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# Separate and joint effects of advertising and placement



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#### ABSTRACT

This study explores the effects of the separate and joint effect of advertising and placement on consumer responses. Specifically, this paper examines these responses in terms of brand awareness, brand attitude, and purchase intention. The study results only show differences between exposure to advertising- or placement-only conditions and the control group in the case of brand recall (no differences were detected in the case of brand attitude or purchase intention). As was found in a previous study incorporating brand placement (van Reijmersdal, 2011), this paper cannot demonstrate the existence of synergy in the joint use of placement and advertising in the three dependent variables examined. The main implication of this study is to reinforce the relevance of advertising as promotional tool, particularly in order to increase brand awareness and proposes that if a company wants to use a placement, this kind of passive type seems not to be advisable.

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### 1. Introduction

The traditional definition of advertising states that advertisement is a structured, paid, and non-personal form of communication designed to disseminate information about goods, services, and ideas in a creative and persuasive manner. Although advertising may influence consumers in different ways, the primary goal of any campaign is to increase the probability that consumers exposed to a particular campaign will recall, think, feel, or behave in a particular way about a specific brand (Belch & Belch, 2004; Duncan, 2002). In order to accomplish that function, members of the audience must pay attention to the advertisement or the message will go unnoticed and not produce the desired effect. In other words, attention is central to advertising because attention allows the subsequent encoding and retrieval of the information contained in the piece of advertising (Lang, 2001; Rossiter, Silberstein, Harris, & Nield, 2001).

Thus, a primary problem for advertisers is that consumers have been increasingly able to avoid or manage mass media advertising, particularly in the case of TV. Today almost all TV sets have remote controls, and many people can watch previously recorded shows. Moreover, many paid on-demand broadcasting services are commercial free. Even if people decide to watch a commercial break, the level of attention to advertisements is significantly lower than the attention paid to the program content of TV (Greenwald & Leavitt, 1984; Gunter, 1987).

Since the effectiveness of TV advertising by itself has been repeatedly questioned as limited, practitioners and academics have emphasized the relevance of incorporating other promotional tools and media,

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which has been labeled "integrated marketing communication" (IMC) campaigns (Duncan, 2002; Kliatchko, 2008; Olson, 2004; Voorveld, 2011). These integrated campaigns aim to coordinate messages for maximum impact through *synergy*, which proposes that the combined and coordinated effect of these diverse media and message formats exceeds the sum of their individual effects (Belch & Belch, 2004; Moriarty, 1996; Naik & Raman, 2003).

A significant number of studies on synergy have focused primarily on multimedia campaigns rather than on those using diverse message formats (Wang, 2006). Research has provided support to the idea of the synergic effect in the simultaneous use of different media. For instance, a recent study by Voorveld (2011) examines the effectiveness of simultaneous exposure to Internet and radio advertising. The rationale for this study is that people surf the Internet and listen to the radio simultaneously. He detects that combining online and offline advertising provokes a higher number of positive affective (brand attitude) and behavioral (purchase intention) consumer responses than using just one medium did (see also Dijkstra, Buijtels, & van Raaij, 2005; Chang & Thorson, 2004).

Studies incorporating different message formats or promotional tools are few and have almost exclusively examined the use of advertising and publicity actions. Moreover, many of them have focused on comparing rather than combining these tools (Kim, Hye, & Sunyoung, 2010; Micu & Thorson, 2008). In fact, only one study examines the synergic effect of incorporating a format other than publicity. That work by van Reijmersdal (2011) evaluates the joint use of advertising and brand placement in the context of radio programs.

Assuming the increasing relevance of product placement as promotional tool, its differences from traditional advertising, and the fact that





Image 1. News clip with and without brand placement.

placement is regularly used in combination with advertising on TV, this investigation seeks to follow the research line of van Reijmersdal (2011), which was the first experimental examination of the joint effect of advertising and placement on TV. Moreover, that research incorporated a comparison with a control group, which also allows researchers to test the effect of the isolated use of these promotional tools.

### 2. Background of the study

#### 2.1. The effects of advertising and placement

The main role of commercial communication is to influence consumers in different persuasive ways. The literature has described diverse effects on consumers, but the most frequently mentioned way to examine this issue is through a trilogy of communication effects in terms of the cognitive, affective, and behavioral impact of an execution or campaign<sup>1</sup> (Belch & Belch, 2004). In practice, this means that an effective communication should increase consumers' awareness of the product or brand, improve their attitude toward it, and/or increase the probability that they will purchase the advertised good.

## 2.1.1. Brand awareness

Awareness of promoted brands or products is the result of consumers' information processing of those messages, in which consumers encode and store in some way the content presented in the execution. This process leads to a subsequent retrieval of that information, which is the basis of brand or product memory (Lang, 2001). Brand recall has been described as an essential effect of the communications, because for a consumer to buy a brand they must first be made aware of it. Moreover, many researchers have noted that brand knowledge at the place of purchase might aid consumers in making brand decisions (Rossiter & Percy, 1987; Macdonald & Sharp, 2003). However several studies on the mediating factors of this process (ad execution, product category, prior brand attitudes, et cetera), also support the idea that brand awareness can actually be considered a primary effect of different marketing communication actions (Batra, Lehmann, Burke, & Pae, 1995; Keller, 1987).

In the particular case of advertising, different studies offer support to the idea that advertising can directly increase brand awareness. For instance, in a recent study Clark, Doraszelski, and Draganska (2009) examine a panel data set that combined annual brand-level advertising expenditures for more than 300 brands with measures of brand awareness from a large-scale consumer survey in the USA. The data revealed that advertising consistently has a significant positive effect on brand awareness. Rubinson (2009) studies whether the effectiveness of TV advertising had declined over time. A meta-analysis of seven different databases allows him to conclude that TV advertising appeared to be as effective as ever and has possibly even increased in effectiveness. In terms of specific marketing objectives, his evidence suggests that TV's impact is mainly by generating brand awareness.

In the case of the placement, brand awareness has been described as the main effect of this promotional tool (Gupta & Lord, 1998; Ong & Meri, 1994; Vollmers & Mizerski, 1994). The main body of research has focused on brands placed in movies or television programs. Research has frequently corroborated that consumers have a better recall of the brands that have appeared in movies (Vollmers & Mizerski, 1994). Johnstone and Dodd (2000) conduct an exploratory analysis of the effect of placement on brand awareness. The participants of the study showed a segment of a film with multiple brand placements and were given pre- and post-exposure questionnaires. The results suggest that placements increase levels of brand awareness. It is important to note that studies have detected that brand placements tend to generate short-term memory effects and that consumers are not necessarily able to retain the brand for long (Babin & Carder, 1996; Gupta & Lord, 1998; Karrh, 1995). Recent research efforts have focused both on exploring new media (Lee & Faber, 2007; van Reijmersdal, Jansz, Peters, & van Noort, 2010) and particularly on determining the factors that influence brand recall for product placements (Russell, 2002). In this regard, evidence has detected that dual-mode (audio-visual), prominent, and plot-connected placements tend to lead to better memory effect (Russell, 2002).

Consequently, and based on previous evidence about the relationship between brand awareness, advertising, and placement, this study posits the first two hypotheses and a research question:

**H1a.** Exposure to the advertising-only condition will increase the brand awareness of the advertised brand.

**H1b.** Exposure to the brand placement-only condition will increase the brand awareness of the particular brand presented in the program.

**RQ1.** Are there differences between exposure to advertising-only and placement-only conditions in terms of brand awareness?

#### 2.1.2. Brand attitude

According to the literature, another potential effect of communication campaigns is the creation of a positive attitude toward the advertised brand. Evidence has demonstrated that on the one hand, advertising can play a role in attitude formation by either influencing a movement toward more favorable attitudes or by reinforcing the previous ones, while on the other hand, research on placement has been less conclusive in terms of providing evidence in favor of a change in brand attitude (Law & Braun-LaTour, 2004; Shrimp, 2003).

In the case of advertising, research conducted over the last 40 years has examined this issue with the explicit assumption that attitudes are good predictors of consumer behavior (Belch & Belch, 2004). For instance, Berger and Mitchell (1989) evaluate the relationship between different dimensions of attitudes—an evaluative dimension and one or more non-evaluative dimensions (e.g. attitude accessibility or attitude confidence)—in a sample of 104 university students. The results indicate that advertising exposure may influence not only the evaluative dimension of attitudes toward brands, but non-evaluative dimensions as well. In a more recent study,

<sup>&</sup>lt;sup>1</sup> These three effects have been understood as representing a hierarchical model by some authors and as independent effects on consumers (see Vakratsas & Ambler, 1999).

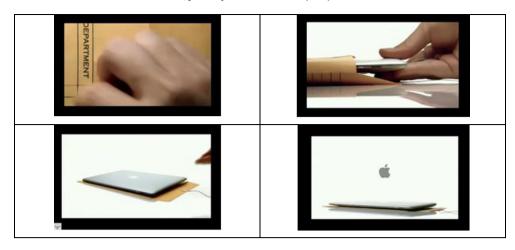


Image 2. Apple Inc. advertisement.

Yoo and MacInnis (2005) examine the brand attitude formation process by ad execution format (emotional vs. informational). They observe that advertisements in both formats were able to enhance positive feelings, reduce negative feelings, and increase the credibility of the information contained in the ad (see also Batra & Ray, 1986; Petty, Ostrom, & Brock, 1981).

Research on the relationship between product placement and brand attitude has been scant and unable to systematically demonstrate that placement has any strong effect on attitude. For example, Babin (1996) provides evidence against a change in brand attitude after placement exposure. In an experimental study, audience members viewed an entire movie, and their brand attitudes toward the brands incorporated in the film were subsequently evaluated. The results indicated no significant differences between the two groups with regard to attitudes toward the brands studied (see also Karrh, 1995). van Reijmersdal, Neijens, and Smit (2007) detect some changes in brand attitude associated with placement exposure. In a survey of 655 Dutch people, they find that those who watch two or more episodes of a TV series containing a placement of a brand (a diet product) show a better brand attitude toward that product than those who do not watch or who have seen just one episode (controlling for age, education level, gender, attitude toward brand placement, and brand use). They then run an experiment with undergraduate students to control for viewing motives for exposure frequency (interest in health issues) and to allow within-subject comparisons of the effect of this variable. Results show that exposure to brand placement improves brand image only in one attribute (the product is seen as healthier after exposure), but not in others (such as being more reliable or energetic) and in the brand attitude in general (see also Tsai, Liang, & Liu, 2007; Russell, 2002; MacKay, Ewing, Newton, & Windisch, 2009). Again, the effectiveness of the placement is related to its execution, and the more active (product manipulated by the characters or embedded in the plot) the placement, the more likely brand attitude may be affected (Yang & Roskos-Ewoldsen, 2007).

Thus, based on these results this study posits a second group of hypotheses and research question.

**H2a.** Exposure to the advertising-only condition will increase the positive attitude toward the advertised brand.

**H2b.** Exposure to the placement-only condition will not increase the positive attitude toward the brand presented in the program.

**RQ2.** Are there differences between the exposure to advertising-only and placement-only conditions in terms of brand attitude?

#### 2.1.3. Purchase intention

The success of a marketing strategy ultimately rests on whether the strategy is able to influence consumer behavior. Therefore, studies on the effects of advertising and placements frequently look at the purchase intentions of those exposed to communication actions. In this regard, the studies have provided weak evidence of a relationship between exposure to these marketing communication tactics and an actual increase in sales (Shrimp, 2003).

Although econometric models (using aggregate data and measuring long-run effects) usually provide evidence of a positive effect of advertising on sales, research on marketing communications evaluating purchase intention after exposure has failed to demonstrate this association (Belch & Belch, 2004). Studies evaluating purchase intention have been unable to show a strong direct association with the exposure to these executions (Broadbent, 2000; Shrimp, 2003). In this context, research has proposed that the effect of advertising on purchase must be understood as mediated by other variables (such as attitude toward the ad, prior brand loyalty, and product involvement), which in turn exert an influence on subsequent consumer purchase intention (Rossiter & Percy, 1985; Tellis, 1988).

Regarding product placement, evidence supporting its association with purchase intention is not strong. In fact, only a few studies have detected a positive effect of placement on this behavioral output. Gupta, Gould and Grabner-Kräuter (2000), for example, conduct one of the studies that detected some association using survey data from the USA, France, and Austria. They find that consumers in the US tend to report purchasing products seen in a movie more frequently than those of other countries. In addition, Yang & Roskos-Ewoldsen (2007) observe that people who saw a soft drink brand in a movie were more likely to choose that beverage than those who were not exposed to that particular brand through product placement (Law & Braun, 2000).

Hence, this study posits another set of hypotheses and a research question.

**H3a.** Exposure to the advertising-only condition will not increase the purchase intention of the advertised brand.

**H3b.** Exposure to the placement-only condition will not increase the purchase intention of the brand presented in the program.

**RQ3.** Are there differences between the exposure to advertising-only and placement-only conditions in terms of the purchase intention?

### 2.2. The combined use of different message formats

The definition of integrated marketing communications (IMC) emphasizes that the planning process of modern campaigns must

recognize the added value of strategically using a variety of promotional tools and media to provide consistency and maximum communications impact (Schultz, 1993). This definition assumes that the combined effect of multiple activities exceeds the sum of their particular effects, or in other words, the combinations produce synergy (Belch & Belch, 2004; Naik & Raman, 2003).

The vast majority of the research on synergy has focused on the examination of multimedia campaigns and the potential interaction of different media such as TV, radio, print, and/or the Internet (Chang & Thorson, 2004; Dijkstra et al., 2005; Naik & Raman, 2003). Nevertheless, a group of studies also evaluated the effect of different message formats on audiences and focused on advertising and publicity actions (commercial versus editorial content). In all, most studies support for the idea of synergy in the combined use of advertising and other message formats.

In this vein, Jin (2003) presents an interesting study evaluating the combined use of publicity and advertising. The researcher examines the effects of Super Bowl advertising campaign information in news stories on consumers' memory of subsequent ads and detects the synergy effect between these two promotional tools, particularly in the form of pre-advertising publicity campaigns. Stammerjohan, Wood, Chang, and Thorson (2005) present another study in this line. They assess the combined and simultaneous influence of publicity and advertising on attitudes toward the brand. In an experimental design, they asked university students about their attitudes toward brands before and after they were exposed to advertising and publicity and then evaluated the effects of these promotional tools. They provide evidence supporting the positive effect of the combined use of these IMC tools on brand attitude. Micu and Thorson (2008) present a more complex design. They evaluate the use of advertising and publicity to promote unknown brands on the Internet. They also report that when exposure to advertising is combined with exposure to a news story about a new brand, effectiveness increased in terms of both brand attitudes and behavioral intentions. Examining the sequence of exposures in these formats for technical brands (electronic products), the news-then-advertising condition is more effective than the reverse sequence. When introducing non-technical brands (shoes and candies) on the Web however, using advertising first is more effective in terms of brand attitudes (see also Kim et al., 2010; Cameron, 1994; Jo, 2004).

In this scenario in which the research has repeatedly evaluated the same message formats (advertising and publicity), van Reijmersdal (2011) examines the combined use of advertising and product placement using radio programs. A total of 153 respondents listened to fragments in which there was an advertisement with or without a radio program that included comments about a photo camera. She observes that the synergic condition (the joint use of placement and advertising) shows a better level of unaided recall and brand attitude.

The use of advertising with publicity has demonstrated synergy, but when ads are combined with placement, the literature has not shown positive results. This leads to the proposal of the following hypotheses.

**H4a.** Exposure to the synergic condition will not increase brand awareness more than exposure to single-tool conditions (advertising only and placement only).

**H4b.** Exposure to the synergic condition will not produce a more positive brand attitude than exposure to single-tool conditions (advertising only and placement only).

**H4c.** Exposure to the synergic condition will not increase purchase intention more than exposure to single-tool conditions (advertising only and placement only).

#### 3. Method

#### 3.1. Design, sample and procedure

As prior cross media and cross tools research, this study uses an experimental between-subject design in order to examine the separate and joint effect of advertising and product placement on TV. The total sample is 246 men and women (52% and 48% respectively, with a mean age of 26 years), which were randomly assigned to one of the four conditions of this study: control, advertising-only, placement-only, or advertising plus placement groups. They are all full time post-graduate students of a large business school in Santiago de Chile (see Table 1) .

#### 3.2. Stimuli and procedure

A real TV news clip that contained a brand placement is used in this study. The news anchor has a computer on the desk with/without the Apple Inc. logo and the clip incorporates a commercial break with/without an advertisement for Apple products. We use this brand because when this study was carried out (November 2011) Apple was a well-known but not very popular brand in the Chilean rankings. In fact, Apple was in position 71 in the 2012 Chilean version of the Brand Asset Valuator (BAV). At that point in time, Sony was in the 2nd position in the ranking, Samsung in the 6th place, Nokia in the 19th position and LG in the 31st place (BAV, 2012) (See Images 1 and 2).

Authors decided to use this type of placement for several reasons. First, this is a frequently used brand placement in this country. In fact, three of the four main newscasts in Chile incorporate brand placements on their sets, either on the anchor's computer or on the set's TV screens. Second, this form of execution represents a moderately active placement that allows one to infer that if any effect of placement is detected here, it should also be observed in more active placement, because previous research shows that as the level of product placement increased, viewers tend to have a more positive attitude toward the brand (Yang & Roskos-Ewoldsen, 2007). Finally, the main edition newscasts are the TV programs with the highest level of reach (90% of the population over 18 years old) and loyalty (they are watched an average of 184 times per year) in the country, which means that this is the most important type of program on Chilean TV (Uribe & Pardo 2008)

All of the business school's full time postgraduate students received an email inviting them to participate in the study. Those who accepted clicked a link that randomly assigned them to one of the experimental conditions. After watching the clip, respondents were immediately asked to answer an online questionnaire containing all of the independent and dependent variables used in this study, which were based on prior articles in the field of synergy (Dijkstra et al., 2005; van Reijmersdal, 2011).

#### 3.3. Measures

This study examines three main dependent variables. The first is cognitive and referred to the awareness of the brand presented in the placement or advertising, measured as short-term memory by asking an open-ended question immediately after exposure, a method used in several studies in advertising (Singh & Rothschild, 1983; Till & Baack, 2005) and placement (Gupta & Lord, 1998; Huang & Yan, 2012). Participants were asked what brands of several product categories they recalled, including computer brands. The first brand that respondents mention is coded as "top of mind" and the rest of the brands as "unaided recall" (Lambin, Chumpitaz, & Schuiling, 2007). A score of 1 is assigned if participants correctly mentioned Apple, while a score of 0 is assigned if they do not mention this brand.

The second dependent variable is affective: brand attitude. This variable is measured with the question "How would you rate the Apple

**Table 1** Experimental conditions of this study.

Placement-only condition: clip with an Apple placement in the newscast and no Apple advertising in the commercial break.

Advertising-only condition: clip with no placement in the newscasts and Apple advertising in the commercial break.

Placement + Advertising condition (synergy): clip with an Apple placement in the newscasts and an Apple advertising in the commercial break. Control condition: clip with no placement in the newscasts and no Apple advertising in the commercial break.

computer brand along the following scales: very likable/not very likable, interesting/not interesting, good/bad, and appealing/not appealing". This is answered in a five-point semantic differential scale in the same way that previous studies on synergy have evaluated this element (Chang & Thorson, 2004; Voorveld, 2011).

Finally, purchase intention is also measured in terms of four items on five-point semantic differential scales as other studies on synergy have done. The question was "How likely it is that you would purchase an Apple computer if you were in the store for a computer?" (Chang & Thorson, 2004; Voorveld, 2011). The semantic differential scales are: very likely/not very likely; very probable/very improbable; very possible/very impossible; very existent/very nonexistent.

In addition to sociodemographic variables (age and gender), four covariates that could affect people's responses are measured: most frequently viewed newscast, attitudes toward product placement, attitude toward advertising, and brand of computer(s) owned (Dijkstra et al., 2005; Voorveld, 2011). General attitude toward product placement and advertising is measured in this study using eight seven-point semantic differential scales: bad/good, unfavorable/favorable, worthless/ valuable, unnecessary/necessary, important/unimportant, negative/ positive, entertaining/boring, and honest/deceptive (Bruner, James, & Hensel, 2001, pp 84) to answer the question "How (semantic differential) would you rate (advertising/brands appearing in the movies or series) in general" (Chang & Thorson, 2004). The most frequently viewed newscast is measured with the aid of a list of the news programs broadcasted in Chile. Finally, ownership of a computer and its brand is measured using a list of the brands available in the Chilean market (Keller, Heckler, & Houston, 1998).

# 3.4. Reliability and validity

To test the unidimensional and internal consistency of the multipleitem scales, principal component analyses and Cronbach's alphas are computed for brand attitude (alpha = 0.82), purchase intention (alpha = 0.84), general attitude toward placement (alpha = 0.80) and advertising (alpha = 0.79). All the scales loaded in one factor each.

#### 4. Results

The differences between the conditions with respect the respondents' covariates are explored. ANOVA results show that they do not vary according to gender (F(3.243) = 1.505, p = 0.214), age (F(3.243) = 1.918, p = 0.142), preferred newscast (F(3.243) = 1.298, p = 0.276), attitudes toward both advertising (F(3.243) = 1.526, p = 0.276)

**Table 2** Percentage of correct answers.

	Control $(N = 64)$	Advertising $(N = 60)$	Placement (N = 64)	Synergy (N = 59)
TOM	12.5%	45.3% <sup>ab</sup>	24.9% <sup>abc</sup>	47.4%ª
Unaided recall	15.6%	58.7% <sup>ab</sup>	30.1% <sup>abc</sup>	56.9% <sup>a</sup>

Mean scores in the same row with superscript a shows significant differences from the control group, those with superscript b show significant differences from the other single condition, and those with superscript c show the existence of significant differences from the synergic condition (p < .05).

0.208) and placement (F(3.243) = 2.415, p = .070) and owned brand computer (F(3.243) = 1.547, p = 0.203).

#### 4.1. The effectiveness of advertising- and placement-only conditions

The first group of hypotheses and research questions propose the existence of differences between the presence of advertising (H1) or placement alone (H2) and the control group on brand recall. Additionally, the first research question asks about the potential differences between placement and advertising in terms of brand awareness. As mentioned above, this variable is evaluated in this study in terms of both TOM and total unaided recall in open questions.

Since the responses are coded binarily (presence or absence of brand recall as TOM or total unaided recall), logistic regressions are used in this part of the study with the control group, advertising, placement, and synergic conditions as categorical predictors of both measures of brand awareness. As shown in Table 2, the advertising-only condition performs significantly better than the control group in the measures of TOM ( $\chi^2(1)=15.337, p=0.001, -2ll=130.334$ , Nagelkerke  $R^2=0.168$ , Wald(1) = 13.356, p=0.001) and total unaided recall ( $\chi^2(1)=23.714, p=0.001, -2ll=137.583$ , Nagelkerke  $R^2=0.239$ , Wald(1) = 20.498, p=0.001) as predicted by H1a.

Moreover, the same situation is detected in the case of the placement-only condition. Exposure to this promotional tool shows a higher TOM ( $\chi^2(1)=4.297, p=0.047, -2\text{ll}=135.468$ , Nagelkerke  $R^2=0.20$ , Wald(1) = 4.331, p=0.042) and total unaided recall than control group ( $\chi^2(1)=4.032, p=0.042, -2\text{ll}=130.239$ , Nagelkerke  $R^2=0.13$ , Wald(1) = 4.201, p=0.04) as proposes by H1b.

In the first research question (RQ1), it is possible to detect that the advertising-only condition has a higher TOM ( $\chi^2(1)=6.133, p=0.014, -2\text{ll}=149.349$ , Nagelkerke  $R^2=0.72$ , Wald(1) = 6.337, p=0.01) and unaided recall than the placement-only condition ( $\chi^2(1)=16.174, p=0.000, -2\text{ll}=149.348$ , Nagelkerke  $R^2=0.72$ , Wald(1) = 14.911, p=0.001). In other words, advertising performs better than placement in terms of brand awareness.

The second group of hypotheses (H2a and H2b) and research question (RQ2) evaluate the change in the brand awareness as a result of placement and advertising. An analysis of the variance (ANOVA) from the four conditions as the independent variable and brand attitude as the dependent variable (Table 3) shows no significant differences across the conditions examined in this study (control group, placement, and advertising) (F(3.243) = 1.413, p = 0.240). Thus, H2a does not receive support and H2b is corroborated (placement or advertising alone did not directly affect brand attitude), and RQ2 is answered in terms of similar performance of both placement and advertising in developing a more positive brand attitude.

The third group of hypotheses explore a potential change in the purchase intention as a result of advertising-only or placement-only conditions (H3a and H3b), and the differences between these two message formats (RQ3). The ANOVA test is computed with the four conditions as independent variables and purchase intention as a dependent

**Table 3**Brand attitude and purchase intention across the four conditions.

	Control	Advertising	Placement	Synergy
Brand attitude	4.01	4.14	3.98	4.08
Purchase intention	3.10	3.12	2.98	3.21

variable. As shown in Table 3, results depict no differences between the conditions of this study in terms of purchase intention (F(3.243) = 2.332, p = 0.077). That is to say, advertising- or placement-only may not directly affect purchase intention and both perform similarly in this variable.

#### 4.2. Synergy versus advertising- and placement-only conditions

Finally, the existence of between a synergic condition and exposure to advertising- or placement-only conditions is explored in terms of brand awareness (H4a), brand attitude (4b), and intention to purchase (H4c). Regarding brand recall and examining the three experimental conditions, higher brand awareness in the synergic condition is observed only in comparison with the placement group, with a higher TOM ( $\chi^2(1) = 9.301$ , p = 0.002, -2ll = 151.231, Nagelkerke  $R^2 = 0.062$ , Wald(1) = 10.021, p = 0.001) and total unaided recall  $(\chi^2(1) = 5.917, p = 0.022 - 2ll = 150.232, Nagelkerke R^2 = 0.078,$ Wald(1) = 6.021, p = 0.017). Instead, the advertising-only and synergic conditions lead to a similar TOM ( $\chi^2(1) = 0.747$ , p = 0.387, -2ll = 158.931, Nagelkerke  $R^2 = 0.008$ , Wald(1) = 0.744, p = 0.0080.388) and brand awareness ( $\chi^2(1) = 0.07 p = 0.936 - 211 =$ 163.067, Nagelkerke  $R^2 = 0.000$ , Wald(1) = 0.07, p < 0.990). Thus, H4a is rejected because the synergic condition does not lead to greater brand awareness than advertising-only and placement-only conditions

The comparison between the synergic condition and advertising and the placement-only condition in terms of brand attitude does not provide significant differences. Hence, H4b is rejected. Finally, advertising- and placement-only conditions depict similar purchase intention to the synergy group, which rejects H4c (see Table 3).

#### 5. Conclusion

The main results of this study show the significant effect of advertising and placement on unaided recall (TOM and total unaided recall) over the control group, as previous literature has suggested (Duncan, 2002). This situation is detected in both advertising- and placement-only conditions. Nevertheless, the same results are not detected when these promotional tools are used to improve brand attitude and increase purchase intention. In fact, this study finds no differences in these indicators between the control group and the exposure to these promotional tools. In addition, advertising-only performs better than the placement alone condition.

In the case of the joint use of placement and advertising, results are not positive. This study does not support the power of a synergic use of diverse message formats as previous studies detect for radio (van Reijmersdal, 2011). In the case of brand awareness, some differences are detected when compared with the control group. However, these divergences should be mainly explained by the advertising-only condition and not by its use in conjunction with placement. In the case of brand attitude and purchase intention, no differences are detected among any of the conditions.

All in all, findings provide support to the traditional assumption in marketing communications that the use of communication tools such as advertising and placements (as well as public relations) improves the brand awareness in terms of both TOM and total unaided recall (Belch & Belch, 2004; Shrimp, 2003). In other words, according to the results of this experiment, the use of placement and advertising are useful tools for directly increasing the level of spontaneous brand recall among consumers.

Moreover, the superiority of advertising over placement in terms of brand awareness detected in this study represents a new finding. So far no information in the literature about the potential differences between these tools exists, and this study reports a first analysis of this issue. One potential explanation for this difference may be related to the level of exposure to the brand, which in the advertisement used

in this study is more central and prominent (van Reijmersdal, 2009). Nevertheless, it is relevant to take into consideration the criticism that some authors (particularly from public relations field) have expressed in terms of whether using the same measures for advertising and other formats is a reliable or valid evaluation methodology because different communication tools have their distinct benefits and cannot be benchmarked against each other (MacNamara, 2000).

Regarding brand attitude, the results are not in line with prior research in the case of advertising (Batra & Ray, 1986; Petty et al., 1981), but rather corroborate the trend detected in placement (van Reijmersdal et al., 2007). That is to say, surprisingly, that advertising is not effective in producing a more positive brand attitude. A potential explanation for this finding is the use of a well-known brand in this study (Apple), toward which respondents have a relative positive attitude (3.6 points on a 5-point scale). Furthermore, the influence of advertising on brand attitude may be more complex (which operates over longer periods of time) and that several mediating variables may be acting (such as prior brand attitude, attitude toward the ad execution, etc.). On the other hand, results detected in the case of placements are consistent with previous findings that placement is not particularly effective in directly improving brand attitude. Nonetheless, the explanations suggested for the advertising-only condition ("well-known brand" effect and the influence of mediating variables) are also applicable to placement as well.

In the case of purchase intention, the absence of association is consistent with previous findings. Like this, the vast majority of studies have not found a significant direct effect on purchase intentions from placement- or advertising-only exposure (Balasubramanian, Karrh, & Patwardhan, 2006; Belch & Belch, 2004). Again, the most plausible explanation for these results is the existence of mediating variables that make the relationship between these promotional tools and purchase behavior more complex. In the case of placement an additional explanation can be mentioned. Specifically, the way in which this study examined this behavioral component could have biased the result in this study. According to some authors, since placement has an implicit processing, the explicit methodology used in this study may not necessarily be sensitive to the complexity of placement actions (Yang & Roskos-Ewoldsen, 2007).

In all, the results in this paper do not support the power of the synergic condition. In this regard, these results corroborate the previous findings of van Reijmersdal (2011) in terms of the absence of differences between the single-tool condition (in this case advertising or placement alone) and the synergic condition. The absence of support differs according to the effect, however. In cognitive responses such as brand awareness, synergy performs better than the control group. In the case of affective (brand attitude) and conative (purchase intention) measures, synergy performs the same as the control group.

This study and van Reijmersdal's (2011) study do not support the influence of synergic conditions that incorporate brand placements. Prior research on multimedia campaigns and other message formats (publicity and advertising) has been successful in demonstrating the relevance of the synergy. A potential explanation for this could be found in the execution of the placement. This study evaluates a brand placement with a moderate level of intrusiveness in the editorial content. Further research should include active placement (interacting with the main character and or inserted into the plot) and include other measures (i.e. implicit measure) in order to continue exploring whether or not placement has a synergic effect.

Similarly, one limitation of this study is related to the brand and the product category used. At the time of the study, Apple is an established computer brand in the Chilean market, and therefore the study examines the effect of advertising and placement on a well-known brand rather than on a new one. In this vein, further research should examine the separate and joint effects of advertising and placement in the case of brands with different levels of brand awareness as well as product categories.

Finally, in terms of managerial implications, this study reinforces the decision of many advertisers to use advertising and product placement as communication tools to create brand awareness. That is to say, these promotional tactics may be particularly relevant in the stages of product introduction and growth in which the awareness of the product by the consumers is an essential task. Additionally, results suggest that using advertising and product placement to improve brand attitude and especially purchase intention may not be advisable as a direct effect of these tools. That is to say, when the marketing objectives have been defined in terms of these outputs, it is more recommendable to use other communication tools or to use advertising or placement in combination with other tactics such as sales promotion. Finally, these findings suggest that synergy between advertising and placement should not be considered a potential effect of advertising, at least using this type of placement.

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