

**UNDERSTANDING ATTITUDES TOWARD AND
BEHAVIORS IN RESPONSE TO PRODUCT PLACEMENT:
A STUDY OF LUXURY FASHION BRANDS TOWARD
FEMALES IN JABODETABEK**

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ABSTRACT

The objective of the current study is to gain a deeper understanding regarding attitudes toward and behavior in response to product placement, with additional attempts to uncover relationship between product placement in a specific luxury fashion industry and specific demographic characteristics.

To collect primary data, the researcher had decided to employ a self-administered questionnaire by distributing it through printed questionnaires and online questionnaires.

Peer communication and movie watching do have a significant direct linear relationship toward product placement attitudes and product placement behavior. There is no statistically significant difference between demographic information in relation to product placement attitude and behavior, except the founding that there is statistically a difference in product placement attitude related to education.

There is a significant direct linear relationship between peer communication and movie watching in relation to product placement attitude and product placement behavior.

Keywords: product placement, brand placement, branded entertainment, attitude, behavior, peer communication, movie watching.

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INTRODUCTION

Background

As marketers around the globe have been trying to find every effective way to reach their target markets, product placement has caught marketers' attention since the beginning of the 19th century. Product placement is defined by Clow and Baack (2010) as the planned insertion of brand or product into movies, television shows, and some other media program for the purpose of influencing viewers. According to Brennan, Dubas, and Babin (1999) in Dudovskly (2012), the use of product placement in movies was started by movie producers who were trying to make their movies more realistic, by putting real brands into movies. However, the increase in sales after the products were featured in movies, has turned product placement into a new promotional channel for marketers.

A significant example of product placement can be seen in the case of Reese's Pieces candy that was featured in the movie *E.T.* in 1982. Data taken from PricewaterhouseCoopers (2012) shows that after the placement, the sales of Hershey's Reese's Pieces increased by 65% in three months. In addition, producers were also finding themselves in need of sponsors to support their budget, while marketers were looking for a new way to advertise their product (Maggiera, 1990 in Dudovskly, 2012). Thus, those needs created interdependency between the producers and marketers. Since then, many studies has been done regarding product placement in movies (33.87%), television (32.35%), and video games (20.21%) with product placement in movies being the most frequently studied (Kureshi&Sood, 2010 in Williams, Petrosky, Hernandez, & Page, 2011).

Spending of product placement in movies that will be the subject of this study is currently increasing 9.8% to \$7.39 billion in 2011 (PQ Media, 2012). The article also stated that the trend will keep on escalating as marketers are trying to reach the new modern digital generation, targeting the 21st century end-users. Based on an article from Bloomberg Businessweek(as stated in Subianti and Hudrasya, 2013), increasing quality and quantity of Indonesian movies have supported the increasing trend of product placement in Indonesia. Several multinational corporations such as Honda and Samsung have

used the strategy of product placement in Indonesian movies. In addition, Pertamina is one of the first state companies who has tried the strategy of product placement in Indonesian movies.

According to Lucintel's (2012) research report, the global movie and entertainment industry is expected to reach an estimated US\$139 billion in 2017. This growth is possibly driven by the acceleration of online and mobile distribution of movies, lower admission prices, and the support of government policy in developing countries. Meanwhile in Indonesia, data taken from Oxford Economics (2010) for the Motion Picture Association Asia Pacific (2012) shows that film and television

industry contributed Rp 7,675 billion to the country's economy in 2010. The industry has a modest growth in 2010 with growth rate 3.0%. The significance growth of the movie industry globally and locally thus impacts marketers' decision making on how they will utilize product placement as part of their strategies.

The beginning of the movie industry in Indonesia was first started during the Holland colonization in year 1960s. The movie industry thus developed further and first started the concept of product placement since 1980s. During the year, sponsorship from companies began to get involved in the movie making production. During the early years, "Kalbe Farma", "Semen TigaRoda", and "Kalpanax", were involved in sponsoring a movie titled SatriaMadangkara (as stated in Subianti and Hudrasya, 2013). Several Indonesian movies in the 21st century such as Arisan! (2003) And Arisan! 2 (2011) were collaborating with national and international fashion brands as their product placement brands. Several fashion brands that were featured in the movie Arisan! were Hermes, Louis Vuitton, Mphosis, and Batik Keris. In addition brands such as Canali, Red Valentino, BOSS, Mango and Banana Republic Nonetheless, were featured in Arisan! 2. Several western movies that entered Indonesia and suitable to be used for this study are *The Devil Wears Prada* (2006), *The Proposal* (2009), *The Tourist* (2010), *Sex and The City* (2008), and *Sex and The City 2* (2010) (PricewaterhouseCoopers, 2012).

Ranked as number 16th by the Central Intelligence Agency (CIA) of the United States as a member of countries with top GDP (Gross Domestic Products) and PPP (Purchasing Power Parity), the economy

of Indonesia is one of the most developing in the world with 6.2% growth rate. From the total GDP of US\$1.237 trillion in 2010, films and television industry in Indonesia was contributing 0.12% to the total national income with a total of US\$845.1 million (Oxford Economics, 2010). The Indonesian film and television industry was also supporting 191,800 jobs and generating Rp 785 billion tax revenue. The industry is predicted to grow by 3.0% growth rate.

The Jabodetabek area or frequently called Greater Jakarta which consists of Jakarta, Bogor, Depok, Tangerang, and Bekasi is the most populated metropolitan area in Indonesia (Firman, 2011). According to data taken Jakarta Post (2011), the population of Jabodetabek area has reached 27.9 million people, 11% from Indonesia total population in 2010 with a growth rate of 3.6%. In addition, the economy condition of Jabodetabek area is also developing. Data taken from Tempo (2013) shows that Jabodetabek area now has a total of 173 units of shopping malls. These characteristics support the use of Jabodetabek area as the focus of the study of luxury fashion industry.

In the luxury fashion industry, which is the subject of case study in this research, the rising number of Indonesian wealthy and medium class population who is looking for an upgraded living style, become a target of international luxury brands fashion houses. Based on data from Euromonitor International (n.d.) in Chu (2012), the retail value of luxury goods in Indonesia has reached US\$742 million in 2012. Even though the retail value of luxury goods sold in Indonesia was still small compared to China's US\$17.9 billion and Japan's US\$31.7 billion, Indonesia's luxury market growth rate that has reached 25% is attracting international market attention.

With females as the main target market of fashion luxury brands, Indonesia is becoming an attractive market due to its 49.6% of female composition (BadanPusatStatistik, 2011). The female market itself, globally controls about \$20 trillion in annual consumer spending, and that figure could climb as high as \$28 trillion in the next five years (Harvard Business Review, 2009)

The emerging female market of women is also escalating in Indonesia. Data taken from the Global Market Institute (2009) shows that the rising population of middle class in Indonesia was predicted to reach 57% in 2025 and 87% in 2040.

Analyzing the overall trend of brand placement in the movie industry, with luxury fashion industry as the subject of case study, the researcher has believed that the study of understanding attitudes toward and behaviors in response to product placement: a study of luxury fashion brands toward females in Jabodetabek, will give a new insight and a valuable knowledge.

Scope

In the study of understanding attitudes toward and behaviors in response to product placement: a study of luxury fashion brands toward females in Jabodetabek, several scope and limitations should be taken into consideration. The subject of product placement in this study would be focusing on product placement in movies. The researcher chosen movies by considering the simplicity and wide reach of movies compared to television shows, video games, or other product placement media. Geographically, the scope of this research would be limited to Jabodetabek.

In order to narrow down the subject, the study would focus on the case study of product placement by luxury fashion brands. Quoted from an article by Heine (2012), luxury brand is regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations. The scope of luxury brand in this study would be limited to fashion brands that include apparel, footwear, and accessories.

The researcher will limit the population of study to females. In addition, the scope of the age group in this study would be limited to Generation Y that is more exposed to technology and media, with age range from 19 to 36 years old (Schroer, n.d.).

Problem Statement

The increasing spending of product placement in medias such as movies, television shows, and video games, has created a new trend in this 21st century. Even though the practice of product placement has a long history in developed countries such as the United States, this strategy can be considered as a new marketing channel in Indonesia. There are only a few studies of product placement specialized in

Indonesia. Bloomberg Businessweek's (as stated in Subianti and Hudrasya, 2013) statement regarding the increasing use of product placement in Indonesia, has created a need for this subjects to be answered.

Simultaneously, the emerging business of luxury fashion brand in Indonesia with a growth rate of 25%, has created a new field of research to be discovered. As a big target market for the entering luxury houses to Indonesia, the emerging middle class of women in Indonesia is predicted to grow even higher (Global Market Institute, 2009). Businesses will have to gain a deeper knowledge in targeting this next big market.

Based on those findings, the researcher believed that the need to understand attitudes toward and behaviors in response to product placement: a study of luxury fashion brands toward females in Jabodetabek, is required in order for businesses to maximize the opportunity.

Research Questions

To understand the relationship between product placement and consumers' attitudes and behaviors, the researcher would focus in answering some key questions.

1. Does peer communication about consumption have a significant relationship with product placement attitudes?
2. Does peer communication about consumption have a significant relationship with product placement behavior?
3. Does movie watching have a significant relationship with product placement attitude?
4. Does movie watching have a significant relationship with product placement behavior?
5. In terms of attitude toward product placement, how do consumers differ in regard to (a) age, (b) spending, and (c) education?
6. In terms of product placement behavior, how do consumers differ in regard to (a) age, (b) spending, and (c) education?

THEORETICAL FOUNDATION

Theoretical Foundation

Product Placement

Russel and Belch (2005) defined product placement as the purposeful insertion of a brand into an entertainment vehicle. Similarly, product placement is frequently defined as a combination of advertising and publicity designed to influence the audience by unobtrusively inserting branded products in entertainment programs such that the viewer is unlikely to be aware of the persuasive intent (Balasubramanian, 1994 in Cowley & Barron, 2008). Product placement--also known as product brand placement, in-program sponsoring, branded entertainment, or product integration--is a marketing practice in advertising and promotion where a brand name, product, package, signage, or other trademark merchandise is inserted into and used contextually in a motion picture, television, or other media vehicle for commercial purposes (Williams *et al.*, 2011). Televisions, games, novels, music videos, movies, and internet are some of the entertainment vehicles that are frequently used for product placements.

Mental Outcome: Product Placement Attitude

In this current study, the researcher specified mental outcome as the consumers' attitude toward product placement. Attitude is defined as an overall evaluation of an alternative, ranging from positive or negative (Blackwell, D'Souza, Taghian, Miniard, & Engel, 2006). Attitudes toward product placement has been elaborated further as the purposeful insertion of a brand into audio-visual, visual and or audio entertainment vehicles, with the main intention to advertise a product or a service, or to generate advertising cost efficiently without the audience or viewer being aware of the persuasive intent (Russell & Belch, 2005; Cowley & Barron, 2008 in Soba & Aydin, 2013).

Understanding the market perception of marketing communication tactics such as product placement and how that specific perception influence behavior, is critical for marketers. The understanding can assist in the formulation of more convincing targeting efforts and supply supplementary knowledge about the potential success of using such tactics (Gregorio & Sung, 2010).

A study reported by Cholinski (2012) stated that product placement can be an effective marketing communication tool for the purpose of enhancing brand awareness, directing brand attitudes and brand choice. Using product placement, marketers can control brand image in a more complex way by enhancing the knowledge of particular brand features. The argument is supported by the findings of Gregorio and Sung (2010) that found the positive relationship between product placement and consumers' attitudes. In regards to demographic variable and attitudes toward advertising, Moschis and Churchill (1978) found that females have a higher positive attitude scores compared to males.

Although numerous studies have showed that product placement has a positive correlation with consumers' attitudes, multiple studies reveal that product placement can create an inverse impact. A theory presented by Gupta and Gould (1997) indicated that the placements of "ethically-charged" products, such as alcohols, cigarettes, and guns have a negative impact to the customers. Meanwhile, a study done by Homer (2009) shows that the type of placement and placement repetition of product placement, can lead to undesirable consequences. Frequently repeated of noticeable product placement can lead to undesirable consequences; meanwhile, subtle placements of moderate level of repetition effect is insignificant. However, the extent of how far the product placement can be disruptive to consumers is subjective, and it depends on the consumers' perceptions.

Behavioral Outcome: Product Placement Behavior

The researcher specified behavioral outcome as the behavior toward the product placement. There is a mistaken common assumption in the society that a person's behavior toward an object is in large part determined by the person's attitude toward the object; however, a comprehensive research done by Fishbein and Ajzen (1975) has proven otherwise. The study shows that the best predictor to a person's behavior is their intention. In contrast, attitudes toward an object does not necessarily lead to behavior, thus the magnitude of the relationship between attitudes and behaviors is low and inconsistent (Fishbein&Ajzen, 1975).

In contrast to the previous statement, a research done by Morton and Friedman (2002) founded a positive relationship between placement attitudes and brand-related behaviors resulting from placement (as cited in Gregorio and Sung, 2010). Considering the ambiguity between attitudes and behaviors, the researcher has decided to form attitudes and behaviors as two separated dependent variables. The researcher would also analyzed the two variables separately.

A study done by Mathur and Goswami (2012) have founded the relationship between product placement and behavioral outcome to be positively related. Those researchers found that consumers have not discontinued consuming a brand or product after seeing it in the movie, meanwhile more consumers are attracted to try out the brand or product after seeing it in a movie. A theory presented by Morton and Friedman (2002) stated that a product's appearance in movies, however subtle, symbolize a brand contact than can be used to form impressions and ultimately drive consumer actions. The findings support the idea that positive product portrayals in movies can contribute to a consumer's commitment to utilize the product. The theories are equivalent to the finding from the original study done by Gregorio and Sung (2010) in which they have also found the positive relationship between product placement and behavioral outcome. The theory assumed that the more frequent consumers who are exposed to product placement brands, the higher the possibility for them to behave or take action toward the brands.

A more specific study of product placement impacts on consumer behaviors has been done by Gould, Gupta, and Grabner-Krautner (2000) who have found that males reported a higher tendency of purchasing brands seen in the movies rather than females (as cited in Morton and Friedman, 2002).

Socialization Agent

The original study has adopted consumer socialization as part of the framework to examine how demographic characteristics affect consumers' attitude and behavior, as well as the influence of socialization agents and processes. The original study done by Gregorio and Sung (2010) stated that the process of socialization would influence the evolution of people's cognitions, attitudes, social roles, and attended behaviors. The model of the study was based on

the idea of observational learning from Bandura (1969) that stated how people consciously mirror their consumption-related attitudes and actions based on significant social agents such as peers, family members, or media content (as cited in Gregorio & Sung, 2010). The two variables of consumer socialization in this study: peer communication and movie watching as media, would provide a framework in evaluating the impact on and sources of how people learn to perform their roles as consumers in the society.

Peer Communication

Peer communication has been proven to have a strong influence on consumers' attitude and behavior. Moschis and Churchill (1978) found a significance consequences between peer communication about consumption and the consumer social motivations for consumption and materialistic values. The idea of peer influence concentrate on the relationship between the adaptor and their social environment. When individuals are together in groups, they exercise influences on each other (Cialdini and Trust, 1998 as cited in Block and Kollinger, 2007). Input from people with whom the consumers identify as the people they aspire, holds remarkable credibility. It is frequent for group influences to be the main attribute in lifestyle trends, the acceptance of new fashions, and the trial and adoption of new products (Blackwell *et al.*, 2006).

Since consumers frequently receive the opinion of others as giving credible and needed evidence about reality, consumers often try to obtain the opinion of others before making a purchase decision (Burnkrant&Coiseneau, 1975 in Blackwell *et al.*, 2006). Specifically in the concept of luxury fashion brand in the current study, Bindah and Othman (2012) reported that young adults who communicated and interacted more often with their peers about consumption matters, are likely to generate higher materialistic values.

Movie Watching

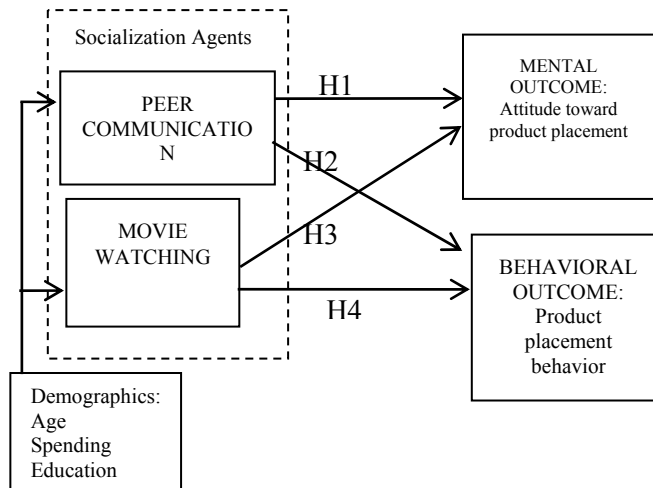
In the original study, Gregorio and Sung (2010) categorized movie watching as a part of media agent of socialization. Moschis and Churchill (1978) found a significant link between television viewing and individual's social motivation for consumption. Past researchers have uncovered that social utility reasons for watching television as a means for collecting information about lifestyles and behaviors. Television viewing is a strong predictor of consumers' skills,

materialism, and economic motivation for consumption (Bush, Smith, & Martin, 1999).

In comparison, television viewers can multi-task in the home setting, thereby reducing their attention span and brand retention. Moviegoers actively select the experience, movie, time, and cost. As such, they are much more receptive to the brand communication during the movie (Panda, 2004 in Williams *et al.*, 2011).

Several movies that would be used for the study of luxury fashion brands toward females in Jabodetabek are *The Devil Wears Prada* (2006), *The Proposal* (2009), *The Tourist* (2010), *Sex and The City* (2008), and *Sex and The City 2* (2010). The researcher chosen these movies because according to data from PricewaterhouseCoopers (2012), these five movies contain significant amount of luxury fashion brands product placement that were intertwined within the story line. The movie series of *Sex and The City* itself has the most product placement in the movie with more than 26 designers featured. Nonetheless, the story and image of the movies are compatible with the target respondents and objective of the study. Therefore, the researcher decided to use these five movies in measuring the specific impacts of luxury fashion brands product placement.

Theoretical Framework



Source: Gregorio, F., & Sung, Y. (2010). Understanding attitudes toward and behaviors in response to product placement. *Journal of Advertising*, 39, 83.

Peer Communication Related to Mental Outcome

Adapted from Gregorio and Sung (2010), researchers found that peer communication is positively related to mental outcome which is the attitude toward product placement. The attitudes and behaviors of one's peer is not only serve as a basis of comparison, but also provide a means of learning how to react to a new consumption-related stimuli in the environment, which in this case a stimulus through product placement in movies. A study done by Bush *et al.*, (1999) provided a confirmation that there is a positive correlation between peer communication and attitude toward advertising.

The researcher decided to adopt the perception of a more general perspective of peer communication and attitudes toward product placement, and applied it to the specific study of movies' product placement on luxury fashion industry. Bush *et al.*, (1999) and other studies (Lee, Salmon, & Paek 2007 as cited in Gregorio & Sung, 2010) have confirmed the relationship between peer communication and attitudes toward advertising in general. Given the robust arguments, the researcher has decided to form the first hypothesis as followed:

H1 : There is a significant relationship between peer communication and product placement attitude.

Peer Communication Related to Behavioral Outcome

The study done by Bearden and Etzel (1982) regarding peer group or reference group influence toward product and brand purchase decision, has provided an evidence on a positive relationship between those two variables. The value of the relationship between peer communications was founded to be significantly higher for brand choices rather than product choices. Bearden and Etzel (1982) also discovered that peer communication had a significant impact on luxury products. In several studies, peer communication regarding consumption-related discussion is highly influential in forming shopping orientation, retail behavior, and consumption-oriented decision making (Shim & Gehrt, 1996; Bellenger & Moschis, 1981; Sing, Chao, & Kwon, 2006 in Gregorio & Sung, 2010).

Gregorio and Sung (2010) have provided the ground theory that there is a positive correlation between peer communication and product placement behavior. Considering the fact that Bearden and Etzel (1982) found peer communications regarding luxury brands has a

tendency to have a higher impact, the researcher decided to form the second hypothesis as followed:

H2: There is a significant relationship between peer communication and product placement behavior.

Movie Watching Related to Mental Outcome

Moschis and Churchill (1978) suggested that the socialization process of media through movie watching is operating mainly through the exposure process (as stated in Gregorio & Sung, 2010). Gregorio and Sung (2010) stated that given the number of product placements in movies have increased, the more movie the consumer exposed to, the more exposures to branded placements that consumer is likely to experience. Based on the exposure theory, as one sees more insertions of product placements, the more open they become, and thus results in a more positive attitudes toward the practice as a whole.

Gupta and Gould (1997) affirmed the result of their empirical study that those who are more frequently watched movies, were more accepting of the ethically-charged product placement. In addition, those who had favorable attitudes toward the concept product placement in general, tended to have a more positive attitudes in regard to the product on the placement itself.

Gregorio and Sung (2010) from the original study, have confirmed that there is a positive relationship between the frequency of movie watching toward product placement attitudes. The ground theories have supported the researcher for the development of the third hypothesis which is:

H3: There is a significant relationship between movie watching and product placement attitude.

Movie Watching Related to Behavioral Outcome

A real life example on the fact that the sales of Hershey's Reese's Pieces increased by 65% in three months after it was featured in the movie "E.T.", has triggered a formation of a general belief that product placement in movies can trigger purchasing behavior. A general study regarding the impact of product placement in movies as a predictor of purchase behavior, has been found to have a positive relationship (Morton & Friedman, 2002). Products' appearance in movies, however subtle, symbolize a brand contact that can be utilized to form impressions and ultimately trigger consumers'

actions. Morton and Friedman (2002) findings suggested that positive product portrayals in movies can contribute to consumers' decision to use the product. Empirical data indicate a positive statistical relationship between the amount of television viewing and the strength of consumers' social motivation for consumption (Moschis & Churchill, 1978).

The original study done by Gregorio and Sung (2010) have affirmed that there is a positive relationship between the frequency of movie watching and respondents purchase behavior. Supported by robust theories that show the significant relationship between movie watching and purchase behavior, the researcher has decided to form the fourth hypothesis as followed:

H4: There is a significant relationship between movie watching and product placement behavior.

RESEARCH METHODOLOGY

Research Objective

The objective of the original research which was done by Gregorio and Sung (2010) is to gain a deeper understanding regarding attitudes toward and behavior in response to product placement, with additional attempts to provide a more detail demographic assessment in placement attitude and behavior. In comparison, this study has been focusing on understanding attitudes toward and behavior in response to product placement by measuring the statistical relationship between variables. The researcher applied this study to a more specific subject compared to demographic characteristic, which is the case study of luxury fashion industry toward females in Jabodetabek.

Research Design

Unit of Analysis

Female individuals in the age range of 19 to 36 years old who have watched the movies that would be referenced in the questionnaire, were the unit of analysis of this study. Several movies that were referenced in the questionnaire were *The Devil Wears Prada* (2006), *The Proposal* (2009), *The Tourist* (2010), *Sex and The City* (2008), and *Sex and The City 2* (2010). These movies would be the filter question and would be asked at the beginning of the questionnaire. If

the respondents have not watched any of these movies, respondents were not required to answer the rest of questionnaire.

Female individuals around specific age range were chosen because in the study of fashion industry, females are a more suitable subject compared to males (adapted from Courtney, 2007 & Womencertified, 2007, in Wharton School of the University of Pennsylvania, 2007). Females are also deemed to have a higher level of peer communication compared to males, making them suitable for the study of peer communication (Taylor, 1998), one of the variables in this study. The age range of the sample would be from 19 to 36 years old is the age range of Generation Y, a generation who is exposed more to technology and media, a suitable population to the study of product placement on movies (Schroer, n.d.).

Sampling Method

Researcher used purposive or judgmental sampling that enables the researcher to use the researcher's professional judgment to select samples. In addition, the researcher used snowball sampling which is a non probability sampling in which an initial group of respondents is selected randomly, and subsequent respondents are selected based on referrals provided by the initial respondents (Malhotra, 2012). Several respondents judged by the researcher to be representative, would be distributing the questionnaire to other representative respondents.

Number of Samples

The number of respondents as samples to participate in this survey was 200 respondents. Before distributing the questionnaire to the participants, the researcher did a pretest. During the pretest, the questionnaires were given to 30 respondents in order to identify and remove possible problems (Malhotra, 2012). The pretest was conducted in the environment that was similar to the samples of the actual study.

Data Collection

Primary Data

To collect primary data, the researcher had decided to employ a self-administered questionnaire. The researcher collected the data by distributing it through printed questionnaires and online

questionnaires. Online questionnaires were distributed through the online survey channel which is Google Drive.

Secondary Data

Supporting instrument used by the researcher is secondary data. The researcher has been using secondary sources from books and internet. Internet sources include the use of academic journals, news articles, and organizations' websites.

Questionnaire Design

The questionnaires were divided into three sections: the cover letter, the demographic, and the research questions. The cover letter would act as an introduction from the researcher, and it includes short explanations of the research objective. The second section of the questionnaire was questions regarding demographic information. This section also included some filtering questions on whether the respondents have watched several movies referenced in the questionnaire. The third section was the part where respondents would be asked to answer the research questions of each variable.

Questionnaire Development

The questionnaire was adapted from the original research which is done by Gregorio and Sung (2010). However, since the original research only provided three questions each to measure the variable of peer communication and mental outcome, the researcher decided to combine the questionnaire with additional questions from Bindah and Othman (2012) and Dens, Pelsmacker, Wouters, and Purnawirawan (2012). The researcher decided to add additional questions in order to increase the reliability and validity of the measurement. After translating the questions to Bahasa, the researcher conducted a pretest to 30 representative respondents to ensure the operationalization of the variables.

Scale

The researcher decided to use two types of scaling technique in the current study. At the second section of the questionnaire, nominal scale would be firstly used to gather demographic information regarding the age and spending level of the respondents. At the third section which include the research questions of each variable, the

researcher decided to use the combination of the Likert scale and nominal scale.

On the first and second variable which are peer communication and movie watching, the researcher did not make any modification and follow the original journal. On the third variable which is mental outcome, the researcher has decided to transform the five-point semantic scale into five-point Likert scale. The researcher also decided to change the fourth variable which is behavioral outcome's scaling technique from nominal "yes/no" into five-point Likert scale. The researcher decided to change the scaling technique for both third and fourth variable in order to standardize and simplify the data analysis processes.

Language

The questionnaire that would be utilized in this research was using Bahasa Indonesia as the language. There are two reasons why the researcher decided to use Bahasa Indonesia. The first reason is because the research was conducted in Jabodetabek, Indonesia, with Bahasa Indonesia as the first national language. The other reason is because the Bahasa Indonesia is the majority language in Indonesia. The English speaker in Indonesia is still very limited compared to the population as a whole.

Data Analysis

Reliability Test

The researcher had decided to conduct internal-consistency test by using Cronbachs' Alpha or also known as coefficient alpha. Each question on each variable would have to have a coefficient value higher than 0.6 to be considered as reliable.

Validity Test

To measure this study's validity, the researcher had decided to use Confirmatory Factor Analysis. The researcher focused on the value of the Kaiser Meyer Olkin (KMO) and Bartlett test to measure the appropriateness of the question. In addition, the researcher also analyzed the factor loading to ensure the validity of each question.

Frequency Distribution

In order to specify the measure of location (mean, mode and median) and the measure of variability (range and standard deviation), the researcher had decided to use frequency distribution analysis.

ANOVA

The researcher used the analysis of ANOVA to gain insight on the differences between the demographic profile (age, spending level, and education) in relation to the independent variables (peer communication and movie watching) and dependent variables (mental outcome and behavioral outcome).

Hypothesis Test Statistic

The researcher employed the use of test statistic to analyze how close the sample to the null hypothesis (Malhotra, 2012). Level of significance that was applied in the calculation is 0.05. Every hypothesis would be analyzed by using the regression analysis.

Regression

The researcher would focus on bivariate regression, because the analyses in this study were between a single metric dependent variable and a single metric independent variable. In comparison with the original study that utilized the multivariate regression model, the researcher decided to use bivariate regression so that the researcher would be able to analyze whether each independent variable, to the exclusion of the other variable, would produce the same result.

Comparison between The Original Research and The Current Research

The framework of the original study has been modified to suit the current study. The researcher decided to eliminate several demographic variables which are gender and ethnicity. Variable of gender was disregarded because the study would be focusing on female group only. The researcher also disregarded ethnicity because considering the wide varieties ethnicity of Indonesian culture, the study of ethnicity would complicate the analysis. In addition, the researcher changed the variable income into spending because the researcher adapted the measurement from AC Nielsen research.

RESULTS AND ANALYSIS

Data Preparation

In the process of collecting 200 satisfactory responses, the researcher employed both printed and online questionnaire. From a total of 221 questionnaires returned, the researcher used the method of casewise deletion as treatment for missing responses. From 220 complete responses, the rest were disregarded since the respondents were not between the age range of 19-36 years old and one was disregarded because respondent had not watched the movie referred in the questionnaire.

Pre-Test

The pre-test was targeted toward 30 respondents in order to analyze the questionnaire reliability and validity. The respondents were chosen by using judgmental sampling method. The analysis conducted after the pre-test were reliability test and validity test. The results of those tests are presented in the following section.

Reliability (Pre-Test)

The reliability of the questionnaire to measure a variable is measured by analyzing the Cronbach's Alpha. Each variable would have to have a Cronbach's Alpha value higher than 0.6 to be considered as reliable. From a total of three variables analyzed during the pre-test, all questions can be concluded as reliable as their Cronbach's Alpha value are all higher than 0.6.

Validity

In measuring the validity of the question, the researcher focused on three aspects which are the value of the Kaiser Meyer Olkin (KMO) and Bartlett test to ensure the appropriateness of the measurement; and the communalities, total variance explained, and the factor loading to measure the validity of the question. Based on the standards, the results of the pre-test are considered as valid or acceptable, and therefore the researcher can continue the research to the final test.

Demographic

A total number of respondents in this study is 200 people. Respondents and their answers are considered as qualified if they

fulfilled three conditions which are: 1) The respondent has to be female; 2) The respondent has to be between 19-36 years old; and 3) The respondent has to have watched at least one movie referred in the questionnaire. The following section will present the distribution of respondents based on spending, age, and education.

Spending

In terms of monthly spending, the most popular responses are below Rp 3,000,000 (selected by 86 respondents); followed by Rp 3,000,001 – Rp 5,000,000 (selected by 62 respondents); between Rp. Rp 5,000,001 – Rp 7,000,000 (selected by 26 respondents); above Rp 9,000,001 (selected by 15 respondents); and between Rp 7,000,001 – Rp 9,000,000 (selected by 11 respondents). From 200 respondents, 114 respondents can be categorized SES A, the most affluent social class since they spend more than Rp 3,000,000 per month (AC Nielsen, 2010 in Jones Lang Lasalle, 2011).

Age

From 200 respondents, 71% of the respondents has an age range of 19 to 24 years old which is selected by 143 respondents. The second biggest age group is 25 to 30 years old which is selected by 38 respondents; followed by the age group 31 to 36 years old which is selected by 19 respondents.

Education

In term of educational background, 47% of the respondents (chosen by 95 respondents) graduated from high school; closely followed by 45% of the respondents (90 respondents) who have Bachelor's degree; and 8% of the respondents (15 respondents) have a Master's degree, and 0% of the respondents answered either middle school or Doctor's degree.

Reliability Analysis

The reliability of the questionnaire would have to have a Cronbach's Alpha value higher than 0.6 to be considered as reliable. From a total of three variables analyzed during the real test, all questions can be concluded as reliable.

Validity Analysis

In measuring the validity of the question, the KMOs were all higher than 0.500 with Bartlett less than 0.05, so the method considered as appropriate. The communalities value were all higher than 0.500 and total variance explained higher than 60% so the question considered as valid. In addition, the factor loading were all higher than 0.700 so the question considered as valid in measuring the intended variable. From the analysis, all three questions are considered as valid.

Hypotheses Testing

Bivariate Regression

Peer Communication toward Product Placement Attitude

The value of R indicates the level of relationship between variables. The value of R being 0.241 shows that there is a weak relationship between the variables Peer Communication toward Product Placement Attitude. The value of R Square which is 0.058 demonstrates that 5.8% of the total variation in Product Placement Attitude can be explained by its linear relationship with Peer Communication; while the remaining is rendered inconclusive. In the ANOVA table, the significance level is 0.001 (lower than $\alpha = 0.05$), therefore researcher rejected the null hypothesis. From the regression, it can be concluded that the alternative hypothesis (H1) is accepted.

Product Placement Attitude = 2.321 + (0.340 * Peer Communication)

Peer Communication toward Product Placement Behavior

The value of R indicates the level of relationship between variables. The value of R being 0.221 shows that there is a weak relationship between the variables Peer Communication toward Product Placement Behavior. The value of R Square which is 0.050 demonstrates that 5.0% of the total variation in Product Placement Behavior can be explained by its linear relationship with Peer Communication; while the remaining is rendered inconclusive. In the ANOVA table, the significance level is 0.001 (lower than $\alpha = 0.05$), therefore researcher rejected the null hypothesis. From the regression, it can be concluded that the alternative hypothesis (H2) is accepted.

Product Placement Behavior = 1.994 + (0.318 * Peer Communication)

Movie Watching toward Product Placement Attitude

The value of R indicates the level of relationship between variables.

The value of R being 0.154 shows that there is a weak relationship between the variables Movie Watching toward Product Placement Attitude. The value of R Square which is 0.024 demonstrates that 2.4% of the total variation in Product Placement Attitude can be explained by its linear relationship with Movie Watching; while the remaining is rendered inconclusive. In the ANOVA table, the significance level is 0.03 (lower than $\alpha = 0.05$), therefore researcher rejected the null hypothesis. From the regression, it can be concluded that the alternative hypothesis (H3) is accepted,

Product Placement Attitude = 3.238 + (0.110 * Movie Watching)

Movie Watching toward Product Placement Behavior

The value of R indicates the level of relationship between variables. The value of R being 0.215 shows that there is a weak relationship between the variables Movie Watching toward Product Placement Behavior. The value of R Square which is 0.046 demonstrates that 4.6% of the total variation in Product Placement Behavior can be explained by its linear relationship with Movie Watching; while the remaining is rendered inconclusive. In the ANOVA table, the significance level is 0.002 (lower than $\alpha = 0.05$), therefore researcher rejected the null hypothesis. From the regression, it can be concluded that the alternative hypothesis (H4) is accepted.

Product Placement Behavior = 2.694 + (0.156 * Movie Watching)

ANOVA

Based on the analysis, consumers group which are categorized based on age and spending do not have significant differences in response to peer communication, movie watching, attitude toward product placement, and product placement behavior. Consumers groups categorized based on education also does not have significant differences in response toward peer communication, movie watching, and product placement behavior, however consumers groups categorized based on education does have significant differences in response to attitude toward product placement.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The objective of the current study is to understand attitudes toward and behaviors in response to product placement: a study of luxury fashion brands toward females in Jabodetabek. In comparison between the original study that utilized the multivariate regression analysis and the current study that utilized the bivariate regression analysis, the researcher concluded the results of the hypotheses testing are all in line. The explanation of each hypothesis is presented on the research questions followed.

RQ 1: Does peer communication about consumption have a significant relationship with product placement attitudes?

The result of regression analysis that has been done by the researcher, concludes that peer communication does have a significant direct linear relationship toward product placement attitudes. Even though the relationship is proven to be weak, the analysis shows significant positive impact that as perception of peer communication is becoming more positive, attitude toward product placement is also becoming more positive. The finding has proven that H1 is acceptable. This discovery is in line with the argument presented by the original journal by Gregorio and Sung (2010).

RQ 2: Does peer communication about consumption have a significant relationship with product placement behavior?

The result of regression analysis that has been done by the researcher, concludes that peer communication does have a significant direct linear relationship toward product placement behavior. Even though the relationship is proven to be weak, the analysis shows significant positive impact that as perception of peer communication is becoming more positive, product placement behavior is also becoming more positive. The finding has proven that H2 is acceptable. This discovery is in line with the argument presented by the original journal by Gregorio and Sung (2010).

RQ 3: Does movie watching have a significant relationship with product placement attitude?

The result of regression analysis that has been done by the researcher, concludes that movie watching does have a significant direct linear relationship toward product placement attitude. Even though the relationship is proven to be weak, the analysis shows significant positive impact that as frequency of movie watching is increasing, product placement attitude is becoming more positive. The finding has proven that H3 is acceptable. This discovery is in line with the argument presented by the original journal by Gregorio and Sung (2010).

RQ 4: Does movie watching have a significant relationship with product placement behavior?

The result of regression analysis that has been done by the researcher, concludes that movie watching does have a significant direct linear relationship toward product placement behavior. Even though the relationship is proven to be weak, the analysis shows significant positive impact that as frequency of movie watching is increasing, product placement behavior is becoming more positive. The finding has proven that H4 is acceptable. This discovery is in line with the argument presented by the original journal by Gregorio and Sung (2010) who stated that movie watching has significant relationship with product placement behavior.

RQ 5: In terms of attitude toward product placement, how do consumers differ in regard to (a) age, (b) spending, and (c) education?

The ANOVA analysis done by the researcher shows that in terms of attitude toward product placement, consumers do not differ in regard to age and spending. This finding is in alignment with the original study done by Gregorio and Sung (2010) that stated that in terms of age and spending, consumers do not have significant difference in terms of attitude toward product placement.

Nonetheless, the researcher discovered that in terms of attitude toward product placement, consumers differ in regard to education. Further analysis concludes that the higher the education, the more positive attitude consumers have toward product placement. This finding is not in line with the finding from the original journal. Gregorio and Sung (2010) found that the lower the educational level, the more positive attitude consumers have toward product placement. The difference in

the result could possibly be caused by the difference in characteristics of the population of the study.

RQ 6: In terms of product placement behavior, how do consumers differ in regard to (a) age, (b) spending, and (c) education?

The ANOVA analysis done by the researcher shows that in terms of product placement behavior, consumers do not differ in age, spending, and education. It means that demographic characteristics analyzed in the current study, does not impact the formation of product placement behavior. This finding is not in line with the finding from the original journal. The researcher predicted that these differences may be caused by the different level of categorization of consumers in the study. In the original study, researchers' demographic categorization is more wide and dispersed, meanwhile the current study has limited demographic categorization to Generation Y in Jabodetabek. Thus the limitation may cause the result of the current study to differ from the original study.

Managerial Implications

The research found that the attitude toward product placement and product placement behavior are significantly affected by peer communication. Study also shows that peer communication through social media websites has positive influences on attitudes and purchase decision. (Wang X, Yu C, Wei Y, 2012). Thus marketer should focus on creating a word-of-mouth and utilize the social media. International luxury fashion houses such as Louis Vuitton has been using social media such as Facebook and Twitter to report news, updates, announcements, and events. However this strategy is not yet applied to Indonesian branch. Marketers and business in Indonesia may use this knowledge in forming strategies that are focusing on creating word-of-mouth such as the use of social media in addition of the product placement itself.

Movies can be used to portray how the products are used in real-life setting. The strategy of product placement can be used in several movies or in few high rated movie. The more frequent the brand exposed in movies, the more positive attitude consumers have toward product placement. Nonetheless, high rated movie is having higher possibility to have larger number of audiences, thus increasing the exposure of the brand. The automotive brand Aston Martin has been

using product placement in the movie series James Bond 007 for more than eleven times. Thus, Aston Martin created a dedication page on their website regarding their product placement in that movie series.

Limitations on Current Research

The first limitation is the limited amount of respondents. The total amount of respondents in the current study is 200 respondents, which is very minimal compared to the original study that has 3,340 respondents. This factor alone may cause the results of the study to differ from the original study, especially for the demographic analysis.

The second limitation is regarding the scope and region of the study. The original study was done in the United States through the use of online panel. Past researchers were able to cover a wide range of region. Nevertheless, considering the limited time and resources available, the researcher decided to concentrate in Jabodetabek area only.

The third limitation is regarding the subject of the study itself. Since the original study presented extensive knowledge of the topic, the researcher decided to make the current study more specific by focusing on the study of luxury fashion brands toward females in Jabodetabek.

Recommendations for Future Study

The first recommendation is to expand the scope of the respondents. The researcher suggest future researchers to collect more respondents and cover wider areas of the study. In addition, future researcher may also consider the cultural background of different society in Indonesia. A higher number of respondents may create wider demographic profile which will be more suitable for analyzing the difference between demographic groups. Since the current study is focusing toward one age group from Generation Y, future researchers may possibly consider the use of wider generation to create a better understanding in age group and its impacts to the study.

The second recommendation is to apply a broader subject of the study. A question to be considered is whether the study of one industry, which in this study is fashion industry, will be different from the study of another industry. A cross industry study combined with

cross gender study may provide an interesting question to be answered. Since the fashion industry is focusing toward females group, cross sectional study may add further analysis toward a more masculine industry such as the automotive industry, in understanding the context of product placement. In addition, there is also possibility to explore product placement outside of movies, for product placement can be done through several forms of media. Nonetheless, there is wide possibility for further researcher to explore the topic of product placement in movies in Indonesia.

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