

Citation for published version:

Simon Manyiwa, and Ross Brennan, 'Impact of materialism on consumers' ethical evaluation and acceptance of product placement in movies', *Social Business*, Vol. 6 (1): 65-82, March 2016.

DOI:

<https://doi.org/10.1362/204440816X14636485174958>

Document Version:

This is the Accepted Manuscript version.

The version in the University of Hertfordshire Research Archive may differ from the final published version.

Copyright and Reuse:

Published by Westburn Publishers Ltd.

Content in the UH Research Archive is made available for personal research, educational, and non-commercial purposes only. Unless otherwise stated, all content is protected by copyright, and in the absence of an open license, permissions for further re-use should be sought from the publisher, the author, or other copyright holder.

Enquiries

If you believe this document infringes copyright, please contact the Research & Scholarly Communications Team at rsc@herts.ac.uk

Impact of Materialism on Consumers' Ethical Evaluation and Acceptance of Product Placement in Movies¹

Simon Manyiwa

Middlesex University

The Burroughs

Hendon

London

NW4 4BT UK

Email address: s.manyiwa@mdx.ac.uk

Phone: 0044 (0) 2084114770

Ross Brennan

University of Hertfordshire

College Lane

Hatfield

AL10 9AB

United Kingdom

Email address: d.r.brennan@herts.ac.uk

Phone: +44 (0)1707 285405

Fax: +44 (0)1707 284115

¹ Author Posting © Westburn Publishers Ltd, [2016]. This is a post-peer-review, pre-copy-edit version of an article which has been published in its definitive form in *Social Business*, and has been posted by permission of Westburn Publishers Ltd for personal use, not for redistribution. The article was published in *Social Business*, Vol.6, Spring, No.1, pp. 65-82, doi:10.1362/2004440816X14636485174958
<http://dx.doi.org/10.1362/2004440816X14636485174958>.

Materialism, ethics and product placement acceptance

Simon Manyiwa, is a Senior Lecturer in Marketing at Middlesex University in London. He obtained his Ph.D. in Marketing as well as Masters in Marketing from Cranfield University, UK. His research interests lie in consumer behaviour and marketing communications. In particular, Dr Manyiwa focuses on issues to do with the interaction between advertising and consumer behaviour in the context of important social issues such as ethical concerns for business practices. Simon's work has been published in several journals and conference proceedings, including the Journal of Consumer Behaviour and Journal of Marketing Management.

Ross Brennan: Ross is professor of industrial marketing at the University of Hertfordshire. He is the co-author of four marketing textbooks, including "Marketing: An Introduction" with Gary Armstrong, Philip Kotler and Michael Harker. Dr Brennan's research interests primarily focus on B2B marketing strategy, macro-marketing, services marketing, and marketing pedagogy. His work has been published in such journals as Industrial Marketing Management, the Journal of Business Research, The Journal of Customer Behaviour, the European Journal of Marketing, the Journal of Macromarketing, and the Journal of Marketing Education.

Impact of Materialism on Consumers' Ethical Evaluation and Acceptance of Product Placement in Movies

ABSTRACT

Business organizations have been using product placement in movies as a marketing communications tool for a long time. Yet, concerns have been raised about consumers' perceptions of the ethicality and acceptability of product placement. This study investigates the importance of consumer materialism and consumer ethical evaluation of product placement as factors influencing consumer acceptance of product placement in movies. A structural equations model reveals that movie-goers who score higher on materialism find product placement more acceptable than those who score lower. The study also concludes that consumers' perceptions about the ethicality of product placement mediate the relationship between materialism and product placement acceptability.

Key words: materialism, perceived ethicality, acceptance, product placemen

INTRODUCTION

Business organizations have been using product placement as a marketing medium in movies since the 1980s (Dens et al, 2012). Consequently, research interest in the phenomenon of product placement has been growing steadily, focusing on such outcomes as attitude towards the brand (Gupta & Gould, 1997), brand recall (Gupta & Lord, 1998), brand recognition (Babin 1996), and brand salience (Babin & Carder 1996). In addition, some studies attempt to address the question of consumer perceptions of the ethicality and the acceptability of product placement as a means of marketing communication. Studies show that the majority of consumers have positive attitudes towards product placement (Gupta and Gould, 1997; Nebenzahl and Secunda, 1993). Indeed, empirical studies conclude that moviegoers tolerate and even expect product placement in films (Brennan et al., 2004; DeLorme and Reid, 1999; Nebenzahl and Secunda, 1993). Moviegoers consider brands to be a necessary component of films as a means of enhancing the realism of fictional storylines. Those consumers who object to product placement tend to do so for ethical reasons (Brennan et al., 2004; Gould et al., 2000; Gupta and Gould, 1997; McKechnie and Zhou, 2003). Yet, little is known about the antecedents of perceived ethicality of product placement and the influence these antecedents might have on the acceptance of product placement. One theory which has attracted research interest is that materialism has a negative influence on ethical standards (Durning, 1992; Feldman, 1971; Lu and Lu, 2010). Nevertheless, to date, limited research attention has been paid to the influence of materialism on consumers' perceived ethicality of product placement and their acceptance of product placement. Consequently, this study seeks to close this gap by examining the influence of materialism on the perceived ethicality and acceptance of product placement among consumers.

The paper begins by discussing prior research in the field, leading to the exposition of the conceptual framework. First, the relationships between perceived ethicality of product placement and acceptance of product placement are reviewed and hypothesised.

Subsequently, materialism is analysed and theorized as a potential antecedent of perceived ethicality and acceptance of product placement. Next, the research method for the empirical study is outlined. The paper then presents the research results, followed by discussion of the findings of the study. The paper ends with the recommendations for the further studies and practical implications.

THEORETICAL BACKGROUND AND HYPOTHESES

Ethical Concerns and Consumer Acceptance of Product Placement

Concerns about product placement of ethically charged products, such as guns, drugs, alcoholic drinks, and cigarettes are widely reported in published literature (Brennan et al., 2004; Nebenzahl and Secunda, 1993; Gupta and Gould, 1997). Researchers argue that placement of these products violates the utilitarian principle of ethics, in the sense that the behaviour of one party, in pursuit of its goals, is harmful to other parties without their consent (Mason, 1995; Kuo and Hsu, 2001). It should be noted that such concerns regarding the promotion of ethically charged products are not confined to product placement. Advertising, in particular, has been criticized for promoting products that are harmful to consumers, such as high fat, high sugar, high salt (HFSS) products (Hastings et al., 2007), cigarettes, alcohol, and guns (Boddewyn, 1993; Hackley et al., 2008). However, the promotion of these products through product placement, rather than advertising, raises greater concern because product placement involves more subtle brand references and hides the message source (Hackley et al., 2008). Although ethical concerns regarding the placement of ethically charged products have been addressed in past studies, little attention has been paid to the perceived ethicality of

using product placement as a method of marketing communication. Therefore, the present study focuses on the perceived ethicality of the actual product placement method as a marketing communication tool in movies, where subtle communication is employed to market products. The present study focuses on two main ethical problems that are associated with product placement: the perception of the marketing communication methods of product placement as deception; and, the perceived subliminal effects of product placement (Hackley et al., 2008; Nebenzahl and Secunda, 1993).

Perceived deception of product placement

Business organizations value product placement for its ability to conceal message sources and to disguise sponsored messages, in other words, to appear as if the messages were ‘free’ from sponsorship (Balasubramanian, 1994). The disguised messages appeal to businesses because consumers often perceive such messages to be more credible and, therefore, more persuasive than the paid advertisements (Balasubramanian, 1994). According to the Persuasion Knowledge Model of Friestad & Wright (1994) consumers wish to exercise self-control and competency when faced with persuasive messages, so that when people know that they are the intended target for a persuasive message they engage persuasion coping behaviours. Product placement may be considered to be a mechanism for avoiding these persuasion coping behaviours. Wei et al (2008) found that alerting consumers to the existence of ‘covert marketing tactics’, such as product placement, did, indeed, alter their evaluation of the brand associated with the covert message.

The fundamental principles of ethical behaviour in the field of marketing have been described by Hunt and Vitell (1986, 2006), who drew upon the deontological and teleological theories of moral philosophy. Deontological moral reasoning is based on the application of normative rules, while teleological moral reasoning is based on the evaluation of the

outcomes of alternative moral decisions. Recently, the approach of virtue ethics has gained ground in the fields of business and marketing ethics (Whetstone 2001, Moore 2002, 2005). Whereas the deontological and teleological approaches propose methods for the evaluation of ethical decisions that are clear, at least in principle, the virtue ethics approach proposes no such straightforward method but instead advocates the cultivation of virtuous behaviour as the basis for ethical judgment. According to both the deontological and virtue approaches, parties, in the pursuit of their goals, should avoid behaviour that subjects others to dishonesty (Hackley et al., 2008).

Consumers who perceive product placement to be unethical tend to disapprove of product placement as a marketing communication tool (Brennan et al., 2004; Gould et al., 2000; Gupta and Gould 1997). This is because, when viewed from the deontological ethical perspective, the practice of concealing the sources and purposes of marketing messages in product placement is evidently deception (Hackley et al., 2008). Hackley et al. (2008; p. 113) illustrate the deontological principle with Kant's second version of the Categorical Imperative: The requirement that the decision maker has to "act as to treat humanity whether in thine own person or in that of any other, in every case as an end, never as means only". Aristotle's virtue ethics, in turn, requires human beings to apply reason and eventually develop virtuous character whose behaviour is based on good intention aimed at avoiding excess and deficiency in their actions (Hackley et al., 2008).

Nebenzahl and Secunda (1993) highlight the inherently deceptive and arguably unethical nature of product placement when they contend that "audiences are never told that they are the object of a uniquely insidious and deceitful form of advertising" (Nebenzahl and Secunda 1993, p.2). Similarly, implicit product placement, through the presentation of the brand logo, the brand name, or the name of the firm in a TV program or film content without a clear demonstration of product benefits, is a form of deception (d'Astous and Seguin, 1999).

Consider, for an example, a TV show panel of judges who display branded bottles of water or soft drinks with no relevance to the program. Such a display of branded products is implicit product placement, which, it can be argued is a form of deceptive marketing communications.

Perceived subliminal effects of product placement

Subliminal perception occurs when the audiences are exposed to commercial messages that are too weak for the mind's conscious awareness but strong enough for subconscious perception (Moore 1982). The marketing messages in product placement are difficult for consumers to identify explicitly as commercial messages because they are often embedded within program content (Hackley et al., 2008; Nebenzahl and Secunda, 1993). Subliminal effects are similar to 'mere exposure effects' (MEE). The MEE theory states that exposure to a stimulus, even at sub-attentive or subconscious level, will lead to improved affective attitudes towards the stimulus object (Moore 1982). Moore (1982) demonstrates the level of public's indignation towards the subliminal perception phenomenon, way back in 1950s:

“...the most alarming and outrageous discovery since Mr. Gatling invented his gun”... “take this invention and everything connected with it and attach it to the centre of the next nuclear explosive scheduled for testing” (Moore 1982, p.38). These views, although expressed long ago, still resonate with the concerns of a number of current consumers who disapprove of the arguably subliminal influences and the concomitant perceived deceptive practices of product placement. Despite considerable controversy over the years about the effectiveness or ineffectiveness of subliminal messages, recent evidence suggests that subliminal communications can be an effective method of influencing consumer behaviour under the right conditions, notably, when goal-relevant subliminal 'priming' is used (Verwijmeren et al 2011). Verwijmeren et al (2013) showed that subliminal priming has a

lower behavioural effect on consumers who are warned to expect such messages than on consumers who are not warned.

Therefore, when the concerns about the deceptive and subliminal effects of product placement, as reviewed above, are considered together, it is probable that consumers who perceive product placement as unethical will disapprove of product placement more than consumers who perceive product placement to be ethical. Thus, it is hypothesised that:

H1: Perceived ethicality of product placement has a positive influence on acceptance of product placement.

Materialism and Ethical Judgment

Over the past three decades, researchers have conceptualised materialism from two perspectives: trait theory (Belk, 1984) and values orientation (Richins and Dawson, 1992). Materialism, based on trait theory, is defined as “the importance a consumer attaches to worldly possessions. At the highest level of materialism, such possessions assume a central place in a person’s life and are believed to provide the greatest satisfaction and dissatisfaction” (Belk, 1984, p.291)). From the values perspective, materialism is conceived of as centrally held beliefs about the importance of possessions in one’s life (Richins and Dawson, 1992). Highly materialistic consumers believe that the acquisition and possession of goods is the central goal in life, the evidence of success, and the primary means for achieving happiness (Richins, 2004; Richins and Dawson, 1992).

In this paper, we conceptualise and operationalise materialism from the values perspective, in accordance with the majority of contemporary published literature in consumer behaviour (e.g., Burroughs and Rindfleisch, 2002; Kilbourne and LaForge 2010; Richins, 2004). Although past studies found some evidence of positive individual

consequences of materialism, such as identity fixing (, e.g., Holt, 1997; Micken and Roberts, 1999) and developing a sense of belonging (Rose and DeJesus (2007), the negative consequences are more widely reported in the published literature. Both trait theory (Belk, 1985) and the values theory of materialism (Richins and Dawson, 1992) associate materialism with a number of negative consequences. According to the trait theory, materialism is closely associated with negative personality consequences, such as possessiveness, lack of generosity, and envy (Belk, 1985). ‘Possessiveness’ is defined as “the inclination and tendency to retain control or ownership of one’s possession” (Belk, 1985, p. 267), non-generosity as “unwillingness to give possessions to or share possessions with others” (Belk, 1985), and envy defined as “displeasure and ill will at the superiority of (another person) in happiness, success, reputation or the possession of anything desirable” (Belk, 1985, p. 268). Thus, it is plausible to assume that individuals with these traits will have a greater tendency to tolerate unethical behaviours in order to acquire and keep possession of material objects than individuals who lack these materialistic traits.

Richins and Dawson’s (1992) conceptualised materialism on three dimensions, success, centrality, and happiness, which give additional support to the link between materialism and unethical beliefs. In the context of materialistic values, success is defined as “the use of possessions as indicator of success in life”, centrality as “the importance of acquisition and possession generally, and happiness defined as “the perception that possessions are needed for happiness” (Richins and Dawson, 1992, p. 309). Richins and Dawson (1992) establish that materialism measured on these factors is negatively associated with ‘voluntary simplicity’, which refers to a lifestyle of satisfaction with low levels of material consumption. Materialism conceptualised on these three dimensions is associated with low self-esteem, an insatiable desire for higher wages, and despondency (Richins and Dawson, 1992). In addition, several studies conclude that materialistic consumers are more

inclined to sacrifice ethical norms in pursuit of material gains than non-materialistic consumers (Lu and Lu, 2010; Muncy and Eastman, 1998; Richins and Dawson, 1992). We propose that consumers who are more inclined to sacrifice ethical norms for material gains would more readily accept communication methods that promote material goods than those consumers who are less inclined to accept lower ethical standards for material gains. Thus, it is hypothesised that:

H2: Materialism has a positive influence on perceived ethicality of product placement.

Materialism and Acceptance of Product Placement

Richins (1987) showed that, for consumers who view commercials to be realistic portrayals of consumers, there is a positive correlation between materialism and hours of watching television. Since one of the key rationales for product placement is the greater realism that it brings to marketing communications, it can be argued on the basis of realism theory that materialistic consumers will be more accepting of exposure to product placement than non-materialistic consumers.

Furthermore, self-identity theory (Shrum et al., 2013; Swann and Bossom, 2010) supports the contention that materialism has positive impact on the acceptance of product placement as a means of marketing communications. According to the self-identity theory (see Shrum et al., 2013), individuals continuously consume materials goods in an attempt to construct and maintain certain self-identity goals, namely, maintaining and enhancing a positive self-concept (self-esteem), maintaining one's identity across time and situations (continuity), establishing and maintaining unique identity (distinctiveness), fostering feeling of closeness to other (belonging), maintaining and enhancing feeling of control over life events (efficacy), and fostering a feeling of importance, significance and purpose in life

(meaning). Thus, individuals who use materialism to maintain and enhance their self-identity goals of self-esteem, continuity, distinctiveness, belonging, efficacy and meaning are more likely to accept the portrayals of materialistic images in product placement in movies than those individuals who use non-materialistic means to achieve self-identity. This is because such materialistic images in product placement will be consistent with the desired self-identity goals or act as a type of external validation for the identity goals of the materialistic consumer.

Additionally, a few other empirical studies demonstrate relationships between materialism and acceptance of product placement. In one such study, Lee and Choi (2011) conclude that materialism increases the likelihood of paying attention to product placement. In view of the centrality of possessions in materialistic consumers' quest for success and happiness (Richins and Dawson, 1992), it is probable that the brands that are involved in product placement provide part of the attraction towards product placement for materialistic consumers. For this reason, it is reasonable to assume that materialistic consumers are more likely than non-materialistic consumers to accept the dramatic and subtle portrays of branded goods in the story lines and themes of entertainments. Consequently, materialism is expected to have a direct positive influence on acceptance of product placement. Furthermore, it is highly likely that materialism will have an indirect influence on the acceptance of product placement, mediated by perceived ethicality of product placement, especially in the view of hypotheses 1 and 2. The perceived ethicality of product placement has a positive direct influence on the acceptance of product placement, and materialism has a direct influence on the perceived ethicality of product placement. Thus, the third hypothesis is in two parts, as follows:

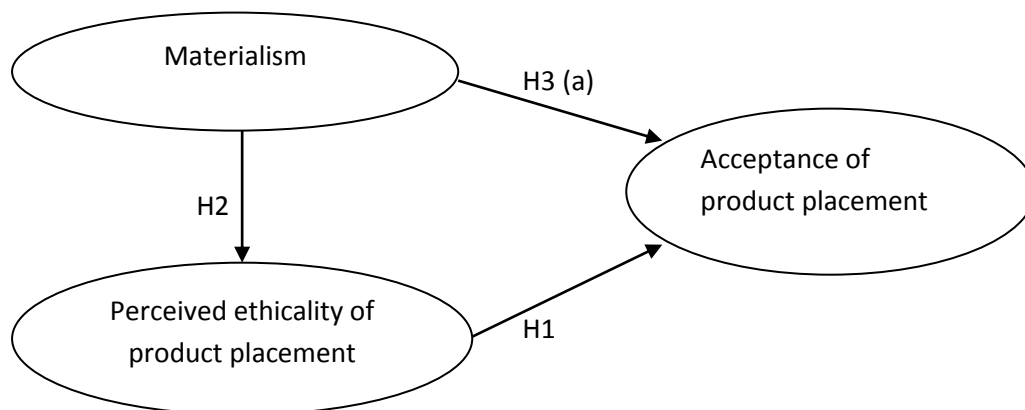
H3 (a): Materialism has a direct positive influence on the acceptance of product placement.

H3 (b): Materialism has an indirect positive influence on the acceptance of product placement, mediated by the perceived ethicality of product placement

A graphical representation of the direct relationships hypothesised in the present study is shown in figure 1.

FIGURE 1:

Hypothesized Relationships: Materialism, Perceived Ethicality of Product Placement, and Acceptance of Product Placement



RESEARCH METHODS

The Study Sample

Data were collected from adults, that is, people aged over 18. The sampling method was designed to gather data from members of the UK movie-going public. Respondents were approached in outdoor public places in London, United Kingdom, and were screened to ensure that they had visited the cinema within the last month. The majority of respondents

were interviewed in London's popular public places of Trafalgar Square, Leicester Square, the London Eye, and along the Embankment. A few other respondents were interviewed in the streets, recreational parks and public places close to cinemas. A total of 250 usable questionnaires were collected. Owing to the nature of the convenience sampling method it is not appropriate to report a non-response rate.

TABLE 1:
Distribution of Respondents across Age and Gender

Age category	Gender category	Respondents
18-25	Male	43
	Female	45
	Total	88
26-34	Male	36
	Female	60
	Total	96
35-49	Male	30
	Female	20
	Total	50
50 and over	Male	7
	Female	9
	Total	16
Total		250

The study sample has slightly more females than males (53.6% females, 46.4% males) and more respondents in the younger age groups than the older age groups. 73.6% of the respondents were under 35 years old and 26.4% were aged over 35 years. Only 6.4% of the respondents were over 50 years of age. This sample profile is comparable to those in previous studies on perceived ethicality and acceptance of product placement (e.g., Gupta and Gould, 1997; Nebenzahl and Secunda, 1993). The bias towards relatively young respondents in the sample mirrors the over-representation of young adults among UK cinema attenders. The frequency of cinema attendance declines with age; among the over 50 age group only 10

per cent visit the cinema at least once a month, whereas among under the 35 year-olds, 61 per cent go to the cinema at least once a month (Mintel 2013).

Measures of Constructs

Structural equation modelling was used to assess the model fit and to estimate the interrelations among the constructs shown in figure 1. The hypothesised model was tested in AMOS, using the maximum likelihood method.

Gupta and Gould's (1997) product placement acceptance scale was adapted for the study. The original Gupta and Gould (1997) scale was used to measure the acceptability of placing thirty different product categories. Since the present study focused on determining the overall acceptability of the product placement as a marketing communication tool that involves subtle communication method in movies, the measure of product placement was based on the following two items: "Product placement in movies, based on subtle or concealed communication of any type of products to consumers, is totally acceptable to me", and a statement of reversed scale: "Product placement in movies, based on subtle or concealed communication of any type of communication should be banned". Respondents were asked to indicate the extent to which they agreed or disagreed with the statement on a scale ranging from 1 to 5, where 1 represented "Strongly Disagree" and 5 represented "Strongly Agree". The reliability of the scale ($\alpha = .7$) met the recommended threshold level Cronbach's alpha coefficient ($\alpha = .7$). Therefore, the reliability of the scale was considered to be adequate and acceptable for the study.

Reidenbach and Robin's (1990)'s Multidimensional Ethical Scale (MES) was adapted to measure the perceived ethicality of product placement. Three items were selected for their relevance in establishing perceived ethicality for product placement, following similar practices in past studies (Hudson et al., 2007; Manyiwa and Brennan, 2012; Simpson et al.,

1998; Smith and Cooper- Martin, 1997). Respondents were asked to indicate, on a 7 point bipolar semantic scale, the extent to which they considered the use of product placement as a means of sending subtle or hidden communication messages about branded products to be, generally, (1) morally wrong/ wrong/morally right, (2) Culturally unacceptable/culturally acceptable, and (3) Traditionally unacceptable/ traditionally acceptable. Therefore, higher scores show stronger perceived ethicality for product placement. The scale's reliability ($\alpha = .73$) was acceptable for the study.

Materialism was measured on Richins' (2004) improved materialistic value scale (MVS), which is widely used in published studies (Dittmar, 2005; Ferle and Chan, 2008; Richins, 2013; Rindfleisch et al., 2009). The reliability of the scale across the three components (happiness, centrality, and success) and the overall measure of materialism were all high (i.e., $\alpha = .91, .90, .92$, and $.96$ respectively).

RESULTS

Descriptive Analysis

The construct scales, means, and standard deviations are presented in table 2.

TABLE 2:
Descriptive Statistics

Construct	Scale used	Mean	Standard deviation
Materialism	5- point scale (5 means materialistic)	2.81	.96
Perceived ethicality of product placement	7- point scale (7 means product placement is ethical)	4.70	.79
Acceptance of product	5- point scale	3.88	.76

placement (5 means product placement is acceptable)

Taken as whole, the respondents were moderately materialistic ($M_{\text{materialism}} = 2.81$, $SD = .96$); the mean was slightly above the midpoint of the 5-point scale. The standard deviation indicates that the responses were distributed fairly close to the mean. Hence, the descriptive results for materialism suggest that even though a number of respondents were materialistic, a considerable number of the respondents were also non materialistic, which tended to balance the scale towards moderate materialism.

The respondents' perceived ethicality of product placement was more decisive than their self-evaluation on materialism. Overall, the respondents perceived product placement to be ethical ($M_{\text{perceived ethicality}} = 4.70$, $SD = .79$), since the mean is clearly above the midpoint of the 7- point ethicality scale. The standard deviation shows that the responses for the perceived ethicality of product placement were clustered quite closely around the mean. The results confirm past studies which conclude that the majority of consumers consider product placement in movies to be ethical and therefore acceptable as means of marketing communications (Nebenzahl and Secunda, 1993; Gupta and Gould, 1997).

The respondents' acceptance of product placement in movies was also quite high ($M_{\text{acceptance of product placement}} = 4.88$, $SD = .76$), with the mean exceeding the midpoint of the 7- point scale, which shows that, in general, the respondents found product placement in movies to be acceptable. The rather low standard deviation shows that the responses for acceptance of product placement were distributed fairly closely around the mean. The results of the present study, which show that consumers generally welcome product placement in movies, are consistent with past studies (Gupta and Gould, 1997; Nebenzahl and Secunda, 1993).

Tests of the Hypothesised Model

The hypothesised model was tested in two stages, as widely recommended (Anderson and Gerbing, 1988; Martinez-Lopez et al., 2013). In the first stage of the analysis, the measurement model was assessed using confirmatory factor analysis (CFA). The structural model was then evaluated in the second phase of the analysis. Table 3 presents the results of CFA which were used to test the measurement model.

TABLE 3:

Results of CFA: Loadings (λ), t- values, Composite Reliability (CR), and Average Variance Extracted (AVE) Measure for the Constructs.

Constructs/Variables	λ	t- value	CR	AVE
Materialism			.96	.75
I would be happier if I could buy more things	.838	14.48		
I wouldn't be any happier if I owned more things	.774	13.17		
My life would be better if I owned certain things...	.831	14.68		
It sometimes bothers me that I can't afford to buy certain things I like	.791	13.68		
I always buy only things I need	.738	11.67		
I try to keep life simple, as far as possessions are concerned	.820	12.42		
I enjoy spending money on unnecessary things	.873	13.43		
Buying things gives me a lot of pleasure	.779	14.5		
I like a lot of luxury in my life	.727	15.60		
Acquiring material possessions is one of the most important achievements in my life	.857	14.87		
I don't place much emphasis on the amount material objects people own as a sign of success	.826	14.01		
The things I own can show how successful I am in my life	.842	14.61		
I like to have things that can attract people	.773	13.66		
Perceived ethicality of product placement			.74	.63
Product placement is morally wrong / right	.538	7.44		

Materialism, ethics and product placement acceptance

Product placement is culturally un / acceptable	.768	9.33		
Product placement is traditionally un / acceptable	.786	10.11		
Acceptance of product placement			.70	.53
Any type of product placement is totally acceptable to me	.701	11.12		
Any type of product placement should be banned	.691	9.67		

The results in table 3 show that the composite reliability of the constructs of materialism (CR = .96) and perceived ethicality of product placement (CR = .76) exceeded the recommended threshold (CR > .70), indicating good internal consistency of the two constructs (Steenkamp and van Trijp 1991). The construct reliability of the construct acceptance of product placement (CR = .70) meets the required threshold.

All the indicators variables were unidimensional ($\lambda > .5$; $p = .05$), indicating construct validity (Fornell and Larcker, 1981). Furthermore, a comparison of the square root of the average variance extracted (AVE) for each of the constructs with the correlations between the respective constructs showed good discriminant validity. Overall, the indices (GFI = .90; AGFI = .88; IFI = .91, TLI = .90, CFI = .91; as well as RMSEA index of .08) showed acceptable model fit.

Having found the measurement model acceptable, the structural model was then tested. The results of the structural model analysis reflect the modest fit of the measurement model. The final model was accepted on the basis of the indices (GFI = .90; AGI = .86; IFI = .91, CFI = .91, **and RMSEA index of .085**), as widely recommended (Anderson and Gerbing, 1988; Martinez-Lopez et al., 2013).

Measurement invariance were investigated across males and females. A comparison of three-factor nested models showed acceptable measurement invariance on the four models, namely, measurement weights, measurement intercepts, and measurement residuals across gender, based on CFI. Although the chi-square indicates significant differences ($p < .05$) on

measurement intercepts, suggesting measurement variance across gender, the changes in CFI of 0.008 indicate acceptable measurement invariance (Cheung and Rensvold, 2002). Having established measurement invariance, structural weights, structural covariances, and structural residuals were then evaluated. The invariance analysis of structural measures followed similar pattern with the measurement model, demonstrating invariance across gender on the basis of changes in CFI. Therefore, adequate measurement and structural invariance were established across males and females, based of changes in CFI.

The percentage of the variance explained by the model (R^2) was 19 per cent for perceived ethicality and 47 per cent for acceptance of product placement. These levels of variance explained demonstrate that the hypothesised structural model makes a moderate contribution to the explained variance of perceived ethicality of product placement and a considerable contribution to explained variance of acceptance of product placement. Table 4 shows the standardised values of the direct effects, indirect effects, and total effects of the hypothesised model. All the hypothesised paths of the model were significant, as shown in figure 2.

TABLE 4:

Matrices of direct, indirect, and total effects

Direct Effects			
	Materialism	Perceived Ethicality	Acceptance of Product Placement
Materialism		.43	.13
Perceived ethicality			.62
Indirect Effects			
Materialism			.27
Total effects			

Materialism		.43	.40
Perceived Ethicality			.62

The significant paths led to the acceptance of the hypothesised relations as follows:

H1: Perceived ethicality of product placement has a direct positive influence on the acceptance of product placement ($\gamma = .62, p = .000$).

H2: Materialism has a direct positive influence on the perceived ethicality of product placement ($\gamma = .43; p = .000$).

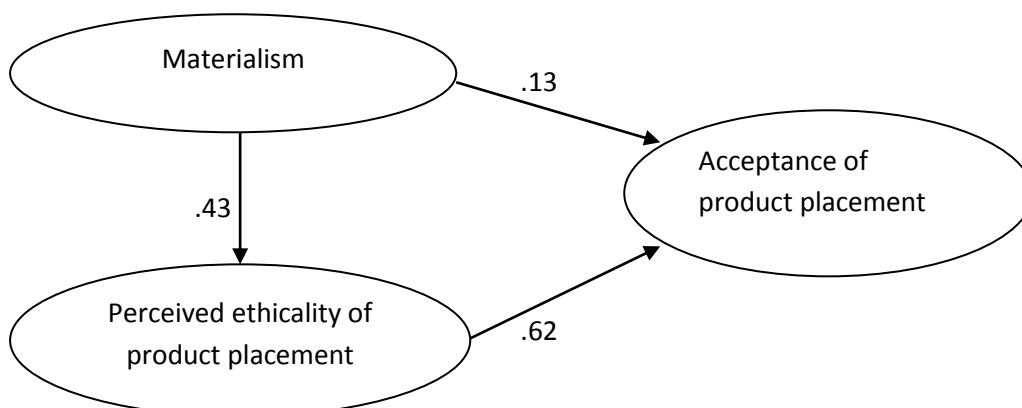
H3 (a): Materialism has a direct positive influence on the acceptance of product placement ($\gamma = .13, p = .000$).

H3 (b): Materialism has an indirect positive influence on the acceptance of product placement, mediated by the perceived ethicality of product placement ($\gamma = .27; p = .000$).

Therefore, the total influence of materialism on acceptance of product placement is positive and considerably higher than the direct influence ($\gamma = .40; p = .000$).

FIGURE 2:

Final structural model: Effects of materialism on perceived ethicality of product placement and acceptance of product placement. All paths were significant at the $p < .05$ level



DISCUSSIONS AND CONCLUSIONS

Findings

The purpose of this study was to investigate the influence of materialism on perceived ethicality and acceptance of product placement. The results of the study show that materialism has a significant direct positive influence on perceived ethicality of product placement. Highly materialistic consumers are more likely to perceive product placement to be ethical than less materialistic consumers. In other words, less materialistic consumers are more likely to consider product placement as an unethical marketing communication practice than materialistic consumers. This result is consistent with past studies which show that materialistic consumers are more likely to demonstrate lower ethical standards in business related decisions than non-materialistic consumers (Lu and Lu, 2010; Muncy and Eastman, 1998; Richins and Dawson, 1992).

The results indicate that materialism has a considerable positive influence, both directly and indirectly, on the acceptance of product placement. The perceived ethicality of product placement mediates the indirect positive influence of materialism on product placement. Hence, perceived ethicality of product placement increases the likelihood of materialistic consumers to accept product placement. These results also show that perceived ethicality of product placement has substantial direct positive influence on acceptance of product placement. Thus, the results confirm findings in past studies; that consumers tend to reject product placement mainly due to concerns about the perceived ethicality of product placement (Gould et al., 2000; Gupta and Gould, 1997).

Conclusions and Contributions

The overall results indicate that the hypothesised model accounts for a significant percentage of the variance explained for both the perceived ethicality of product placement, and the acceptance of product placement. Therefore, a consumer's level of materialism exerts considerable influence on the consumer's perceptions of the ethicality of product placement and overall acceptance of product placement.

Consequently, the main contribution of this study is to validate a structural equation model that demonstrates the influence of materialism on the perceived ethicality and acceptance of product placement. In that regard, the study provides evidence confirming direct positive influence of materialism on perceived ethicality of product placement. The study also shows that materialism has direct positive influence on acceptance of product placement as well indirect positive influence of acceptance of product placement, which is mediated by perceived ethicality of product placement.

Practical Implications & Suggested Future Research

This study suggests that business organizations need to be aware of the important role of materialism in influencing the perception that product placement is broadly ethical and acceptable as a means of market communication.

In developed countries, there is evidence of inter-generational differences in measures related to materialism. According to Twenge et al. (2012, p1058) younger generations exhibit values that are less community-oriented and more materialistic than older generations:

“Compared to Boomers, Millennials and GenX'ers viewed goals concerned with money, fame, and image as more important, and goals concerned with self-acceptance, affiliation, and community as less important”. The more materialistic is the intended target audience for an entertainment medium, the more acceptable they will find product placement. These inter-

generational effects may be relevant here, if the millennial generation is more materialistic than the Baby Boomers or Generation X. On the other hand, since consumers with strongly pro-environmental (green) attitudes are likely to be relatively less materialistic, product placement is likely to be less effective for communications campaigns targeted at consumer groups with strongly pro-environmental (green) attitudes. Overall, the results of this study put materialism at the centre of the debate about product placement.

In societies where the level of materialism is expected to increase, it is to be expected that the acceptability of product placement as a marketing communications tool will also increase. This is particularly relevant to marketing in emerging countries, where rising living standards and exposure to Western lifestyles may mean that materialism becomes an increasingly important aspect of society. This, in turn, may offset the decline in the usefulness of product placement that Karniouchina et al (2011) expect, based on a life-cycle model of marketing communications tools. Particularly in those societies that experience growing materialism, the usefulness of product placement may grow rather than shrink in the coming decades. The topic of whether growing materialism enhances the effectiveness of product placement, particularly in emerging economies, and so offsets the possibility that product placement is entering the decline phase of its life-cycle, merits further investigation.

This study has some few limitations. Although the size and structure of the sample achieved were acceptable, a non-random sampling method was employed. In addition, while the hypothesised structural equation model in the present study met the recommended minimum standards for model validation, there is still room for improving the model fit and increasing the percentage variance for the endogenous variables. Further studies are recommended to determine whether or not the incorporation of other variables could improve the model fit and variance explained for endogenous variables. Researchers could particularly find out the impact of culture, persuasion knowledge with respect to product

Materialism, ethics and product placement acceptance

placement, and involvement with product placement on perceived ethicality and acceptance of product placement.

REFERENCES

- Anderson, J. C. and Gerbing, D. W. 1988. Structural equation modelling in practice: A review and recommended two-step approach. *Psychology Bulletin*, 103, 3, 411-423.
- Babin, L. A. 1996. Advertising via the box office: Is product placement effective? *Journal of Promotion Management*, 3, 1-2, 31-52.
- Babin, L. A. & Carder, S. T. 1996. Viewers' recognition of brands placed within a film. *International Journal of Advertising*, 15, 140-151.
- Balasubramanian, S. K. 1994. Beyond advertising and publicity: Hybrid message and public policy issues. *Journal of Advertising*, XXIII, 4, 29-46.
- Belk, R. W. 1984. Three scales to measure construct related to materialism: Reliability, validity, and relationships to measures of happiness. *Advances in Consumer Research*, 11, ed. Thomas C Kinnear, 291-297.
- Belk, R. W. 1985. Materialism: Trait aspect of living in the material world. *Journal of Consumer Research*, 12 (December) 265- 280.
- Boddewyn, J. J. 1993. Where should articles on the link between tobacco advertising and consumption be published? *Journal of Advertising*, 22 (December), 105-107.
- Brennan, S., Rosenberger P. J. 111 and Hementera, V. 2004. Product placement in movies: An Australian consumer perspective on their ethically and acceptability. *Marketing – Bulletin*, 15, Article 1, 1- 16.
- Burroughs, J. E. and Rindfleisch, A. 2002. Materialism and well-being: a conflicting values perspective. *Journal of Consumer Research*, 29, December, 348-370.
- Cheung, G. W. and Rensvold, R. B. (2002). Evaluating goodness-of-fit indexes for testing measurement invariance. *Structural Equation modelling*, 9, 233-255.

d' Astous, A. and Seguin, N. 1999. Consumer reactions to product placement strategies in television sponsorship. *European Journal of Marketing*, 33, 9/10, 896-910.

DeLorme, D. E. and Reid, L. N. 1999. Moviegoers' experiences and interpretation of brands in films revisited. *Journal of Advertising*, 28, 2, 71-95.

Dens, N., De Pelsmacker, P., Wouters, M & Purnawirawan, N. 2012. Do you like What you Recognize? *Journal of Advertising*, 41, 3, 35-54.

Dittmar, H. 2005. Compulsive buying – A growing concern? An examination of gender, age, and endorsement of materialistic values as predictors. *British Journal of Psychology*, 96, 467-491.

Durning, A. T. 1992. What malls and materialism are doing to the planet. *Washington Post*, 115, C3.

Feldman, L. P. 1971. Social adaptation: A new challenge for marketing. *Journal of Marketing*, 35, 54-60.

Ferle, C. L. and Chan, K. 2008. Determinants for materialism among adolescents in Singapore. *Young Consumers*, 9, 3, 201-214.

Fornell, C. and Larcker, D. F. 1981. Evaluating structural equation models with observable variables and measurement error. *Journal of Marketing Research*, 18, 1, 39-50.

Friestad, M. & Wright, P. 1994. The Persuasion Knowledge Model: How People Cope with Persuasion Attempts. *Journal of Consumer Research*, 21, 1, 1-31.

F-Y, K. and M-H, H. 2001. Development and validation of ethical computer self-efficacy measures: The case of Softlifting. *Journal of Business Ethics*, 32, 299-315.

Gabriel, Y. and Tim, L. 1995. The unmanageable consumer. Thousand Oaks, CA: Sage.

Gould, S. J., Gupta, P. B. and Grabner-Kränter, S. 2000. Product placement in movies: A cross cultural analysis of Austrian, French and American Consumers' attitudes towards this emerging international promotional media. *Journal of Advertising*, XXIX, 4, 41-58.

- Gupta, P. B. and Gould, S. J. 1997. Consumers' perceptions of the ethics and acceptability of product placement in movies: Product category and individual differences. *Journal of Current Issues and Research in Advertising*, 19, 1, 39-50.
- Hackley, C., Tiwsakul, R. A. and Preuss, L. 2008. An Ethical Evaluation of Product Placement: A Deceptive Practice? *Business Ethics: A European Review*, 17, 2, 109- 120.
- Hastings, G. B., Stead, M., McDermott, L., Forsyth, A., MacKintosh A. M., Rayner, M., Godfrey, C., Caraher, M. and Angus, K. 2003. Review of research on the effects of food promotion to children. FSA.
<http://www.food.gov.uk/multimedia/pdfs/foodpromotiontochildren1.pdf>., accessed on 29 November 2013.
- Holt, D. B. 1997. Poststructuralist lifestyle analysis: Conceptualizing the social patterning of consumption in postmodernity. *Journal of Consumer Research*, 23, 326-350.
- Hudson, S., Hudson, D. and Peloza, J. 2007. Meet the parents: A parents' perspective on product placement in children's films. *Journal of Business Ethics*, 80, 289-304.
- Hunt, S. D., & Scott, V. 1986. A General Theory of Marketing Ethics. *Journal of Macromarketing*, 6, 1, 5-16. doi: 10.1177/027614678600600103.
- Hunt, S. D., & Scott, V. 2006. The General Theory of Marketing Ethics: A Revision and Three Questions. *Journal of Macromarketing*, 26, 2, 143-153. doi: 10.1177/0276146706290923.
- Karniouchina, E. V., Can, U & Grigori, E. 2011. Do marketing media have life cycles? The case of product placement in movies. *Journal of Marketing*, 75, 3, 27-48.
- Kilbourne, W.E. and LaForge, M.C. 2010. Materialism and its relationship to individual values. *Psychology & Marketing*, 27, 8, 780-798.
- Laczniak, G. R. and Murphy, P. E. 2006. Normative perspectives for ethical and social responsible marketing. *Journal of Macromarketing*, 26, 2, 154-177.

- Lee, T., Sung, Y. and Choi, S. M. 2011. Young Adults' Responses to Product Placement in Movies and Television Shows- A Comparative Study the United States and South Korea. *International Journal of Advertising*, 30, 3, 479-507.
- Lu, L.-C. and Lu, C- J . 2010. Moral philosophy, materialism, and consumer ethics: An exploratory study in Indonesia. *Journal of Business Ethics*, 94, 193-210.
- Manyiwa, S. and Brennan, R. 2012. Fear appeals in anti-smoking advertising: How important is self-efficacy? *Journal of Marketing Management* 28, 11-12, 1419-1437.
- Marshall, D., O' Donohoe, S. and Kline, S. 2007. Families, food, and pester power: Beyond the blame game? *Journal of Consumer Behaviour*, 6, 164-181.
- Martin, N. and Prince, D. 2008. Factoring for X: An exploratory study of generation X's materialistic attributes. *Journal of Management and Marketing Research*, 1, 47-55.
- Martinez-Lopez, F. J., Gazquez-Abad, J. C. and Sousa, C. M. P. 2013. Structural equation modelling in marketing and business research: Critical issues and practical recommendations. *European Journal of Marketing*, 47, 1/2, 115-152.
- Mason, R. O. 1995. Ethics to information technology issues. *Communication of the ACM*, 38, 12, December, 55-57.
- McKechnie, S. A and Zhou, J. 2003. Product placement in movies: A comparison of Chinese and American consumer attitudes. *International Journal of Advertising*, 22, 3, 349- 374.
- Micken, K. S. and Roberts, S. D. 1999. Desperately seeking certainty: Narrowing the materialism construct. Paper presented at the Association for Consumer Research.
- Mintel. 2013. Cinema - UK. London: Mintel
- Moore, G. 2002. On the implications of the practice-institution distinction: MacIntyre and the application of modern virtue ethics to business. *Business Ethics Quarterly*, 19-32.
- Moore, G. 2005. Humanizing business: "A modern virtue ethics approach". *Business Ethics Quarterly*, 237-255.

Materialism, ethics and product placement acceptance

Moore, T. E. 1982. Subliminal advertising: What you see is what you get. *Journal of Marketing*, 46 (Spring, 1982), 38-47.

Muncy, J. A. and Eastman, J.K. 1998. Materialism and consumer ethics: An exploratory study. *Journal of Business Ethics*, 17, 137-145.

Nebenzahl, I. D. and Secunda, E..D. 1993. Consumer attitudes towards product placement in movies. *International Journal of Advertising*, 12, 1-11.

Ofcom. 2007. *Television Advertising of Food and Drink Products to Children*. Final statement.

http://stakeholders.ofcom.org.uk/binaries/consultations/foodads_new/statement/statement.pdf

pdf: accessed on 30 November 2013.

Reidenbach, R. E. and Robin, D.P. 1990. Toward the development of a multidimensional scale for improving evaluations of business ethics. *Journal of Business Ethics*, 9, 639-653.

Richins, M. L. 1987. Media, Materialism, and Human Happiness. *Advances in Consumer Research*, 14, 1, 352-356.

Richins, M. L. 2004. The material values scale: Measurement properties and development of a short form. *Journal of Consumer Research*, 31, June, 209- 219.

Richins, M. L. 2013. When wanting is better than having: Materialism, transformation expectations, and product –evoked emotions in the purchase process. *Journal of Consumer Research*, 40, June, 1-18.

Richins, M. L and Dawson, S. 1992. A consumer values orientation for materialism and its measurement scale development and validation. *Journal of Consumer Research*, 19, 303- 316.

Rindfleisch, A., Burroughs, J. E. and Denton, F. 1997. Family structure, materialism, and compulsive consumption. *Journal of Consumer Research*, 23, March, 312- 325.

- Rindfleisch, A., Burroughs J.E. and Wong, N. 2009. The safety of objects: materialism, existential insecurity, and brand connection. *Journal of Consumer Research*, 36, June, 1- 16.
- Rose, P. and DeJesus, P.S. 2007. A model of motivated cognition to account for the link between self-monitoring and materialism. *Psychology & Marketing*, 24, 2, 93-115.
- Russell, C. A. 1998. Toward a framework of product placement: Theoretical propositions. *Advances in Consumer Research*, 25, 1, 357-362.
- Shrum, L. J., Wong, N., Arif, F., Chugani, K. S., Gunz, A., Lowrey, T. M., Nairn, A., Pandelaere, M., Ross, S. M., Ruvio, A., Scott, K. and Sundie, J. 2013. Reconceptualizing materialism as identity goal pursuits: Functions, processes, and consequences. *Journal of Business Research*, 66, 1179-1185.
- Simpson, P. M., Brown, G. and Widing R. E. 11. 1998. The association of ethical judgment of advertising and selected advertising effectiveness response variables. *Journal of Business Ethics* 17, 2, 125-136.
- Smith, C. N. and Cooper- Martin, E. 1997. Ethics and target marketing. *Journal of Marketing* 61, 3, 1-21.
- Steenkamp, J- B. E. M. and van Trijp H. C. M. 1991. The use of LISREL in validating marketing constructs. *International Journal of Research in Marketing*, 8, 4, 283- 299.
- Swann, W. B. J. and Bosson, J. 2010. Self and identity. In F. T. Fiske, D. T. Gilbert, and G. Lindzey (Eds.), *Handbook of Social Psychology* (p. 589-628). New York: McGraw-Hill.
- Twenge, J. M., Campbell, W. K. & Freeman, E. C. 2012. Generational differences in young adults life goals, concern for others, and civic orientation, 1966-2009. *Journal of Personality and Social Psychology*, 102, 5, 1045-1062.

Verwijmeren, T., Karremans J. C., Bernritter, S. F., Stroebe, W. & Wigboldus, D. H.J. 2013.

Warning: You are being primed! The effect of a warning on the impact of subliminal ads. *Journal of Experimental Social Psychology*, 49, 6, 1124-1129.

Verwijmeren, T., Karremans J. C., Stroebe, W. & Wigboldus, D. H. J. 2011. The workings and limits of subliminal advertising: The role of habits. *Journal of Consumer Psychology*, 21, 2, 206-213.

Wei, M-L, Fischer, E. & Main, K. J. 2008. An Examination of the Effects of Activating Persuasion Knowledge on Consumer Response to Brands Engaging in Covert Marketing. *Journal of Public Policy & Marketing*, 27, 1, 34-44. doi: 10.1509/jppm.27.1.34.

Whetstone, J. T. 2001. How Virtue Fits Within Business Ethics. *Journal of Business Ethics*, 33, 2, 101-114. doi: 10.1023/A:1017554318867.