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## **Bollywood Industry in the Wake of Cost Cutting Measures: Role of Quality Cues on Brand Placements**

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This study examines the significance and the favorability of brand placements in Indian film industry (Bollywood) movies that would generate revenues and reduce the risk of production costs for the decision makers (film production houses). A theoretical model built on Cue utilization theory is used to assess the number of brand placements in movies with respect to intrinsic and extrinsic cues. The model is empirically tested on a sample of top 100 Bollywood movies that were box-office successes during two decades (1995-2015). The findings suggest that genre of a movie (intrinsic cue) and star power (extrinsic cue) serve as important indicators in placing brands in Bollywood movies. In particular, specific genre-comedy, drama and romance-attract more number of brand placements, as does the starring role of superstars in movies.

**Keywords:** Brand placement, intrinsic cue, extrinsic cue, Bollywood movies, film production houses, content analysis, emerging markets

Brand (product) placement (also known as embedded marketing or brand integration) is the paid inclusion of branded products or identifiers through various modes of presentation (audio and/or visual means) in a media vehicle (Karrh, 1998). The terms “brand placement” and “product placement” have gained popularity in recent years and have been used interchangeably (Balasubramanian, Karrh & Patwardhan, 2006). Although, the term “product placement” is widely used in literature, it captures the essence of the activity more precisely and has begun to appear in academic reports (Karrh, 1998). Thus, the term “brand placement” is used throughout this study consistently as in Chan (2012).

Placing a brand/service into the entertainment media have resulted in its better exposure among the audiences. Among various media outlets, films have increasingly become a popular vehicle for brand placement due to its significant cost reduction in marketing activities (Hudson & Hudson, 2006). Consequently, marketing professionals prefer to position their brands in movies because the medium has a global reach and strong persuasive power over the audience (Nagar, 2016). Taking advantage of this, film production houses in recent years, place brands in films for a placement fee, to offset some of the costs associated with making and releasing of the movie (Cha, 2016). Such brand placement, apart from fiscal benefits, enhances realism of the films’ settings and allows for joint promotion of film and brand by advertisers of the placed brand. It has been estimated that the amount spent on brand placement globally is expected to double by 2016 from USD 8.25 billion in 2012 (Cha, 2016).

In addition, most of the previous research in the field of brand placement has been based on the U.S context as they hold the largest brand (product) placement market worldwide, and combined with those of Brazil and Mexico, account for nearly 80 per cent of the global brand (product) placement market (PQMedia, 2015). There creates a need to explore various facets of the practice in a wider range of Asian markets (non-U.S) (Chan, Lowe & Petrovici, 2015) with a comprehensive analysis on the importance of brand placements in films, especially from a viewpoint of the film production houses.

With the Indian film industry poised to grow at a CAGR (compounded annual growth rate) of 10 per cent, from 126.4 billion rupees in 2014 to 204 billion rupees by 2019 (FICCI, 2015), film production houses have started to recognize the importance of brand placement in film financing and marketing. These in-film branding opportunities are estimated to cost around 350 crore rupees and expected to grow by 15 to 20 per cent every year (Ambwani, 2014). Indian film industry is dominated by Bollywood (Hindi film industry) contributing 43 per cent of the revenue, while regional and international films contribute the remaining 50 per cent and 7 per cent respectively. In the context of Indian film industry, Bollywood films usually have a specific style of filmmaking that aggressively focuses on box-office success and have a wider audience appeal (Ganti, 2013). In Bollywood films, the link between the film producer and advertiser has become a form of surrogate advertising. After globalization (1990s-till date), many branded products have been placed in films and that these measures have helped to generate revenue for the film even before its release (Gokulsing & Dissanayake, 2013). This has created a way for the international marketers to adopt brand placement in order to reach the local consumers (non-U.S respondents) (Nelson & Devanathan, 2006). Such marketing tactics have also been found to be well received by the audience of the films.

Not surprisingly, products have been placed in Bollywood (Hindi) films for nearly two decades. For example, Coca-Cola (foreign brand) was placed prominently into the storylines of the movie *Taal* (1991), where the lead couple was shown to interact with the product. It was estimated that Coke paid 2 lakhs rupees, for placing its product in the movie. Significant amount of money is spent on deals that involve incorporation of the product into the storyline of films featuring famous stars, especially when the stars themselves show the product overtly or covertly. Thus entertainment marketing agencies in India are increasingly collaborating with movie producers to introduce brands/products into the script, as is prevalent in the U.S (PQMedia, 2015). This is only to be expected because the Indian film industry, being the world's largest producer of films, releases nearly a thousand films every year, and brand placement is advantageous to both production houses and advertisers.

The academic study of brand placements can be classified into four types: (i) prevalence and nature of brand portrayal, (ii) the effectiveness of brand placement, (iii) general discussion of the practice by the researchers and practitioners, (iv) cross cultural analysis on the acceptability of brand placements (Chan, 2012). Studies on brand placements have tended to focus on the advertisers' perspective of the practice until recently and that there is scant research on the practice of brand placement that provides new insights for film production houses (Cha, 2016), particularly of the Indian film Industry (Bollywood).

The benefits of brand placement to film production house cannot be understated. In this work, we have developed a theoretical model to understand the criteria that drive brand placements in movies. Influencing variables such as number of brand placements in the movie were identified and was empirically tested using secondary data sources.

Theoretical and managerial implications based on the findings would provide the film production houses with a strategic plan that would induce advertisers to place their products in a movie.

## Conceptual Framework

### Cue Utilisation Theory

Cue utilisation theory, which provides a basis for making inferences about products from the pattern of cues being available (Burnkrant, 1978) was chosen as the theoretical framework for this study. The dependability generated from these cues is associated with a product that links directly to the evaluation of a product. Cues provide an attractive framework to assess the product evaluation and serve as quality indicators for decision makers (Richardson, Dick & Jain, 1994). The uncertainties associated with perceived risk of a product are impediments to the decision maker. In order to reduce such uncertainty, decision makers search and process information about the product and create inferences from it. This study adopted the theoretical model of Cha (2016) and has replicated the study in the Indian context by utilizing an additional key factor (star power) with other variables and has collected the data using secondary data sources.

### Brand Placement Decisions on Cue Utilization

Companies like advertisers, brand placement agencies, public relations and other members of professional associations are particularly involved in the brand placement decision (Margaret, Jane & Remiko, 2008). Film production houses and advertisers have different perspectives on brand placements, which make them unsure of the practices followed. Russell and Belch (2005) suggested that the role of brand placement among the clients remains inconsistent and that brand placement is not a part of the integrated marketing plan for many organizations. However, production houses ultimately desire compensation to cut down their production costs and enhance realistic settings through brand placements. Thereby, marketers' desire to use the entertainment vehicle to highlight their branded products/services on screen in order to have a potential reach to a wide group of audiences. Thus, for the film production houses, it is important to consider various aspects on the type of movie being preferred, to strategically place more number of products. The decision of the brand placement practitioner to place a particular brand within a movie is influenced by the key factor 'Quality' (Karrh, McKee & Pardun, 2003). Based on this factor, Cue utilisation theory is applied so as to benefit the film makers to better understand the cues available from movies for placing the product in an effective and efficient way (Cha, 2016).

Cue utilisation in product evaluation involves complex information processing. It focuses on complex products than on the simple products. As defined, products is an "array of product-related cues" that provides basis to create impressions of the product itself. These cues help to evaluate the quality of the product that provides characteristics that the decision makers desire (Bello Acebrón & Calvo Dopico, 2000). Based on the classification of goods and services, our study focuses on "experience," whose attributes are difficult to assess before purchase and can be evaluated only after consumption (Nelson, 1970). Since movies come under "experience goods," it becomes tricky for advertisers to evaluate the overall quality of a film before it is released. In the same way, film studios also face the problem in persuading the advertisers to place their products into a particular

movie. Thus, motion picture firms' reliance on certain cues would help them naturally to identify the cues from a new movie for attracting advertisers for brand placement deals.

Based on the theory of Cue utilization, one impression that is usually considered by decision makers is the quality that the product or brand holds. There are two different cues relevant to forming impacts on quality—intrinsic and extrinsic cues (Olson & Jacoby, 1972). Extrinsic cues are indirectly related to the products' performance and intrinsic cues are derived directly from the physical product that cannot be manipulated. It has been reported in earlier studies that cues like price, packaging, brand and store image, and advertising are used as extrinsic cues that are not inherent to the product and intrinsic cues were reported as product composition characteristics (taste, aroma, style, color, size).

Likewise, the movie, as a product, has both intrinsic and extrinsic cues that influence the quality perception of a product. Cha (2016) focused on the impact of genre, motion picture ratings, distributor and brand extension cues (pertain to the movie context) on the number of brand placements in a movie. This study follows the previous work by utilizing the theoretical framework in the context of Bollywood movies, thereby focusing on the impact of genre as a major intrinsic cue and film ratings, brand extension and an additional variable of star power (key creative team) as extrinsic cues that enhance the quality of the movies. The impact of distributor is not studied in the context of Indian films as, the industry is neither vertically or horizontally integrated in the manner of media conglomerates as in case of U.S. movies (Ganti, 2013). Films are often financed in terms of star-cast, story content and director's reputation. Thus, the power of Bollywood film resides in the hands of stars, directors and producers. The impact of these cues on the number of brands placed in the movies is analyzed in this study.

## Genre

Decision makers make use of the cues available from the product to determine its quality. Product category is an important intrinsic cue used by the decision makers to associate it with the product quality. In the context of movies, there are various genres that are crucial to evaluate the film (Cha, 2016). Genre is an explanatory system that enables decision makers (film production houses) to know the impact of a specific type of movies with respect to number of brands placed in a movie. Thus, genres serve as a distinct cue for the characteristics of a film.

From the film production houses' perspective, movies of a specific genre are more suited for brand placement. Prior research on the prevalence of brand placements in the movies (U.S and non-U.S) reported that brands are frequently placed in the comedy, drama, and action based genres (Chen & Wang, 2016; Park & Berger, 2010; Sonal & Vandana, 2011; Sung, Choi & de Gregorio, 2008). Likewise, the effectiveness of brand placements in movies have been reported to differ according to the elements of genres (Stern & Russell, 2004). In addition, advertisers hesitant about placing brands in a movie that elicits negative emotional experience among the audiences. As a result, many advertisers avoid placing their brands in movies that are based on horror or violent themes, which could potentially portray the brands in an undesirable way (Garza, 2003). This has led to formulate the research question as follows:

RQ1: Do the number of brands placed in Bollywood movies differ on the types of genre? If changes exist, which category of genre has predominant brand placements?

## Film Ratings

In the context of a movie, rating is considered an extrinsic cue that is indirectly related to a movie's performance. It was framed to provide an ethical and regulatory concern for the audience. The primary role of integrated marketing communication is to create an emotional link with the right kind of audience. The marketing expert segments a market and determines its preferred consumers based on the age of the audience as the most prevalent demographic variable. Eventually, it implies that marketers and advertisers choose to place their brand in the minds of the targeted audience to enhance the value of their brands. Likewise, film ratings may possibly induce production houses to influence advertisers or brand placement agency.

The Central Board of Film Certification (CBFC) is a statutory body under Ministry of Information and broadcasting, India. Exhibition of films in India can only be permitted if it is certified by CBFC. Films are certified under four categories to ensure that the audiences are aware of the content being delivered: Unrestricted for public exhibition ('U'), Unrestricted public exhibition-but with a word of caution that parental discretion is required for children below 12 years ('UA'), Restricted to adults ('A'), and Restricted to any special class of persons (doctors or scientists) - ('S') (CBFC, n.d). The rating of film opens up the fact that age groups are targeted in order to create an impact on both audience ability to attend a movie and their interest towards the movie. Based on the previous studies (Gupta, Balasubramanian & Klassen, 2000; Nebenzahl & Secunda, 1993), 16-34 age group is considered the predominant movie-going group for both movie makers and advertisers and hence, this is the more appropriate and attractive group that accepts brand placements. Thus, moviemakers might be more interested in alluring advertisers based on the film rating for brand placements. Our research question is formulated as follows:

RQ2: Do the number of brands placed in Bollywood movies differ according to the rating of the movie? If changes exist, which film rating has more number of brand placements?

## Star Power

Star power is an extrinsic cue that serves as a key factor to drive the reputation of the production houses. Extrinsic cue are generally believed to be more effective than intrinsic cue as consumers rely highly on extrinsic cues for evaluating the products (Lee & Lou, 1995). Endorsements are a type of extrinsic advertising cue that is frequently used by consumers to garner beliefs and product attributes (Dean, 1999). The ability of endorsements to affect decision makers depends on the source credibility. There are three aspects to source credibility: expertise, trustworthiness, and perceived social value. The perceived social dimension of credibility is most suitable to celebrities as it involves aspects of physical attractiveness, personality, social status and the like. Thus, endorsements are found to be the most valuable for product with experience attributes (movies), where it is difficult to evaluate a product before consumption (Dean, 1999). Of the attributes of the quality of movies, the cast and the presence of big stars (superstars) serves as a sign of a high quality at various levels. According to source credibility literature, a celebrity who has attained all the aspects of credibility is a "superstar." It is popularly believed that when a well-known star prefers to be on-screen in a film, it implies an indication of his/her self-reliance in the quality of the film. The phenomenon of superstardom not only considers the higher quality of its stars but also the information already available from the stars' earlier success. The presence of superstars has the ability to counteract negative criticism

of films' quality (Basuroy, Chatterjee & Ravid, 2003). Consequently, Indian audiences are known to be attracted to movie celebrities, who are often treated like demigods and audiences go to an extent of adapting their lifestyle (Sonal & Vandana, 2011). Bollywood movies are primarily defined and identified by the presence of stars. Eventually, stars with significant recognition and fan base become an important factor to evaluate the quality of the movie (Nagar, 2016). Thus, a moviemaking firm can attract advertisers by featuring a superstar in the movies.

H<sub>1</sub>: Movies featuring superstars will have more number of brand placements than movies that feature less famous stars.

## Brand Extension

Brand name is been used commonly as an extrinsic cue to infer and maintain the quality perceptions of a product. It refers to a product's potential to be categorized by consumers into existing potential cognitive categories. Brand name often serves as a signaling cue for consumers determine whether to purchase the product or not. It gives consumers a sense of familiarity and enhances the bonding with the product (Grewal, Krishnan, Baker, & Borin, 1998) thereby, influencing the quality perception of a product. Brand names are sufficient to evoke brand images of a product (Jacoby, Olson & Haddock, 1971). The importance of brand name in consumers' purchase decision makes it worthwhile to use the brand extension in experience goods (movies). Aaker and Keller (1990) state that "brand-extension occurs when a firm uses an established brand name to introduce a new product into a new product category." As a result, the risk of introducing a new product is reduced by providing the decision makers with a knowledge built upon an established brand.

As suggested by Ulin and Simpson (2012), four types of brand-extension are followed in the context of movies: sequel, spin-off, remake and cross-over. *Sequel* refers to a film that originates, continues, or expands based upon some earlier work (Sood & Drèze, 2006). *Spin-off* refers to a film whose character, title or any event extends from previous works; *remake* film that is entirely based on another previous film and *cross over* film that is adopted from another source of media like video games, game plays, books, novels and so on (Ulin & Simpson, 2012). Movies that uses these types of brand extension are inclined to have more rapid response from the audiences than the non-brand-extension movies (Cha, 2016). New films that are created through brand expansion can lessen instabilities among advertisers in light of the fact that the first work on which the new movie is based has effectively settled brand awareness. Thus for the moviemaking firms, brand extension might serve as an important extrinsic cue to be utilized to allure the advertisers.

H<sub>2</sub>: The number of brand placements in a movie would be more in brand-extension movies than the non-brand-extension movies.

## Methodology

Secondary sources were used to collect data. The current study employed content analysis of secondary data to examine the frequency of brand placements in the Bollywood movies. Unlike, Hollywood, Bollywood movies do not have any record of the number of product (brand) placements in movies in data sources. Thus, content analysis was conducted. Other variables like genre, film ratings, star power and brand extension were collected from reliable data source (IMdB and Box Office India). The top 20 box-office Bollywood

films (100 movies) for 20-year periods were analyzed in five-year increments: 1995, 2000, 2005, 2010, and 2015. This method of choosing movies on an increment basis was supported by Nelson and Deshpande (2013). Increments were chosen due to the changes in the frequency of brand placements since the liberalization of the Indian Film Industry (Bollywood) that occurred in the mid-1990s; however, choosing 20 movies from each of 20 years would result in additional number of hours in coding. Thus, the increments were chosen to reflect two points in each decade. The sample movies chosen were the ones that had made in the top 20 box-office success list. As, according to estimates, nearly 200 brands associate with movies every year in India, and brands are especially placed with only the top 10-15 movies that becomes a box-office success (Sharma & Dasgupta, 2014). The sample movies were obtained from two reliable sources: Box office India ([www.boxofficeindia.com](http://www.boxofficeindia.com)) and Internet Movie Database ([www.imdb.com](http://www.imdb.com)).

## Variables

### *Genre*

IMDb was used as a source for categorizing the genre of films. They were categorized into 10 elements as drama, romance, comedy, action, crime, thriller, musical, historical, horror and adventure. In the sample, horror-based genre movies were not included in the study. In many film databases, movies were found to be a combination of different genres; Indian movies are often termed as “masala” (combination of all genre elements) (Ganti, 2013). As suggested by Litman and Kohl (1989), a binary variable for each of the genre was created to capture the genre elements for each movie precisely. This allowed the researchers to know if a movie had added advantage in placing brands with a specific genre than in movies without that particular genre.

### *CBFC rating*

Films are certified under four categories by CBFC in India: U, UA, S and A. In the data sample, movies with S rating were not observed. Thus, for analysis, only three rating categories were used (U, UA and R). U-rated movies were intended to have unrestricted public exhibition. The UA rating was unrestricted for public exhibition but with a word of caution that parental discretion was required for children above 12 years. The A rating was restricted to adults (CBFC, n.d).

### *Star power*

Box-office India ([www.boxofficeindia.com](http://www.boxofficeindia.com)) was used as a reliable source for recording the star power over the time (1995-2015). The star power of the actors/actress was recorded based on their box-office returns and recognition. Bollywood film stars are actor and actress in the leading roles who draw greater attention from the public based on their large box-office collections, their popularity, physical traits and performance for the past two decades (1995-2015) was noted. The actor/actress of each film was documented and their star ranking was taken into consideration based on the list of hit/success counts of movies.



### *Brand extension*

Films were categorized as brand extension based on four criteria: sequel, spin-off, cross over and remakes and others as non-brand-extension. A sequel movie was strongly influenced by the original movie characteristics that include box-office performance with audience rating and revenue to budget ratio (Cha, 2016).

### *Coding Variable*

#### *Number of brand placements*

The data on the number of brands placed in each film of the sample were analyzed. The unit of analysis was "the individual appearance of a brand (product or service) whether seen, mentioned, or used" similar as described by Galician and Bourdeau (2004, p.19). The number of product (brand) placements was determined by recording brand appearances that occurred in the film. The brands (product/service) were coded only if it was an existing brand, with name, logo, and/or trademark on the product or on the billboards lasting at least a second (Sargent et al., 2001). Multiple appearances of the brand used in the same scene were regarded as *single* placement (for example, *Dell* laptop being portrayed multiple times in an office). However, if the brand appeared in different scenes, each new scene was designated as *separate* placement (for example, the same brand appeared outside the office or in another scene). Services that were noncommercial (government hospitals, offices, defense, NGOs and others) were excluded because they seldom publicize their brand image.

#### *Intercoders' reliability*

All brand appearances were crosschecked multiple times and the item reliability was estimated only for identical brand appearances that matched the data recorded by both coders. The sample of identical brand appearances (single and separate placement) was used to test the inter coder reliability using Scott's Pi. The intercoder reliability coefficient was 0.86. Thus, the reliability coefficient met the standard requirement of 0.75 for content analysis as suggested by Neuendorf (2002).

#### *Sample characteristics*

The sample characteristics of films were reported using descriptive statistics. An average of 9.12 brands was placed in each film from the sample. The predominant genres among the sample were drama (68 per cent), followed by comedy (55 per cent), action (54 per cent) and romance (53 per cent). The other visible genres were crime (30 per cent), dance/musical (22 per cent), thriller (19 per cent), adventure (6 per cent) and historical (2 per cent). Films certified under 'UA' rating were more in number, making up to 60 per cent (n = 60) in the sample, followed by 'U' rating (34 per cent, n= 34) and 'A' rating (6 per cent, n= 6). The descriptive statistics indicate that 55 per cent (n= 55) of the top box-office films had brand extensions based on sequel, remake, spin-off and cross-over, the others that were original reported 45 per cent (n= 45). Out of 100 films, 60 per cent (n= 60) of the movies had cast superstars and remaining 40 per cent (n= 40) of the films did not feature superstars.

## Results

RQ1: To assess the relationship between movie genre and number of brand placements in movies.

Independent sample t-test was carried out to test the relationship between the two variables. As shown in Table 1, movies with the specific genre element drama ( $M = 10.25$ ,  $SD = 6.19$ ) had placed more products in the movie than movies without the specific genre ( $M = 7.78$ ,  $SD = 5.17$ ),  $t(98) = 2.043$ ,  $p < 0.05$ . Next in the list were movies in the genre of romance, ( $M = 10.24$ ,  $S.D = 6.75$ ), which had placed more number of brand placements than in movies that did not belong to the romance genre ( $M = 7.85$ ,  $SD = 5.13$ ),  $t(98) = 1.97$ ,  $p < 0.05$ . Movies that had specific genre element as comedy ( $M = 10.67$ ,  $SD = 6.42$ ) had more number of brand placements than films without that specific genre ( $M = 6.69$ ,  $SD = 4.8$ ),  $t(98) = 3.319$ ,  $p < 0.001$ . Movies of action, thriller, adventure, dance/musical, historical and crime genres did not have statistically significant differences from movies without these specific genres with respect to the number of brand placements.

Table 1. Independent t-test results with respect to the number of brand placements based on film genres

	With specific genre		Without Specific genre		t- test
	Mean	SD	Mean	SD	
Action	8.67	6.35	9.61	5.91	-.761
Thriller	7.52	4.55	9.49	6.41	-1.261
Drama	10.25	6.69	7.78	5.17	2.043*
Comedy	10.67	6.42	6.69	4.80	3.319**
Romance	10.24	6.75	7.85	5.13	1.975*
Adventure	13.1	9.08	8.86	5.87	1.681
Crime	8.83	4.70	9.24	6.68	-.304
Dance/Musical	9.68	6.16	8.96	6.15	.484
Historical	10.00	1.41	9.10	6.19	.204

\* $p < .05$ ; \*\* $p < .001$  (two-tailed test).

RQ2: To assess the relationship between the CBFC ratings and the number of brand placements in a movie.

In order to ascertain differences between groups, One-way analysis of variance (ANOVA) was performed. The ANOVA result showed that there was no significant difference between the ratings of a movie and the number of brand placements. Thus, CBFC ratings of a film have no influence on the number of brand placements.

$H_1$  proposed that brand-extension movies have more number of brand placements than non-brand-extension movies. This study used independent samples t-test to test the differences between the brand-extension and non-brand-extension movies with respect to the number of brand placements. The results indicated that the number of brand placements

in the brand-extension movies was statistically significant from the non-brand extension movies,  $t(98)=-1.95$ ,  $p<0.05$  (see Table 2). In contrast, brand extension movies ( $M=8.41$ ,  $SD=5.05$ ) had less number of brand placements than non-brand extension movies ( $M=11.11$ ,  $SD=8.30$ ). Therefore, brand extension movies have a negative influence on brand placements and film production houses must be cautious in involving brand extension movies in terms of brand placements. Thus, hypothesis ( $H_1$ ) was not supported.

Table 2. Independent t-test results with respect to the number of brand placements based on brand-extension movies

	N	Mean	Standard deviation	t-value	Remarks
Brand-extension movies	55	8.41	5.05	$-1.95$ , $p<0.05$	H1, Rejected
Non-brand-extension movies	45	11.11	8.30		

$H_2$  proposed that movies that cast superstars had more number of brand placements than movies without superstars. An independent sample t-test showed that there was a statistically significant difference between movies with superstars and those without superstars with respect to the number of brand placements in movies,  $t(98)=2.47$ ,  $p<0.01$  (see Table 3). In addition, movies that featured superstars ( $M= 10.18$ ,  $SD= 6.58$ ) had more number of brand placements than movies without superstars ( $M= 7.05$ ,  $SD= 4.56$ ). Thus,  $H_2$  was supported.

Table 3. Independent t-test results with respect to the number of brand placements based on star power

	N	Mean	Standard deviation	t-value	Remarks
Superstar	60	10.18	6.58	$2.47$ , $p<0.01$	H2, Accepted
Without Superstar	40	7.05	4.56		

Discussion

There is lack of scholarly research done on brand placements that provides fresh insights for the film production houses in the U.S and non-U.S context. Given that the Indian movie industry produces more than one thousand films every year, compared to about five hundred movies by the US film industry, it is logical to study the pattern of brand placements in Indian films (Statistics, 2016). Thus, study provides the film production houses with intrinsic and extrinsic cues that act as signals to place the deals on brand placements in movies efficiently and strategically.

The results of this study indicate that genre elements and stardom are important cues that film production house can focus on to attract the advertisers for brand placement. In particular, movies with genre of drama, comedy and romance, brand extension movies and movies with superstars attract larger number of brand placements. These attributes can serve as important factors that could help the film production houses to promote and

market their movies to advertisers who focus on placing their brands in the movies. It is vital for film production houses to understand the factors that are responsible for efficacy of brand placements, which will help them, allocate their resources and time for successful execution of brand placements.

Movies with comedy, drama and romance genre elements were found to have more brands than movies without these genres. In India, the genre of family entertainers popularly called "*masala*," comprising love stories, songs, dances, emotional endings, and tearjerkers are popular. The success of such films has been interpreted by the media and the state as a celebration of family values and an assertion of Indian tradition in an increasingly globalized world (Ganti, 2013). Our results are contradictory to observations from elsewhere in the world. In Hollywood films, for example, movies belonging to the drama genre are perceived as being more suitable for promoting products among the middle-older age groups and appear to be unsuitable for the younger audiences (Fischhoff, Antonio & Lewis, 1998). In China, Cha (2016) reports that only comedy and sports genre have a positive influence on the number of brand placements and that the attraction of advertisers to family, drama and romance genres is complicated. However, in our study, drama, comedy and romance genre had more number of brand placements than other genres and were found to have positive association in terms of brand placements. Our results are consistent with the results of Sonal and Vandana (2011) that reported that Bollywood movies are primarily focused on drama and romance genres for placing brands, as audiences prefer to watch a combination of emotions in a single movie. In the context of Bollywood movies, film production houses tend to focus their attention on the genre to create a favorable impact among the audiences. Thus, film production houses can place greater emphasis on comedy, drama and romance genre elements that create a positive impact on the number of brand placements in a movie.

Movies that belonged to the action, thriller, adventure, dance/musical, crime and historical genres had smaller number of brand placements and served as a cue that could lower the placement of brands. Thereby, advertisers hesitate to place brands in the genres that focus on the storyline rather than entertaining brand placements. As a result, certain genre elicit negative experience that dominate product evaluation (Andrade & Cohen, 2007). This was found to be consistent with our findings that action, thriller, adventure, dance/musical, crime and historical genres are less likely to have products placed in the movies. In the Indian film industry, these genres are rarer because of difficulties in making them box-office successes and therefore require the cast of well-known stars and crew to carry them throughout the production process. This in turn, increases the risk of choosing a genre that does not fit the content for brand placements.

It is evident from the previous research studies (Chan, Petrovici & Lowe, 2016; Karrh, Frith, & Callison, 2001) that the age group of 16-34 is most likely to recognize the brands placed in the movies, in addition to being the most frequent moviegoers. Universally, the entertainment world aims at attracting and keeping young viewers. A PG-13 movie rating (MPAA) targeting 16-34 age group was found to have positive influence on film production houses in terms of number of brand placement in Hollywood movies (Cha, 2016). Our finding reveals that Bollywood movies certified under 'UA' category had more number of brands placed than the other categories but in contrast, it found that CBFC rating has no influence on the number of brand placements in Bollywood movies. The results show that the practice of brand placement in Bollywood movies has grown only recently, and it will take a while for the Indian film production house to understand the influential factors that would drive the quality of the movie in terms of brand placement.

In the Indian film industry, especially Bollywood, film production houses tend to mitigate the risk of running on losses associated with production costs by making their movie based on a spin-off, remakes, or sequels. Our findings indicate that there are more brand-extension movies than non-brand-extension movies. In addition, brand-extension movies were found to have less number of brand placements than non-brand-extension movies. Most of the film production houses reproduce Hollywood movies that work on a similar content and place brands that targets audience segment based on cultural diversity. Film production houses should therefore be cautious in placing brands that suit the cultural aspects of the targeted audiences. Culturally mis-matched brand placement could create a negative impact on the practice of brand placements. Our study reports that there exists a negative influence on brand extension movies in terms of brand placements. Thus in terms of brand placements, film production houses must focus relatively less on brand-extension movies than non-brand-extension movies.

Stardom provides is an important extrinsic cue for placing brands in the Bollywood movies. Movies that feature a superstar had more number of brands placed than the movies without superstars and were found to have statistically significant differences with respect to the number of brand placements. Bollywood movies are defined and identified by its stardom. Movies with superstars are more likely to fetch better box office returns. Thus, superstar-featuring movies can better attract advertisers and in turn the audiences. Our study proved that star power serves as a major extrinsic cue for placing brands and that placing advertisements in superstar featuring movie will have a better reach among the audience.

## **Theoretical Implications**

There have been few studies on the impact of various factors that determine the effectiveness of brand placements (Karrh et al., 2003; Margaret et al., 2008; Russell & Belch, 2005), and these studies have largely been exploratory work that lack theoretical foundations leading the results to be descriptive in nature. In order to enhance the earlier work and contribute theoretical aspects into the practice, this study focuses on a theoretical framework that would help the film production houses strategically and effectively use brand placements. Quality is a key indicator that influences practitioners' decisions to place a brand in a movie (Karrh et al., 2003). The present study has adapted the theoretical model based on cue utilization theory from the earlier study of Cha (2016) in the context of brand placement in Bollywood (Hindi) movies and has empirically tested the factors that serve as key indicators to influence the quality of a movie based on number of brand placements in movies.

The findings reveal that comedy, drama and romance genres are better suited to have brand placements in Bollywood movies. Intrinsic cues play a more important role than extrinsic cues (Olson & Jacoby, 1972) when specific genre like comedy, drama and romance are taken into consideration to evaluate the quality of a product. The numbers of brand placements in movies belonging to the genres of like action, thriller, adventure, crime, dance/musical and historical vis-à-vis movies that did not belong to these genres were found to be statistically insignificant. Lee and Lou (1995) suggested that in signalling quality, extrinsic cues serve as most important indicator than intrinsic cues as it takes lots of time and effort for the decision makers to learn. Thus, the findings suggest that genres, as product categories, while being important cues in signalling quality, are not common across the product category of different products.

The power of stars cast in the movie serves as a major extrinsic cue while evaluating the number of brand placements in movies and provides insights for film production houses. In particular, stars allow a better reach to the audience and therefore turn out to be attractive for brand placements. These extrinsic cues (stars) have the power to neutralise any negative reviews formed by intrinsic cues (performance or genre element of a movie). As the production houses might care more about generating revenues in addition to or instead of profits (Ravid, 1999), and movies with well-known stars seem to forecast revenues. Thereby, superstars casted in the movie could potentially reduce the risk of negative criticism by serving as an insurance policy for the production houses on the quality of a movie and thus increasing brand awareness.

## Limitations

The sampling frame chosen for the study included only box-office success movies and excluded movies that did not make it to the top list. As, the advertisers prefer to get their brands associated with the big budget movies that market for huge audiences and eventually result in signalling the quality of the movies. Future research could focus on brand placements in movies that did not make it to the box-office list and compare and contrast the differences of intrinsic and extrinsic cues used in predicting the number of brand placements. Further, as we chose to explore films on an increment basis that were released since corporatization into Indian film industry, would have analysed the frequency of brands placed that may not be necessarily indicative of overall trends. Future research can further examine movies released every year since the inception of the practice of brand placement.

This study had explored the practice of brand placements in Bollywood movies in terms of intrinsic and extrinsic cues by using secondary data. As such, it could restrain the collection of data, thus, future research could examine the differences between the film production houses' preferences and their practices on brand placements, by using primary and secondary data.

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