>	6.18 <sub>a</sub>	5.73 <sub>a</sub>
The brand is already well known.	4.82 <sub>a</sub>	5.96 <sub>b</sub>	5.23 <sub>a,b</sub>
The brand has a number of strong competitors.	4.21 <sub>a</sub>	5.93 <sub>b</sub>	4.23 <sub>a</sub>
The brand is new to the market.	4.12 <sub>a</sub>	5.82 <sub>b</sub>	4.45 <sub>a</sub>
Most film viewers already use the brand.	4.09 <sub>a</sub>	5.56 <sub>b</sub>	4.05 <sub>a</sub>
The brand has been shown in a number of other films.	4.24 <sub>a,b</sub>	4.89 <sub>a</sub>	3.77 <sub>b</sub>

All items were marked by respondents along a 7-point scale, ranging from 1 for “not at all important” to 7 “extremely important”

Values in the same row and sub-table not sharing the same subscript are significantly different at  $p < 0.05$  in the two-sided test of equality for column means. Cells with no subscript are not included in the test. Tests assume equal variances

$t(55) = 2.91$ ;  $p < 0.01$ ) and the idea that the product is used/shown in a novel manner ( $M_{Ita} = 4.74 > M_{USA1995} = 3.41$ ;  $t(55) = 2.95$ ;  $p < 0.01$ ) as more important. Conversely, the Italian practitioners rated the brand being mentioned in the dialogues

**Table 4** Best means of measuring placement effectiveness—comparison between Italy-based and US-based practitioners

Survey item	Present study (Italy, 2020)	Karrh et al. (US, 2003)	Karrh (US, 1995)
Viewer's recall, without prompting, of the brand's inclusion in the film	5.63 <sub>a</sub>	6.57 <sub>b</sub>	6.09 <sub>a,b</sub>
Viewers can recognise the brand from the film	5.57 <sub>a</sub>	6.36 <sub>b</sub>	5.91 <sub>a,b</sub>
The brand can be seen in the film	5.50 <sub>a</sub>	5.89 <sub>a</sub>	5.32 <sub>a</sub>
Sales of the brand after the movie is released	5.47 <sub>a</sub>	5.57 <sub>a</sub>	5.45 <sub>a</sub>
Viewer's purchase intentions for the brand	5.30 <sub>a</sub>	5.21 <sub>a</sub>	5.55 <sub>a</sub>
Viewer's attitude towards the brand	5.20 <sub>a</sub>	4.68 <sub>a</sub>	4.38 <sub>a</sub>
Viewer's liking the movie	4.47 <sub>a</sub>	3.36 <sub>b</sub>	3.81 <sub>a,b</sub>

All items were marked by respondents along a 7-point scale, ranging from 1 for “not at all important” to 7 “extremely important”

Values in the same row and sub-table not sharing the same subscript are significantly different at  $p < 0.05$  in the two-sided test of equality for column means. Cells with no subscript are not included in the test. Tests assume equal variances

**Table 5** Ideas about the practice—comparison between Italy-based and US-based practitioners

Survey Item	Present study (Italy, 2020)	Karrh et al. (US, 2003)	Karrh (US, 1995)
Name brands can add a sense of familiarity to film scenes	5.27 <sub>a</sub>	6.43 <sub>b</sub>	6.27 <sub>b</sub>
Placements are likely to be used more in the future	4.83 <sub>a</sub>	6.39 <sub>b</sub>	4.75 <sub>a</sub>
Placements can lead to trade-offs between the financial and creative sides of film making	4.67 <sub>a</sub>	6.04 <sub>b</sub>	4.45 <sub>a</sub>
Placements can be considered a form of subliminal advertising	3.70 <sub>a</sub>	5.61 <sub>b</sub>	3.86 <sub>a</sub>
The effect on viewers from single placement is hard to gauge	5.37 <sub>a</sub>	5.21 <sub>a</sub>	5.29 <sub>a</sub>
Marketers' decisions about using placements are based more on intuition or prestige than on specific data	4.57 <sub>a</sub>	4.93 <sub>a</sub>	5.14 <sub>a</sub>
Placement of certain types of products should be restricted	4.77 <sub>a</sub>	4.54 <sub>a</sub>	3.37 <sub>b</sub>
Placements are likely to come under regulatory pressure in the future	4.87 <sub>a</sub>	3.68 <sub>a</sub>	3.80 <sub>a</sub>

All items were marked by respondents along a 7-point scale, ranging from 1 for “not at all important” to 7 “extremely important”

Values in the same row and sub-table not sharing the same subscript are significantly different at  $p < 0.05$  in the two-sided test of equality for column means. Cells with no subscript are not included in the test. Tests assume equal variances

as less important than the US practitioners did ( $M_{Ita} = 4.06 < M_{USA1995} = 5.27$ ,  $t(55) = -2.24$ ,  $p < 0.05$ ). Moreover, considering Karrh et al.'s (2003) study, the Italian practitioners also regarded the product/service being portrayed in a favourable light ( $M_{Ita} = 5.37 < M_{USA2003} = 6.93$ ;  $t(61) = -4.84$ ;  $p < 0.001$ ), the idea that the brand is

mentioned in the dialogues ( $M_{Ita} = 4.06 < M_{USA2003} = 5.93$ ;  $t(61) = -4.16$ ;  $p < 0.001$ ) or shown for a long period of time ( $M_{Ita} = 3.66 < M_{USA2003} = 5.86$ ;  $t(61) = -6.73$ ;  $p < 0.001$ ) and the movie receiving critical acclaim ( $M_{Ita} = 4.37 < M_{USA2003} = 5.36$ ;  $t(61) = -2.66$ ;  $p < 0.05$ ) as more important.

Our second research question concerns the brand characteristics that Italian product placement practitioners may deem particularly important. To reiterate our point, we again asked whether these ideas could significantly differ from those of the US subjects interviewed in US surveys. Among these dimensions, the Italian practitioners especially believe that it is important for the brand to have a very recognisable shape or design (Mean = 5.91), to be supported with other promotions and advertising (5.62) and to have a unique personality (5.60). Conversely, among the factors they regard the least important, are that most film viewers already use the brand (4.09) and that the brand is new to the market (4.12).

Notably, compared to the US practitioners examined by Karrh (1995), the Italian practitioners did not show any significant difference in evaluating brand characteristics leading to effective placement. Instead, considering the professionals interviewed by Karrh et al. (2003), the Italian practitioners reported a lower evaluation of six characteristics. Specifically, the ideas that the brand has a very recognisable package or design ( $M_{Ita} = 5.91 < M_{USA2003} = 6.71$ ;  $t(60) = -3.74$ ;  $p < 0.001$ ), that it has a number of strong competitors ( $M_{Ita} = 4.21 < M_{USA2003} = 5.93$ ;  $t(60) = -4.43$ ;  $p < 0.001$ ), that it is supported with other promotions and advertising ( $M_{Ita} = 5.62 < M_{USA2003} = 6.29$ ;  $t(60) = -2.39$ ;  $p < 0.05$ ), that it is already well known ( $M_{Ita} = 4.82 < M_{USA2003} = 5.96$ ;  $t(60) = -4.03$ ;  $p < 0.001$ ) or new to the market ( $M_{Ita} = 4.12 < M_{USA2003} = 5.82$ ;  $t(60) = -4.94$ ;  $p < 0.001$ ) and that most film viewers already use the brand ( $M_{Ita} = 4.09 < M_{USA2003} = 5.57$ ;  $t(60) = -4.30$ ;  $p < 0.001$ ) were all considered less important factors than in the USA.

Our third research question, instead, investigated the measures that Italian practitioners consider as most appropriate for measuring product placement effectiveness, also in comparison with US practitioners. Specifically, among the means generally used to measure placement effectiveness, the Italian practitioners believe that the most accurate variables are the viewers' recall, without prompting, of the brand's inclusion in the film (Mean = 5.63) and the viewers' recognition of the brand from the film (5.57), confirming proof from the literature that mostly focused on cognitive answers (Balasubramanian et al. 2006).

Out of the examined means to measure placement effectiveness, it was possible to confirm that the Italian practitioners do not distance themselves from the US practitioners interviewed by Karrh in 1995. Still, three statistically significant differences emerged when comparing their answers to those of their more recent US counterparts (Karrh et al. 2003). The Italian practitioners actually rated the viewers' recall, without prompting, of the brand's inclusion in the film ( $M_{Ita} = 5.63 < M_{USA2003} = 6.57$ ;  $t(56) = -3.07$ ;  $p < 0.01$ ) and the viewers recognition of the brand from the film ( $M_{Ita} = 5.57 < M_{USA2003} = 6.36$ ;  $t(56) = -3.02$ ;  $p < 0.01$ ) as less important than the US practitioners, while, on the contrary, the Italian practitioners rated the viewers' liking the movie as more important than the US practitioners ( $M_{Ita} = 4.47 > M_{USA2003} = 3.36$ ;  $t(56) = 2.55$ ;  $p < 0.05$ ).



Our last research question addressed how Italian practitioners judge the current state and potential evolution of product placement. Furthermore, in this instance we tested whether these evaluations differed from the ones maintained in the seminal surveys carried out in the USA. Among the overall ideas about the product placement practice, the Italian practitioners especially highlighted that the effect on viewers from a single placement is hard to gauge (Mean = 5.37), that brands add a sense of familiarity to film scenes (5.27), and that placements are likely to come under more regulatory pressure in the future (4.87).

Compared to their US counterparts, Italian practitioners showed different evaluations on four ideas, considering the research by Karrh et al. (2003), and on two ideas, considering that of Karrh (1995). Specifically, Italian practitioners regarded the idea that brands can add a sense of familiarity to film scenes [ $(M_{Ita} = 5.27 < M_{USA2003} = 6.43; t(56) = -4.05; p < 0.001)$ ;  $(M_{Ita} = 5.27 < M_{USA1995} = 6.27; t(50) = -3.16; p < 0.01)$ ], that placements are likely to be used more in the future ( $M_{Ita} = 4.83 < M_{USA2003} = 6.39; t(56) = -5.20; p < 0.001$ ), that placements can lead to trade-offs between the financial and creative sides of the film making ( $M_{Ita} = 4.67 < M_{USA2003} = 6.04; t(56) = -3.63; p < 0.01$ ), and that placements can be considered a form of subliminal advertising ( $M_{Ita} = 3.70 < M_{USA2003} = 5.61; t(56) = -4.51; p < 0.001$ ) as less important than their counterparts, while the Italian practitioners evaluated the idea that placements of certain types of products should be restricted as more relevant than their US counterparts ( $M_{Ita} = 4.54 > M_{USA1995} = 3.36; t(50) = 3.39; p < 0.01$ ). These findings are discussed below, after summarising the results of the qualitative inquiry.

## 6.2 Open-ended questions

In the final part of the questionnaire, the practitioners were also invited to answer five open-ended questions. Through these questions, as anticipated above, we asked them to express their views about several topics not directly considered in the studies we replicated, such as the state of the Italian product placement industry, the most important threats for its development and the effect that digital communication is having on the product placement practice. Regarding this last point, we were particularly interested in the relationship between product placement and native advertising. Similar to product placement, in fact, native advertising refers to “any paid advertising that takes the specific form and appearance of editorial content from the publisher itself” (Wojdyski and Evans 2016, p. 1). Native advertising consists of two components: editorial content and sponsorship disclosure information. The editorial content may, for instance, be an intriguing news story or report, while the sponsorship disclosure information is generally included in the story or report through various phrases, such as “sponsored by” or “presented by” a brand (Hwang and Jeong 2019).

Specifically, we found that the Italian practitioners who participated in our survey agree in considering the Italian product placement industry to be underdeveloped. According to them, it is too much intertwined with the Italian film industry, which is considered one of the major obstacles to its development. Another important,

negative factor of Italian product placement is the lack of clear measurement tools in establishing the product placement's effectiveness and evaluating the returns on investment. Notably, as emerged in the Russell and Belch (2005) study, their US counterparts shared the same frustration. In the following quotations, two Italian experts clearly report these views:

“The product placement industry has not developed in Italy because it is closely linked to the film sector”. (Marketing manager)

“In Italy, the practice of product placement developed very slowly, as companies were hostile to this practice, especially because there is no specific data on the returns on investments”. (Advertiser)

The Italian practitioners also appear to perceive TV series and video games as the best areas of potential growth for product placement in the future. The main reason for this train of thought is related to the emotional bond between the brand placed in the scenes and the viewer/gamer, which may last for many episodes. As noted in the following excerpts, in the contexts where there is a high emotional involvement and a greater viewer/gamer attention, there may be even better results:

“Films and TV series allow a deeper and more emotional narration. In particular, with TV series there is also the possibility to link a brand with a character for multiple episodes by creating lasting associations”. (Product placement agent)

“Investments in video games are growing at a sustained rate and, in my opinion, online gaming will provide even more opportunities for product placements in the future”. (Marketing manager)

Moreover, the Italian practitioners who participated in our survey considered it very important to integrate product placement investments in an integrated communication strategy. Specifically, they identified PR as a leading role, which should support product placement. The next quotations exemplify this idea very well:

“Product placement must be part of an integrated communication strategy so that there is necessarily a synergy with the other advertising, promotions and PR tools in the first place”. (Marketing manager)

“Efficacy of product placement is influenced by the supporting campaign or placement communication”. (Communication consultant)

“In my opinion, advertising is risky; it is more effective to support the investment in product placement through PR”. (Product placement agent)

Sponsors often used to promote brand appearances in the upcoming entertainment products, such as film, television series, videogames, etc. Priming product placements whereby audiences become aware of a placement prior to exposure may be realised with two main strategies: using media priming or advertising priming (Balasubramanian et al. 2006). Media priming conveys a non-partisan message, such as a media story about an upcoming placement, which reaches audiences before exposure. Advertising priming, instead, involves a partisan message for the audience, such as an advertisement from a brand sponsor announcing a future placement, also

prior to exposure. It is likely that priming draws attention to the brand, but it may also stimulate the acknowledgement of the commercial intention associated with the placement itself (Karrh et al. 2003). Therefore, what appears to emerge from the Italian practitioners is the perception that advertising might be less appropriate than PR to prime placements because it may convey more persuasion intent.

Our informants also consider the digital environment as a promising area to boost product placement investments. For instance, they think that working on product placement in the digital world may help a more effective adaptation of product placements in different contexts and cultures:

“Digital communication introduces huge and beautiful opportunities involving augmented reality and real-time placements. For example, spaces in films may be reserved to insert different products depending on the location of the viewer. For example, a tea table with a Venini vase for Europe or a Versace vase for the USA”. (Advertiser)

Notably, digital technology has made it possible to better customise entertainment content for individuals. Furthermore, the possibility to use software that enables dynamic advertising placements has created even more opportunities to personalise advertising contents. As noted by Trifts and Aghakhani (2019), for instance, Facebook advertising may now be adapted to the consumer’s behaviour on the social network, and YouTube videos may include clickable links to other potentially related videos. Accordingly, product placement actions also have the potential to be more personalised, i.e. the same entertainment product could integrate different product placements, which are differently relevant to different individuals. In this regard, Trifts and Aghakhani (2019) again show that customised product placements may significantly increase consumers’ recall of the brand and the possibility of preferring the brand.

Moreover, practitioners mention an additional advantage pertaining to digital technologies: the possibility to also edit entertainment products that have already been released:

“If a product placed in a successful movie or TV show leaves the market, it can be replaced by another through digital technologies”. (Advertiser)

“In my opinion, digital technologies will be useful not only to edit new movies but also to modify already finished movies”. (Product placement agent)

Such an additional possibility, if actualised, would increase the flexibility of future product placement deals and broaden the opportunities for branding strategies. Similarly, virtual reality is also perceived as an opportunity for product placement investments even beyond the gaming context.

“Unlike films, where product placement may emerge in a quite context, interaction in virtual reality videos allows product placement to create a more attractive experience”. (Communication consultant)

Recently, in fact, virtual reality videos have been broadly considered as a favourable context to place brands. Particularly, with the growing availability of virtual reality filming equipment, a lot of virtual reality videos is being

produced. For example, consumers, media organisations, independent filmmakers and independent producers post hundreds of virtual reality videos onto YouTube. Practitioners recognised the importance of virtual reality for product placement deals within the different media but they need strategic recommendations. Among the few contributions in this new field, Wang and Chen (2019) show how prominent placements are more effective than subtle placements in terms of brand exposure and favourability in virtual reality videos. In contrast, subtle placements created less strong brand exposure. Moreover, adding engagement to placements seems to be the best strategy as long as it improves consumers' experience and, subsequently, brand exposure.

Regarding the relationship between product placement and native advertising, our data also show that different perspectives appear to emerge at present among Italian practitioners. According to certain subjects, product placement works in a similar manner as native advertising:

“At the moment we can think about native advertising as the digital version of product placement”. (Marketing manager)

“Native advertising is a new manner of communicating without distracting the public from the contents offered; in my opinion it blends very well with product placement”. (Communication consultant)

In other cases, however, product placement and native advertising are deemed to be two distinct practices, which, especially in Italy, are used in very different manners and probably need to be better understood:

“Product placement is one thing and brand content is another thing. Product placement is not brand content”. (Advertiser)

“The manner in which native advertising is made in Italy is similar to a simple banner; product placement has completely different timing and costs”. (Product placement agent)

Therefore, these data, which are summarised in Table 6, provide further insights into Italian practitioners' perceptions about product placement. These perceptions are especially useful to understand why the Italian practitioners think the Italian product placement industry is underdeveloped but has good potential for the future, such as in TV series and video games. The Italian practitioners also confirm that it is key to integrate product placement investments in a more general integrated communication strategy and to investigate the digital developments to make better product placement investments with a particular reference to the use of virtual reality. In this context, however, the role of native advertising is not clear yet, given that certain practitioners conceptualise it as very close to product placement, while other practitioners think of native advertising and product placement as two different practices.

**Table 6** Key issues coming from open-ended questions

Key issues	Practitioners' perspective
Obstacles to the development of the Italian product placement industry	The Italian product placement industry is underdeveloped because it is too much intertwined with the Italian film industry. Product placement still has a marginal role in the companies' communication mix mainly because, differently from advertising, it lacks a clear measurement tool in establishing its effectiveness and evaluating the returns on investment. The strict regulation may also have contributed to this result
Areas of product placement with potential growth in Italy	TV series and video/online games appear to be the best areas of potential growth for product placement. Particularly, the seriality and the replications of the emotional bond between the brand and the viewer/gamer are mentioned as the key factors
Product placement integration in the communication mix	Product placement has to be considered with an integrated marketing communication perspective. To boost its effectiveness, in fact, it is necessary to establish a synergy with other tools, such as advertising, promotions and PR. Considering the hybrid nature of product placement messages, Italian practitioners deem PR (press release, web sites, social media pages, etc.) to be the leading instrument to support product placement investments. For prime placements, using a media prime is actually considered safer than an advertising prime
Opportunities for product placement development in the new digital landscape	Digital communication introduces huge opportunities involving augmented reality, virtual and real-time placements. This also allows execution, flexibility and personalisation. Through digital technologies, for instance, it is possible to place different brands, considering the country and the target audience, and, if needed, to remove the brands themselves
Need for researched-based proof about product placement in the digital environment	The practice of product placement in the digital environment calls for further knowledge. For example, the relationship between native advertising and product placement is not clear yet. Certain practitioners conceptualise both concepts as very close, while others consider them as separated practices that require specific needs

## 7 Discussion

In our survey, we tried to take an actual snapshot of Italian practitioners' ideas about product placement. We then compared these ideas with those of their US counterparts in two specific points in time, according to the results reported by Karrh (1995) and Karrh et al. (2003). The majority of previous contributions actually refers to the US industry, demonstrating its key role in the global market (Sabour et al. 2016). This is why the US product placement industry has been the benchmark for most studies that were conducted in other countries and that aimed at researching practitioners' thoughts and behaviours (Craig-Lees et al. 2008; Lee et al. 2011).

Specifically, we found that, compared to their US counterparts, Italian practitioners appear to discount the traditional advertising logic in evaluating the importance of executional factors to make product placement deals, i.e. the brand is depicted in a favourable light, it enjoys a long time of exposure and it is verbally mentioned. Since Neorealism, Italy has had a long tradition of classic films made by persons who are regarded as true masters; this helped spread the idea of a film as being closer to a work of art than to a commercial product (Dalli and Gistri 2006). In this domain, therefore, a specific perspective has emerged according to which product placement should not become too evident in entertainment contents because, otherwise their artistic components would be undermined. Specifically, the executional factor that Italian practitioners considered to be the most important is that competing brands were not shown in the same film. Indeed, while a company invests in product placement, other brands may also find a place in the same content. For example, Burkhalter and Thornton (2014) show how hip-hop music videos may include a high number of brands that come from various product categories and compete in the same field. However, as our informants' responses imply, more studies need to be carried out to evaluate the potential associations caused by multiple placements included in the same video, film, etc. For instance, as Russell (2019) noted, various factors, such as proximity, semantic relatedness or congruence across more brand products, could be examined to evaluate the effects of unique placements versus sets of placements.

Regarding the most important brand characteristics for product placement investments, Italian practitioners especially referred to the brand having a recognisable shape and a unique personality. Moreover, they confirmed the importance of having support, such as other promotions and advertising. Enriching a product placement investment with traditional advertising messages may, on the one hand, lead consumers to think that the entertainment content includes commercial motives. This, in turn, may stimulate negative responses to the practice itself; furthermore, the negative responses can even be stronger if the entertainment experience results are to be significantly disturbed (Meyer et al. 2016; Russell et al. 2017). On the other hand, important synergies may emerge when the best combination of messages across different media is accomplished. Thus far, the few contributions that have investigated this topic found mixed results about the potential effects of combining product placement and advertising (Dens et al. 2018; Uribe 2016).

Italian practitioners also maintained that the most appropriate measures of product placement effectiveness are the cognitive ones, such as the viewers' recall and

recognition (Balasubramanian et al. 2006). Still, Italian practitioners consider these outcomes as less important than their US counterparts (Karrh et al. 2003). This result shows how, compared to their US colleagues, Italian practitioners also take other hierarchies of answers into consideration when evaluating product placement effectiveness: that is, they also pay significant attention to the potential affective (i.e. attitude towards the brand) and behavioural (i.e. buying intention or sales after the movie) outcomes of product placement. Regarding measurement options, we found that there is less variance among the responses offered by Italian professionals than within the USA samples, observing that the Italian practitioners conceptualise the various options as equally important, while the US practitioners conceive certain alternatives as more useful than others. These observations are also consistent with those of other previous surveys (Craig-Lees et al. 2008; Lee et al. 2011). Similar to their US counterparts, Italian practitioners considered the viewers liking the film to be more important, while the critical acclaim of the film was evaluated as less relevant. Film critics usually enhance the artistic qualities of films without considering how the films will perform when they are released; however, box office performance is pivotal for boosting placement effectiveness (Karniouchina et al. 2011).

Among the overall ideas about the practice, Italian practitioners remained sceptical about the increasing usage of product placement in the near future. Specifically, they believe the practice will continue maintaining a marginal role in the firm's communication mix, even if they rated TV series and video games as potential growth areas. Notably, practitioners now appear to be more aware of product placement characteristics than in the past: for instance, that product placement may be considered a form of subliminal advertising, they have now rated significantly lower and they have also rated the need to restrict the placement of certain kinds of products more important. This result is consistent with findings from consumer studies, which revealed that while product placement is generally well accepted by consumers, contested products, such as alcohol, cigarettes and weapons, are increasingly evaluated as unacceptable (Gupta and Gould 1997).

In comparison with previous studies on US practitioners, one can also observe how Italian practitioners' responses are much closer to older US ideas as reported by Karrh (1995). According to Karrh et al. (2003), the US practitioners have actually changed their ideas significantly from 1995 to 2003. Italian data, however, show that apart from executional factors,—which were more disputed across the three studies—,brand characteristics, measurement issues and general ideas about the practice remain more consistent with those of US practitioners in 1995. This might depend on the Italian product placement industry being less developed and mostly film-based as well as Italian practitioners investing only residual parts of their communication budget in product placement. Importantly, almost all the statistically significant differences between our survey and the data reported by Karrh et al. (2003) in their survey show that Italian practitioners gave lower evaluations than their US counterparts, demonstrating a minus level of trust in the practice of product placement. Therefore, Italian practitioners are probably less motivated than their colleagues in the USA in accessing and using research findings, establishing a knowledge of product placement that is not updated. This also happened to other product placement industries outside the USA, such as

the Australian (Craig-Lees et al. 2008) and the Korean (Lee et al. 2011) studies clearly show.

Notably, the development of digital communication is perceived as an opportunity for growing the Italian product placement industry, although it still represents an important challenge. In particular,—as the answers to the open-ended questions showed—,more research appears to be necessary in order to better appreciate how product placement might be conceptualised and proficiently used in digital environments. Among the different opportunities digital technologies offer to product placement investments, Italian practitioners particularly recognise the importance of personalisation and engagement. Personalisation refers to the possibility to digitally embed product placements considering the audience’s geographic location and demographic characteristics. Provided that social media already use behavioural targeting of advertisements, adopting the same technology for product placement in streaming video systems like Netflix is forthcoming (Trifts and Aghakhani 2019). This possibility may benefit both the placed brand and the digital entertainment product in which the brand is positioned. Engagement, instead, refers to the use of product placement in virtual reality contexts. Specifically, virtual reality videos are a unique venue for product placement. The innovativeness of virtual reality videos and the possibility to control the consumer experience intensify both brand interest and brand purchase intention. Moreover, by allowing multiple viewing angles, product placements have more room to compete for audiences’ attention (Wang and Chen 2019).

In conclusion, we deem it is important to remind that the “product placement” expression has only been introduced in the Italian context in the early 2000s; furthermore, at the very beginning, the relevant law only affected product placements in films. Although, in 2010, the law was updated to also include TV shows, no specific regulation has yet been developed for music videos, video games, books and other similar entertainment products. Especially when compared with the USA, we thus believe that such a strict regulation, particularly for audio-visual products, might have contributed to a slowdown in the development of a product placement industry in Italy and, alongside, the managerial competences of Italian practitioners. The ongoing paradox is that Italians regularly consume foreign entertainment products embedding brand placements, while making product placement deals for internal productions remain severely restricted. For example, considering the development of the film industry in the last 20 years, foreign films have often had a market share exceeding 65%, with US films playing a leading role (ANICA 2019). Furthermore, the development of online services, such as Netflix, Amazon Prime Video and Disney Plus, implies that a large and international audience may now be exposed to similar, global contents, which include the same placements too (Sabour et al. 2016). Therefore, we argue—especially from a practitioners’ perspective—that if institutions try to standardise or at least reduce the main differences in regulations among countries, it could significantly help expand the product placement industry.



## 8 Implications, limitations and future developments

Our findings contribute to further clarify the various factors that product placement practitioners consider particularly relevant in their work. Specifically, we provide new results that make it possible to illustrate their decision-making processes in new contexts (i.e. Italy) and periods (i.e. 2020). Compared to the US market, which is generally considered the reference point in the organisational management literature (Sturdy 2004), the Italian entertainment and product placement industries appear to be smaller, less institutionalised and differently regulated than those in the USA. Accordingly, there are significant differences in how product placement practice is conducted that justify a specific investigation. Specifically, our results might help interested international companies realise product placement deals for Italian entertainment products. Such companies would then need to update their knowledge such that it is in line with the present context in Italy.

Moreover, this study argues that it is fundamental for researchers to continue addressing product placement research from a practitioner's perspective. This will help develop a fruitful dialogue between academics and practitioners and provide new insights to guide the practitioners' decision-making. Since product placement is growing all around the world (PQ Media 2020), understanding how to make informed decisions in this domain becomes crucially important. For instance, providing instructions on which specific effects can be obtained through product placements, as well as helping practitioners effectively measure such effects, is now fundamental. Specifically, because the product placement industry currently evolves from stand-alone activities towards a more consistent integration into Integrated Marketing Communications (IMC) strategies (Hackley and Hackley 2012), a broader conceptualisation of this practice and a better understanding of its links with other IMC elements would certainly help (Russell 2019).

However, we have to acknowledge that, similar to other empirical research, our study has certain limitations. For instance, we used a convenience sample for our survey. The main problem with using a convenience sample is that, in Italy, there are no formal trade groups, which makes it more difficult to evaluate the population of product placement practitioners. Future research on Italian practitioners might thus help confirm, extend or modify the results we found in this exploratory research. We also need to acknowledge that while we collected our data in 2020, the US samples we used as comparison points were collected in the past. Although the studies conducted by Karrh (1995) and Karrh et al. (2003) are still considered key in the literature, future empirical investigations could also update the US experts' knowledge in order to have a more recent reference point.

Moreover, we dedicated only the final part of our survey to explore, by means of open-ended questions, the role of product placement in the digital environment. The digital environment continuously evolves and this trend impacts all economic sectors, particularly the entertainment contexts (PQ Media 2020). As our results show, product placement may be interestingly adapted to new contexts

and we suggest that new studies be pursued to better understand these possibilities and to clarify similarities and differences, particularly the correspondences and dissimilarities between the concept of product placement and the concept of native advertising.

In future empirical studies, another important limitation might also be overcome. We especially focused on film product placement, but other industries have recently expanded by becoming intertwined with the digital environment, which would need to be updated. For instance, an interesting area that is developing is that of television. Nowadays, television is more interactive than in the past and, as a consequence, the time lag between brand exposure and consumer behaviour is significantly decreasing. Consumers could even click and immediately obtain data on goods and services when they watch a particular television show. Fossen and Schweidel (2019), for example, demonstrated how exposure to brands in television contents may relate to changes in online behaviour. Hence, consumers' online behaviours may be leveraged to assess product placement effectiveness. While, in our empirical research, practitioners were especially interviewed about the film industry, new research could thus consider the perspectives of experts in other media, such as digital television.

## Appendix

### Open-ended questions

- (1) Do you believe that the product placement industry in Italy has developed adequately? What were the opportunities and the development threats?
- (2) In which area do you think product placement is more effective (films, TV series, music, social media, video games)? Why?
- (3) How do other tools of the communication campaign (advertising, PR, promotions, etc.) impact on the effectiveness of product placement?
- (4) How does the new digital communication scenario affect the product placement industry?
- (5) What is the relationship between product placement and native advertising? What are the implications of this relationship for practitioners?

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