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## The Brand That Wasn't There: The Impact of Product Displacement on Brand Outcomes

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## **Report Summary**

With the shift away from traditional media advertisements, many companies are faced with the new challenge of how to get their advertisement or brand in front of their target consumers. Streaming services, like Hulu, are exploring new avenues of product placement to supplement their production costs but also to appease marketers. Product placement, or the deliberate placing of brands within mass media content, is a well-established marketing tactic that benefits both brands and media.

However, due to financial, legal, or image reasons, brands may choose not to be associated with the entertainment content. In these situations, the brand logo is removed, or “displaced” from the production either physically or digitally to adhere to copyright law, a practice the authors define as product *displacement*. While product displacement is a common phenomenon, no research has explored the consequences of displacement on brand outcomes and the psychological process through which displacement may be effective.

## **Study**

Kirk Kristofferson and Lea Dunn examine the psychological underpinnings and downstream brand consequences of product displacement. In four experiments, they find that product displacement does have downstream consequences for the actual brand. Specifically, they find that displacement can positively or negatively impact the displaced brand depending on consumers’ need-for-cognition level. They show these divergent brand consequences are driven by displacement’s effects on consumer immersion in the viewing experience, and can spill over and affect enjoyment of the overall media experience.

## **Put into Practice**

Taken together, the results suggest that managerial decision-making for a brand’s product placement strategy is much more complex than simple financial feasibility. While a brand manager may decline a product placement opportunity because of high cost or perceived brand image concerns, these results show that the displacement of the brand in the media can negatively impact the actual brand among viewing consumers. Conversely, the results also show that for certain consumers, displacement can positively impact the actual brand. This suggests that brand managers could strategically use product displacement as a means to improve brand outcomes.

Overall, this study informs brand managers that product displacement can have downstream implications for the actual brand. It offers suggestions for how marketers can more effectively make placement versus displacement decisions depending on the expected target segment that may be attracted to certain media content, and provides insights into the psychological process consumers experience during the media experience.

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## ***INTRODUCTION***

In today's media landscape, consumers are switching from traditional television viewing to streaming and digital services. As such, the effectiveness and reach of traditional forms of commercial advertising are in a decline. This leaves marketing and brand managers with a complex problem of how best to optimize their media strategy and maintain their consumer reach through non-traditional forms of advertising. For example, some companies are veering toward brand sponsorship within streaming services (Steinberg 2017). Another common practice within media strategy is that of product placement – the inclusion of the product within media content. Streaming services like Hulu are beginning to incorporate product placement in their original content as a way to supplement production costs given the loss of traditional advertisements. Hand-in-hand with product placement is product *displacement* – the removal of a copyrighted brand logo. This occurs for several reasons (i.e., financial costs of inclusion, conflicts of interest, brand safety concerns, etc.) but has never been studied for potential benefits or costs to the brands that are excluded. This research seeks to explore consumers' reactions to product displacement not only to better understand the psychological process through which displacement versus placement could be an effective strategy, but also to provide brand managers with insight into when and where a placement versus displacement strategy could be most effective. By investigating how consumers respond to a displaced brand, we are able to help managers optimize media strategy decisions about advertisement choice, effective media content decisions, and type of advertising platform to use.

Product placement, defined as a paid product message aimed at influencing movie, television, or video game audiences via the planned and unobtrusive entry of a branded product

into the medium (Balasubramanian 1994; Russell 2002), is a marketing tactic intimately woven into today's consumption environment. Research generally suggests that product placement yields positive outcomes for brands via increased brand attitudes, recall, and choice (Babin and Carder 1996; Gupta and Lord 1998; Law and Braun 2000). Product placement also benefits the host medium (e.g., movie, television, YouTube videos), as the inclusion of real brands enhances the perceived realism of the entertainment content (Brennan, Dubas, and Babin 1999).

However, product placement carries a hefty price tag for brands. Market research data show that brands paid \$6 billion USD in product placement licensing fees in 2014 (PQ Media 2016), with individual fees often reaching hundreds of millions of dollars (Fournier and Dolan 1997; Hughs 2016). For example, Heineken gambled 100 million (USD) in 2012 to have Heineken product placed in the James Bond movie "Sky Fall" (Anik 2017). These high fees demanded by producers, combined with competitive business environments have forced brands to re-evaluate product placement strategies, often leading to reduced spending on this tactic and withdrawal of the brand from the entertainment content (Block 2010). In addition to financial reasons, in some instances companies refuse to participate in product placement because they do not want their brands associated with the host content for fear it may harm brand image (e.g., negative or unsavory content, Brodesser-akner 2009). For example, NBC's *Heroes* was sued by Emerson Electronics for having the logo of their brand "InSinkEerator" associated with a scene wherein a woman sticks her hand into a running garbage disposal (La Monica 2006). Similarly, Mercedes-Benz and Coca-Cola refused to allow *Slumdog Millionaire* to use their logos because they believed association with the slums of Mumbai would harm their brand image (Brodesser-akner 2009). Budweiser even requested the removal of their brand from *Flight*, wherein the main character is seen drinking a Budweiser while flying a commercial jet. Rob McCarthy, vice

president of Budweiser, claimed their reasoning was that they “...would never condone the misuse of our products, and have a long history of promoting responsible drinking and preventing drunk driving,” (Associated Press 2012). Another prominent reason why brands are displaced from media content is due to contractual conflict of interest. For example, Verizon started a lucrative sponsorship of *Gossip Girl* in 2007 (Steinberg 2007). At the time, Verizon did not carry Apple products; thus, Apple products used in filming had the logo visually obstructed (PopSugar Tech 2009, see appendix A for industry examples of product displacement).

Regardless of the reason, choosing not to place a branded product in entertainment content results in the digital removal or physical alteration of the brand logo from the production in adherence to copyright law. We define this removal of the copyrighted brand logo as *product displacement*. Importantly, while the removal or alteration of a brand’s logo meets the minimum requirements to avoid legal conflict, other visible cues remain (e.g., packaging, product design, aesthetics, product shape). These remaining visual cues may facilitate brand identification. Thus, it is possible that exposure to a displaced brand may still have consequences for the actual brand.

The practice of product displacement as a phenomenon is extremely common. For example, numerous popular television shows alter the Apple logo on Apple computers (e.g., *Nashville*, *How I Met Your Mother*, *The Vampire Diaries*), or digitally remove logos from a myriad of brands (e.g., Jeep, *The Sarah Connor Chronicles*). Despite its common usage, there is no research that examines how displacement might affect consumers’ reactions toward brands, nor how consumers might psychologically respond to the altered product. Could exposure to a displaced brand elicit negative reactions that could adversely affect the brand or enjoyment of the entertainment content? Conversely, might the displaced brand lead to positive brand consequences similar to those found in previous product placement research?

This research is centered on these questions and provides the first empirical investigation of product displacement. It explores both the psychological impact and downstream marketing consequences of exposure to a displaced brand. Understanding whether, when, and why consumers respond negatively or positively to a displaced brand is meaningful and of interest to brand managers, entertainment producers, and marketing practitioners. Through declining a product placement opportunity or refusing use of a brand's logo, brand manager decisions often result in product displacement; however, given the lack of research, there is minimal understanding of its consequences.

This research seeks to inform product placement strategy decisions by demonstrating when, and among which consumers, displacement positively or negatively impacts brands. Knowing when and where to avoid (or, as we will demonstrate, potentially use) displacement helps managers optimize strategy decisions and perhaps even inform the types of media programming that they should employ placement versus displacement.

### ***CONCEPTUAL FRAMEWORK***

To understand and predict the consequences of product displacement, it is important to understand how and why traditional product placement yields benefits to brands. Product placement has been shown to be a useful marketing tactic through increased reach (Balasubramanian 1994), greater lifetime brand impressions, and cost-effectiveness (Magiera 1990). These benefits result because placement can circumvent consumers' persuasion knowledge (Friestad and Wright 1994). The theory of persuasion knowledge posits that when consumers recognize a brand communication as an attempt to persuade, they interpret and interact with the communication in a different way – lowering the effectiveness of the persuasion attempt. When a

brand or product appears within a media vehicle, however, people may not view this placement as an explicit attempt at persuasion (Wright 2002). With persuasion knowledge not activated, positive feelings toward placed brands can result from repeat exposure (Baker 1999; Janiszewski 1993) or affective classical conditioning (Russell 1998). For example, repeat exposure to a brand enhances familiarity, which in turn results in positive feelings and attitudes (Janiszewski 1993). Similarly, Russell (1998) suggests that if the placement is processed non-consciously (e.g., in the background of a scene), then the positive feelings from the movie transfer to the brand, increasing recall and attitude. However, when displacement occurs and a brand's logo is removed or altered, how do consumer reactions and downstream brand consequences change?

On the one hand, previous product placement research would suggest that product displacement would have no benefits for the displaced brand. Given that brand attitudes increase through repeat nonconscious exposure (Vollmers and Mizerski 1994; Baker 1999; Janiszewski 1993), if exposure to the brand logo does not occur, the exposure-attitude processing link likely does not form, and no benefits to the brand are realized. On the other hand, given the ubiquity of product placement, we speculate exposure to a displaced brand may break through the clutter and have both psychological and downstream brand consequences. Specifically, consumers may attend to the altered product, and connect the displaced brand to the genuine brand through other visually present characteristics (e.g., packaging, color). Anecdotal sales data suggests this proposition may have merit. Returning to the *Slumdog Millionaire* example, Mercedes-Benz and Coca-Cola refused to allow their logos to appear in the film because they believed association with the slums of Mumbai would harm their brand image (Brodesser-Akner 2009). As such, all Mercedes and Coca-Cola logos were displaced (digitally removed in post-production) from the film, yet all other characteristics were present (see Appendix A). Following the release of the

film, however, sales increased 18% and 47% for Coca-Cola India and Mercedes-Benz India, respectively. This suggests that exposure to a displaced brand may in fact yield measurable benefits for the actual brand (Brodesser-akner 2009). But, could exposure to a displaced brand – a brand that is not there – actually yield positive brand outcomes? If so, how might product displacement improve brand recall, attitudes, or purchase intention?

We suggest that displacement can yield benefits to brands, and propose that this occurs because it increases consumer immersion into the entertainment medium (e.g., movie, television show) through a positive response to increased processing. However, we propose this displacement-driven immersion does not operate uniformly. We hypothesize that displacement will lead to higher immersion for consumers who like and naturally seek out mental challenges, or those high in need for cognition (NFC; Cacioppo and Petty 1982). Conversely, for consumers with low NFC, we propose that the displacement requires greater processing than simply watching the film, and as such will elicit a negative emotional reaction. This negative emotional reaction, in turn, will decrease immersion within the medium, and reduce brand outcomes relative to traditional product placement.

### *The Moderating Role of Need for Cognition on Immersion*

Need for cognition is an individual difference defined as the “tendency to engage in and enjoy thinking” (Cacioppo and Petty 1982, 116). Consumers high in NFC are motivated to process and organize information to which they are exposed, and have been shown to naturally organize, elaborate, and evaluate such information (Cohen 1957). Conversely, consumers low in NFC have been shown to avoid effortful processing of a communication message (Kivetz and Simonson 2000) and require external prompting to engage in such processing. As such, while



high NFC individuals are more likely to engage with a message, low NFC individuals expend less cognitive effort (Petty and Cacioppo 1986) and are thus less likely to become immersed.

Previous research has found immersion in entertainment content to positively impact persuasion. We define immersion in the entertainment content as the degree to which a consumer invests emotional and mental effort into material at hand (Csikszentmihalyi 1997; Diehl, Zauberaman, and Barasch 2016). Specifically, immersion has been shown to affect persuasion through increased attitude and belief change (Escalas 2007; Green and Brock 2000; McFerran et al. 2010), enjoyment of texts (Green, Brock and Kaufman 2004), and reduced counter-arguing (Dal Cin et al. 2004; Slater and Rouner 2002). In our context, we propose higher immersion with the entertainment medium (e.g., movie, television show) will mediate the extent to which displacement leads to positive or negative brand outcomes. We posit that the level of experienced immersion will be moderated by NFC. Past work has suggested that immersion is most likely to occur when the task at hand is not too demanding, nor too easy (Green et al 2008). This is because the experience of immersion is facilitated through a match between the cognitive effort required and the perceived ease of that cognitive effort (Csikszentmihalyi 1997). If the cognitive challenge is too little, the viewer may feel bored and be pulled out of immersion. If the cognitive challenge is too great, the viewer will have difficulty comprehending the narrative and thus no longer become immersed (Owen and Riggs 2012). In fact, past work has found that there is a difference in immersion across media vehicles depending on NFC. Green et al. (2008) found that high NFC were more immersed while reading a book, while low NFC were more immersed while watching films. This was due to the match of desired cognitive effort when engaging with the entertainment content.

We posit that for those high in NFC, product displacement will increase immersion with the entertainment content. This is because high NFC consumers enjoy thinking and increased processing brings enjoyment and utility. Thus, adding displacement to the experience, the cognitive challenge increases and so too will immersion. Conversely, low NFC consumers do not enjoy active problem solving, and avoid effortful processing whenever possible (Kivetz and Simonson 2000). Thus, we propose that exposure to a displaced brand is likely to require effortful processing, which will elicit a negative emotional reaction among LNFC consumers. Past work supports the relationship between increased cognitive effort and negative affect. For example, Garbarino and Edell (1997) find that when choosing between alternatives, an alternative that requires more cognitive effort to process increases negative affect, which in turn decreases choice of this alternative. Moreover, in the domain of categorization, Cohen and Basu (1987) suggest that when categorization of a product requires effort, negative affective responses result. Thus, we propose the forced cognitive processing experienced upon exposure to a displaced brand will elicit a negative emotional reaction among low (but not high) NFC consumers. We propose that this negative emotional reaction to the displacement will in turn decrease immersion with the medium. Formally,

- H1: Need for Cognition will moderate the relationship between product (dis)placement and immersion such that exposure to a displaced brand will increase (decrease) immersion among consumers high (low) in NFC.
- H2: The relationship between product displacement and reduced immersion among consumers low in NFC will be mediated by a negative emotional reaction. Consumers high in NFC will not exhibit a negative emotional reaction in response to product displacement.

We propose that the downstream marketing outcomes of this displacement-driven immersion also depend on NFC. We propose that product placement should be most effective for,

and show favorable downstream outcomes among, consumers low in NFC. Exposure to product displacement may require increased cognitive effort to process the displaced brand. Since those low in NFC avoid effortful processing (Kivetz and Simonson 2000), we propose that being forced to expend cognitive effort will result in negative affect (e.g., frustration), which then decreases immersion. This reduced immersion will serve as a negative cue for low NFC (i.e., indication of lowered enjoyment of the experience) and, subsequently, reduce brand outcomes relative to product placement.

Conversely, consumers high in NFC enjoy thinking and are naturally motivated to engage with material (e.g., Cohen 1957; Cacioppo and Petty 1982). As such, because it requires attention and processing, we predict that displacement will positively affect participants with high NFC by increasing immersion, and this displacement-driven immersion will lead to positive brand outcomes similar to those documented in previous product placement research (i.e., brand attitudes, recall). Formally,

H3: Immersion will mediate the relationship between product (dis)placement and downstream marketing outcomes such that:

- a) High NFC: Product Displacement (versus Product Placement) will lead to higher brand outcomes through increased immersion.
- b) Low NFC: Product Displacement (versus Product Placement) will lead to lower brand outcomes through decreased immersion.

### ***EVIDENCE***

We test our proposed framework across four experimental studies (see Figure 1 for full conceptual model). In all of our studies, participants are presented with a real film clip in which a real brand paid to place their product. In the product placement conditions, participants view the original clip. In the product displacement conditions, participants view the identical clip but the

brand logos are digitally removed (see Appendix B for all study stimuli). Importantly, we focus only on well-known brands. We suggest that only when there are cues that increase cognitive processing will there be positive displacement outcomes for those with high NFC. Also, by doing so, our research provides external validity by displacing the brands in the way that displacement occurs in the industry (i.e., only the logo is removed while other elements such as package shape and color remain).

### ***STUDY 1A***

Study 1A had two goals. First, we sought to demonstrate support for our framework by examining whether the psychological process and associated downstream marketing consequences of product displacement depend on consumer need for cognition (H1, H3). Second, we provide support for our proposed psychological process through measured mediation. Specifically, we demonstrate that immersion differentially drives downstream marketing consequences for low and high NFC consumers.

#### *Procedure*

Two hundred five undergraduate marketing students from a large North American university (ages 19–52,  $M_{age} = 34.9$ , 47.8% female) completed this study in exchange for course credit and were randomly assigned to conditions in a 2 (Condition: Product Displacement, Product Placement) x continuous (Need for Cognition) between-participants design.

*Need for Cognition.* Participants were told that they were going to complete multiple studies in this session, the first of which was ostensibly a personality assessment. In actuality, the questions were comprised of the 18-item NFC scale (Cacioppo, Petty, and Kao 1984).

Participants answered these questions using a scale of 1 (Completely false) to 5 (Completely true). Upon completion, participants were told that the study was over and they would be automatically re-directed to a separate, unrelated study.

*Displacement/Placement Manipulation.* Next, participants completed a media experience study in which they were told that they would be assigned to watch one of a series of film clips. In actuality, participants watched one of two video clips from the movie *The Proposal* in which Starbucks was subtly placed. The clip was approximately seven minutes long, and Starbucks was strategically placed using the brand logo on the main character's (Sandra Bullock) coffee cup. The placement occurred intermittently at short intervals throughout the clip. Participants in the product placement condition watched the original clip in which the Starbucks brand was visible on the coffee cup. Participants in the product displacement condition viewed an edited version of the clip in which the brand logo was digitally removed (see Appendix B).

*Immersion.* To measure immersion in the film clip, participants were presented with the following bipolar items about the extent to which they felt immersed in the movie clip: 1 – Not engaged at all/Not focused/Not at all Attentive to 9 – Very engaged/Very focused/Very attentive.

Participants were then told that the media study was over and completed an unrelated study for approximately 20 minutes before moving on to our brand measures. We placed this gap between manipulation and dependent measures to disguise the true nature of the experiment.

*Downstream Marketing Consequences: Brand Attitude.* After completing the unrelated study, participants moved onto measures designed to assess the marketing implications of product (dis)placement: brand attitude. Specifically, participants indicated their feelings towards the brand in the film clip using the following bi-polar items: 1 – negative/dislike/unfavorable to 7 – positive/like/favorable.

Participants then completed demographic measures and an open-response suspicion probe. We found that no participants identified the displacement hypothesis in this study.

## *Results*

*Immersion.* We first sought to test our NFC moderation framework on our proposed psychological process of immersion. The three items were averaged to form an immersion index ( $\alpha = .99$ ), and NFC ( $M = 3.23$ ,  $SD = .54$ ) was mean-centered. To test our prediction, we entered (dis)placement condition ( $-1 = \text{Displacement}$ ,  $+1 = \text{Placement}$ ), mean-centered NFC, and their interaction into a linear regression to predict immersion. Results revealed only the expected interaction ( $b = -.53$ ,  $t = -2.28$ ,  $p = .023$ ). Supporting our predictions, floodlight analysis (Spiller et al. 2013) showed that product displacement led to higher immersion than product placement among HNFC participants, or 1.82 SD above the mean value of NFC ( $B_N = -.51$ ,  $SE = .26$ ,  $p = .05$ , see Figure 2). Conversely, product displacement led to lower immersion than product placement among participants low in NFC, or 1.59 SD below the mean value of NFC ( $B_N = .46$ ,  $SE = .23$ ,  $p = .05$ ). Thus, it appears that consumer reactions to a displaced brand differ significantly depending on need for cognition level. We next sought to test whether these reactions uniquely affect brand attitudes.

*Downstream Marketing Consequences: Brand Attitude.* The three brand attitude measures ( $\alpha = .97$ ) were averaged to form a brand attitude index. As predicted, controlling for (dis)placement condition, NFC, and their interaction, immersion significantly predicted attitudes towards the brand ( $b = .18$ ,  $SE = .05$ ,  $t = 3.29$ ,  $p = .001$ ). Importantly, the conditional indirect effects of product (dis)placement on brand attitude through immersion were significant and opposite for low and high NFC participants (10,000 resamples, PROCESS Model 7). Supporting

our prediction regarding traditional product placement, among LNFC participants, the conditional indirect effect of product (dis)placement on brand attitude through immersion was significant and positive ( $b = .06$ ,  $SE = .05$ ,  $CI_{90\%}: .01, .17$ ), meaning product placement led to higher brand attitudes than product displacement. Qualifying this finding and supporting our displacement hypothesis, among HNFC participants, the conditional indirect effect of product (dis)placement on brand attitude through immersion was significant and negative ( $b = -.06$ ,  $SE = .04$ ,  $CI_{90\%}: -.20, -.01$ ), meaning product displacement led to higher brand attitudes than traditional product placement. Importantly, both opposite effects were mediated by immersion (index of moderated mediation was significant:  $b = -.09$ ,  $SE = .06$ ,  $CI_{90\%}: -.27, -.01$ ). In line with our framework, immersion increased under displacement among HNFC participants, which led to positive marketing consequences (H3a). However, immersion decreased under displacement among LNFC participants, which led to negative marketing consequences (H3b), relative to placement.

### *Discussion*

The results of Study 1A provide considerable insight not only into the psychological experience of product displacement, but also into the downstream marketing consequences for brands. First, we built upon the results of the preliminary study by providing clarity into the relationship between product displacement and our proposed psychological process: immersion. Specifically, we found that the effects of product displacement on immersion differ based on consumer need for cognition level. Consistent with our framework, results showed that for those high in NFC, exposure to a displaced (vs. placed) brand increased immersion in the entertainment medium. However, for those low in NFC, exposure to a displaced (vs. placed) brand actually decreased immersion.

In addition, the results of Study 1A provide potential downstream marketing consequences for product displacement. Consistent with our conceptual framework, we empirically demonstrate that observed traditional product placement effects are driven primarily by low NFC consumers. However, for high NFC consumers, product displacement increased brand attitudes. Supporting our proposed psychological process, immersion mediated the relationship between (dis)placement and brand attitudes. This result is of theoretical importance for two reasons. First, it identifies a key moderator that qualifies previous product placement research: NFC. Second, it sheds light into how and why a peripheral cue (e.g., background images and enjoyment) can increase persuasion among high NFC consumers, namely when the brand is displaced on screen. This result is also of practical importance to marketers because it both introduces a promotional method to reach high NFC consumers and offers insight into how best to select media when targeting consumers.

In Study 1B, we delve deeper into the negative results of displacement among LNFC consumers. Specifically, we examine whether this negative response to a displaced brand is driven by a negative emotional reaction.

### ***STUDY 1B***

Study 1B built on Study 1A in four ways. First, we sought to replicate the moderation and mediation results from Study 1A using a different brand and clip. Second, we test our full conceptual framework and provide insight into the psychological process through which product displacement affects immersion. Specifically, we sought to show that the detrimental effects of displacement on immersion and brand attitude among LNFC are driven by a negative emotional reaction to the displaced brand. Third, we extend our investigation of the downstream marketing consequences not only by examining explicit brand attitudes but also by employing a behavioral



dependent measure of brand support: seeking out a new product extension. Finally, building on the preliminary study observation that heightened immersion from displacement remained after the brand was out of view, we sought to examine whether the marketing consequences of displacement spilled over and affected attitudes toward the media vehicle (e.g., movie, television show). Demonstrating an effect of displacement to the entertainment medium would enhance the practical contribution of the present work by showing that displacement has implications not only for brand managers but also for entertainment producers.

### *Procedure*

Two hundred twenty-eight marketing undergraduates from a large North American university (ages 19–54,  $M_{\text{age}} = 23.9$ , 46.3% female) participated in this study in exchange for course credit, and were randomly assigned to one of two conditions in a 2 (Condition: Product Displacement, Product Placement) x continuous (Need for Cognition) between-participants design. The study was completed at individual computer terminals.

*Need for Cognition.* As in Study 1A, participants first completed the 18-item NFC scale.

*Displacement/Placement Manipulation.* Next, participants participated in a media experience study in which they were told that they would be randomly assigned to watch one of a series of film clips. In Study 1B, participants watched one of the two *Elf* clips used in the preliminary study in which the Coca-Cola brand was either placed or displaced.

*Consumption Emotions.* Immediately after viewing one of the two clips, participants completed the 14-item consumption emotions scale (Richins 1997) to assess the positive and negative emotions they experienced during the movie clip using a scale of 1 – Not at All, 2 – A Little, 3 – Moderately, 4 – Strongly. The negative (positive) emotion items consisted of: *angry*,

*unfulfilled, frustrated, discontented, irritated, annoyed (calm, contented, happy, peaceful, fulfilled, pleased, joyful, curious).*

*Immersion.* Participants then indicated how immersed they were in the clip using the following bipolar items: 1 – Not engaged at all/Not focused/Not at all Attentive to 9 – Very engaged/Very focused/Very attentive.

*Manipulation Check.* To ensure our displacement manipulation was noticed and effective, participants rated how difficult it was to process the brand in the movie clip using a 1 – not difficult to 7 – very difficult scale. This item was taken from past work on processing disfluency to ensure that displacement was in fact more difficult to process (Oppenheimer 2006).

As in Study 1A, to disguise the true nature of the experiment, participants then completed an unrelated study for approximately 20 minutes before moving on to our brand measures.

*Downstream Marketing Consequences.* We included two dependent measures. First, to assess brand attitudes, participants indicated their feelings towards the brand using the three items from Study 1A. Second, we included a behavioral measure of brand support. Participants were told that Coca-Cola is about to release a new and experimental soda flavor with the name and slogan: "*Coke BlāK: Coke effervescence with coffee essence*". In actuality, *Coke BlāK* was a coffee-flavored soda Coca-Cola introduced in France in 2006 that was discontinued in 2008. Participants were told that if they would like to learn more about this new flavor, they could click on the link provided. We built a landing page based on available online *Coke BlāK* promotional material and programmed the survey to both direct participants to the page, and to record if they sought out more information (1 = clicked link, 0 = did not click link).

*Downstream Marketing Consequences: Medium.* Next, we assessed whether product (dis)placement has implications for the host medium; in our case, attitudes towards the movie *Elf*.

Participants answered the following two questions: “*How much do you want to watch the movie Elf?*” (1 – not at all to 7 – very much), “*How likely are you to watch Elf in the next 30 days?*” (1 = very unlikely to 7 – very likely).

Participants then completed demographic measures and an open-ended suspicion probe.

## *Results*

*Participants.* One participant indicated in the open response that her/his data should not be used because he/she has strong negative feelings about Will Ferrell that dictated his/her answers. Results are consistent if this individual is included.

*Manipulation Check.* The manipulation check was successful. Participants in the product displacement condition perceived the brand to be more difficult to process than participants in the product placement condition ( $M_{\text{Displacement}} = 3.70$ ,  $SD = 2.27$  vs.  $M_{\text{Placement}} = 3.03$ ,  $SD = 2.27$ ,  $t(227) = 2.24$ ,  $p = .026$ ).

*Dependent Measure: Immersion.* The three immersion items were averaged to form an immersion index ( $\alpha = .95$ ), and NFC was mean-centered at 3.47 ( $SD = .51$ ). To test our prediction, we entered (dis)placement condition (-1 = Displacement, +1 = Placement), mean-centered NFC, and their interaction into a linear regression to predict engagement. Results revealed only the expected interaction ( $b = -.62$ ,  $t = -2.42$ ,  $p = .016$ ). Replicating the results from Study 1A, floodlight analysis showed that product displacement led to higher immersion than product placement among participants high in NFC, or 1.01 SD above the mean value of NFC ( $B_{\text{N}} = -.36$ ,  $SE = .18$ ,  $p = .05$ ). Conversely, product displacement led to lower immersion than product placement among participants low in NFC, or 1.39 SD below the mean value of NFC ( $B_{\text{N}} = .51$ ,  $SE = .26$ ,  $p = .05$ , see Figure 3).

*Immersion Process Measure: Negative Emotions.* Our framework predicts that the decrease in immersion among low NFC consumers in displacement versus placement occurs because the increased processing imposed upon exposure to the displaced brand generates a negative emotional reaction. To test this claim, we entered (dis)placement condition, mean-centered NFC, and their interaction into a linear regression to predict negative emotions ( $\alpha = .89$ ). Results revealed main effects of both NFC ( $b = -.20$ ,  $SE = .07$ ,  $t = -2.70$ ,  $p = .008$ ), and (dis)placement condition ( $b = -.09$ ,  $SE = .04$ ,  $t = -2.54$ ,  $p = .012$ ) variables. However, these effects were qualified by the expected interaction ( $b = .19$ ,  $SE = .07$ ,  $t = 2.58$ ,  $p = .010$ ). As predicted, participants at low to medium levels of NFC experienced significantly higher negative emotional reactions in the product displacement versus placement condition ( $B_{IN} = -.07$ ,  $SE = .04$ ,  $p = .05$ ); however, high NFC participants did not experience any differences in negative emotions between displacement and placement conditions (see Figure 4).

*Moderated Mediation.* Finally, we tested whether the decrease in immersion among low NFC participants in the displacement condition was driven by the negative emotional reaction. To test this proposition, we performed a moderated-mediation analysis (Preacher, Rucker, and Hayes 2007, PROCESS Model 7) with 10,000 resamples with replacement using immersion as the dependent measure. Controlling for (dis)placement condition, NFC, and their interaction, negative emotions significantly predicted immersion in the video ( $b = -1.05$ ,  $SE = .21$ ,  $t = -4.89$ ,  $p < .0001$ ). Supporting our framework, the conditional indirect effect of (dis)placement condition on immersion through negative emotional reaction was significant among LNFC ( $b = .22$ ,  $SE = .08$ ,  $CI_{95\%}: .10, .42$ ), but not HNFC participants ( $b = -.02$ ,  $SE = .05$ ,  $CI_{95\%}: -.13, .08$ ). Importantly, the index of moderated-mediation was significant ( $b = -.20$ ,  $SE = .09$ ,  $CI_{95\%}: -.40, -.06$ ).

Having demonstrated how and why product (dis)placement differentially affects immersion levels based on NFC, we next tested the effects of immersion on downstream marketing consequences, both for the brand and hosting medium.

*Downstream Marketing Consequences: Brand Attitude.* The three brand attitude measures ( $\alpha = .97$ ) were first averaged to form a brand attitude index. As predicted, controlling for (dis)placement condition, NFC, and their interaction, immersion predicted attitudes towards the brand ( $b = .10$ ,  $SE = .05$ ,  $t = 1.98$ ,  $p = .049$ ). Consistent with Study 1A, among LNFC participants, the conditional indirect effect of product (dis)placement on brand attitude through immersion was significant and positive ( $b = .03$ ,  $SE = .03$ ,  $CI_{95\%}: .001, .11$ ), meaning product placement led to higher brand attitudes than product displacement. Conversely, among HNFC participants, the conditional indirect effect of product (dis)placement on brand attitude through immersion was significant and negative ( $b = -.04$ ,  $SE = .03$ ,  $CI_{95\%}: -.12, -.002$ ), meaning product displacement led to higher brand attitudes than traditional product placement. Importantly, both opposite effects were mediated by immersion (index of moderated mediation:  $b = -.06$ ,  $SE = .04$ ,  $CI_{95\%}: -.18, -.01$ ).

*Downstream Marketing Consequences: Behavioral Brand Support.* We next tested our framework using a behavioral dependent measure of brand support: seeking out a brand's product extension. We estimated the same model using the likelihood to seek out the product extension as the dependent measure (1 = clicked, 0 = did not click). As predicted, controlling for (dis)placement condition, NFC, and their interaction, immersion predicted likelihood to seek out the new product, albeit marginally ( $b = .24$ ,  $SE = .13$ ,  $t = 1.86$ ,  $p = .063$ ). Replicating the brand attitude measures, the conditional indirect effects of (dis)placement on brand support through immersion were opposite for low and high NFC. Among LNFC participants, the conditional indirect effect of product (dis)placement on seeking out the brand's product extension through

immersion was significant and positive at the 90<sup>th</sup> percentile ( $b = .08$ ,  $SE = .07$ ,  $CI_{90}$ : .01, .25).

Product placement was more effective than product displacement at generating brand support.

Conversely, among HNFC participants the conditional indirect effect of product displacement on brand attitude through immersion was significant and negative at the 95<sup>th</sup> percentile ( $b = -.10$ ,  $SE = .08$ ,  $CI_{95}$ : -.31, -.002). Product displacement led to higher brand support than product placement.

As with brand attitudes, immersion significantly mediated both effects (index of moderated mediation:  $b = -.15$ ,  $SE = .11$ ,  $CI_{95}$ : -.44, -.01).

*Downstream Marketing Consequences: Medium.* We next sought to examine whether the product displacement effects we observe towards the brand can spill over and affect attitudes towards the host medium. The two measures were combined to form an attitude towards the medium index ( $\alpha = .77$ ). Controlling for (dis)placement condition, NFC, and their interaction, immersion significantly predicted attitudes towards the medium ( $b = .49$ ,  $SE = .05$ ,  $t = 9.37$ ,  $p < .0001$ ). The conditional indirect effects displayed the identical pattern observed for brand attitudes. Among LNFC participants, product placement led to higher attitudes towards the medium than product displacement (conditional indirect effect:  $b = .17$ ,  $SE = .10$ ,  $CI_{95}$ : .0003, .38). Conversely, among HNFC participants, product displacement led to higher attitudes towards the medium than product placement (conditional indirect effect:  $b = -.20$ ,  $SE = .10$ ,  $CI_{95}$ : -.39, -.01). Finally, immersion significantly mediated each of the opposing effects (index of moderated mediation:  $b = -.30$ ,  $SE = .12$ ,  $CI_{95}$ : -.54, -.08).

## *Discussion*

The results of Study 1B build on Study 1A in multiple ways. In addition to replicating the moderation and mediation results on immersion and brand attitudes, the results of Study 1B

provide insight into why LNFC consumers respond adversely to product displacement. Consistent with our framework, exposure to a displaced brand elicited a negative emotional reaction, which decreased immersion in the entertainment medium and reduced brand attitudes and subsequent brand support. We further explore this process in Study 3. Second, Study 1B extends Study 1A by including a behavioral measure of brand support: willingness to seek out a product extension. Finally, results show that the consequences of product displacement are not limited to the displaced brand, but in fact extend to the host entertainment medium. This result has important practical implications for movie and television producers. In today's product placement market, content producers set fees for brands to have the opportunity to place their products to reach consumers. If the fees are not paid, then the brand is displaced from production. However, our results suggest that some consumers may in fact become frustrated and take their feelings out on the content itself, lowering enjoyment of and desire to watch the movie or show in the future. This suggests that the interests of brands and producers are more symbiotic than currently perceived, and more effort should be put forth to reach agreement on placements.

In Study 2, we provide further support for our immersion process claim by manipulating the consumers' ability to become immersed in the entertainment content.

## ***STUDY 2***

In Study 2, we sought to provide further evidence for our proposed psychological process underlying the downstream effects of product displacement by manipulating immersion (Spencer, Zanna, and Fong 2005). If immersion is the process through which product (dis)placement affects the downstream consequences for the brand, we should observe our previously demonstrated positive and negative effects of product displacement when immersion into the clip is encouraged

or hindered. Our framework predicts that when immersion is interrupted, product placement will be more effective than product displacement. However, when immersion is fostered, the opposite result should emerge such that product displacement is more effective than product placement. Since immersion during a displaced brand clip occurs for those high in NFC but is low for those low in NFC, we believe that manipulating immersion in this study acts as a proxy for NFC. Essentially, disrupting immersion should mimic the experience of those with low NFC and fostering immersion should mimic the experience of those with high NFC. By choosing to manipulate immersion, we can directly test our theoretical process.

### *Procedure*

One hundred twenty-four marketing undergraduates (ages 19–45,  $M_{age} = 23.0$ , 50.4% female) from a large North American university completed the study in exchange for course credit and were randomly assigned to conditions in a 2 (Condition: Product Displacement vs. Product Placement) x 2 (Immersion: Low vs. High) between-participants design.

The cover story was similar to that of previous studies. Participants were told that they would watch a movie clip and answer questions about their experience. However, immediately before watching the clip, participants received our immersion manipulation.

*Immersion Manipulation.* We manipulated immersion by varying the instructions and expectations of participants. Specifically, to discourage immersion we focused participants on the surface level aspects of the film clip (e.g., conversational details) and informed them they would be tested on these surface details later in the experimental session. To encourage immersion, we explicitly encouraged participants to become immersed in the movie clip. This manipulation was adapted from previous research that showed that focusing on surface-level details of a written narrative inhibited immersion into the story, but encouraging immersion fostered it (Green and



Brock 2000; Green and Donahue 2009). Further reasoning for why this manipulation would impede immersion is that participants are told that they would be tested on the recall of the surface-level details. We believe that this imposes a cognitive task on the experience, which may act in a way similar to cognitive load (Sweller 1988), and impede the consumer's ability to fully immerse in or devote cognitive energy to the experience. Participants in the *low immersion* condition received the following instructions:

*In this study, you will be asked to watch a film clip. As we are interested in how well you can remember conversation details between characters in entertainment media, please watch the following clip and pay attention to the dialogue and characters. We will be testing you on recall of dialogue and interactions depicted in the clip.*

Participants in the *high immersion* condition received the following instructions:

*In this study, you will be asked to watch a film clip. As we are interested in how you might naturally watch and engage in entertainment media, please watch the following clip as if you were watching it in a movie theater or in your home. Really settle in to enjoy the movie clip.*

A separate pre-test (n = 217) confirmed that participants who received the low (vs. high) immersion instructions were significantly less immersed when viewing a subsequent video ( $p < .05$ ). As expected, results were consistent across NFC level.

*(Dis)placement Manipulation.* Participants next watched one of the two *Elf* clips from Study 1B.

Participants next completed an unrelated study for approximately 15 minutes before being presented with our dependent variable: brand attitudes.

*Dependent Measure: Brand Attitudes.* We utilized the same brand attitude measures used in Study 1. Participants indicated their feelings towards the brand using the following bi-polar items: 1 – negative/dislike/unfavorable to 7 – positive/like/favorable.

Participants then completed demographic measures and an open-ended suspicion probe.

## *Results*

Two participants did not watch the video and three identified the hypothesis and are excluded. The pattern of results is consistent if all participants are included.

*Dependent Measure: Brand Attitude.* The three brand attitude measures were averaged to form a brand attitude index ( $\alpha = .97$ ). To test our predictions, we contrast-coded condition (Displacement = -1, Placement = +1) and immersion (Low Immersion = -1, High Immersion = +1) variables and entered them in a 2 x 2 ANOVA to predict brand attitudes. The ANOVA revealed only the predicted interaction ( $F(1,119) = 10.3, p = .002$ ). Planned contrasts revealed that, as anticipated, participants whose immersion in the film clip was discouraged exhibited higher brand attitudes in the placement vs. displacement condition ( $M_{\text{Low Immersion-Placement}} = 4.91, SD = 1.41$  vs.  $M_{\text{Low Immersion-Displacement}} = 3.91, SD = 1.31; F(1, 119) = 7.59, p = .007$ , see Figure 5). However, when immersion with the film clip was encouraged, participants expressed higher brand attitudes in the product displacement vs. placement conditions ( $M_{\text{High Immersion-Placement}} = 4.17, SD = 1.24$  vs.  $M_{\text{High Immersion-Displacement}} = 4.86, SD = 1.56; F(1, 119) = 3.25, p = .074$ ).

## *Discussion*

The results for Study 2 provide further support for our conceptual framework and the key role that immersion with the entertainment medium plays in driving the effects of product displacement. Specifically, when immersion with the media clip was mitigated, we again replicate the results of low NFC participants in previous studies such that traditional product placement is more effective at increasing brand attitudes than product displacement. However, when

engagement was fostered, we qualify this finding and replicate the results of high NFC participants such that product displacement led to higher brand attitudes than product placement.

In the final study, we seek to provide corroborating evidence of the role of emotional experience on the immersion process. Thus far, we have found product displacement allows the background cue to be a positive peripheral cue for HNFC due to the positive experience of cognitive effort. This is not the case for LNFC who find cognitive effort to be a negative emotional experience. If this emotional experience drives immersion, we should find that for LNFC who are able to attribute their negative affect to a positive experience of displacement, we should see brand outcomes increase.

### *STUDY 3*

Study 3 had two goals. First, we sought to provide deeper psychological insight into the relationship between NFC and product displacement. Specifically, in Study 3 we focus on the detrimental effects of displacement among low NFC consumers and provide a more direct test of our claim that the negative consequences of displacement are driven by a negative emotional reaction in response to forced processing. In addition, using a simple preface in which consumers are given attributional information about their experience may provide managers with a clear intervention should they desire to use displacement deliberately as a tactic.

The second goal of Study 3 was to demonstrate our effects using yet another product displacement manipulation, a generalized population, and different brand support dependent measure. In this study, we used a much more subtle product (dis)placement stimulus (both in terms of time and placement on screen) in a different media genre with a different population. Given the previous studies utilized student samples, we felt it important to demonstrate our effects using a sample of broad age and experience.

## *Procedure*

Three hundred seventy-nine Amazon Mechanical Turk participants (ages 19–54,  $M_{age} = 23.9$ , 46.3% female) participated in this study in exchange a nominal payment, and were randomly assigned to one of two conditions in a 2 (Attribution of Negative Emotions: Present, Absent) x continuous (Need for Cognition) between-participants design.

Prior to viewing the media stimuli, participants completed the 18-item NFC scale. Participants then received attribution instructions and watched the displacement clip before answering follow-up questions.

*Displacement Stimuli.* Given the focus on the detrimental consequences of displacement among those consumers low in NFC, all participants viewed a video clip in which a brand was displaced. Having demonstrated the effects of displacement using positively-valenced clips, we selected a negatively-valenced clip from the movie *Fight Club* in which Starbucks is strategically placed in a subtle manner. The clip is approximately 3:30 long and the placement appears at approximately 2:30 through a Starbucks cup placed on the corner of a desk. The brand is only on screen for seven seconds, and it is positioned at the periphery of the screen.

*Negative Emotion Attribution Manipulation.* Participants received the negative emotion attribution at the introduction of the video clip task. Consistent with the instructions in Studies 1A and 1B, participants in the *attribution absent* (control) condition were told that they would watch a four-minute video clip. Participants in the *attribution present* condition received the following instruction: “*You will now watch a 4-minute movie clip. Sometimes, when watching certain movie clips, people tend to get frustrated. But, this frustration is actually elicited on purpose by the movie producers, and feeling it is actually indicative of enjoyment. So, if you are feeling any*

*negative emotions, it is actually because you are experiencing the movie as intended. People have experienced frustration in these instances have reported higher enjoyment of the movie”.*

Participants then watched the clip and completed an unrelated study for approximately five minutes before moving on to our brand measures. We again placed this gap between manipulation and dependent measures to disguise the true nature of the experiment.

*Downstream Marketing Consequences: Brand Recall.* To measure the downstream consequences on the brand, participants were asked to recall what brands (if any) they saw in the movie clip (coded as 1 = Starbucks, 0 = not Starbucks). Given all participants viewed a displaced brand, no brands were actually present in the clip.

Participants then completed an open-ended suspicion probe, demographic measures, and were thanked for their participation.

## *Results*

Four participants are not included in the analysis for the following reasons: one identified the displacement hypothesis, two were unable to watch the video, and one informed us s/he had watched the movie clip multiple times. As such, the analysis is conducted with 375 useable participants. The pattern of results holds when all participants are included in analyses.

*Downstream Brand Consequences.* Contrast-coded emotion attribution condition (-1 = Attribution Present, +1 = Attribution Absent), mean-centred NFC ( $M = 3.35$ ,  $SD = .82$ ,  $\alpha = .92$ ) and their interaction were entered into a logistic regression to predict brand recall. Results revealed a marginal main effect of NFC ( $b = .38$ ,  $SE = .20$ ,  $t = 1.85$ ,  $p = .064$ ) and a main effect of emotion attribution condition ( $b = -1.57$ ,  $SE = .75$ ,  $t = -2.10$ ,  $p = .036$ ). However, these effects were qualified by the predicted interaction ( $b = .44$ ,  $SE = .20$ ,  $t = 2.16$ ,  $p = .031$ ). Confirming our

predictions, when no attribution for emotional response was provided, displacement led to higher brand recall for HNFC participants than LNFC participants ( $b = .82$ ,  $SE = .31$ ,  $Z = 2.67$ ,  $p = .008$ ). However, when negative emotions could be attributed to the desired movie experience, NFC had no effect on brand recall ( $b = -.06$ ,  $p = .82$ , see Figure 6). Importantly, when low NFC participants attributed negative emotional reactions to accurately experiencing the entertainment medium, brand recall significantly improved relative to the attribution absent condition ( $B_N = -.78$ ,  $SE = .40$ ,  $p = .05$ , slope becomes significant at  $-1.58$  SD). Thus, attribution of one's emotional reaction to a proper viewing experience led LNFC participants to behave like HNFC participations such that brand recall of the displaced brand increased.

### *Discussion*

Using a subtle product displacement manipulation and a general population, Study 3 provided additional insight into the underlying psychological process of product displacement by identifying a conceptually and practically relevant moderator: attribution of negative emotions. Our theory suggests that product displacement does not improve brand consequences among LNFC consumers because the imposition of cognition processing elicits a negative emotional reaction. Indeed, the results of Study 3 support this claim such that in the absence of negative emotion attribution, LNFC participants exhibited significantly lower recall than HNFC participants. However, when negative emotional reactions were attributed to an accurate experience of the content, no effect of NFC emerged. Importantly, this mitigation was driven by an *increase* in brand recall among LNFC participants. These results are informative to practitioners because they suggest methods in which displacement can have positive brand consequences among consumer segments (e.g., to reach LNFC consumer). Specifically, utilizing

product displacement within media in which consumers expect and seek out negative emotional reactions (e.g., dark comedies, dramas, etc.) may allow brands to circumvent the potential detrimental effects among LNFC consumers.

### ***CONCLUSION AND MANAGERIAL IMPLICATIONS***

Across four studies, we provide the first empirical investigation of product displacement. We propose a conceptual framework to understand the psychological impact that exposure to a displaced brand has on consumers and the downstream marketing consequences of such exposure. Using eye-tracking and EEG technology to measure real-time emotions, our preliminary study found that consumers attend and react to a displaced brand. Study 1A clarified the moderating role of NFC and the mediating role of immersion on the downstream brand consequences of product displacement. Specifically, we found that among high (low) NFC consumers, exposure to a displaced (placed) brand increased immersion with the viewing experience. This increased immersion, in turn, increased attitudes towards the brand. Testing our full conceptual framework, Study 1B delved deeper into consumer responses to displacement and showed that product displacement elicits a negative emotional reaction among low NFC consumers, which subsequently reduced immersion and negatively impacted marketing outcomes for both the brand and host medium. Study 2 provided process support through moderation by showing that the positive downstream consequences of product displacement emerge when immersion occurs, but are reversed when it is interrupted. Finally, Study 3 provided conceptual support for the detrimental process among LNFC consumers, and introduced a theoretically and practically relevant moderator to elicit positive displacement consequences from LNFC consumers: negative emotion attribution.

### *Theoretical Contributions*

The current research makes a number of theoretical contributions. First, we provide the first empirical investigation into the consumer phenomenon of product displacement. We propose a conceptual framework to outline how consumers respond psychologically when exposed to a displaced brand and the downstream persuasive consequences for both brand and associated medium. Importantly, we identify NFC as the key factor in predicting the effects of displacement and demonstrate immersion as the psychological process through which displacement impacts subsequent persuasion. Our framework proposes that for consumers high in NFC, exposure to product displacement (vs. product placement) increases immersion with the media experience and leads to positive downstream consequences for the brand and associated host medium. Conversely, for consumers low in NFC, exposure to product displacement decreases immersion and leads to negative downstream consequences for the brand and host medium.

Our work makes important contributions to the product placement literature. First, we introduce product displacement as a novel variation on product placement. By doing so, we are able to clarify the conceptual relationship between product placement and NFC.

### *Managerial Contributions and Directions for Future Research*

Our research makes a number of important substantive contributions for marketing practitioners and managers. First, we provide the first empirical demonstration of the effects that product displacement can have on brands. The choice to displace one's brand is usually made out of budgetary or brand image maintenance reasons under the assumption that no consumer or brand effects will result. However, not only do we show the psychological impact of exposure to



a displaced brand, we also show it can have powerful downstream consequences for brands. We show that when immersion with the medium is fostered, product displacement yielded positive brand outcomes for brands among high NFC consumers. Our findings suggest that marketers could in fact use displacement strategically provided the immersion conditions can be met.

Second, we inform marketers regarding when to use displacement versus placement strategies. Specifically, results from Study 1B suggest that traditional product placement strategies should be employed in media most likely to be viewed by LNFC consumers, while product displacement could be incorporated into content targeted to HNFC consumers. This could be operationalized through the genre of movie or television show, such that product placement would fit comedy or romance, while displacement would work best in suspense thrillers or science fiction. To test this managerial implication, we conducted a study that examined whether NFC would predict preference for, and attitudes toward, different movie genres. After completing the NFC scale, participants ( $n = 277$ ) indicated their liking and preferences for 18 different movie genres (e.g., documentary, comedy). In addition, participants reported their attitudes toward twenty-two individual movies that differed on media genre level, and indicated whether they had seen the movie. Results supported our NFC proposition and managerial implication of displacement. Results showed that as NFC rose consumers were more likely to prefer genres requiring psychological thought such as independent movies, foreign films, and documentaries. Moreover, examination of individual movies revealed that as NFC rose, consumers were significantly more likely to both express higher attitudes towards more complex movies and report choosing these movies in the past. These results suggest that NFC can be actionably utilized via movie genres, and thus offer actionable direction for marketing managers regarding product placement (or displacement) strategic decisions.

Third, our results demonstrating the spill-over effects of displacement on the host medium suggest media producers seeking out product placement endorsements should be very careful both when approaching brands, and in the decision to withhold licensing fees and displace the brand instead. Indeed, our results show that low NFC consumers actually reduced the likelihood of and desire towards watching the movie when the brand was displaced.

In summary, this research suggests that marketers can make more educated strategic decisions on alternative forms of advertising such as product placement or displacement and can do so at a specific media content and advertising platform level. These decisions can help marketing managers maintain their consumer reach in a world that is shifting from traditional forms of content to digital content.

In conclusion, we provide an empirical investigation into the consumer phenomenon of product displacement. While naturally resulting from budgetary, brand image protection, and contractual decisions, our work shows that product displacement may in fact be an effective marketing tactic to increase brand support. As such, our research highlights the importance of understanding both placement and displacement as potential branding strategies, and informs marketing managers in making educated decisions when planning their final media strategies. Indeed, the brand that *wasn't* there may be the very one consumers want to buy.

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## FIGURES

FIGURE 1: CONCEPTUAL FRAMEWORK

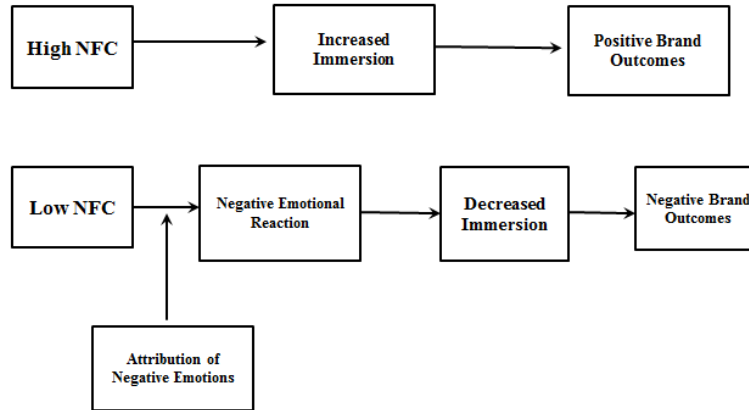


FIGURE 2: IMMERSION AS A FUNCTION OF (DIS)PLACEMENT CONDITION AND NEED FOR COGNITION (STUDY 1A)

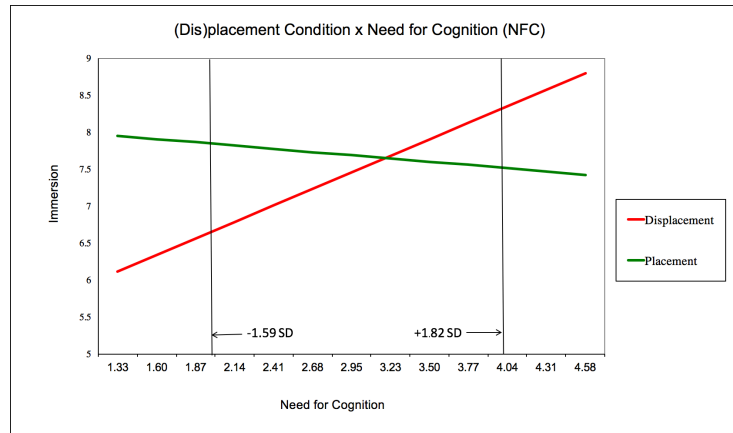


FIGURE 3: IMMERSION AS A FUNCTION OF (DIS)PLACEMENT CONDITION AND NEED FOR COGNITION (STUDY 1B)

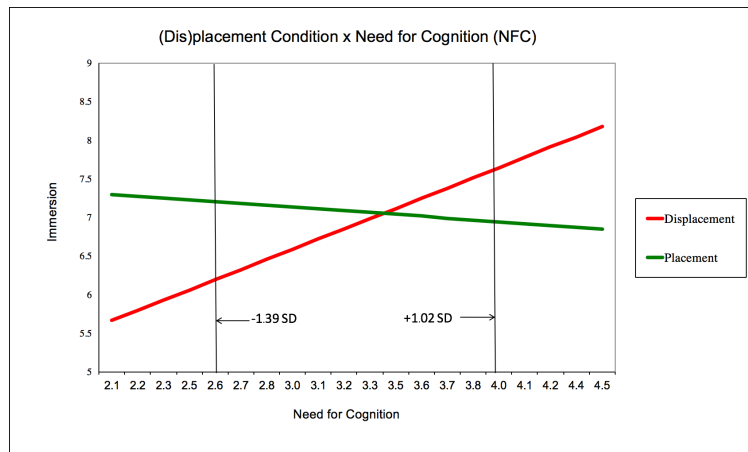


FIGURE 4: NEGATIVE EMOTIONAL REACTION AS A FUNCTION OF (DIS)PLACEMENT CONDITION AND NEED FOR COGNITION (STUDY 1B)

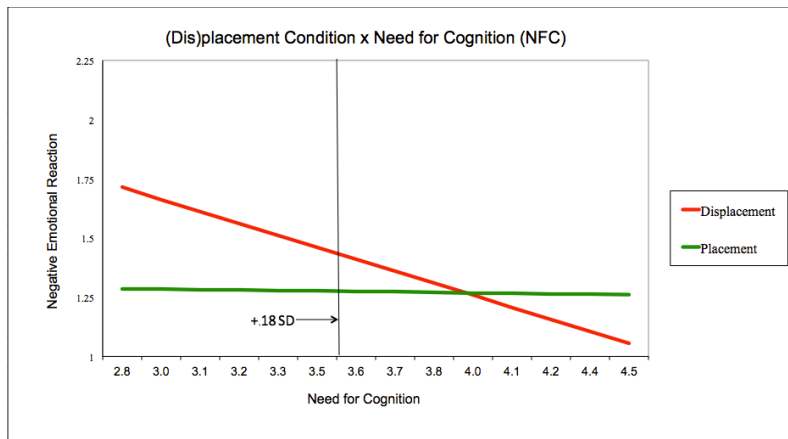


FIGURE 5: BRAND ATTITUDE AS A FUNCTION OF (DIS)PLACEMENT CONDITION AND IMMERSION (STUDY 2)

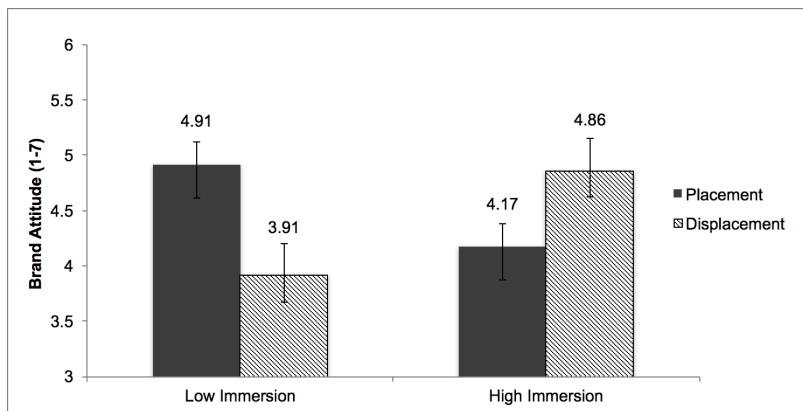
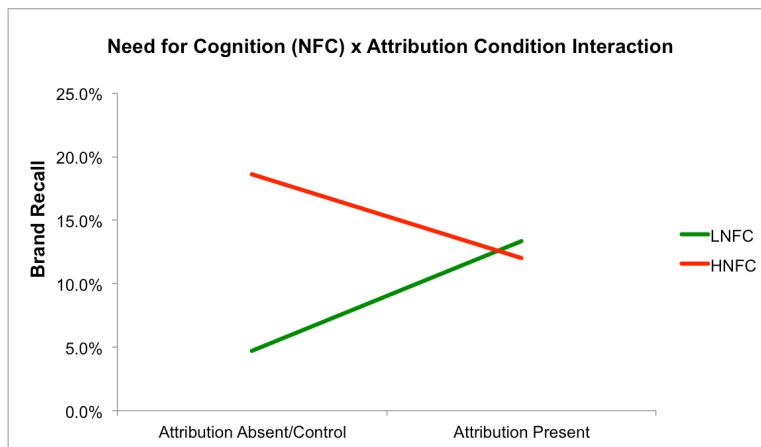


FIGURE 6: BRAND RECALL AS A FUNCTION OF NEED FOR COGNITION AND NEGATIVE EMOTIONAL REACTION ATTRIBUTION (STUDY 3)





**APPENDIX A – PRODUCT DISPLACEMENT REAL WORLD EXAMPLES**



Physically Altered Pringles and Scott's Nature Scapes Logos (Reality TV)



Physically Altered Apple Logo (How I Met Your Mother)



Obstructed Apple Logo (Gossip Girl)



Digitally Removed Jeep Logo (The Sarah Connor Chronicles)



Digitally Removed Mercedes-Benz Logo (Slumdog Millionaire)

*APPENDIX B – STUDY STIMULI*

Preliminary Study, Studies 1B, Study 2:

Displacement



Placement



Study 1A:

Displacement



Placement



Study 3:

Displacement

