

An Exploratory Study of Product Placement in Social Media

Nuša Perkič

University of Ljubljana, School of Economics and Business, Slovenia
perkicn@gmail.com

Mateja Kos Koklič

University of Ljubljana, School of Economics and Business, Slovenia
mateja.kos@ef.uni-lj.si

Abstract. The growth of available media has made it increasingly difficult to deliver marketing messages to potential consumers. As a result, product placement, defined as the intentional and paid placement of products, services or brands in media content, has attracted the attention of marketers because of its effectiveness. Not surprisingly, companies have begun to use social media as part of their marketing strategies to reach consumers and promote their brands. In doing so, they benefit from gaining direct access to their target market, creating a brand community, gaining consumer insights and improving their products. The basic idea behind placing products or brands on social media platforms is that celebrities, bloggers, influencers or brands themselves create marketing messages by placing the product in the environment by posting photos or videos on social media. Product placement on social media can be considered part of influencer marketing. Brand placement on social media is an important opportunity for companies. Since previous research has mainly focused on the effectiveness of branding in movies and the placement of brands in modern media is still quite unexplored, this study will examine placement of brands in social media.

To gain in-depth consumer insight, we used two different data collection methods. We gained insight into consumer interactions on social networks through a netnography research that collected 60 different types of Instagram posts from Slovenian influencers and 30 different types of Instagram posts on brand profiles. The quantitative method of online surveys, with 263 respondents of all ages over 16 randomly assigned to one of four experimental groups with different types of Instagram posts, allowed us to better understand consumers' attitudes toward placement and/or how the type of placement influences brand perceptions and purchase intent.

Based on the data collected, we can confirm the link between brand placement in traditional media and the formation of positive perceptions toward the placed brand. We can also confirm the positive correlation between the perception of the brand placement and purchase intention, which means that the appropriate content of the announcements influences the positive perception and, as a result, purchase intention. The findings of our qualitative research indicate that influencers contribute to more successful product placement. The comments from the netnographic analysis, in particular, revealed that consumers view the influencers' posts as reliable and trustworthy.

Product placement on social media is an effective way to promote products in a targeted manner, but it requires a significant amount of preparation and research. The placement principle influences consumer perception and purchase intention. Placed products or brands are presented unobtrusively in social media posts via influential recommendations or informative brand content, and thus do not elicit negative reactions from consumers when compared to traditional advertising. Companies must carefully analyse the target group and its characteristics before deciding to include brand placement in social media in their marketing strategies. Only in this way will they be able to increase purchase intention and create a positive perception of the placed brand.

Keywords: product placement, social media, attitude toward product placement