Product Placement Decisions On-Set

Maria Flavia T. Pulliam
PRODUCT PLACEMENT DECISIONS ON-SET

by

MARIA FLAVIA PULLIAM

Under the Direction of Kay Beck

ABSTRACT

This thesis is an ethnographic study of the product placement decisions made on-set during the production of a feature film. A concise historical review of the use of products in film and television is followed by an overview of the current research literature. The literature overview reveals a need for specific additional research. The research question which directed the present study intends to add to the existing literature: *product placement is part of a creative decision-making process that happens throughout production on-set with filmmakers using products to help tell their story.* The method used to approach the research question is an ethnographic observation of the decision-making process on-set, supplemented by interviews with professionals in props, art and set decorating departments. The findings present the results of the study summarizing the observations and interviews supporting the research question. The last section outlines the conclusions and areas that call for further research.

INDEX WORDS: Product placement, Ethnographic, On-set, Production, Motion pictures, Television
PRODUCT PLACEMENT DECISIONS ON-SET

by

MARIA FLAVIA PULLIAM

A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of

Master of Arts

in the College of Arts and Sciences

Georgia State University

2012
PRODUCT PLACEMENT DECISIONS ON-SET

by

MARIA FLAVIA PULLIAM

Committee Chair: Kay Beck

Committee: Ly Bolia

Sheldon Schiffer

Electronic Version Approved:

Office of Graduate Studies

College of Arts and Sciences

Georgia State University

December 2012
DEDICATION

I dedicate this thesis to my parents José Francisco and Adrienne Ferraz de Toledo,

and my husband Alan Pulliam
ACKNOWLEDGEMENTS

I offer my sincerest gratitude to my advisor, Dr. Kay Beck, who supported me throughout my thesis with her patience and knowledge. My thankfulness also goes out to Ly Bolia and Sheldon Schiffer for their critiques and insights to the research. I attribute the level of my Master’s degree to their encouragement and effort and without them this thesis would not have been completed or written.

I also would like place on record, my sense of gratitude to all who directly or indirectly, have lent their helping hand in this project.
# TABLE OF CONTENTS

ACKNOWLEDGEMENTS.............................................................................................................................................. v

1 INTRODUCTION.................................................................................................................................................................. 1

2 HISTORY OF PRODUCT PLACEMENT .................................................................................................................................. 4

3 LITERATURE REVIEW............................................................................................................................................................ 11

4 METHODOLOGY...................................................................................................................................................................... 18

4.1 Overview............................................................................................................................................................................. 18

4.2 Ethnographic Method .......................................................................................................................................................... 20

4.3 Study................................................................................................................................................................................ 25

5 FINDINGS............................................................................................................................................................................... 29

5.1 Formal Agreements .......................................................................................................................................................... 31

5.2 Informal Agreements ....................................................................................................................................................... 34

6 CONCLUSIONS....................................................................................................................................................................... 47

6.1 Implications........................................................................................................................................................................ 48

6.2 Future Research................................................................................................................................................................. 49

REFERENCES............................................................................................................................................................................. 50

APPENDIX: INTERVIEW WITH PROP MASTER......................................................................................................................... 55
1 INTRODUCTION

Over the past several decades product placement has developed into a billion dollar industry. In 2009, it generated US$7.35 billion and is expected to continue growing (PQ Media 2010). The expected growth is based on the increasing cost of advertising and media production and the increasing use of technologies such as TiVo that allow the consumer to bypass television advertising. Consequently an increasing number of advertisers are seeking alternative ways to reach the consumer.

Although product placement was initially regarded simply as the inclusion of trade-marked merchandise, brand-name products, or signage in a motion picture, (Steortz 1987) this definition has proven inadequate because it does not address the commercial intent behind product placements nor the fees and barter agreements that are often part of the process. Product companies will pay or provide products at no cost to motion pictures and television companies hoping their products will reach the consumer in an effective and creative way, whereas motion picture and television companies use product placement to reduce production costs. Over time, product placement has been redefined to include this promotional nature of product placement and its intent to influence the consumer; however, identifying a paid placement or the intention to influence the consumer can be difficult when analyzing a finished film, since many times filmmakers also use products to lend authenticity to the story and to quickly and effectively convey expositional information. The promotional use of product placement sought by product placement agencies and product companies cannot be disregarded, but their intentions can differ from those of the filmmakers.
Also, another distinction that needs to be made when talking about product placement is whether the placement is for a motion picture or television production. Motion pictures, unlike television, are primarily funded through studios or independent producers and can benefit from inclusion of paid and non-paid product placements. Product placement for television is, for the most part, paid placement. Television networks’ revenue comes from selling commercial spots to advertisers. If a product can be included in a program at no cost there is no reason for the advertiser to pay for a commercial spot. Thus the synthesized definition of product placement, “the intentional appearance of a brand in programming that is driven by commercial intent” by Newell et al. (2006:577) was chosen for use in the present study.

As viewers become increasingly aware of the inclusion of products in the programming they watch, product placement receives more and more attention from trade articles, academic research and the general media. Trade articles primarily analyze the product placement process during the development phase of motion picture and television production identifying the legally binding contracts and monetary exchanges that dictate how products will be portrayed in a production. This economic analysis promotes the practice of product placement itself. On the other hand, academic research and the media tend to focus on product placement’s reception. Much academic research focuses on the quantitative efficacy of product placement and its subsequent future potential for product placement, to create a consumer market for placed products by testing audience recall and decision to purchase. Some academic research—and more often the general media—take a more qualitative approach by analyzing the ethical and social implications of successful product placement. Although all of these sources combined offer a
broad spectrum approach to evaluating product placement, there is a clear gap in their combined analysis between development and reception.

What most of the existing studies on product placement overlook is that product placement is also pursued during the production phase. The production departments use product placement to fulfill script requirements while minimizing costs and lending authenticity to the sets, establishing character’s personalities, and meeting the director’s aesthetic vision for the motion picture or television show. Thus, each production department (props, art department, costume, and picture car) breaks down the script identifying the products required. Then, depending on the nature of the production—for instance, some television networks discourage prominent product placement as it can infringe upon their ability to sell commercial advertising space—the department pursues product placement agencies and product companies. The production departments primarily seek free products, but if a product is not available through a studio deal, a product placement agency, or a company, then the departments purchase the product to be used in the scene fulfilling the script requirements.

Even though many product placement decisions are made by production personnel (by a director, production designer, prop master, and/or decorator) during production, no ethnographic study has analyzed the on-set product placement process during film or TV production prior to this study. One of the reasons for the lack of on-set research is that sets are generally closed to outsiders. As a result, only those in the industry have access to how the product placement process happens on-set. This researcher worked in the motion picture and television industry for several years. Her past experience and existing contacts granted her on-set access
during film production of a major feature film, shot on-location in Georgia in 2010, as well as access to other prop, art and department professionals for interviews in 2012.

As a result of the researcher’s industry access, a two-part study was conducted in the attempt to answer the research question, “How are product placement decisions made on-set?” The first part of this study is an ethnographic observation which documents the product placement process on-set in a prop department during nine weeks of film production. The second part is composed of interviews with film and television production professionals from prop, art and set decorating departments involved in the product placement process. The information gathered from the on-set observation was cross referenced with the interviews to create a well-rounded survey of the product placement process on-set. Through the combination of on-set observation and interviews with various industry professionals, this study outlines commonly observed rules of the process and the roles of various participants involved creating a clearer portrait of how the product placement process actually works. This study ultimately expands on the current characterizations of product placement, identifying it as the intentional use of a branded product for both commercial and artistic purposes. Furthermore, this study illustrates how the majority of product placement decisions are made as part of the collaborative artistic process during production.

2 HISTORY OF PRODUCT PLACEMENT

Product placement is a marriage of art and commerce. Filmmakers and movie stars lend their talents to the promotion of everyday products and in exchange the product companies lend their products to motion pictures and television shows. However, what makes this mar-
riage successful is the power (or the perceived power) of motion pictures to influence the public. Product placement in film has been traced to the very beginning of filmmaking in the 1890s. Its development can be seen throughout film history; in the 1920s with star endorsements, in the 1930s with tie-ins (as product placement was known then) and now with product placement as part of the product's media mix.

Newell et al. 2006 identified the 1896 Lumière brothers’ partnership with Lever Brother’s Co. to create a film for Sunlight Soap as the first occurrence of product placement, but Segrave (2004), in her book, stated that according to one account it all started in 1894 with the man who distributed Dewar’s Scotch whiskey in America. During the same period other advertising films were produced for Maillard’s Chocolates, Columbia Bicycles, Piel’s Beer and Hunter’s Rye Whiskey (Segrave 2004).

Manufacturers including Admiral Cigarettes, Pabst’s Milwaukee Beer, and Nestlé produced films in the early 1900’s. Many of these films may not resemble current product placement process as they were created to showcase specific products, but they represent the first steps in the merge of products and motion pictures (Segrave 2004).

Newell et al. (2006) described product placement as initially being the merger of family ties with business; however, it rapidly evolved into a way of reducing costs for motion pictures and for products to receive exposure. Thomas Edison in the 1920s is reportedly the first to use product placement for cost reduction in his films. Edison traded exposure with the rail lines that purchased from his rail road equipment manufacturing division arranging for transportation for his film crew by including in his films scenes of consumers buying tickets and trains arriving at the station using those rail lines (Newell et al. 2006).
The 1920s also saw the recognition of film’s ability to act as a model for the “desirable” American lifestyle. Industrial films were created with educational purposes and used to show employees in retail the process used to manufacture the products they were selling. In 1924 the Natural Fur Association used an industrial film to showcase products to the American public and combat a downturn in the market. The film is in the usual fashion format of models walking down the runway with furs; however, it is said that the beauty of the film was so great that first run theaters that did not carry industrial films requested the film for their newsreels. Following the national Fur Association film showing, the fur industry saw big sales increases even though no fur store or dealers were mentioned in the film (Segrave 2004).

Entertainment films are also seen as an opportunity to sell American goods to foreign countries. In an article written in 1926, Julius Klein, the Director of the United States Bureau Foreign and Domestic Commerce, stated that, based on information coming from the Commercial Attaché of the Department of Commerce in Rio de Janeiro “... the use of the California type of bungalow and outdoor swimming pool in Brazil was really brought about through the showing of these on the screen” (Klein 1926:79). Around this time the belief that the “trade follows the film” became popular. Star endorsements gained prevalence at this time in endorsing clothing lines. The practice continued until 1931 when the Hay’s Office, as the Motion Picture Producers and Distributors of America (MPPDA) Hollywood’s lobby cartel was known, issued a decree banning the stars from endorsing advertising products because the commission felt the practice dropped the caliber of the stars’ names on screen (Segrave 2004). The ban was short lived, as the industry was hit hard by the great depression and studios sought additional revenue to cover overhead and generate advertising (Eckert 1978).
The 1930’s echoed the decisions seen in the 1920s. In a famous example, 1934’s *It Happened One Night* featured Clark Gable getting ready for bed. In the film, Gable wears no undershirt. Following the film, the sales of undershirts plummeted and never recovered (Segrave 2004). The 1939 *Business Week* article “Firms Get Free Ads in Movies”, states that products received plugs because directors wanted realism in their films and product placement cut down on the cost of props. The manufacturers could deal directly with the producers or through specialized agencies to get their products in the movies. The article also heralds film’s power to influence the public. An agency man interviewed said, “I believe the movies are responsible for about half the cigarettes sales that are made today ... not individual brands, but cigarettes in general” (Firms Get Free Ads in Movies 1939:27).

The 1940s saw two events that altered the film industry: the Paramount antitrust lawsuit and the invention of television, both of which increased industry reliance on product placement. This increase of reliance did not go unnoticed. In a 1951 article in *Time* magazine, the writer comments on product placements stating “… for years, the high-powered Hollywood lobbyists were subtly slipping their wares into the screen’s magic showcase” (The Plug Lobby 1951:110). A *Variety* article in 1957 included an interview with a studio executive who, when questioned on the rise of product plugs, replied, “the use of realistic props today is needed to make realistic stories” (Commercial Ties in New Films 1957:3 and 22). The article stated that the advent of TV and the rise in realism in films were seen as the main reasons for the rise in the use of products on the screen along with the films’ ability to influence the public.

By 1951 product placement is reported to have spread to television (Segrave 2004). An article from *Variety* in 1951, “Product Payolas Loading Airwaves Down; Pluggers Trip Over Each
Other” reports on the excess of plugs on television shows. It is believed that due to the excesses of plugs in the television industry the Federal Government passed the no payola law in 1960 (Segrave 2004). The law prohibited program producers to receive any consideration for the inclusion of identifiable products or services in their programs (Segrave 2004). The film industry decided that the law was not directed at them even though its movies ended up on the small screen and disregarded the law (Segrave 2004).

In 1961, Kay Campbell, in her article for Variety, attributed the slump in product placement partially to television ads and the payola scandal; but by 1961 producers and directors were again slowly starting to look for tie-ins with furniture companies, department stores and other manufacturers. In 1963 Who’s Minding the Store starred Jerry Lewis and included at least 20 separate products displayed in the movie.

The 60’s and 70’s saw a greater reliance on product placement. In a 1983 New York Times article, Herbert Wallerstein (production management vice-president for 20th Century-Fox) stated that product placement had increased in the past 15 years for two main reasons: the increase in independently produced movies and Hollywood’s turn to location filming. Independent movies are financed and produced by filmmakers without ties to the studios. On-location shooting assumes the space used for filming is an actual setting. Wallerstein continued to explain that it would cost money to replace the neon signs and bottles already in place at a bar, so it is easier to shoot the location “as is” with the products in place.

In 1982 E.T, The Extra Terrestrial, brought product placement to the public consciousness. It is reported that following the film’s release the sales of Reese’s Pieces increased 65% in three months (Caro 1996). It marked the beginning of the modern era of product placement
Other companies followed Reese’s Pieces’ lead. In 1985 the Newsweek article “Ads Popping Up All Over” reported on the use of product placement as an alternative to 30-second spots for companies trying to reach their consumers and cites a few of the movies out that summer that included product plugs: Back to the Future, Prizzi’s Honor and St. Elmo’s Fire. Pepsi Cola appeared in 70 movies in 1989 (Segrave 2004).

In 1989 product placement, specifically with regards to cigarettes, came under attack. Rep. Thomas Luken (D., Ohio) wanted an answer to the question of whether or not product placement in movies qualified as paid advertisement. In the case of cigarette companies, it was a violation of the congressional intent to keep the airways free of cigarette ads (Segrave 2004). The questions raised by Rep. Luken and the Center for Science in the Public Interest (CSPI) led to a heated public debate, but no other results were produced (Segrave 2004).

The 1990’s saw further controversy for product placement. In 1990 Black and Decker Corporation sued Fox and the ad agency Young and Rubicam because of the failure to follow through with a product placement. Black and Decker had spent US$150,000.00 on a promotional campaign tied to the movie Die Hard 2 and the appearance of its Univolt cordless drill in the film. As the cordless drill was not used in the movie; Black and Decker sued for US$150,000.00 in damages due to the breach of contract (Segrave 2004). Another example is the 1990 case in which Orkin, the pest control company, sued Fox, Morgan Creek the production company, and director John Schlesinger for breach of contract due to product misrepresentation. In the movie, Pacific Heights, Orkin is shown as unable to rid an apartment of cockroaches (Segrave 2004). Samuel V. Baldoni, owner of the placement firm Baldoni Entertainment, re-
sponsible for the Orkin product placement, muttered, “the corporate world must realize that we’re not making commercials, we’re making movies” (Segrave 2004).

The cigarette companies came under increasing attack in 1990 and the Tobacco Institute (lobby institution for the cigarette companies) announced a series of voluntary youth-oriented restrictions on cigarette sampling, movie placements and marketing practices (Colford 1990). The institute’s 13 members’ ended paid placement of tobacco products in films but unpaid placements of tobacco product in movies would not be affected (Colford 1990). According to the British medical report released in 2002, cigarette companies worked hard from the 1980s to the 1990s to include cigarettes in movies. They went as far as supplying actors, directors and producers with free cigarettes (Segrave 2004).

By 1991 the Entertainment Resources Marketing Association (ERMA) was created to highlight the practice of product placement and establish a code of ethics (Karrh et al. 2003). Others believed it was created also to polish the product placement industry image (Segrave 2004).

Today product placement involves several groups of professionals, the placement agent, the producers and the marketers. The major studios have their own product placement department and work with agencies as well (Karrh et al. 2003).

Product placement is now also seen as an attractive alternative to traditional media. The extensive number of TV channels, and technological advances such as TiVo, on demand, DVDR, and the internet along with the escalating costs and clutter of advertising on TV have product companies and marketers looking for differentiated ways to reach the consumer. Galician (2004) reported that almost 1,000 marketers use product placement in their advertising mix.
Product placement has developed into a well-structured and expected part of the film industry, and is considered by some an integral part of the filmmaking process. As long as companies selling consumer products continue to see an increase in their sales related to product placements and film production companies to benefit from the cost reductions related to product placement the practice will continue to thrive and evolve with the motion picture and television industries.

3 LITERATURE REVIEW

Significant research has been conducted on product placement, but the majority of this research has focused on audience response to product placement. While this thesis will focus on the product placement decisions made on-set, it is important to garner an understanding of the methods previously employed to study product placement in order to better understand the implications of the findings from the study presented here.

The first study to analyze product placement according to prominence on screen and modality was Gupta and Lord’s 1998 study, “Product Placement in Movies: The Effect of Prominence and the Mode on Audience Recall.” The study classifies product placement as prominent or subtle, meaning that when the product is shown in the foreground and/or integrated into the scene it is considered prominent, but if the product is in the background, sharing space with other brands, it is considered subtle. The study found that a prominent product placement has higher consumer recall than a subtle product placement, but that when a product is mentioned orally, it can boost the recall of a subtle placement.
Brennan, Bubas and Babin’s “The Influence of Product-Placement Type and Exposure on Product-Placement Recognition” (1999) analyzes the influence of both the type of product placement and the exposure time on consumer awareness. The findings are similar to Gupta and Lord (1998) in that the study found recognition of on-set placements (prominent) was significantly higher than that of creative placements (subtle). On-set placements benefit from longer exposure time (more than 10 seconds), although the same did not hold true for creative placements.

D’Astous and Chartier’s paper “A Study of Factors Affecting Consumer Evaluations and Memory of Product Placement in Movies” (2000) analyzes consumer evaluation and memory of product placement. As had previous studies, D’Astous and Chartier’s study found that prominent placements have a significant effect on the consumer’s memory. Furthermore, their study found that consumers reacted positively to product placements that occurred when the principal actor was present and when the product was well integrated into the scene. A related study, “Brand Placement: A Review” (Karrh 1998), also observed that a product can receive credibility through celebrity endorsement.

Another study, “I Saw It In The Movies: Exploring the Link Between Product Placement Beliefs and Reported Usage Behavior” (Morton and Friedman 2002) explores the correlation between a consumer’s exposure to a product and his or her reported usage of the product after seeing the film. The study found that the consumer’s decision to use a product is influenced by the way in which a product is portrayed in the movie. Positive product placements generate positive attitudes from the consumer, leading to an increased incidence of product purchase.
Conversely, negative product placements generate negative associations to the product with the consumer less likely to use the product.

“Investigating the Effectiveness of Product Placement in Television Shows: The Role of Modality and Plot Connection Congruence on Brand Memory and Attitude” (Russell 2002) examines the link between the modality (i.e. audio, visual or audio-visual) of a product’s placement in a television show and the way the product’s use is integrated into the plot of the show. This study shows that recall of a product is greater when the reference to the product is oral, as opposed to visual; however, visual information can be more meaningful if it is well-connected to the plot. A well-integrated product is better at persuading the consumer to purchase the product, while a badly-integrated product can create resistance to the product.

Brennan and Badin’s 2004 study “Brand Placement Recognition: The Influence of Presentation Mode and Brand Familiarity” analyzes the recognition levels of an on-set visual placement versus audio-visual placement. In addition to observing how brand familiarity can affect the viewer’s recognition levels, the results show that prominent audio-visual placements have better viewer recognition than visual-only prominent placements, and that well-known brands have better viewer recognition than unfamiliar brands.

The results of these numerous studies indicate that the correlation between product placement and brand recognition is well-founded. For example, the studies show that the more prominently a product is displayed in a film, the more likely the product will see increased sales. By the same token, subtle product placement is less effective, as measured by less significant changes in sales of the product. Furthermore, the studies confirm the idea that presenting a product in a positive light encourages consumers to purchase the product, as does integrating
the product into the movie’s plot. Also Russell’s 2002 and Brennan and Badin’s 2004 studies found that having the actors verbally mention the product shown has a positive effect on the consumer.

The increased use of product placement in movies has not only prompted studies related to its effectiveness, but has also generated academic concerns about the ethics and regulation of the industry. Wenner’s (2004) “On the Ethics of Product Placement in Media Entertainment” and Siegel’s (2004) “Product Placement and the Law” found that the current practice of product placement often leads to deception. The study also found risk to the artistic freedom of filmmakers, in cases where filmmakers are forced to include products in their movies as a way to fund their project, and a sense of over commercialization of the film industry in general. Gupta and Gould’s 1997 study “Consumers’ Perceptions of the Ethics and Acceptability of Product Placement in Movies: Product Category and Individual Differences” examines consumers’ reactions to the use of brand name products in films. The study found that products such as cigarettes, alcohol and guns—that the study calls “ethically-charged” products—were the products perceived as least acceptable in movies by the consumers. In general, however, consumers appeared to have a positive reaction to the concept of product placement. DeLorien and Reid’s study, “Moviegoer’s Experiences and Interpretations of Brands in Films Revisited” of 1999 looks at consumers’ awareness and perception of product placement. The study shows that while most consumers are aware of product placement, their attitude toward the inclusion of products in movies depends on age, gender and movie-going frequency. Audience members of all ages were aware that products are integrated into a movie for advertising purposes., Old-
er moviegoers were more skeptical and less enthusiastic about seeing products onscreen whereas younger moviegoers considered it natural and part of the movie-going experience.

Academic research has also looked at consumer reception of product placement within different cultures. Gould et al. “Product Placement in Movies: A Cross-Cultural Analysis of Austrian, French and American Consumer’s Attitudes Towards this Emerging, International Promotional Medium” (2000) took a cross-cultural approach to their study. Later, with their study “Product Placement in Movies: a Comparison of Chinese and American Consumers’ Attitudes” (2003) McKechine and Zhou built on the study by Gould et al. to determine the cross-cultural differences between Chinese and American consumers’ attitudes. Gould and McKechine’s studies reported that the American moviegoer is more accepting of product placement, but “ethically-charged” products such as cigarettes, alcohol and guns were less accepted across all countries. Both studies suggest that in the formulation of a product placement strategy, studios and independent producers should take into account cultural differences determined by country, product and individual, and that the greater care should be taken about ethically-charged products. Furthermore, they determined that a careful approach to standardization of product placement should be established and followed to allow products to be successfully featured in promotional strategies worldwide.

“Audience Attitudes Towards Brand (Product) Placement: Singapore and the United States” (Karrh et al. 2001) analyzed differences in the reaction to product placement by audiences in Singapore and the United States. The study found that while both American and Singaporean audiences admit that their purchasing intentions are affected by the products they see in films, there are significant disparities between the two nationalities’ responses. The Singapo-
ean respondents were less likely to think of brand appearances as paid advertising, had greater concern about the ethics of product placements and were more supportive of government regulation towards product placement than were the American test subjects.

As confirmed by the previously mentioned studies, product placement has become an accepted part of the universal movie-going experience. However, despite how common or accepted product placement seems, these studies also show that over-commercialization of the film industry and the use of “ethically-charged” products concern the moviegoer.

Fewer studies have looked at product placement from an industry perspective. Among those that have are “Gimme a Bud! The Feature Film Product Placement Industry” (Trucotte 1995) which creates a blueprint for conducting the business of product placement. The researcher interviewed professionals at major film studios, independent production companies, and top product placement agencies to generate an organizational model of how product placement business is conducted.

Karrh et al. (2003) “Practitioners’ Evolving Views on Product Placement Effectiveness” reports on practitioner’s views and beliefs about product placement. This study compares the results of previous surveys on practitioner’s (Karrh 1995; Pardun and McKee, 1996 and 2000) to understand how the practitioner’s view of product placement has evolved since the mid 1990’s. The study found that practitioners believe that placements lead to a trade-off between financial and creative considerations involved in film production.

The article “A Managerial Investigation into the Product Placement Industry” (Russell and Belch 2005) included interviews of industry professionals from product companies, studios and product placement agencies. The study establishes the premise that the product placement
industry is still very much a reflection of the Los Angeles/Hollywood subculture where personal and social relationships drive the business.

Finally, “Product Placement in Entertainment Media” by Chang et al. 2009 uses the social exchange theory to explore the process through which products and brands become part of motion pictures and television programming. The social exchange theory examines how exchanges can contribute to establishing relationships. Analyzing the relationships formed between the motion picture and television company executives, advertising and public relation agencies, and durable and packaged goods marketers, this study created three organizational categories of product placement: serendipitous, opportunistic, and planned. A serendipitous placement is informal, short-term, and normally there is no monetary exchange. An opportunistic placement has a contract, is short-term and barter might take place. A planned placement is formal, there is a contract and monetary exchange is involved. These three categories represent different stages in the development of a positive exchange relationship where the goal is to create a social relationship that will bring about an economic and social outcome (Lambe 2001).

These studies establish a foundation for understanding how the product placement industry works. In addition the Chang et al. 2009 study creates a theoretical framework for the study of product placement based on how the exchange of product, screen time and money take place in the industry.

The analysis of the research on product placement shows that it has primarily focused on the end result of the process and on its overall efficacy. An understanding of the product placement process has also been sought from a corporate perspective; it is important to note
that this perspective does not include input of the creative minds—producers, directors, prop masters and decorators—behind product placement. These studies have created an overview of the process from the corporate and product placement agencies’ perspective, but none has observed product placement on-set to understand how decisions are made (Trucotte 1995; Karrh 1995; Pardun and McKee, 1996; Karrh et al. 2003; Russell and Belch 2005 and Chang et al. 2009). In fact, in the 2006 Balasubramanian et al. study “Audience Response to Product Placement.” determined that the research done in this area is dated and inconclusive, and suggests that future research should look into the product placement process from the creative professionals’ side. The present study intends to fill this research gap by thoroughly investigating the product placement process on-set through an ethnographic study conducted during the actual production of a feature film supplemented by interviews with the professionals of the prop, art and set decorating departments.

4 METHODOLOGY

4.1 Overview

This study investigates how product placement decisions are made on-set. The first part of the study is an ethnographic observation of the product placement decisions made on-set, where the researcher observed a prop department during the nine weeks of production of a feature film in 2010. The second part builds on the observations through interviews conducted in 2012 with prop, art and set decorating department professionals with experience in the product placement process.
The prop department is responsible for all the items (props) handled by the actors. The props can range from sunglasses to fire arms depending on the script requirements. The department is composed by the prop master, assistant prop master and props assistant. These professionals research, acquire, and or fabricate all props through purchase, rental, and/or lease.

The art department is responsible for the “look” of the film. It is comprised of the production designer, art director, draft/set designer and art department coordinator. These professionals work in the preparation of sketches and plans for the film sets and backgrounds, and the selection of locations. Also the art department supervises the construction of set (on-stage and on-location), painting, decorating of sets (dressing of interior and exterior sets and locations), set models and backgrounds.

The set decorating department is responsible for dressing of all stage and location sets, interior and exterior under the guidance of the production designer and art director. The department is composed of set decorator, assistant set decorator, set buyer, on-set dresser, lead dresser and set dressers. These professionals research, purchase, rent, lease or acquire all items and materials used as set décor, decorate and strike the sets, and maintain the sets camera ready during production.

The ethnographic observation of the product placement process on-set was chosen by the researcher as the method allows the researcher to come into full contact with the professionals involved in the process. As a result, the researcher was able to obtain an insider’s view of how the product placement decisions are made in real time on-set. Additionally, no research prior to this study has surveyed the product placement process from a production perspective.
The researcher’s first-hand view of the product placement process offers a unique vantage point.

The first part of the study alone is restricted to the researcher’s observation of the product placement process in a prop department. Thus, in order to validate her observations for the second part of the study the researcher conducted interviews with additional prop, art and set decorating department professionals. The information obtained from the interviews was crossed referenced with the on-set observation to determine if the information obtained from the prop department observed holds true with other departments that use product placement. The on-set observation in combination with the interviews aims to expand on the body of knowledge of the product placement process, and film and television production.

4.2 Ethnographic Method

Ethnography aims to describe what happens in a cultural setting, how the people involved see their actions and those of others, and the context in which the actions take place (Hammersley and Atkinson 1995). The method typically involves observing, describing and interpreting these actions within the context and particular cultural setting in which they occur (Lindlof and Taylor 2002). Thus ethnography allows the researcher to describe how people go about their lives on their own terms (Machin 2002).

Ethnography does not imply a single method or type of data analysis. The researcher herself chose the best way to observe the events and which events involved in the social context would be used for the study. The data was then organized and analyzed to explain the findings observed during the research period. The type of observation chosen by the researcher is
referred to as participation. The researcher can participate in the study at different levels: as a complete participant, as a complete observer, or as a participant observer. Thus, the type of participation chosen by the researcher determines the type of observation he will conduct and the information he can obtain from his research.

As a “complete participant”, the researcher’s identity is concealed and he is completely immersed in the group or organization. The researcher can join a group for the duration of the research or can already be a part of the group being studied. In Lofland and Lejeune’s 1960 study of Alcoholics Anonymous or Holdaway’s 1984 study on the police, the researchers managed to participate as members of the group, undetected as observers. For some, this is an ideal method for which all ethnographers should strive; however, this type of participation can lead to issues regarding the ethics of the study, as the participants are unaware they are being observed. Furthermore, this method of research may also raise concerns about the researcher’s well-being, if, for example, he is undercover in a potentially dangerous situation (a gang group) during the study period. Additionally, taking the role of “complete participant” can also hamper the fieldwork as the researcher’s ability to take notes may be compromised. Optimal data collection can be restricted because the researcher has to participate in all of the pre-existing routines of the group. As a consequence, the researcher may not have enough time to write or organize the information obtained from what is being observed. In the case of the prop department, the duties of one position in the department could easily preclude the researcher from being present when decisions about product placement were being made.

On the other hand, as a “complete observer” the researcher has no contact with those being observed such as in Corsaro’s 1981 study in which he observed children in a nursery
school through a one-way mirror. As the study participants are inaccessible to the researcher, this method imposes limits on what can be observed.

The participation level most employed by researchers is the “participant observer” (Lindlof and Taylor 2002). As a participant observer the group or organization is aware the researcher is present and is aware of the nature of her research. The goal, for the researcher, is to obtain a less marginal position within the group observed and gain access to the members’ perspectives. This approach also aims to minimize the problems of over or under involvement of the researcher compared with the two other methods described previously. The “participant observer” was the approach chosen for the current study as it allowed the researcher to follow the process first-hand as decisions and actions were taken by various members of the group in specific situations.

The social relationships and the understanding of how the events take place and why is developed over a period of observation (Hammersley and Atkinson 1995). Ethnography strives for an in-depth view of a group and its social interactions. The method requires the researcher to observe the day-to-day work of participants over an extended period of time. As a result, issues about access to the research site and study length are common. Access to the research site is one of the main concerns when developing an ethnographic study because if the researcher does not have access to the research site there is no study. Thus, issues concerning access should be addressed by the researcher while the project idea is still under development. Access is normally negotiated with the gatekeeper, the person within the group or organization who can grant the researcher access to the research site (Lindlof and Taylor 2002).
In the present study the film’s producer and the prop master were the gatekeepers. The producer granted the researcher access to the set on a daily basis, as long as the confidentiality agreement was respected; and, the prop master agreed to have the researcher shadowing his department. The prop master agreed to have the researcher on-set as long as the researcher followed set protocol and did not interfere with other department’s work. Access time was specified by the producer. The success, however, of the research does not only rely solely on the gatekeeper, but also on the researcher’s ability to insert herself into the environment she is studying. Members’ receptivity to the researcher’s presence must also be secured (Lindlof and Taylor 2002). In this study, the researcher had worked in film production before and was therefore familiar with set etiquette. Although the researcher had not worked in the prop department, she had worked with its members in another capacity and was therefore able to easily insert herself into the environment.

Furthermore, the length of the study and the amount of time the researcher is allowed on site to observe the relationships affects the success of the study. Fisherman, in his 1980 study, “Manufacturing the News”, investigated as a participant observer how news gathering happened at one newspaper. He worked as a novice reporter for seven months followed by five months accompanying reporters during their daily tasks. This time was needed, according to Fisherman, to have adequate access to the practices of newsgathering.

Ethnography is criticized for having studies with small samples and results that cannot be duplicated because they are based on descriptions and interpretations generated by the researcher’s observations and his perception of events that took place within a specific setting. Despite the criticism, the information obtained by ethnographic studies has brought meaningful
insights. Qualitative studies do not produce data that can be subjected to statistical procedures that allow for generalization to a population but rather focus on social practices and their meaning to people in a specific cultural or historical context (Lindlof and Taylor 2002). “Most qualitative research is guided by purposeful sampling” (Lindlof and Taylor 2002: 122). Schwandt (1997:128) described this non-probability approach: “Sites or cases are chosen because there may be good reason to believe that ‘what goes on there’ is critical to understanding some process or concept, or to testing or elaborating some established theory”. Social phenomenona are normally studied for their uniqueness and not for their distribution in the population (Lindlof and Taylor 2002). However, in order to counterbalance sample size issues and the possibility for bias created by the researcher’s interpretations of the events observed, researchers add surveys and interviews, analyze existing text on the subject and triangulate findings, and when possible work with other researchers that are conducting research in the same area and cross reference data to ensure the validity of their findings (Lindlof and Taylor 2002).

Ethnography has also been used to assess the standards, ideas, and conventions behind the way people conduct their work (Machin 2002). In media and cultural studies, audience ethnography reached prominence mainly as a result of two different events: the recognition by critical theorists of the limits of purely textual and political economic analysis and the dissatisfaction of many American communication scholars with the limits of empiricist models of audience research (Lindlof and Taylor 2002:24). Lindlof and Taylor reported that the rise of audience studies has affected other areas of research and influenced the research of media organizations responsible for content production, where participant observation work has examined the social construction of news rooms and the process of producing entertainment programs.
In addition, Faulkner’s 1976 case study “Hollywood Film Composers and Their Clients” and Powdermaker’s 1993 book “Hollywood: The Dream Factory” have brought meaningful insights as to how the film industry works through their participant observation studies. However, because there are no comparable studies to compare the researcher’s observations against, this study’s second data component is comprised of interviews with film production professionals involved in the product placement process. The interviews provide context for the data obtained by direct observation and corroborate the researcher’s conclusions.

4.3 Study

In order to understand how product placement decisions are made on-set the researcher divided the study into two parts. The first part of the study was an ethnographic observation of the product placement process within a prop department on-set. The second part was composed of interviews with prop, art and set decorating department professionals inquiring about their experience with the product placement process.

The first part of the study, the ethnographic observation, was carried out during the nine weeks of production of a feature film. Throughout those weeks the researcher shadowed the prop department; analyzed the placement of forty seven products, the relationships within the department and the relationships of the prop department with the other production departments involved in the product placement process.

The researcher chose to observe a prop department on a feature film because of the types of decisions often made by this department’s personnel. On a feature film production, product placement helps reduce production costs and is often pursued by the department to
meet their overall budget. The prop department is responsible for all objects handled by the actors and consequently for prominently placed consumer products. In addition, the researcher needed to narrow down the research area to a manageable size while obtaining an adequate sample of product placement occurrences on-set. On-set, each department makes decisions simultaneously and as a result the researcher would not be able to observe all the departments at once; therefore, she chose to observe the department most directly responsible for the literal, physical product.

Throughout the nine weeks of production the researcher arrived on-set at crew call. The researcher met up with the prop department and watched them set-up. Space permitting, (shooting on location often involves a series of small rooms with production spread throughout them), the researcher found a place with a direct view of the set to observe the prop department set-up without being in the way. When the researcher could not find a space on-set, she stayed at the prop cart to observe the prop master and his assistant set up. For example, while shooting a scene in a character’s office, production was spread out through five rooms around the set. The researcher stood in the room across from the character’s office door to observe while the prop department set up. During the camera takes, the scene was observed via the monitor on the sound cart. The researcher moved with the prop department and observed the department until wrap. Notes were taken while the researcher was at the sound cart, in between scenes or during scenes with no products.

In the course of the observation the researcher perceived reoccurring reasons behind the decisions made on-set: financial, artistic, relationship based, and whether or not permission was needed to use a product. Once these different types of decisions had been identified, the
researcher used these categories to guide her study and observations on-set. These decisions will be expounded upon in the findings section. A total of 721 pages of notes was generated from the researcher’s observations and contain the details of the product placement events as they happened as well as any further information about the process the prop department shared with the researcher. In addition, two formal interviews were conducted with the prop master. The first interview occurred during the first week of production and the second one month after production ended. During the first interview, the prop master was asked how the product placement process was initiated, how it should unfold during production, and how he structured his department. During the second interview, the prop master was asked about the overall product placement process during film production. The second interview was audio recorded (it was conducted outside the production environment) and transcribed. The observation period allowed the researcher to see the real-time product placement decisions as they occurred on-set.

The second part of the study consisted of interviews with prop, art and set decorating department professionals. The interviews were conducted to allow the researcher to cross reference the information she obtained during the on-set observation with the experience of other professionals, as well as validate and augment her study. A total of twenty-one professionals were contacted for interviews. Out of the twenty one professionals contacted, seven professionals granted interviews that generated useful information about the product placement process. There were two main reasons for the small number of successful interviews. One, the high number of professionals that when contacted did not respond to the researcher, or if they replied when first contacted about the study, did not respond when asked to schedule an inter-
This did not surprise the researcher as film personnel are known for being difficult to reach and rarely grant interviews. The second reason was the lack of participation in the product placement process as a whole by some of the professionals contacted. The professionals selected for the interviews were required to have experience in starting and carrying out the product placement process until its event on-set. Thus, some of the professionals contacted did not have the knowledge to fully answer the researcher’s questions. This was not anticipated by the researcher, as the researcher over the years she worked in the industry had previously met most of the professionals she contacted. By this the researcher hoped to be selecting professionals she knew would assist in her study and be willing to give her their time for an interview. However, the researcher failed to take into account when conducting her selection of professionals how compartmentalized and specialized each job is even within each department. For example, of the twenty one professionals contacted, five are production designers, but only two of them participated actively enough in the product placement process within their departments to feel they had enough knowledge of the process to answer the researcher’s questions. Production designers are responsible for working with the director and producer in establishing the "look" of the production, preparing sketches, designs, drawings, plans or sketching plans for the sets and/or backgrounds, the selection of locations and helping the producer establish the budget of the film. The two production designers interviewed had acquired their experience with product placement in previous positions, one as decorator, and the other as prop master; therefore, they remained involved and interested in the process as production designers. The other three production designers redirected the researcher to their art department coordinators for product placement related information. Art department coordinators work out
of the production office—their main duties include budget tracking, internal art department coordination, research, clearance and permissions, and materials and services sourcing. Thus, only one of the art department coordinators contacted had previous on-set experience and was able to answer the researcher’s questions.

As a result of the challenge in obtaining interviews from professionals with full knowledge of the product placement process, valid interviews were conducted with two production designers, one decorator/buyer, one buyer, one art department coordinator and two prop masters. A standard qualitative questionnaire with open ended questions was applied in the interviews. The interviews were conducted over the phone and transcribed. The questions asked in the interviews were about how the product placement process is initiated, whether the contracts are formal or informal and how the product placement process happens during on-set production.

The researcher’s observation on-set along with the interviews were used to create an understanding of how the product placement decisions are made on-set and are explicated upon in the findings section.

5 FINDINGS

Through on-set observation and interviews with industry professionals involved in the product placement process, the researcher identified two major classifications for product placement: those based on formal agreements or informal agreements. The most significant distinctions between these two types of agreements are when they are made and how. Formal
agreements are arrived at before the production process begins; whereas informal agreements are arrived at during the production process and are therefore the result of a complex variety of factors: whether the product placement was financially advantageous (determined by the relationship established with the vendor or product placement agency); whether the product placement suited the aesthetic and artistic demands of the project; and finally, whether permission could be successfully obtained for the product. These factors were observed in all product placements but the relevance of these factors varied with each product placement agreement. Also, as formal agreements are made by the studio/producers they are able to negotiate complex deals and offer product companies more for the exchange than a department that is essentially negotiating for permission to use a product. The researcher focuses primarily on informal agreements but still finds it valuable to look at formal agreements to fully understand the distinction.

The product placement process commences in a consistent manner for each department, regardless of whether it is for a film or television production. The prop, art and set decorating departments break down the script to identify the products they will need. Then these departments contact the studio or network product placement departments. The studio or network will give the production departments the general guidelines for the show and will also let those departments know if there are any formal product placement agreements in place or under way. Once the parameters for the show are determined, if permitted, each department contacts product placement agencies and companies that can supply the products identified in the script that are not being pursued by the studio or network. These contracts are typically in-
formal agreements made between the company and the department and follow a different set of rules.

5.1 Formal Agreements

Formal agreements are contracts made between the studio and/or producer and the product company. The contract stipulates the value of the product placement, the product company’s right to exclusivity and exposure within the movie, and the quantity of product to be sent to production. Formal agreements also guarantee that permission to use the product will be part of the contract. The studios prefer to have a written contractual agreement because products are protected under trademark law.

Although a trademark or a logo can be used without permission as long as the product is used as intended by the manufacturer (Donaldson 2008); studios, independent film production companies and networks like to have permission—a signed release form allowing the use of the products—to avoid litigation involving the misrepresentation of a trademark (Donaldson 2008). Formal agreements not only determine the terms of the financial agreement, they also dictate how the product will be portrayed in the movie.

The movie observed in the first part of the study had a formal agreement in place. The movie observed was what the industry calls a “Coca-Cola show”. Coca-Cola had a formal agreement with the studio to provide soft drinks on-set and to assist production with signage or any other branded Coca-Cola elements needed upon request. In exchange Coca-Cola received exclusive exposure in the movie. Coca-Cola was the sole corporate agreement in place for this movie, the one deal that could be traced by a legal contract. This relationship was established
by a contract before production started. The contract determined both the financial terms as well as artistic considerations regarding the product (how the product would be used) for the movie.

Because the contract was already in place even before the prop master started working on the show, the studio’s product placement department informed the prop master it was a “Coca-Cola show” when he began work. With this information the prop master knew Coca-Cola had exclusivity in the film and would be providing them with product. The researcher asked the prop master, during on-set observation interview in 2010, if he was privy to any other details of the deal with Coca-Cola. He replied no, since he didn’t require additional information contained in the contract to do his job. The studio also informed the prop master that the product would be delivered to the production office as coordinated by the production office staff. Upon delivery, the prop master stocked his truck with the amount of product needed for the film. The prop master has worked with Coca-Cola many times before and he had his own contact within Coca-Cola’s product placement department to contact directly for any additional items (cups or artwork).

Speaking with other industry professionals involved in the product placement process, the researcher learned that television, unlike film, does not typically have much product placement; however, that does not mean that there is no product placement in television. Given the intricacies of product placement in television, any placement will be predominantly under a formal agreement.

The primary concern with product placement in television is that television revenue comes from selling advertising spots: “Television, of course, you can’t use any product place-
ment, because you don’t know who your advertisers are going to be. It’s a little difficult that way” explained Frank Galine (production designer/set decorator), in interview with researcher, March 20, 2012. The products used are “greeked-out” (brand name obscured) or generic. Brands in the shows should not compete for attention with brands in the advertisements. Such competition could potentially hurt advertising revenue. James Brothers (prop master) explained in interview with the researcher on March 23, 2012:

Because if I get cleared¹ for a Coke product on that third episode they can’t sell Pepsi Cola products and even later for re-syndication they have a lot of issues with that as well, because if it’s full of Coke products, Pepsi doesn’t want to advertise for those syndicated episodes that keep re-airing. So, that is why a lot of TV doesn’t promise they’ll see it [product] because later they still have to bank on the show without a recognizable product so they can still sell that advertisement.

Therefore, any product placement in television will most likely be under a formal agreement that has been cleared with the network. If the network has an opportunity to contract the sale of advertising space, for example, they can arrange for product placement as part of that deal. For instance, in the case of Vampire Diaries, Ford Motor Company pre-purchased advertising space for the show, and thus their vehicles are featured in the show. Art Department Coordinator Arma Benoit explained during interview with the research on March 26, 2012:

…On this show [Vampire Diaries] we have a relationship with Ford then you’ll notice when they show the car they will make sure they get a shot were you see the front or the back where you see the name of the car, and you’ll see that often in television. …

¹ Film and television professionals are aware of the need to obtain permission to use trademarked items and clearance for copyrighted items. In the interviews when talking about products or trademark items, some of the professionals will interchange the words clearance and permission, as in their day-to-day permission to use a trademark/product or clearance for a piece of artwork means reaching the correct individual with the legal authority to sign the release or clearance form. Consequentially allowing them to use the item they want/require for the scene.
Because they are going to spend a lot of money advertising, buying air time for that car and then they have a deal to give us [Vampire Diaries] a car to use.

In this deal, the network and the studio were able to anticipate the use of cars at some point in the series and negotiate a deal that offers Ford additional advertising exposure in exchange for product and permission as well as negotiating a deal that does not interfere with advertising revenue. Ford’s placement, under a formal agreement, insures that Ford’s investment in advertising mitigates any potential loss of revenue from competitors and permits Vampire Diaries to use Ford vehicles. Although the general rule of thumb in television may be that there is no product placement in television, formal agreements make such placement possible. The most important feature of the formal agreement is that it is negotiated between studio/producers or networks and product companies, and protects the studio/producer from litigation by clearly defining the terms of use in a written contractual agreement.

5.2 Informal Agreements

Informal agreements are based on barter exchanges: product for exposure in the movie. These contracts grant production permission to use the product, but do not obligate production to use it and are non-exclusive agreements. Although there is no monetary exchange or guarantee that the product will be placed, these informal contracts are carried out according to rules common to those in the motion picture industry: first, last minute changes can occur because filmmaking involves a dynamic decision making process where decisions are continuously made on-set by everyone, from the department’s assistants to the movie’s director (however, the final word on the products to be placed comes from the director); second, products will be
used as intended to avoid legal issues of misrepresentation of a trademark; and third, even though the product is placed in the scene during production there is no guarantee it will not be edited out in post-production.

These informal agreements are made on the basis of any three major considerations, though not limited to any one: aesthetic, financial, or legal. Ideally, each product placement is made because it fits the artistic demands of the project; however, if the product does not perfectly meet these demands, it may still be selected because of availability, cost, or an established working relationship with the product placement agency or manufacturer. Financial considerations, or cut-in production costs, drive many decisions behind product placement. The established relationship with the vendor or product placement agency will affect the potential cost of placement: for instance, whether or not there is a charge for obtaining permission. The majority of products used by production are provided free of cost. Finally, a product may be placed regardless of whether permission is obtained on the basis of whether it might be possible to forgo asking permission. If there are more than three different brands of the same product on a shelf, (e.g. cookies in a grocery store aisle) it is the film industry practice to forego permission as the trademark holder cannot claim ‘commercial use’ in the way the product prominently is depicted in the scene.

---

2 As 1996, trademark owners convinced Congress to bar the “commercial use” of a “famous trademark” in a manner that would “dilute” the trademark (Moore 2011:187). The term “commercial use” is limited to commercial advertising and instances where use of the trademark is to identify the product. A “famous trademark” is a trademark widely known, for example Coca-Cola and Disney, as opposed to a trademark limited to a specific geographical area, for example a local beer or store. And a trademark is “diluted” when the use of the trademark tends to “tarnish or blur” the trademark (Moore 2011).
Prop, art and set dec department professionals select products based primarily on script requirements. As products have their own identity and positioning, the public’s preconceived associations of products to a specific emotion, lifestyle or activity can help filmmakers tell a story succinctly. Filmmakers use these associations to their advantage when creating scenes; Frank Galine (production designer/set decorator), in interview with researcher, March 20, 2012, explains how products are used to help establish the character and the location in which the events of the story take place, grounding the film or television show in a realistic environment the viewer can relate to:

Sometimes a product does make a statement about the character. It helps create the characters’ environment... What people have in their home, what products you buy, also explains a little about who you are and what income level you are. People who buy Bang & Olufsen spend a lot more money on electronic equipment sound than people who go to Target and get a little baby boom box.

Choosing a product appropriate to the character lends authenticity as well as it conveys expository background information. On the feature observed, one of the scenes was scripted with two young girls playing with dolls. Barbie was used as a “hero prop”. Hero props are used by the main actors, help tell the story and are the props that most likely will receive prominent exposure on screen. The prop department, based on this script requirement, decided to contact Mattel, Inc. and request Barbies for the scene. The director had a daughter around the same age of the characters in the scene and was thrilled to have the characters playing with Barbies, something he could relate to and perceived as authentic.

Another example of how the aesthetic of the product influences the decision making process is in a scene shot at the high school’s computer lab. Dell provided the computer the
main actor was using. The other computers used in the background were from the school. The researcher asked if the choice of the computer was made based on the existing computer at the location. The prop master, during an interview with researcher, 2010, appendix A, said no. He continued to explain there was a discussion about the actor typing on a Macintosh, but the prop master said it made no sense because schools use PC’s “[The scene] would have looked stupid if we had him typing on a Mac. Schools, principals all use PC’s”. The appropriateness of the product to the scene prevailed.

Sometimes there can be difference of opinions on-set regarding the perception of the product that is going to be used and last minute changes can occur. As informal agreements do not guarantee a product will be seen, such changes can be made. Last minute on-set changes to product placement can always occur James Brothers (prop master) explained during the interview with the researcher on March 23, 2012: “In the end everybody knows anything can change right before we shoot it. Things can be rewritten, opinions can change, even the actor, at the last minute, by chance hates the product...”. Cast members can decide if they like the product or not and whether they are ok in associating themselves with it or not. In a collaborative art form, decisions are often made collaboratively. Jeffery Pratt-Gordon (production designer) in interview with the researcher, April 11, 2012, described these changes as “last minute inspiration.” Even with all the planning involved, sets, camera, lights, and actors only all comes together right before the scene is ready to be shot. Thus, only then does the director have the full picture of what he is about to shoot, which leads to last minute decisions. Decorator Daphne Haynes described during interview with researcher on April 18, 2012, how she prepares for such an inevitability: “I think the brown bed spread looked best, but I’ll also have a couple of
choices: a flowered, geometrical, another solid but bright color on standby just in case the director says. ‘I don’t like this. What else do you have?’”. This is why the lack of guarantees to use a product are such an important feature of the informal agreement.

In the case of the movie observed in the study, an actor’s personal preference led to the placement of a product. As scripted, the actor types on a typewriter in the scene; however, during rehearsal the actor told the director he envisioned his character writing his speech on a laptop, not on a typewriter. The laptop was a MacBook Pro. The director and the prop master were concerned the laptop was too modern and also too expensive considering the character and his financial means. After some discussion between the director and the actor, the scene was shot both ways: the character typing on the laptop with the typewriter in the background, and also with the character typing on the typewriter. The researcher asked the prop master during on-set interview, 2010, if the laptop had been sent by Apple. He said yes. Because Apple had provided product to the production and therefore informally granted permission for use, the company benefited from a collaborative artistic decision. However, Apple had no right to expect that the MacBook Pro be used as there is no formal agreement.

Ultimately, meeting the aesthetic vision of the director is tantamount. It becomes the other department heads’ responsibility to meet the demands of the director while meeting the financial constraints of their budget. This highly complicated task is not easily completed without some latitude. During the first part of the study, the researcher observed an instance in which meeting the aesthetic demands of the director was placed before all else. Because the agreement with the product provider was informal, it was a risk the prop master was willing to take. KBC provided the helmets that the prop department needed for a racecar scene. The KBC
product placement opportunity was facilitated by the studio, but since there were no exclusivity clauses or guarantee of exposure for the product, the placement still fell under an informal agreement.

The stunt drivers were cast only a week before shooting and the helmets arrived a day before shooting. The prop master presented the helmets to the director, who found the actor’s helmet too ornate. There was no time to order another helmet so the prop master painted the helmet black without covering the logo or telling the studio. As the director was not willing to forgo the visual aesthetic he had in mind for the product’s look, and time did not permit the prop department and the product company to overcome this aesthetic issue related to the helmets, this, is a relationship that had a poor outcome for both sides, as the product was altered without consent of KBC. In this instance aesthetics were placed first, but aesthetic concerns are not the only consideration in product placement.

Financial

The departments pursue informal contracts because of budgetary constraints. Frank Galine (production designer/set decorator), for example, said in his interview with researcher, March 20, 2012, that by reducing costs with product placement wherever possible, he is more likely to be able to spend money where he must: “Because budgets are so tight, the more you can get for free the better off you are, the more money you will have for other things”. It’s possible that a prop master will not be able to work out a barter agreement for every product he needs. Informal agreements create flexibility in the budget where it is needed most.
Sunglasses and backpacks are products commonly used in films. They are an example of the type of products that the prop department will require multiples of during production. The prop master in the observation portion of the study had previously established relationships with sunglasses and backpack providers, but because the relationships had proved unsatisfactory, the prop department was open to establishing new relationships with new companies that could meet the department’s needs.

After a previous sunglasses manufacturer failed to deliver enough supplies, the prop master chose to pursue a new contract with Oakley. Sunglasses are artistically used to convey the character’s personality and establish the period of the movie. They are also costly items. The prop master explained to the researcher that the prop department always needs at least two of every prop in case one is damaged. After production, all the props used on-camera are sent to the studio in event of reshoots. It is also common for the actors to want to keep the sunglasses after filming, and that can only happen if the prop department has enough sunglasses. Oakley sent the prop department a variety of sunglasses with triples of each model. The assistant prop master told the researcher during on-set observation in 2010, she was very pleased with the new relationship, “Sunglasses are in every movie. We always need a good source for them”. The sunglasses were used in multiple scenes throughout the movie.

As the movie had several scenes set at a high school, backpacks would be needed as props for the main cast and extras. Track and Field’s informal agreement was made because the prop department had the financial interest in finding another company and the need to find one that could meet their aesthetics need. The previous backpack manufacturing company the prop department had worked with provided dirty and beat up product in past films. Therefore,
the prop department decided it was time to look for another supplier. Track and Field provided the prop department with a product that met the aesthetic requirements. This allowed the prop department to cut the cost of purchasing backpacks and created a new positive working relationship.

In another interview, John Sanders (prop master), discussed with the researcher on April 16, 2012, how being free to spend heavily on certain featured items can even create the appearance of having a larger budget: “Product placement can help if you are on a low budget show or if you need something specific to make it look big”. This gives the film or television show the appearance of a larger budget adding production value. Most importantly, product placement can benefit the product manufacturer as well as the film or television production explained Jeffrey Pratt-Gordon, (production designer) to the researcher during interview, April 11, 2012. “From a production standpoint it [product placement] saves you money; it cuts down on your budget... Especially when it comes to high ticket items, if the company is willing to send you product you will be saving a lot of money and it helps them to put their product out there”.

Arma Benoit, art department coordinator for Vampire Diaries, explained during interview with the research on March 26, 2012, that even though product placement is not encouraged by Warner Brothers on this TV show, there are times that the cost of the item overrules the general policy of no product placement.

...We needed a stereo for Damon’s bedroom. As the Salvatore’s are supposed to be very wealthy characters we need a really, really, really expensive stereo. And this is something you don’t normally rent, a high-end stereo. On the other hand the show wasn’t really looking forward to spending US$12,000.00 dollars to purchase one. So, I got in touch with Propaganda, a product placement company in California who represents Bang & Olufsen. I talked to the representative there and said – hey, we want to use a Bang & Olufsen stereo in Damon’s bedroom for the run of the show. It’s not something we are willing to pay for, but it will be featured and it will be featured in a nice
way. It is supposed to be a really nice house. They [Bang & Olufsen] were really cool. They sent a US$10,000.00 stereo with speakers, the whole thing and we get to use it until the end of the show.

The money saved by not having to purchase, rent or fabricate the props obtained through product placement allows the departments to reallocate the money as needed to stay within budget. In certain instances, products may or may not be placed because although there is an informal agreement that permits the production to use the product, the companies will not provide the product to the production. For example, ABC’s standard release form for television states that they maintain the right to greek out any product’s logo. As the product companies are aware that their logo will not necessarily make it on screen it becomes very difficult to obtain product; even though in many cases the companies will grant permission for their products to be used, explained James Brothers (prop master) in interview on March 23, 2012.

Mattel, Inc. usually charges a fee for the right to use their products. In the case of the observed movie, the prop master was fortunate with regard to Barbie. Barbie was an informal agreement pursued by the prop department and facilitated by the relationship of the film’s production designer with the VP of Marketing for Mattel, Inc.. The production designer contacted the Marketing VP on behalf of the prop department. The Marketing VP for Mattel, Inc. agreed to facilitate the product placement. Normal procedure was still followed, and the prop department sent the script to Mattel for approval. Mattel chose which Barbies the two little girls would be playing with and had very specific instructions for usage. However, the agreement remained an informal agreement, as it was made between the department and Mattel and offered no guarantee of placement. Mattel waved the fee for usage and provided the prop department with one of the Barbies they had in stock saving the prop department money. In
addition gave the prop department permission to buy and feature the other Barbie they did not have in stock at the time.

Legal

In some instances the use of products does not call for any type of agreement. It relies on trademark law that permits the use of a product or a service as long as it is used in the manner intended. In the movie observed, one of the scenes took place in the interior of a bar and was shot on-location. The first thing to catch the researcher’s attention was the signage on-set: neon signs and taps for the beers. The researcher asked the prop master how the production department obtained permission to have those brands on display together. The prop master explained that as long as the product is not depicted in a derogatory manner, no permission is necessary to use products in a film. He also explained that no permission was requested as there were several brands in the bar, and none of them were to be featured. There were six different beer brands: Bud, Bud Light, Coors, Coors Light, Blue Moon and Sweetwater displayed on the set. The prop master reiterated during the on-set observation, 2010, that, “It is a dance scene that takes place inside a bar, it is choreographed with 500 extras and once edited will all be a big blur. If there are any problems with clearances [permission] in this case it’s easier to ask for forgiveness”. He also told the researcher that none of the products were allocated through product placement procedures. The researcher asked the prop master about the beer bottles in the hand of the bar goers. The prop master explained that the beer bottles in the hands of the patrons would not be identifiable.
If permission had been requested and denied by a product company, all signage, taps and neon signs of that product already existing inside the bar would have to be removed. This would have created a lot of work for the art and set decorating departments if they had to replace existing products in the bar with fictitious brands. The process of creating a fictitious brand involves creating a name for the product, obtaining clearance for the name, creating artwork, clearing the artwork, printing the signage, fabricating the neon signs, replacing the existing neon signs, and applying labels on beer bottles in the bar. Then after filming, is completed for the scene, restoring the bar to its original configuration. These procedures assume, that the bar owner would agree to all these changes in the first place. The amount of time to enact these changes would also translate into considerable man-hours and the purchase of materials resulting in a budget increase for that location.

As the focus of the scene was on the choreography, it was worth leaving the products in the scene and taking the risk since the bar “as is,” was almost ready for shooting. The bar needed only a few additional touches from the art and set decorating departments.

One of the premises of shooting on location is to find a space that is the closest to what you need to film to cut costs. The money and time saved with filming on a location that only required minor changes was what production and the prop department leveraged when they decided not to ask for permission to use the products seen in the bar.

In spite of the general rule of “no product placement on TV,” there are exceptions. James Brothers (prop master) during interview on March 23, 2012, described the permission process involved in obtaining products for his current show:

*Army Wives*, this being TV, ABC production, there are two people I need to worry about, mainly ABC that owns Army Wives and then Lifetime also has to approve what
ABC approves. So, if it’s specifically scripted that I use something like a Montblanc pen, for something so specific I would ask ABC - can we see this? And if Lifetime and the writers really want to see it, then yes, my hurdle is gone and we can use that pen.

Although there is no formal agreement in place, it is possible for the network to gain permission to use a trademarked item even though product placement is discouraged in television. Depending on the product, the network may not see its placement as a threat to its ad base.

In the case of television, where informal product placement agreements are discouraged, if the artistic value of the product is deemed high enough, professionals will still pursue some sort of arrangement. Production designer Jeffery Pratt-Gordon during interview with researcher on April 11, 2012, recounts a case in which a trademarked product would be appropriate to creating the world of the film. However, because there was no formal agreement, and informal product placement agreements are not encouraged in television, the production used a product without technically placing it. “I wanted to use Subzero in the kitchen. It’s very expensive, but they [Subzero] were willing to rent us the product for a wildly reduced price. Subzero rented us the product and therefore product placing was not involved so we were not obliged to greek it out, but we could [greek it out] because we were renting it.” By renting the Subzero refrigerator production bypassed the no product placement rule on television shows and gained permission to use the product.

Although informal agreements do not guarantee the product will be used, they do grant permission for use. On the observed movie, an informal agreement was set up with Motorola, because, at the time, as the prop master’s research had revealed, Motorola was the company with a phone with the largest screen on the market. The director had requested a phone with a large screen for a close-up of a text message.
The prop master ran the phone by the director and once approved, the prop master contacted the product placement agency that represents Motorola and asked for delivery of the product. Motorola, via the product placement agency, sent the prop department the model requested along with a couple of other models.

On the day of shooting, the director looked at the phone the prop department had obtained, and debated whether he wanted to shoot with it, or with his own phone. The director’s phone was also a Motorola. After some thought, the director decided to shoot the scene with his phone.

The researcher during the on-set observation, 2010, asked the prop master if Motorola was sending them the product based on a specific scene. “Didn’t production have to use the phone that was sent to them?” The prop master explained, “The commitment is always conditional. Any company that sends stuff out knows that in the end, on any given day, the director can go, ‘no’”.

The fact that the brands of the phones were the same was a fortunate coincidence for Motorola. Motorola had already granted permission to use their product, and therefore switching out one Motorola phone for another did not create a problem.

The information gathered from the on-set observation and interviews documents how products become props in films and television shows. It suggests that informal contracts are most often the basis for the majority of the agreements pursued by the departments, illustrates how the aesthetic, financial and legal considerations behind the products determine their placement; despite the difference in the permission process for film and television. Product placement is used by the production departments to cut costs, bring realism to the sets, and
establish character personality. There are no guarantees the product will be placed, last minute changes are part of the process and the director has the final word about the products placed. Overall product placement is seen as a positive deal or exchange for both parties by the majority of the professionals; where production receives free products and in exchange provides free exposure for products in films and television shows.

6 CONCLUSIONS

Historically, the product placement process has been viewed as a process that solely arises out of formal contracts. The process implies that the product placement decisions are strategic from conception to realization on-set. This study on the placement of props (primarily items that are consumer goods) demonstrates that the products are placed because they are appropriate for the scene, meet the director’s aesthetic vision and help the prop department meet their budget requirements. Although the use of formal contracts remains a standard practice in the film and television industry, the use of informal contracts is standard practice during production.

The study reveals the artistic and aesthetic concerns involved with selecting products to be placed. The public’s predetermined associations to a product can help filmmakers tell their stories more concisely. The prop, art and set decorating departments pursue informal contracts because of budgetary limitations. The money saved with the use of product placements allows the departments reallocate money to other scenes as needed. Although there is no monetary exchange or guarantee that the product will be placed, these informal contracts are carried out according to the rules common to those in the motion picture industry: first, any last minute
changes can occur because filmmaking involves a dynamic decision making process where decisions are continuously made on-set by everyone, from the department’s assistants to the movie’s director. However, the final word on the products to be placed comes from the director; second, products will be used as intended to avoid legal issues with misrepresentation of a trademark; and third, even though the product is placed in the scene during production there is no guarantee it will not be edited out in post-production.

The interviews support and validate the on-set observation. The research shows a process that stems from the department’s needs to meet budget while fulfilling the aesthetic and artistic needs of the film or television show, which is supported by the interest of product companies in reaching the consumer in a cost effective and differentiated manner.

6.1 Implications

Prior to this study, the information available on product placement came from existing corporate product placement contracts. These contracts can be traced through legally binding agreements between the product companies and the studios or independent filmmakers. Beyond these legal agreements, there is no other documentation for product placement decisions made on-set by the production departments prior to filming. The product placement process in majority is based on informal contracts pursued during production.

This study documents the product placements decisions made on-set and shows that product placement decisions are not only made during the development phase of production by the studios or independent producers, but also on-set during production. The interviews
confirm the researcher’s observations and can be applied to other departments such as the art department and set decorating department.

Thus the study’s inside perspective on the product placement process from both the on-set observation and the interviews offers a more complete illustration of how production professionals handle product placement. A better understanding of the product placement process is useful in leading to more informed decisions on behalf of the professionals involved in placing products.

6.2 Future Research

This thesis is limited to a period of nine weeks of on-set observation of a prop department’s product placement process during a particular feature film and an additional seven interviews conducted with prop, art and set decorating professionals. Future studies should continue to conduct on-set research to compare outcomes to this study by observing other prop department’s on-set as well as additional departments (costumes, picture car, art and set decorating) to understand whether the implications of product placement decisions in those departments mimic the process observed and described in the interviews. Also a long term study should be conducted, following a professional during several projects, as they tend to always remember the most recent projects. This would provide the study with ability to obtain information from different projects and compare the consistency of the information provided. The studio’s product placement and marketing departments should also be observed to obtain a well-rounded understanding of how product placement happens from the film industry perspective.
REFERENCES

Balasubramanian, Siva K., with James A. Karrh and Hemant Patwardhan  

Brennan, Ian, and Laurie A. Babin  
2004 Brand Placement Recognition: The Influence of Presentation Mode and Brand Familiarity.  

Brennan, Ian, with Khalid M. Dubas and Laurie A. Babin  

Campbell, Kay  

Caro, Mark  

Chang, Susan, with Jay Newell and Charles T. Salmon  

Colford, Steven. W.  

Commercial Ties in New Films.  
1957 Variety, August 6:22.

Corsaro, William A.  
1981 Entering the Child’s World – Research Strategies for Field Entry and Data Collection in Preschool Setting. In Ethnograpgy and Language in Educational Settings. J. L. Green and C. Wat- 
lät, eds. Norwood: Albex.

d'Astous, Alain, and Francis Chartier  

DeLorme, Denise E., and Leonard N. Reid  
Donaldson, Michael C.  

Eckert, Charles.  

Faulkner, Robert R.  

Fisherman, Mark  

Firms Get Free Ads in Movies.  
1939 Business Week, April: 26-27.

Foltz, Kim  
1985 Ads popping up all over. Newsweek, August 12:50.

Galician, Mary-Lou  

Global Branded Entertainment Marketing Forecast  

Gould, Stephen J., with Pola B. Gupta, and SonjaGrabner-Kräuter  

Gupta, Pola B., with Stephen J. Gould  

Gupta, Pola B. and Kenneth R. Lord  
Hammersley, Martyn, and Atkinson, Paul

Harmetz, Aljean

Holdaway, Simon

Karrh, James A.
Waco: Hankamer School of Business, Baylor University.

Karrh, James A., with Katherine T. Frith and Coy Callison

Karrh, James A., Kathy B. McKee and Carol J. Pardun
Research 43(2):138-149.

Klein, Julius
1926. What are Motion Pictures Doing for the Industry? Annals of the American Academy of
Political and Social Science November 128:79-83.

Lambe, C. Jay, with C. Michael Wittmann and Robert E. Spekman

Lindlof, Thomas. R., and Bryan C. Taylor

Lofland, John F., and Robert A. Lejeune
1960 Initial Interaction of Newcomers in Alcoholics Anonymous: A Field Experiment in Class

Machin, David.
McKechnie, Sally A., and Jia Zhou

Moore, Schuyler M.

Morton, Cynthia R., and Meredith Friedman

Newell, Jay, with Charles T. Salmon and Susan Chang
doi:10.1207/s15506878jobem5004_1

Pardun, Carol J., and Kathy McKee
1996 What Advertising Agencies Media Directors Have to Say About Placing Clients' Products in Motion Pictures. In paper presented to the Conference of the Association for Education in Journalism and Mass Communication.


Powdermaker, Hortense

Product Payolas Loading Airwaves Down; Pluggers Trip Over Each Other.
1951 Variety, February 7:1.

Russell, Cristel A.

Russell, Cristel A., and Belch, M.

Segrave, Kerry
Siegel, Paul  

Steortz, Eva. M.  

Schwandt, Thomas A.  

The Plug Lobby.  
1951 Time 57, May 14:110.

Turcotte, Samuel  

Wenner, Lawrence. A.  
APPENDIX: INTERVIEW WITH PROP MASTER

Interviewer: Researcher

Interviewee: Prop Master

Interview settings: Coffee shop a month after on-set observation had ended.

(Interview start)

Researcher: From our previous conversations you have told me there isn’t really a formal contract for the product placements your department pursues. So, how would you best describe the process?

Prop Master: Well, what there are, are loan agreements in which the promo company says whether the product must be returned, gives an inventory of product sent and what the replacement cost would be, if we don’t return the product. By signing and returning the agreement, we acknowledge having received the product and accept the return/replacement terms.

Researcher: Also from previous conversations we discussed that there are no guarantees involved in these loan agreements.

Prop Master: The commitment is always conditional. Any company that sends stuff out knows that in the end on any given day the director can refuse to use the product. And they go into these things knowing that.

Researcher: The product placement that most impressed me was the Barbie’s there was just such a lot of stuff from Mattel.
**Prop Master:** We used almost all the Barbie stuff. We used a tremendous amount of it. One of the things that didn’t happen is we that we got so much stuff that we ended up giving it to set dressing for one scene, which was in a day care center at the church. And when we got there on the day there was almost none of the stuff we gave them out, which was surprising because one of the reasons we got so much stuff was because the production designer knew the VP of Marketing at Mattel. Half of my truck was Barbie for two scenes, but we ended up using almost all of it and it went well.

**Researcher:** How does the relationship with set decorating, costumes and art department work? When you receive the products do you guys have a conversation?

**Prop Master:** We have conversation about quite a few things, more often than not we have conversations about things that fall in the gray areas. A lot of the times I go by what is the 44 budgeting guide which, is the prop local and set dressing in LA. They put out a budgeting guide and it really says this is handled by props, this his handled by set dec and so forth. Until I found that guide I didn’t know for instance that anything, like any picture or anything that is called in the script is handled by the prop department. With that even as given the last show I did or the one before that, I can’t remember, I was working with a set decorator on one show and, it’s the only time there have been pictures on the wall and she expected me to have done and have up on the wall for her. Because it called out for pictures of his family, it literally called out for in the script and so to her that was my responsibility.

**Researcher:** I know you had a deal with Dell, but in the scene at the school where there were also computers in the background; did you talk to the art department about the type of computers that you were going to use?
**Prop Master:** No, in the school I bought in a Dell. I had a MacBook Pro, just in case. I had not planned to use it there, but it was just in case they planned to go that way. Because I kept saying schools use PC’s, school administrators use PC’s don’t use Mac’s. Of course the assistant prop master goes “my school we used Mac’s”. I go your school was odd, because most businesses use Pc’s not Mac’s. So, I had this 24 inch iMac that looked completely stupid on this guy’s desk. And they [director and producer] said no, no. I ended up bring in the Dell and setting it up and it all worked fine. All we had on it was the school log, which I got from the art department. So, usually if things go on a computer and they have to be functional then I’ll deal with a graphics designer and get that produced.

**Researcher:** This is one of the interesting parts of this research, realizing how much thought goes into when deciding or not to use a product, even though most people are just wondering how much money Dell spent to get their computers in the movie.

**Prop Master:** I can tell you that I don’t do money deals with placement people. If there is a hero piece and it gets super-duper, it almost becomes a character in the show, under those circumstances sometimes a producer or a UPM [unit production manager] or someone from the studio will go to the product company and say we want to this tie-in somewhere that sort of thing and get some money out of it. So, or they go for it or they don’t.

**Researcher:** Another scene I thought was interesting had the Apple computer in it. It was the scene they ended up shooting it both ways, once with actor on computer and once with actor on the typewriter. The Apple computers were product placement too, correct?

**Prop Master:** Yes. The director wanted him [character] to be an old fashioned guy and wanted him to use the type writer, but the actor, had something to do with it going to the computer.
We had always planned to have both [computer and typewriter] there, even if it wasn’t on the desk. This is the first show I that have done in ages that I got a Mac product. My little movie didn’t coincide with a TV series they will give it to the TV series since there is such a massive audience seeing it week after week.

**Researcher:** The director in this movie was also the writer for this movie. Did that have an effect on the changes made on-set?

**Prop Master:** I have worked on this circumstance before and actually, as long as they have a good vision, this director did, it was great. When the writer is the director one of the advantages is if anything needs to be changed on the spot you don't have to not shoot it and wait and have the writer fix it, you can just go - we are doing it this way - because the writer is there. The director used to say stuff like – Call the writer I don’t know. I was great, you know.

(Interview end)