

CHAPTER I

INTRODUCTION

1.7 Research Background

It takes time to build businesses. Nowadays, the competition of businesses is getting higher; many ways had been done by the company to be a good leader in the market. So as a business holder, they should have a major role in developing a marketing strategy, and what they need is uniqueness. Nowadays, there are a lot of product sales information's, so each of the products have to be different in terms of marketing their product. Most important is a good business name, a uniqueness doesn't mean that you have to deceive your potential customers. The uniqueness question is how to make potential customers excited and amused with a marketing strategy that we do, so it will be easy to be remembered. A strategy commonly utilized is the "Marketing Mix". This tool is made up of four variables known as the "Four P's" of marketing. The marketing mix blends these variables together to produce the results it wants to achieve in its specific target market; Product (or Service), Place, Price, and Promotion.

Promotion activity is important method to spread the word about product or service to customers, stakeholders and the broader public. It is also refers to raising customer awareness of a product or brand, generating sales, and creating brand loyalty. To reach the most people as possible in a time efficient and a cost efficient manner, Many Companies doing promotion by different media, namely print media which includes Newspaper and magazines, Electronic media which

includes radio and television, Digital media which includes internet, social networking and social media sites and lastly outdoor media which includes banner ads, OOH (out of home).

Movies, also known as films, are a type of visual communication which uses moving pictures and sound to tell stories or inform (help people to learn). And marketers used these movies as a media to advertise their product. Nowadays, there are many movies were released and based on data of ticket sales, year 2014 will be higher than the year before. In 2013, there were 1.34 million ticket sales and in March 2014 there were 1.13 million ticket sales (The Number, 2014). And it is prove that people likes to watch more movies because of many new and good movies released. So it is chance for a company which wanted to promote their product by putting their product at the movies or product placement rather than making advertisement at TV.

The difference between product placement and TV commercials is, consumers usually change to another channel or do other things and not pay much attention to the content of the commercial. But product placement combines product and the content of movie, TV program or music video, so when consumers watch movies or TV programs, they receive the messages of products or bands at the same time and save the impression in their brain without being aware. Because when we watch a movie or a television program, our defenses are down, thus we become more receptive to the messages that are coming to us (Mei-ling,2007).

Figure 4.1

**Vicary's subliminal experiment in movies
1957**



Source: Badabing records, 2011

Product placement is a part of subliminal advertising. The birth of subliminal advertising as we know it dates to 1957 when a market researcher named James Vicary inserted the words "Eat Popcorn" and "Drink Coca-Cola"

into a movie. The words appeared for a single frame,

allegedly long enough for the subconscious to pick up, but too short for the viewer to be aware of it. The subliminal ads supposedly created an 18.1% increase in Coke sales and a 57.8% increase in popcorn sales. Vicary's results turned out to be a hoax. But more recent experiments have shown that subliminal messages actually can affect behavior in small ways.

Although the morals and effects of subliminal advertising are doubted, in many aspects this technique is still used. Since the term "subliminal perception" had been introduced, advertisement and psychological experts began to have a series of different arguments concerning the issue of "Will consumers want to buy products just because of subliminal stimulation, that is, without being aware of the advertisement?" There is an ethical controversy, because consumers are forced to receive those messages if they want to or not.

Product placement was neither a well-organized nor a high-profile growth area until the late 1970s. If you do a Google search for “product placement” and “movies,” the story of E.T. and Reese’s Pieces is guaranteed to come up. In the 1982 Steven Spielberg blockbuster, a boy named Elliot leaves a trail of the candies for the lovable alien, who follows them to the boy’s house. Since then the sales of Reese’s Pieces candy was increased 65% following placement in the movie E.T.

Figure 1.2

Tom Cruise’s and Ray-Ban’s Wayfarer sunglass at Risky Business Movie



Source: CNBC, 2010

The 1983 comedy Risky Business is both the movie that launched Tom Cruise’s career and the movie that saved Ray-Ban’s Wayfarer sunglasses from extinction. Cruise plays Joel, a suburban high school student whose parents go out of town for the weekend, leaving

him free to dance around the house in his underwear. His character wears Ray-Ban’s Wayfarer sunglasses, which became so popular as a result that 360,000 pairs were sold that year.

In the year 2014, *The Lego Movie* is one of movie that has 100 minutes of product placement. They are using the product of the Lego as the character of the

movie. The viewer is left thinking about the one specific thing that just inspired 100 minutes of awe: Lego.

In 2003, film *The Italian Job* is a remake of the 1969 heist movie of the same name. The original stars Michael Caine, Benny Hill and several Mini Coopers, and when the film was remade with Mark Wahlberg, the filmmakers used the current model of the iconic car. BMW happily obliged them and provided the production with more than 30 cars.

The film was only moderately successful, but the product placement worked like a charm. *BusinessWeek* reported that since the film's 2003 release, the car experienced a 22% increase in sales over the previous year. However, the placement may have worked too well. Film critic Stephanie Zacharek's review of the film stated that, "the real star of 'The Italian Job' is not a person but a car."

Product placements may be so effective because viewers and consumers are all trying to reach an ideal self and while trying to achieve this ideal self they indulge into the stories that the product placements tell (Wikipedia).

With this research project, the author would like to address the controversy marketing application in advertising method, called Subliminal advertising. The goal is to know how subliminal advertisement work to Indonesian viewers. Because the author study area is marketing that discuss about the process of communicating the value of a product or service to customers, for the purpose of selling that product or service. The definition that many marketers learn as they

start out in the industry is: Putting the right product in the right place, at the right price, at the right time.

Research about subliminal advertisement in Indonesia is lacking. Motivations are for studying the impacts of brand awareness, placement situations, consumer attitude toward the actors, and consumers' life style toward the effect of this kind of advertising.

1.8 Problem Statement

Some of people are selective consumers, they are filtering out irrelevant or unnecessary messages; that is why the advertising industry engages in deceptive subliminal advertising and most of us are unaware. Although some parties are agree with subliminal advertising theory and some others are disagree, and it made this method of advertising seemed to went away. But actually it was never really disappear. For example, Product placement at movie, music video or other media. By mixing advertising and Entertainment, it seems people are no longer in control of the people. The ones in control are the ones with knowledge (as usual). In this case, the advertisers have it and you don't.

Based on problem statement above, these are some research questions:

1. Whether or not Brands awareness have significant influences to the Advertising Effect of Product Placement.
2. Whether or not Consumer attitudes toward Script have significant influence to the Advertising Effect of Product Placement.

3. Whether or not Consumer attitudes toward Endorser have significant influence to the Advertising Effect of Product Placement.
4. Whether or not Consumer Attitudes toward product placement have significant to influence the Advertising Effect of Product Placement.
5. Whether or not Consumers' Different Lifestyles have significant influence to the Advertising Effect of Product Placement.
6. Whether or not Consumers' Different Lifestyles have significant differences on Brand Awareness.
7. Whether or not Consumers' Different Lifestyles have significant differences on the Attitude toward the Script.
8. Whether or not Consumers' Different Lifestyles have significant differences on the Attitude toward Product Placement.
9. Whether or not Consumers' Different Lifestyles have significant differences on the Attitude toward Endorser.

1.9 Research Scope

The scopes of the research are as follows:

- 1.9.1 This research replicated a previous study by Mei-Ling, Liu who invetigated a research on "Subliminal Advertising – Take Product Placement for Example"
- 1.9.2 This study will examine the effect of subliminal advertising , take product placement for example, towards consumer attitude and the intention to buy.

1.9.3 This study will be held in Yogyakarta. This study sample will focus on students of Universitas Atma Jaya Yogyakarta.

1.9.4 The Object Research is a movie called “Little Nicky”. Little Nicky is a 2000 America comedy film directed by Steven Brill.

1.9.5 There are 2 products in “Little Nicky” movie that will be examined in this study. The products are Coca Cola and Popeyes Chicken. These 2 products are commonly known by both western and eastern.

1.10 Research Objectives

Regarding the motivations of research, this study will discuss the differences of the effect of product placement under different circumstances. The main objective of this study is analyzing the differences and similarities of factors including brands, consumers’ attitude toward the plot, actor and product placement, and life style. The objectives of this study are shown as follows:

1. To analyze the influence of Brands awareness towards the Advertising Effect of Product Placement.
2. To analyze the influence of Consumer attitudes toward Script towards the Advertising Effect of Product Placement.
3. To analyze the influence of Consumer attitudes toward Endorser towards the Advertising Effect of Product Placement.
4. To analyze the influence of Consumer Attitudes toward Product Placement towards the Advertising Effect of Product Placement.

5. To analyze the influence of Consumers' Different Lifestyles on Advertising Effect of Product Placement.
6. To analyze the differences of Consumers' Different Lifestyles on Brand Awareness.
7. To analyze the differences Consumers' Different Lifestyles on the Attitude toward the Script.
8. To analyze the differences Consumers' Different Lifestyles on the Attitude toward Product Placement.
9. To analyze the differences Consumers' Different Lifestyles on the Attitude toward Endorser.

1.11 Research Benefit

The results of this study are expected to be useful for:

1. for company: This research study is an information and consideration in designing strategies to improve customer retention.
2. for author: This research study is a media to knowledge development, experience and analyzing problems, especially in the field of marketing.
3. For academic: This research study can be used as material for the preparation of similar studies and more in-depth

1.12 Research Report Outline

This study is divided into five chapters which contains interconnected information and discussion.

Chapter I : Introduction

This chapter describes the research background, problem statement, scopes of the research, research objectives, benefits of the study and Research report outline.

Chapter II : Literature review

This chapter explains some theories and understanding about subliminal advertising, product placement, brand awareness, attitude of the consumer, advertising effect and lifestyle. Research framework and hypothesis development will be also discussed in this chapter.

Chapter III : Research Methodology

This chapter describes the research methodology: data source, data collection method, research's object, population and sample, and technique of data analysis.

Chapter IV : Analysis and Findings

This chapter describes the analysis of the collected data and interpretation of data.

Chapter V : Conclusion and Managerial Implications

This chapter describes the final conclusion from the data analysis. This Result will be used to form managerial implication. The managerial implications will be addressed to the parties which expected to get some benefits from this research.

