

GENERATION Z PERCEPTIONS OF PRODUCT PLACEMENT  
IN ORIGINAL NETFLIX CONTENT

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Master of Arts

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by  
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GENERATION Z PERCEPTIONS OF PRODUCT PLACEMENT

IN ORIGINAL NETFLIX CONTENT

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ABSTRACT

By 2019, \$11.44 billion is predicted to be spent in the U.S. on product placement, a dramatic increase from the \$4.75 billion spent in 2012 (Statista, Product). A 2016 survey revealed that among the general population in the U.S., 77 percent have heard of product placement (Statista, Familiarity), while another survey found 52 percent of North Americans trust product placement ads, with 49 percent taking action after viewing a product placement (Statista, 2018). Combined, these numbers demonstrate the growing proliferation of product placement among advertisers. According to Newell, Salmon & Chang (2006) product placement is “the insertion of branded products or services into mass media content with the intent of influencing consumer attitude or behavior” (p. 577). Despite its popularity, research has not kept pace with the expanding avenues of product placement (McCarty, 2004). Recent studies have focused on product placement in movie theaters, which ignores up-and-coming use in digital contexts like Netflix and Hulu (McCarty, 2004). Further, according to Wimmer and Dominick (2013), “high technology and the Internet have both contributed to substantial changes in mass media research,” especially in the advertising research field (para 36). Additionally, early exposure to technology has changed the brain structures of young consumers, making them fundamentally different from the respondents used in previous research studies (Prensky, 2001). These shifts leave ample opportunity for new exploration concerning

product placement and digital streaming media. The purpose of this study is to explore the ways in which Generation Z perceives product placement in original Netflix content, the study's context. According to Matrix (2014), "The growing consumer preference for over-the-top (OTT) streaming services (instead of cable bundles) and video on demand (instead of appointment viewing) is having a disruptive effect on traditional television scheduling, ratings, advertising, and cable subscriptions" (p. 119). As viewers migrate to OTT services like Netflix, the industry's flagship and most popular medium, mass media advertisers are forced to reconsider traditional tactics, like commercial breaks, and rely on less intrusive methods of advertisement, like product placement (Radošinská, 2017). Investigating the types of product placement that appeal to the next generation gives streaming mediums the first look at what advertising will be like in the years to come. An information processing method is used to study this phenomenon with in-depth interviews.

**Keywords:** Advertising, Generation Z, Information Processing, Netflix, Over-the-Top (OTT), Product Placement, Streaming

## **Chapter 1: Introduction**

In recent years, over-the-top (OTT) streaming has become popular, and therefore powerful, in the realm of entertainment broadcasting, especially among young consumers (Rainie, 2017). In 2017, 60 percent of young adults aged 18 to 29 in the U.S. reported streaming as their primary source of television (Rainie), and OTT streaming provider Netflix boasted 117.58 million subscribers, with 54.75 million in the U.S. alone (Statista, 2018, Number). While the average adult consumes 212 minutes of traditional broadcast television each day, the average child now consumes only 101, and the average 16-to 24-year-old consumer only 114 (Ofcom, 2017). Broadcast television viewing dropped 33 percent from 2010 to 2016 among children and 16-to 24-year-olds (Ofcom). Young consumers are forgoing traditional broadcast television and are instead using OTT streaming services to consume television (Ofcom).

Here, OTT streaming “refers to non-broadcast, Internet-streamed video content viewed on a digital display” that is not linear broadcast television, but streamed content with a flexible viewing schedule (Seel, 2016, as cited in Radošinská, 2017, p. 6). OTT streaming poses a serious threat to current broadcasting mainstays, especially when it comes to episodic television shows (Radošinská, 2017). Now that viewers have the option to watch a serial show in quick sequence rather than waiting for the next installment to air, they have become impatient with traditional modes of broadcast and opt for ‘binge-watching’ via OTT streaming providers (Matrix, 2014). According to Matrix (2014), when the Netflix original shows *House of Cards* and *Orange is the New Black* premiered in 2013, many young subscribers watched the first seasons in their

entirety in a matter of days (p. 119). In 2016, the BBC took an entire channel, BBC3 TV, off air and moved it online, claiming that its young audience's viewing patterns supported the move to digital (Ofcom, 2017). By 2019-20, the BBC is projected to dedicate one fourth of its £124.4 million budget to online content to keep up with consumer demand (Ofcom). Matrix (2014) concludes that consumers are accustomed to "the availability of commercial-free, high-quality and original television content" and that Generation Z viewers "are not content to abide by traditional weekly and seasonal programming schedules" (p. 120). According to Prensky (2001), growing up in the digital age causes people to process and think fundamentally differently than their older counterparts (p. 1). As such, previous research on older generations' preferences and ways of processing advertising are not able to reflect the intricacies of today's young consumer, whose brain structures, according to Prensky, have been altered by exposure to technology from a young age (p. 1). Other scholars who focus on television and advertising have requested further research and monitoring of trends in OTT streaming, as they agree that the public's preferences are evolving rapidly in the direction of this type of entertainment (Radošinská, 2017). This study will investigate the relatively unexplored minds of Generation Z consumers in relation to OTT streaming as the buying power and influence of both the category and consumer grows.

OTT streaming is particularly well-received among younger generations, as about twice as many young adults reported they preferred to use online streaming to watch television in 2017 than adults (Rainie, 2017). According to Shatto and Erwin (2017), those born during and after the mid-1990s fall within Generation Z, which is currently populated by young adults and adolescents (p. 1). This is a generation that has come of

age with the ability to watch entertainment programming entirely at their own pace with programs like DVR, On Demand and OTT streaming (Shatto & Erwin, 2017). As such, they have come to expect freedom from the constraints of weekly scheduling, reruns and most commercial breaks (Matrix, 2014). Entertainment providers are increasingly pressured to remove as many interruptions as possible (Rotfeld, 2006), leading many providers to use product placements instead (Statista, Product). Here, product placement is defined in the style of Newell, Salmon & Chang (2006) as: “the insertion of branded products or services into mass media content with the intent of influencing consumer attitude or behavior” (p. 577).

Netflix is a particularly interesting case study because of its popularity, ubiquitousness (it is available in over 190 countries) and large stores of original movies and series (Radošinská, 2017). Additionally, according to Radošinská (2017), “In recent years, Netflix has become one of the most successful and globally popular brands related to providers of digitally distributed video content” (p. 18). Moreover, research by Pricewaterhouse Coopers indicated that in 2013, 63 percent of American households subscribed to an OTT streaming service (Solsman, as cited in Matrix, 2014, p. 120), with 22 percent in that category streaming Netflix weekly, according to the Leichtman Research Group (“TV,” as cited in Matrix, 2014, p. 120). Clearly, OTT streaming services like Netflix have considerable popularity and sway among consumers the world over.

As Generation Z viewers forego broadcasting and cable services for OTT streaming sites with flexible viewing, advertisers must respond to changing consumer tastes (Matrix, 2014). Existing research focuses on older consumers and entertainment

viewing platforms that are quickly becoming outdated. The current study is needed to explore the new brain structures and processing methods of Generation Z consumers (Prensky, 2001), evolving OTT streaming technology and need for product placement (Rotfeld, 2006). As such, the current study will monitor how Generation Z viewers perceive product placement in original Netflix content. The information processing method will be used to explore these topics. The following theory and literature review sections provide a system and structure for organizing and understanding existing research. They will be used to craft a thesis that studies how OTT streaming, product placement and Generation Z intersect.

## **Chapter 2: Theoretical Framework**

### **Information Processing as a School of Thought**

The current research draws broadly from the information processing school of thought, which is defined as the examination of factors that allow humans to form impressions, shape attitudes and determine beliefs (Bohner, Moskowitz & Chaiken, 1995). While the literature on product placement has identified many concepts that comprise information processing, the concepts of interest here are: awareness, perceptions, behaviors and development. The author will, first, define the concepts as part of the information processing framework and then discuss information processing as a whole. Then, a review of the literature on product placement will be provided.

### **Concepts Defined**

To understand the intersection of product placement, Generation Z and OTT streaming, the following concepts are explored through the lens of information processing: awareness, behavior, perception and development. Here, awareness is defined in the style of Dourish and Bly (1992) as “an understanding of the activities of others which provides a context for your own activity,” with ‘others’ including both human and digital entities (as cited in Rettie, 2003, p. 2). Rettie explains that awareness is similar to consciousness in that “its meaning is derived from the object of the awareness,” and develops over time (p. 2). Behavior is defined as “any change of an entity with respect to its surroundings” (Rosenblueth, Wiener & Bigelow, 1943, p. 18). It may be intrinsically or extrinsically motivated, and may be narrowed into specific categories with adjoining adjectives like ‘passive’ or ‘purposeful,’ but for the purposes of this study, will be

considered at large (Rosenblueth, Wiener & Bigelow). Perception is a person's "primary form of cognitive contact with the world around [them...from which] all conceptual knowledge is based upon or derived from" (Efron, 1969, p. 137). It encompasses the cognitive reactions to external stimuli. Development is defined as "a progression through invariant ordered sequential stages" (Kohlberg & Mayer, 1972, p. 454). Using these concepts as a guide, the relationship among Generation Z, product placement and OTT streaming can be fully explored. To demonstrate why information processing is the method best suited to address these concepts, a brief overview of the theory will be given.

### **Discussion on Information Processing**

Information processing was developed within the field of psychology and assumes that humans are constantly receiving inputs and returning various outputs (Rodgers & Thorson, 2010). According to Bohner, Moskowitz and Chaiken (1995), this theory is concerned with the factors that allow humans to form impressions, shape attitudes and determine their beliefs (p. 3). Further, information processing contends that these elements are shaped by stimuli that humans select, making interaction with the social world a process of active participation that is constantly evolving as more stimuli are selected and consumed (James, 1890, as cited in Bohner, Moskowitz & Chaiken). This means, due to humans' tendency to maximize efficiency by weeding out excess elements, people are constantly choosing what they will allow into their schema to be processed (Bohner, Moskowitz & Chaiken). Without this tendency, the amount of stimuli available in day to day life would be overwhelming. Instead, information processing theory acknowledges the intricate processes that lead humans to actively select inputs for

consideration, process them and turn them into impressions, attitudes and beliefs (Bohner, Moskowitz & Chaiken).

The capacities and considerations put forth by the information processing theory consider the concepts of awareness, behavior, perception and development as addressed in the current study. Information processing acknowledges the human capacity for awareness of selected inputs and subsequent behaviors as outputs. It focuses specifically on how this act is performed in the presence of controlled variables, as well as the human consciousness as a whole (Bohner, Moskowitz & Chaiken, 1995). Perception is highlighted through the information processing lens, as the theory examines the different ways in which stimuli are perceived by different test subjects. Information processing also leaves room to study development as a concept, as it is concerned with the progression of the construction of an individual's social context (Bohner, Moskowitz & Chaiken).

Additionally, studies that use information processing theory are interested in understanding what triggers different levels of thinking and subsequent emotions and actions, like the current study (Hippler, Schwarz & Sudman, 1987). Other studies that reference information processing are concerned with the movement of memories from short term memory storage to long term memory storage (Shiffrin & Schneider, 1977). Various types of information processing, such as automatic detection or controlled search, are explored and elaborated upon in technical studies (Shiffrin & Schneider). Specifically, Shiffrin and Schneider use their research to expand upon information processing theories used in the past, such as automatic detection and controlled search, to "examine the learning and unlearning of automatic detection, the role of categorization,

and the learning of automatic attending” (p. 185). They conclude that the level of attention paid to different stimuli can be monitored, as well as the subsequent actions and reactions of study respondents. When it comes to information processing usage:

...the most common practice is to represent information qualitatively as lists of features, natural language sentences and phrases...[and] will be most useful for survey researchers concerned with respondents' thoughts about their personal lives...consumer goods, the political world, and other everyday events (Rumelhart & Norman, 1985, as cited in Hippler, Schwarz & Sudman, 1987, p. 42-43).

Hippler, Schwarz and Sudman (1987) go on to explain that the information processing method can be used to uncover the contexts fueling respondents' opinions and reactions to an issue, including any relevant schema associated with the situation under study (p. 49-50). Hippler, Schwarz and Sudman note that learned actions are part of a person's schema and construct their context for processing and interacting with the rest of the world. As such, it shapes their ideas and reasons for action. Their study demonstrates how the information processing method can help uncover a person's schema construct, as well as the context surrounding its formation. By employing the ability of the information processing method to bring forth respondents' patterns of memory and personal contexts, the current study will be able to examine trends in the feelings and reactions of Generation Z consumers as they pertain to product placement and original Netflix content. It will be used it to understand how advertisements interact with memory and young consumers' schemas.

Other researchers have used the information processing theory to advance research goals related to consumer decisions, like the current study. For example, Tybout, Calder and Sternthal (1981) showcase “the usefulness of information processing in designing marketing strategy” by experimenting with rumors and how to refute them (p.

73). The method allows the authors to conclude that “the storage and retrieval strategies based on information processing theory [are] effective,” validating the use of information processing theory to determine the internal perceptions of consumers (p. 78). As such, the validity of the current study is increased because of its relation to the decisions of consumers in the marketplace.

In another study, the information processing method was used to examine consumers’ perceptions in a cyber setting, much like the current study will. Embacher, McGloin and Richards (2017) used social information processing theory to determine whether gender played a role in the perceived credibility of online health advice (p. 1). Through the information processing lens, the researchers are able to determine that male suggestions about health in cyber settings are perceived as more credible than female suggestions. Their ability to observe a verifiable trend in their online observations through the use of the information processing method bodes well for the current study on the Netflix site, and helps prove the validity of the use of information processing theory the current research.

Additionally, product placement researcher Russell (1998) uses information processing theory to construct a framework to examine how product placement works as an advertising tactic (p. 357). She researches previous studies to differentiate between types of product placements, determine their levels of effectiveness, construct a theoretical framework for them and examine show-product linkage. Russell explains that she chose the information processing method for her research because she believed the two categories of product placement, visual and verbal, involved different memory codes that could be independently studied (p. 558). She examined how script, screen and plot

placements interacted with the brain's processing systems. Information processing theory allowed Russell to study the ways in which product placements were categorized, sorted and digested internally (p. 558). In much the same way, the current study aims to research the internal processes that take place while consumers observe original Netflix content. Russell was able to conclude that "the transformational power of product placement relies on a conditioned transfer of affect motivated by the influential role of television and cinema" (p. 361). Her ability to reach a conclusion suggests that the current study will also be able to use information processing theory to effectively examine the unique cognitive pathways involved in the processing of Netflix placements.

Combining many of the elements of the aforementioned studies, Pappas, Kourouthanassis and Giannakos (2017) tested "a theoretical model of customer persuasion in personalized online shopping, building on information processing theory, and addressing cognitive and affective stages of the persuasion process" (p. 972). In addition to proving processing theory works for both marketing and cyber studies, Pappas, Kourouthanassis and Giannakos (2017) put the theory to the test with personalized online advertising, a predicted trend in Netflix product placement (Foss, Malheiro, & Burguillo, 2012) (p. 972). Their study specifically examines the internal processing of logic, emotion and consumer feedback in relation to the effectiveness of online advertising. An online questionnaire was distributed via snowball sampling to evaluate respondents' feelings about online advertisements. The data were determined to be significant, and the authors concluded that the information processing theory could be used to determine which types of advertising persuasion methods could be used to increase the likelihood of a sale. This is promising for the current research, as the

information processing method is used to examine the effects of a specific type of advertising on online viewers. As the method proved usable in this study, it is reasonable to assume that it will also prove effective and valid the current study.

Although a structural frame of reference might cater to the identified concepts for the current study, its framework would fail to adequately account for the complexities that drive human perception (Rodgers & Thorson, 2010). As demonstrated in the referenced studies, information processing considers the action between the reception of an input and the production of an output, and leaves room to explore the intricacies at play during this stage of cognition (Rodgers & Thorson). Additionally, the integrated models used in other traditional advertising studies do not have the capacity to address the concepts at hand, as they were not designed with the internet in mind (Rodgers & Thorson). Plus, these studies are typically focused on quantitative rather than qualitative studies. In light of the shortcomings of these and other methodologies and the success of the studies detailed above, the information processing method is used for the current study as a way to ensure the effective encapsulation of the intricacies at play in both OTT streaming and product placement perception.

## **Chapter 2: Literature Review**

According to Nelson and McLeod (2005), surveys show that college age students find product placements acceptable, and even believe they make films more realistic (p. 22). This is a departure from previous generations' feelings on product placement as an underhanded practice (Newell, Salmon & Chang, 2006). Now, when it comes to films, product placement is preferred to commercial breaks overall (Nebenzahl & Secunda, 1993, as cited in d'Astous & Seguin, 1999, p. 899) and general audiences are more likely to take positive consumption-related action after being exposed to product placements (de Gregorio & Sung, 2010). Since viewers perceive the practice of product placement to be a generally positive mode of communication, as long as the items advertised are not ethically questionable (i.e. tobacco and guns) (Brennan, Rosenberger, & Hementera, 2004; Gupta & Gould, 1997; McKechnie & Zhou, 2003, as cited in de Gregorio & Sung, 2010, p. 84), young people might soon opt for product placement over overt advertisements.

These positive feelings toward product placement coincide fortuitously with advertisers' tactics. As young consumers are still deciding which brands they prefer, advertisers target them with product placement to take advantage of the third person effect and convince them that their brand is popular, and therefore desirable (Nelson & McLeod, 2005). In doing so, advertisers raise viewers' awareness, brand consciousness and likelihood of purchase (Nelson & McLeod). O'Guinn and Shrum (1997) point out that, since shows give the public access to others' private lives in a way that would be impossible in real life, viewers assume that what is seen on television is reality, including

the brands that are used (p. 279). Since there is no real life reference for many private moments, viewers assume that what is shown on television reflects reality. When a product is introduced into these environments, viewers are led to believe (to an extent) that ‘everyone else’ is using the brand at home (O’Guinn & Shrum). Advertisers use this to take advantage of young consumers, who lack concrete brand loyalty and buying patterns because of their age (Nelson & McLeod).

Additionally, since placements are integrated into the entertainment and not singled out as advertisements, audiences are not viewing the content with the same critical eye they would give overt advertisements like commercials (Nelson & McLeod). In one study, students were not skeptical or cynical of products placed within the content of a sitcom (Stern & Russell, 2004), while, in another study, young people took great pains to avoid advertising when they knew it was coming during commercials (Tierean & Roman, 2015). Because consumers do not know that a product placement is coming, they devote fewer cognitive resources to the advertisement and view it with a less critical eye, allowing it to become part of their perception of the world (Cain, 2011).

The above findings suggest that product placement is a growing business among young consumers that warrants further exploration, which leads to the following research questions and hypotheses. They will be examined separately to allow for in-depth examination.

## **Research Question One**

RQ1: How are members of Generation Z affected by the consumption of product placements?

Many studies note an awareness of product placement among young viewers, despite placements' inherent attempts at blending in with entertainment media. In the following studies, viewers' age, awareness and changes in behavior and perception due to the consumption of product placements are explored.

**Youth.** All humans have a desire to emulate social behavior that identifies with a larger group, and will often submit to a subconscious mob mentality when making decisions. According to de Gregorio and Sung (2010), "behaviors and attitudes of one's peers not only serve as a base of comparison, but also provide a means of learning how to respond to new consumption-related stimuli in the environment" (p. 86). This makes product placement in popular shows a compelling mode of persuasion for any viewer, but especially potent for young viewers (Epley & Gilovich, 1999). As they are still crafting their identities, personalities and list of preferred brands, young people are particularly susceptible to anything that can help them identify with the rest of society. Upon considering their research findings, the authors conclude:

...childhood is considered the prime period during which one's consumption cognitions and behaviors are being established by means of socialization processes and a time when people are the most influenced by social structural factors and ubiquitous socialization agents in the form of peers, parents, and the media (de Gregorio & Sung, 2010, p. 95).

As such, adolescents are more easily influenced by product placements, which are designed to make it look like 'everyone' is using a particular product. Epley and Gilovich (1999) elaborated on this concept through their study, in which undergraduates were

divided into groups and tasked with unscrambling strings of ‘conforming’ words (follow, obey, etc.) or ‘nonconforming’ words (defy, oppose, etc.) (p. 580). The participants were led away to mock focus groups, where the other two ‘participants’ were actors, who always spoke first and emulated positive opinions (Epley & Gilovich). The researchers wanted to know if people could be led to conformity/nonconformity if primed for one state or the other with the word scrambles. Although subjects primed with nonconformity were slightly less inclined to agree with the actors, the researchers concluded that humans are more inclined to go along with the group than actively rebel (Epley & Gilovich). This demonstrates how young people have a desire to emulate social behavior that identifies with the larger group, and often default to whatever action seems most popular. Product placements capitalize on this type of socialization by suggesting that products are popular because they are being used by television characters.

In another study, de Gregorio and Sung (2010) distributed a survey to investigate how attitudes and behaviors toward product placement differ based on gender, ethnicity, age, education and income (p. 89). Participants used nominal yes/no scales to respond to questions on peer communication, movie watching, attitudes toward product placement and reported behaviors related to product placement. Correlation analyses of the data showed females, African Americans, youths and individuals with lower education and income viewed product placement more positively than others (de Gregorio and Sung, 2010). The case study points out youths’ unique place as a demographic that is more affected by product placement than others.

The third person and presumed influence effects also surface in several studies of product placement perceptions among youths, despite the fact that often times,

adolescents themselves do not believe they are particularly susceptible to the influences of what others think or like (Noguti & Russell, 2014). Noguti and Russell conducted a study that showed young people were more likely to purchase alcohol after seeing it placed in a popular series because they believed their friends also liked it (p. 50). In the study, the authors sought to determine how the influence of presumed influence impacted the effectiveness of alcohol product placements aimed at young people. Noguti and Russell examined “how perceptions of TV series’ influence on others impact[ed] the effectiveness of the brands placed in those series” among young people (p. 47). They concluded that presumed influence did have an effect on young consumers’ likelihood of purchasing alcohol, and that further research should be dedicated to studying its influences (Noguti & Russell). Here, the power that product placement can wield, especially when it comes to influencing the young, is demonstrated.

**Awareness.** According to Nelson and McLeod (2005), adolescents show a high awareness of product placements (p. 524). In a study of young *The O.C.* watchers, researchers discovered young people are able to perceive both positive and negative portrayals of alcohol in the show (Russell, Russell, & Grube, 2009). Three seasons of *The O.C.* were analyzed for underage drinking, connection to alcohol and positive and negative portrayals of alcohol. Episodes were found to portray mostly positive depictions of alcohol with low plot connections. Young *The O.C.* viewers were surveyed on their perceptions of alcohol product placement and beliefs about alcohol use in real life after exposure to the show. Their responses indicated they perceived both positive and negative portrayals of alcohol in the show, but could recall the negative instances more

easily (Russell, Russell, & Grube, 2009). This demonstrates young viewers' ability to recognize and process product placements as they consume media.

Shin and Kim (2011) concluded that the third person effect is at play among young film viewers (p. 23). In their study, the authors asked if drinking or brand effects reflected on the amount of third-person effect applied to films, whether self-esteem, knowledge, involvement, fit or desirability have the greatest relation to the third-person effect, and how students' third-person perceptions affected their stance on the regulation of alcohol placements in films (Shin & Kim). They hypothesized that the third-person effect would be stronger the further removed one is from another's social group, and that undergraduates would believe that others are more affected by alcohol product placement than they are personally. After distributing the survey to college students, the authors concluded that the third person effect was at play, as hypothesized. College age students believed they were less susceptible to alcohol product placements in youth-oriented films than their peers (Shin & Kim). This demonstrates the level of awareness that college age students believe they have when it comes to product placement. When advertisers integrate their products into a film's storyline, the intention is to blend in with the entertainment. However, this study shows that not only can young people identify these instances of covert advertisements, but they are so confident in their ability to do so that they think they are more skilled at picking out product placements than others (Shin & Kim). Far from fading into the background, product placements can clearly be detected by young audiences.

**Change in behavior or perception.** Since the above studies demonstrated that young viewers are aware of and frequently exposed to product placements, it stands to

reason that they are also affected by them. Typically, product placement inspires consumers to take positive action (de Gregorio & Sung, 2010). In one study, de Gregorio and Sung examined product placement through a consumer socialization lens in an attempt to analyze attitudes and behaviors related to product placement in a more theoretic way than other studies (p. 83). They hypothesized that product placement attitudes and behaviors would positively relate to peer communication and frequent movie watching. They asked how attitudes and behaviors toward product placement differed based on gender, ethnicity, age, education and income using a survey with nominal yes/no scales. They found frequent movie watching and peer communication are positively related to attitudes toward product placement. Overall, their data indicate that in most cases, exposure to product placement moves consumers to take positive action in relation to the brand advertised, demonstrating a change in behavior among young people due to exposure to product placement (de Gregorio & Sung).

O'Guinn and Shrum (1997) set out to determine how television affected socialization and perceptions of affluence using cultivation theory (p. 281). They hypothesized that increased television viewing “correlate[d] positively with estimates of the prevalence of particular products... associated with affluence;” that people with more education would be less susceptible to overestimations of affluence; that increased experience with products would lead to more accurate estimations of actual wealth; and that wealthier people would have more experience with advertised products (p. 281). They constructed questions based on a content analysis of prime time and daytime television to measure perceptions of affluence. Results indicated heavy television watchers believe people in the real world were wealthier and had quicker recall when

deliberating answers about how the real world is structured. People with less income and education were more affected by television's representations of wealth. All respondents used information from television to structure their beliefs about real life (O'Guinn & Shrum, 1997). Not only does this show how viewers' perceptions are altered in the wake of product placement exposure, it also demonstrates a reliance on television for information about living in the real world.

### **Research Question Two**

RQ2: How does the presentation of a product placement affect its reception?

Previous research explores the ways in which audiences react to product placements using specific characteristics as testing variables (Noguti & Russell, 2014). These characteristics include subtlety, likelihood of elaboration, plot congruency, viewer connectedness and involvement. In the following research question section, each of these elements are examined.

**Subtlety.** Subtle product placements are more likely to foster positive brand connections than overt placements (Cowley & Barron, 2008). In their study, Cowley and Barron searched for conditions under which product placements evoked negative reactions from television audiences by showing research participants manipulated episodes of the sitcom *Seinfeld* in focus groups. Exposure to a placement, exposure to a primer and placement prominence were manipulated, and program liking was measured on a high to low scale. The results indicated that when product placements are very obvious, it can result in negative brand perceptions from loyal viewers. Although audiences who seldom consume the show can sometimes create positive brand associations after viewing obvious product placement, subtle product placements are

more likely to foster positive brand connections overall, suggesting that a level of authenticity adds to the effectiveness of a placement (Cowley & Barron).

**Likelihood of elaboration.** The more elaboration required to process a product placement, the better recall viewers have of the placement (Russell, Russell & Grube, 2009). In their study, Russell, Russell and Grube asked how including messages about alcohol in popular youth-oriented television programs affected the impact of the advertising message (p. 1). Young *The O.C.* viewers were surveyed on their perceptions of alcohol product placement and beliefs about alcohol use in real life. Their responses indicated that although they perceived both positive and negative portrayals of alcohol in the show, they could recall negative instances more easily. Negative placements (i.e. someone getting hurt by a drunk driver) were typically more involved in the plot and commanded more attention in the episode than positive placements (i.e. drunk teens in the background of a party scene) (Russell, Russell, & Grube). The study demonstrated how placements that require more elaboration are easier for consumers to remember.

**Plot congruency.** Additionally, viewers have a better recall of products placed in incongruent show environments, that is, times when a placement clearly stands out from the traditional entertainment content of a show (Russell, 2002). Using theater methodology, Russell created a conceptual framework for product placement in television. The theater method included a videotaped screenplay that followed sitcom guidelines and employed strategically placed consumer products. Several tapes were created so that different variables could be tested. Respondents filled out questionnaires after viewing the tapes to rate their experience and attitude concerning the show. Results indicated that viewers had a better recall of products placed in incongruent show

environments (Russell). This was due to the increased elaboration that the incongruent environment prompted from confused viewers, demonstrating that the more elaboration a placement requires, the more likely it is to be remembered (Russell).

However, Russell (2002) also found product placements to be more effective when they were congruent with the *plotline* of a show. Results showed that although viewers have a better recall of products placed in incongruent show environments, persuasion and attitude toward the product was enhanced by congruency with the plot (Russell). Specifically, placements that use visual rather than audio cues had to find meaning within the plot to be effective (Russell).

**Connectedness.** Connectedness is a concept distinct from attitude, involvement and overall viewing of a show (Russell, Norman, & Heckler, 2004). According to Russell, Norman, and Heckler, “Connectedness characterizes the intensity of the relationship(s) that viewers develop with television programs and their characters” (p. 150). Their study revealed that connection to a show influences placement effectiveness. The authors conducted focus groups to develop a scale with which to measure the amount of connectedness respondents felt to their favorite shows and characters. Then, using focus groups and an online survey, they examined the television watching habits of undergraduates and measured their connectedness and subsequent responses to placements in television shows. Results indicated connectedness is directly related to short and long term memory of information conveyed in the show, demonstrating how increased connectedness leads to associations with and memory of product placements (Russell, Norman & Heckler).

Additionally, the characters in a television show have an effect on the ways in which product placements are received (Russell & Stern, 2006). In their study, Russell and Stern analyzed the influence of product placements on serial television shows (p. 7). The authors hypothesized that attitudes toward characters would be predictors of consumers' attitudes toward products placed within the characters' television series. The authors had their participants fill out a questionnaire with "semantic differential measures of involvement (Zaichkowsky 1985); two-item measures of attitude towards the show and each of the characters ("I like it"/"I dislike it," "good"/"bad"); [and] scales measuring recall and recognition of the placed products" to measure their results (p. 382). The authors found that when a character reacted negatively to a product, consumers only internalized the feeling if the product was strongly related to that character's personality (Russell & Stern). Audiences and their buying behaviors are most affected when a character they feel a strong emotional connection with promotes a product (Russell & Stern).

d'Astous and Seguin (1999) also note that "Several studies have shown the importance of a strong link between the sponsor and the sponsored event or entity: the stronger that link, the greater the impact on the sponsor's image and the attitudes toward the sponsoring itself" (d'Astous & Bitz, 1995; McDonald, 1991; Meenaghan 1983; Parker, 1991, p. 899). The studies highlighted above demonstrate how greater feelings of connectedness to shows and characters increase the effectiveness of product placements.

**Involvement.** Lastly, level of involvement with a show affects the reception of product placements in it (Tiernan & Roman, 2015). While connectedness is characterized by emotional investment, involvement is characterized by the amount of time spent

watching a show. As previously explored, audiences who consume a program less frequently create positive brand associations after viewing *obvious* product placement (Cowley & Barron, 2008). In de Gregorio and Sung's (2010) study, frequent movie watching was found to be positively related to *overall* attitudes toward product placement (p. 92). Additionally, a study by Nelson and McLeod (2005) found increased exposure to television, music, the internet and movies lead to higher brand consciousness, which lead to higher awareness of and more positive reactions to product placement among adolescents (p. 526).

Similarly, Tiorean and Roman (2015) found increased exposure to a show lead to better recall of brands practicing product placement in it (p. 76). Their study tested whether commercial breaks or product placement tactics were better at inducing brand recall in young consumers. They sought to uncover which channels and shows were watched by young people in Romania, as well as how well viewers could recall brands that appeared in commercial breaks versus product placements in evening shows. During commercial breaks, they found nearly 60 percent of respondents reported changing the channel, and over 35 percent said they allowed the commercials to play but busied themselves with another activity, blocking out the commercials (Tiorean & Roman). Product placement was the type of advertising that got through to these consumers, and the more they watched the show, the more times they were exposed to the placements. In this way, increased involvement in a show leads to better recall of product placements within it, increasing the advertisements' effectiveness.

These studies explain how the elements of subtlety, likelihood of elaboration, plot congruency, viewer connectedness and involvement can be manipulated to change the

way viewers perceive product placements. Based on the results of these studies, an optimal product placement spot would be subtle with a high likelihood of elaboration, incongruent with the media's environment but congruent with the plotline, and featured in a show or film to which audiences felt a high level of connectedness and involvement (Cowley & Barron, 2008; d'Astous & Seguin, 1999; Russell, 2002; Russell, Norman, & Heckler, 2004; Russell, Russell & Grube, 2009; Russell & Stern, 2006; Tierean & Roman, 2015). However, it is unlikely that such a placement could be engineered, as subtlety is negatively correlated with some of these elements. As a placement becomes more incongruous with the plot and the likelihood of elaboration rises, it is bound to become less subtle. Additionally, Russell (2002) acknowledges that "Memory improves when modality and plot connection are incongruent but persuasion is enhanced by congruency" (p. 306). However, the elements of likelihood of elaboration and incongruence could be easily integrated into one placement, as they both require unique attention to be drawn to the placement (Russell, Russell & Grube, 2009; Russell, 2002). Similarly, high connection and involvement could also be easily integrated into one spot, as both require audiences to be heavily invested in characters and plotlines (Russell & Stern, 2006; Tierean & Roman, 2015).

### **Research Question Three**

RQ3: What changes are manifesting in the nature of product placement and the Netflix medium that are affecting the consumer experience?

Although research on OTT streaming services and updated versions of product placement is still developing, it is clear from recent reports that both Netflix and the nature of product placement are rapidly evolving (Radošinská, 2017). Netflix not only

continues to pump out original content, but is consistently working to stay ahead of competing sites (Hiller, 2017). Product placement capabilities are expanding and may soon create a new landscape for viewers and advertisers alike (Foss, Malheiro & Burguillo, 2012).

Personalized product placement is on the horizon (Foss, Malheiro, & Burguillo, 2012). Soon, shows might use consumer data to identify which households are more likely to buy Product X over Product Y. While watching the same show, the more favorable household would see Product X integrated into a product placement, while other households would see Product Y. This simultaneous broadcasting of different products within the content of the same show is not far off (Foss, Malheiro & Burguillo, 2012). Although these types of placements will likely begin with static objects (i.e. a still product in the background of a scene), eventually networks may evolve to manipulate more complex items in the broadcast (Foss, Malheiro & Burguillo, 2012). In addition to adding content, this capability could also remove inappropriate content, such as alcohol, when sensitive audiences are watching (Foss, Malheiro & Burguillo, 2012). This could provide more options for citizens concerned with the amount of regulation imposed on product placement (Christenson, Henriksen & Roberts, 2000). This personalization capability has the potential to launch a much more complex advertising market in the near future (Foss, Malheiro, & Burguillo, 2012).

Netflix is also quickly gaining ground, available in over 190 countries as of 2017 and still expanding (Radošinská, 2017). New Zealand and Australia worked extensively to get the rights to bring Netflix to their citizens, as other OTT streaming services could not compare to the services Netflix was able to provide (Given, 2016). To learn how

Netflix consistently predicted consumer preferences, Hiller (2017) monitored the appearance and disappearance of movies and shows on the Netflix site for two years to determine when and why titles became profitable or not profitable to offer in the Netflix bundle (p. 4). Hiller found that Netflix adhered to several tactics. For example, the average Netflix offering was available for 58 weeks, while higher profile releases were available for shorter periods (Hiller). Newer titles were more profitable to bundle, as well as content that was popular but had been forgotten in recent years, like films from the early 2000s (Hiller). Programmers strategically added and subtracted content from the site that was specific to particular demographics (Hiller). This way, all groups of viewers were consistently provided for. A similar balance was maintained among genre and maturity ratings. Through close observation, Hiller was able to gain insight into the ever-evolving library of Netflix and uncover some of the ways in which it manages to cater to and grow its audience (p. 1).

Researcher Radošinská (2017) also posited that Netflix was actively seeking out strategic alliances, like with Disney's Marvel, to expand its brand (p. 5). In Radošinská's study, the Netflix original content of Marvel's *Daredevil*, *Jessica Jones* and *Luke Cage* were analyzed to determine their intertextuality, transmedia storytelling, key themes and moral/spiritual motives (p. 16). The author's goal was to provide a theoretical outline of the evolving world of post-television and "brandcasting" (the merging of branding and televised entertainment) (Radošinská, 2017). She hypothesized that some of these serials, like *Luke Cage*, were not meant to stand alone, but instead promote larger projects by Marvel and Netflix through their contributions to the expanding Marvel universe (Radošinská, 2017). Through an in-depth analysis of the three serials' plot lines and

branding opportunities, the author concluded that the cooperation of Marvel and Netflix will ultimately result in a groundbreaking Marvel-Netflix brand that will allow both organizations to transcend traditional entertainment and increase their longevity (Radošinská, 2017). Although the author's prediction did not come to fruition (Disney announced a plan to split from Netflix in 2017 to create its own streaming service), her point still stands that Netflix is attempting to make large scale strategic moves to remain dominant and continue to evolve (Folkenflik, 2017).

In these ways, both Netflix and the product placement industry are making changes. Although studies can only make projections as to what the future will look like, media consumption will clearly be altered to reflect evolving consumer tastes and technological abilities.

## **Conclusion**

In a market that is increasingly rejecting overt forms of advertising, young consumers are poised to determine what kinds of marketing will be tolerated in the years to come (Nebenzahl & Secunda, 1993, as cited in d'Astous & Seguin, 1999, p. 899). Having grown up with the power to determine when and where they want to consume television, Generation Z is a shrewd demographic with growing influence (Matrix, 2014). Using an information processing method, this study reflects on the potential of product placement in original Netflix content to reach Generation Z buyers.

Despite placements' inherent attempts at blending in with entertainment media (Newell, Salmon & Chang, 2006), the first RQ discussion revealed how young viewers display an awareness of product placements (Nelson & McLeod, 2005; Russell, Russell & Grube, 2009; Shin & Kim, 2011), and subsequently experience changes in behavior

and perception due to these advertisements (de Gregorio & Sung, 2010; O'Guinn & Shrum, 1997). In the second RQ discussion, the elements of subtlety, likelihood of elaboration, plot congruency, viewer connectedness and involvement were shown to determine the ways in which viewers react to product placements (Cowley & Barron, 2008; d'Astous & Seguin, 1999; de Gregorio & Sung, 2010; Nelson & McLeod, 2005; Noguti & Russell, 2014; Russell, 2002; Russell, Norman & Heckler, 2004; Russell, Russell & Grube, 2009; Russell & Stern, 2006; Tiorean & Roman, 2015). The third RQ discussion pointed out the rapidly changing nature of Netflix and product placement as an advertising category (Foss, Malheiro & Burguillo, 2012; Given, 2016; Hiller, 2017; Radošinská, 2017).

In the current study, in-depth interviews will be used to observe the Netflix habits of Generation Z consumers. Their experiences with product placement in original Netflix content will be explored to seek an understanding of how it affects their perceptions of the entertainment. This work is intended to give future researchers, advertisers and communicators a springboard to start determining what kinds of advertisements will be accepted and rejected by Generation Z consumers in the near future as the demographic gains buying power and influence.

## **Method**

The current study uses semi-structured, in-depth interviews to examine the intersection of product placement, Generation Z and OTT. The concepts of awareness, behavior, perception and development are examined. As explained earlier, awareness is defined in the style of Dourish and Bly (1992) as “an understanding of the activities of others which provides a context for your own activity,” with ‘others’ including both human and digital entities (as cited in Rettie, 2003, p. 2). According to Rettie (2003), awareness is similar to consciousness in that “its meaning is derived from the object of the awareness,” and develops over time (p. 2). Behavior is defined as “any change of an entity with respect to its surroundings” (Rosenblueth, Wiener & Bigelow, 1943, p. 18). It may be intrinsically or extrinsically motivated, and may be narrowed into specific categories with adjoining adjectives like ‘passive’ or ‘purposeful,’ but for the purposes of this study, it will be considered at large (Rosenblueth, Wiener & Bigelow). Perception is considered a person’s “primary form of cognitive contact with the world around [them...from which] all conceptual knowledge is based upon or derived from” (Efron, 1969, p. 137). It refers to cognitive reactions to external stimuli. Development is defined as “a progression through invariant ordered sequential stages” (Kohlberg & Mayer, 1972, p. 454).

Semi-structured, in-depth interviews will be used to explore these concepts because they provide the opportunity to speak with respondents in an intimate setting about internal, rarely vocalized feelings. According to Wimmer and Dominick (2013), interviewing respondents is a valid form of qualitative research that yields flexible

research parameters that can address the interpretive nature of qualitative studies (para 30). In-depth interviews are used to collect and record strategic responses “that allow the interviewer to deeply explore the respondent’s feelings and perspectives on a subject,” which is the aim of the current study (Guion, Diehl & McDonald, 2001, p. 1). This research will avoid the implicit peer pressure of focus groups so that only organic opinions and ideas from respondents are collected. The familiarity of a one-on-one, semi-structured in-depth interview will provoke responses that are as close as possible to the true thoughts and feelings consumers experience as they view product placements in Netflix content.

To gather the research data, the current study will seek out qualified respondents. Participants must be accessible for interviews, born after or during the year of 1995 (to be considered Generation Z) (Shatto & Erwin, 2017) and not have a background in marketing or advertising (to avoid bias) (MOJO Ad, 2017). They must self-report that they consume between nine and 20 hours of Netflix per week, as the average consumer watches about nine hours per week. This range is intended to restrict outliers and allow the research to focus on average Netflix consumers. A Qualtrics screener specifying these requirements will be distributed through social media or sent to research candidates directly via email or text message. The Qualtrics screener will ensure a balance of male and female respondents so that results are not biased toward one gender. The Qualtrics screener will explain that participants who complete the interview process will be rewarded with a ten dollar Amazon gift card that will be sent to an email address specified by the participant. The researcher is IRB certified and will follow all rules regarding human research subjects.

Snowball sampling, defined as “access[ing] informants through contact information that is provided by other informants” will be used to collect respondents (Noy, 2008, p. 330). In this way, the researcher will make use of natural social networks (both digital and in person) to collect appropriate respondents and exercise what is, according to Noy, the most widely used sampling method in qualitative research. Specifically, according to Biernacki and Waldorf (1981), snowball sampling is a prominent choice for researchers exploring private aspects of consumers’ lives qualitatively (p. 142). As such, the current study will use it to reach out to qualifying members in the researcher’s social groups and ask them to refer others who qualify, using informal connections to reach the desired population (Biernacki & Waldorf). Although the closeness of some respondents may create an issue of validity, personal linkage will be kept to a minimum to ensure the sample remains as reliable as possible. The researcher will keep track of the referral system using a sampling tree, a visual hierarchy that traces who has referred whom, to ensure that respondents are not inappropriately connected (Noy). As specified by Noy, the tree will include the following information: “(1) ‘generational’ position within the stemma; (2) number of referrals supplied by every informant; (3) number of informants who referred to a particular informant; and (4) dates of interviews” (p. 333). Between eight and 12 in-person, semi-structured, in-depth interviews will be conducted to ensure validity and solidify observed trends. The number of interviews will depend on the number of participants gathered with the screener, as well as when trends are able to be confidently identified. Snowball sampling is a dynamic method that embraces adjustment and change, and will help in this regard (Noy).

Interviews will take place in the researcher's home and via phone. Interviews will be recorded on the researcher's personal computer and/or phone. Interviewees will verbally consent to participate in this research study and to be recorded at the beginning of the interview, before any discussion has taken place. This verbal consent will be recorded. Once each session is transcribed (within one week of the interview), the recordings will be destroyed to ensure participant confidentiality. Letters will be assigned in place of names to deidentify interview subjects. A random letter generator will be used to accomplish this. Transcripts and recordings will be stored on the researcher's personal computer and one external flash drive.

Each interviewee will learn from the screener that the interview concerns Netflix and advertisement, but will not be given the overarching research questions directly so that their candid responses can be captured during their interviews. Interviews will be kept to one hour to avoid interview fatigue. Each interview will be semi-structured and will follow this outline:

### **Introduction/Warm Up**

- Welcome the participant and make them comfortable.
- Describe the flow of the interview as it will occur.
- Explain that the interviewer would like to hear about behavior the participant has actually exhibited in the past.
- Tell them the interviewer is not affiliated with Netflix and that they are welcome to end the interview at any time.

- Sample script: Thank you for agreeing to speak with me today! I'm really looking forward to our conversation. Have a seat and make yourself comfortable. Would you like some water to drink while we talk?
  - Before we proceed, do you consent to participating in my research study and to being recorded?
  - During this interview we will discuss your habits surrounding online entertainment media. We'll start with some general questions, and then we will watch a video clip together and I'll ask you some more specific questions about what we've watched. When we're talking about your typical behaviors, please try to reference actions you know you've actually taken in the past. Specificity is helpful. While we talk, I'll take some notes to help me remember what you say. Do you have any questions about the format of the interview before we get started?

## **Participant Introduction**

- Review the participant's habits and determine what kind of relationships they have with Netflix and OTT streaming.
  - Can you tell me about your average week? Where do you work/go to school? How is your schedule divided up?
    - Probe for: entertainment media, down time/relaxation time
    - Listen for: Netflix, Hulu, Amazon Prime, etc.
  - On your screener, you indicated that you use OTT streaming services like Netflix. When does this occur in your weekly schedule? How is it treated

in your daily life? What are you feeling as you tune in to this media? At first? When you finish an episode? When you finish a show?

- Probe for: When, where, how are they consuming OTT streaming and Netflix in specific? What emotions are associated with turning it on?
- Listen for: treat, break, escape, relax
- What are your favorite shows and movies to stream? Why?
  - Probe for: The type of user they are: television show binge watcher or dabbler, stay-at-home movie nighter, weekend binger, etc.
  - Listen for: *Stranger Things* (to gauge familiarity for watch-along), genres

### **Product Placement Probing**

- Introduce the idea of product placement into the conversation and assess the participant's relationship with it
  - While you're watching shows do you ever notice any branding that's introduced into the show?
  - Do you feel you are able to pick out product placements in a show, or do they generally disappear into the story line? What elements make them recognizable?
    - Listen for: Specificity of brand name, break in character acting
  - Are your friends better at recognizing product placements than you? Family? Why do you think they are/not better at seeing placements?

- Probe for: Differences between age groups, treatment of product placements among social groups
- Listen for: Authentic/inauthentic, annoying, effective marketing
  - What is the last product placement you can remember seeing in a Netflix show? Describe it in detail. How did it make you feel when you saw it? If you saw it again, did you feel differently the next time?
  - Probe for: Viewpoint on product placement as a practice, emotion associated with placements, particularly effective examples of product placements for Generation Z members, when the viewer realizes they are watching a product placement
  - What was the product? Did it say anything about the show or its characters?
  - Probe for: Alignment with show/character, making sense, plot involvement or alienation, incongruity vs. congruency, connectedness, involvement, change in behavior/attitude

### **Watch-Along**

- The interviewer will show them a clip from the Netflix original show *Stranger Things* that includes instances of product placement. This show will be used because of its popularity, especially among Generation Z viewers (Statista, 2018, Have), and liberal use of product placement (Lynch, 2017). The first three minutes and 26 seconds of season two, episode three will be shown because of the 10 instances of product placement in the segment, including both audio and visual placements (The Duffer Brothers, 2016). This length of clip of popular television

appeals to both male and female audiences. Similar clips have been used in other studies examining the relationship between young people and product placement, and has achieved valid results (Auty & Lewis, 2004).

- The participant will point out when they are able to detect product placements and the interviewer will make note of the time and placement identified. After the clip, they will be asked to explain how and why they were able to detect the product placements in the show. They will also be asked the following:
  - Is it important for products used in the show to have a strong relation to the show's characters? Should products be chosen to complement characters' personalities, or does that interfere with the show's integrity?
    - Probe for: Specific anecdotes interviewees can recall from *Stranger Things* for reference
    - Listen for: Fit, reasonable, logical
  - Would you rather see a product placement integrated into a show's plotline, or standing alone in the background as a prop? Why? How does this affect your feelings toward the product advertised? Toward the show?
    - Probe for: Congruency with reviewed studies
    - Listen for: Authenticity, connectedness
  - Are there certain genres, characters or other categorizations that make for better settings for product placement? Which shows, if any, lend themselves to product placement and why?
    - Probe for: Good examples of product placement that resonate with Generation Z and their characteristics

- Listen for: Genres (e.g. comedy, action, etc.)
- What elements make a product placement better or worse? Is there such a thing as a ‘good’ or ‘bad’ placement?
  - Probe for: Specific elements that work for Generation Z members, defining product placement authenticity
  - Listen for: Acting, setting

### **Netflix Probing**

- The interview will conclude with more blatant questions about Netflix and its operations, allowing the respondent to demonstrate the ways in which product placements could evolve to meet their needs and preferences. This will reveal further information about how they would like to interact with their entertainment content.
  - If you had full discretion over the Netflix’s advertising policies, what would you do? How would you prefer to see advertising in Netflix content?
  - Probe for: Specificity in examples, concepts with legs/recommendation level potential
  - What does your ideal advertisement in Netflix content look like? Where and how does it appear?
    - Probe for: When and where as in setting, time of day, feeling
    - Listen for: Specific brands, product placement, commercials

## **Wrap Up**

- The interviewer will summarize what was covered during the course of the interview to segway into a wrap up.
- The participant will be asked if they have any questions following the interview.

The interviewer will make note of any questions asked and answer them to the best of her ability.

- The participant's contact information will be confirmed in case there are follow up questions while reviewing the transcript.
- The participant will be thanked for their time.

Questions like these in an in-depth interview context will allow the current study to uncover the ways in which consumers are processing product placements in original Netflix content.

## **Data Analysis**

The constant comparative technique will be used to analyze data from the current study. This technique is well-suited to the needs of this study, as it is rooted in symbolic interactionism (Hammersley, 1989, as cited in Heath & Cowley, 2004) and the concept of self awareness (Cooley, 1922, as cited in Heath & Cowley). The technique focuses on the motives behind human action, which coincides with the current study's search for patterns and meaning in Generation Z's viewing choices and preferences (Heath & Cowley). It is amenable to varying patterns of cognition in both researcher and subject, which will allow for a necessary amount of flexibility in the current study's in-depth examination of unique individuals (Heath & Cowley).

To effectively engage in the constant comparative analysis technique, the data gathered in the current study will undergo four phases of analysis. According to Wimmer and Dominick (2014), four steps should be followed: “1. Comparatively assigning incidents to categories; 2. Elaborating and refining categories; 3. Searching for relationships and themes among categories; 4. Simplifying and integrating data into a coherent theoretical structure” (p. 123). To wit, once the interviews are completed, the coded data will be loosely compiled into several categories based on overlapping results (Wimmer & Dominick). For example, if two interview subjects spent time explaining how they treat Netflix viewing as an escape after a long day, a category called ‘Netflix as an escape’ might be created and respective interviewee quotes/answers will be filed under the category. This would go on until all of the relevant data had been sorted into broad categories. In the elaboration and refinement phase, the meaning behind the categories will be examined. For example, looking at a compilation of statements on how Netflix is a highly anticipated, end-of-day ritual, the researcher might elaborate by saying people look forward to viewing Netflix as a treat for making it through their long days.

The next step requires locating themes and relationships among categories, an extension of the exercise in the previous step (Wimmer & Dominick, 2004). It is used as a way to ladder up from the more mundane conclusions that can initially be drawn from raw data, to sharper insights about the subjects as a group. For example, if one category denotes Netflix an end-of-work day reward, and another asserts that it is a guilty pleasure, it can reasonably be concluded that Netflix is seen as an escape. The last step in the constant comparative analysis technique calls for the data to be funneled into a “coherent theoretical structure” (Wimmer & Dominick, p. 124). A summary report is written on the

data which simplifies the conclusions of the preceding analyses into a tight explanation of the phenomenon that has been observed through the study. According to Wimmer and Dominick, “The goal of this phase of the project is to arrive at an understanding of the people and events being studied,” bringing the audience to a final conclusion from the researcher (p. 124). By putting the data of the current study through these phases, which are well-suited for its parameters, a valid, final conclusion such as this can be expected.

## **Discussion**

The current study conducted eight in-depth interviews with members of Generation Z over the course of four months. There was an even gender split among participants, with four men and four women taking part in the study. A random letter generator was used to assign letters to participants. Going forward, if an item is attributed to a participant, he or she will be referred to by his or her randomly generated letter. These letters have no relation to with the identity of the participants. The pronoun ‘they’ will be used to refer to the participants to avoid revealing gender.

As a clip from the Netflix original show *Stranger Things* is used as a tool in the current study, it is worth noting that there was no marked difference between the responses of interviewees who had previously seen the show and those who had not. Although many respondents used the clip from *Stranger Things* to illustrate their points about the practice of product placement, the opinions and interests of this consumer group did not seem to be influenced by their familiarity with the show used in the experiment.

In the following section, the insights gleaned from these interviews are discussed in relation to the three research questions of the current study.

### **RQ1: How are members of Generation Z affected by the consumption of product placements?**

In their interviews, Generation Z respondents discussed the ways in which they have been shaped by the consumption of product placement, including how they

multitask while using OTT streaming services and avoid shows that require substantial time commitment.

**Multitasking.** Almost all of the current study's participants spoke about how they use OTT streaming services, and Netflix in particular, as background noise while they complete responsibilities like homework, cooking or cleaning. This lead respondents to consume 'light' shows that do not require much focus, like comedies and sitcoms, and to rewatch shows that have been on air for long periods of time and have many episodes. Several participants even used these types of shows to fall asleep, bringing their Netflix accounts to bed with them.

Most of the Generation Z members interviewed for the current study spoke at length about using Netflix as a light distraction while they tended to other responsibilities. Respondent C said, "Even if we're not really watching television, [Netflix] just rolls in the background...It's background noise, bides the time, because usually I'm still doing something else and it's just on. Like if we're cooking it's noise in the background" (C, phone interview, July 9, 2018). Participants J, V, E and I use Netflix in a similar manner, and said they turn on Netflix to have background noise while studying or completing household chores like cooking or cleaning. Participant I even puts on Netflix to multitask "...at work, when I'm doing the tedious tasks that I don't need a lot of brain power for, like data entry" (I, phone interview, July 2, 2018).

While multitasking, interview participants said they purposely turn on comedies or shows they have already seen, as these do not require much of their focus. Participant I explained:

I prefer the lighthearted, shorter shows that don't require a lot of previous knowledge about them...so I can multitask. I'll be putting away all of my clothes and

watching shows. So [I pick] stuff that I can be looking away from the screen and not feel like I missed a ton of what was going on (I, phone interview, July 2, 2018).

Respondent V said they rewatch comedies they have seen multiple times while doing homework (V, phone interview, September 12, 2018). The element of predictability makes it easier to divide attention between responsibility and entertainment. Participant V said, “Primarily because I’ve seen them so many times, I don’t necessarily have to think about it when I’m watching them. I can glance up and I know what’s happening” (V, phone interview, September 12, 2018). Respondent C said when they are cooking or cleaning, they hit play on whatever sitcom happens to be atop their Netflix screen, regardless of what episode or scene comes on (C, phone interview, July 9, 2018). C believes the starting point is irrelevant because the shows they select for multitasking are formulaic shows they have seen before. C can pick up and leave off on random scenes because the format of the storytelling is predictable enough to understand what is happening no matter how little attention C actually pays to the screen.

Respondent J sums up this concept by explaining how they prefer sitcoms while multitasking because, “...it’s not something that’s hard to follow or that you have to pay attention to very closely. There’s a storyline throughout the seasons, but if you tune in to one episode you could laugh at what’s going on there” (J, phone interview, August 12, 2018). In this way, Generation Z viewers use sitcoms and other light comedies as background noise while they fulfill other responsibilities.

Respondents also tend to select shows that have many episodes and seasons for multitasking, as this allows Netflix to roll over to new episodes automatically and keep a steady stream of background noise flowing. For example, respondent V said that once they turn Netflix on, they allow the show to play until their homework is done: “I

probably put on Netflix at 6 o'clock in the evening. And it's on until my homework is done" (V, phone interview, September 12, 2018).

Several of those interviewed also reported using Netflix as a tool to fall asleep. Participant E said, "I guess it's a way to wind down. It's like, OK, I'm going to bed now, time to pull out my Netflix. I usually fall asleep to it" (E, phone interview, June 28, 2018). Respondent P also stated they turn on Netflix "right before I'm falling asleep" (P, phone interview, July 2, 2018). This participant even yawned when they pulled up Netflix to watch the *Stranger Things* clip required for this study. In the same vein, participants J, K and D all reported watching Netflix around the time they go to bed, after other tasks are done, but not watching it until they were actually asleep.

Members of Generation Z are inviting product placements to be a constant background noise in their lives, integrating them into almost every period of their day. They leave OTT streaming on while they socialize, work, relax and even sleep. Their consumption of product placement is increased by the constant use of OTT streaming. Even if they are multitasking and not looking at the screen for extended periods of time, they are still being exposed to audio placements. These viewers are integrating product placements into the rhythms of their days. This behavior suggests Generation Z might be desensitized to placements compared to earlier generations, demonstrating a change related to the consumption of product placement. More research is needed to explore this topic at length.

**Fear of addiction.** Many Generation Z respondents are afraid of binging on streaming content. Participants spoke about avoiding long form shows that have multiple seasons available to stream, or shows they think they will enjoy 'too much.' They are

afraid they will become addicted to the show and spend too much time watching it, ultimately passing up real life experiences in favor of watching the show. They take care to avoid addiction to streamed content and are not willing to commitment to shows with long running times or an extensive catalogue of episodes. They are aware they can be easily influenced or manipulated into spending lots of time on an OTT streaming site, and feel the only way to avoid this addiction is to refrain from the consumption of dangerously good content.

Respondent I said they consciously avoid shows they feel they might enjoy too much because they are afraid they will become addicted to them (I, phone interview, July 2, 2018). Respondent J explained that they stick to watching shows that they have already seen on Netflix, as this allows them to focus on completing tasks in real life. J wants to avoid becoming sidetracked by feeling the urge to binge on episodes. Respondent J said, “Some shows, you can’t get up, you feel like you’re going to miss something or you have to pause it or be really into it” (J, phone interview, August 12, 2018). J said they avoid watching movies at home because they take up too much time.

Respondent I attempts to avoid shows that they might become addicted to because they worry they will stop participating in real life events to watch the show instead. Respondent I explained:

I feel like when I watch the shows that you get really, really into it’s harder to stop watching them when you need to, so you binge longer...it could become one of those things where I could get invited to go to the pool but then I don’t want to stop watching the show (I, phone interview, July 2, 2018).

This keeps respondent I streaming shows with short running times and simple story arcs. Respondent I said, “I try to avoid really long episode shows and I like the

shorter, light hearted ones because it keeps me away from bingeing as much as I normally would with a different show” (I, phone interview, July 2, 2018).

Generation Z watchers shy away from shows and movies with long running times. Respondent P said, “It’s hard to commit to that amount of time” when discussing long form shows with running times that exceed 20 to 30 minutes (P, phone interview, July 2, 2018). P expressed dislike for *Stranger Things* only because of its length. Before starting the *Stranger Things* clip for the interview, P made it clear they were not willing to watch another full episode of the show because they felt the running time was too extensive. They were unwilling to commit their time to *Stranger Things* again. Participant J said that one of Netflix’s good qualities was that it could be consumed in short bursts before going back to completing responsibilities in the real world: “Netflix is easy because instead of watching a full movie, you can just watch 20 minutes or a half hour of something” (J, phone interview, August 12, 2018). Generation Z audiences prefer entertainment that is brief and does not lead to hours of television binging.

These interviews reveal that Generation Z members are wary of the effects of television overindulgence and take steps to avoid media they find addictive. They understand that what they watch has the power to influence their lives and it frightens them. They feel they can quickly be lured into giving up control, especially when it comes to how they invest their time. They are conscious of being influenced and feel the only way to avoid manipulation is to refrain from the consumption of shows that require lots of time commitment. They do not believe they will be able to parcel out reasonable chunks of time in which to consume this media, but will instead be stuck in front of their devices for hours at a time. More research is need to explore Generation Z’s fear of

losing of control to the people producing the media they consume, including purveyors of product placement.

## **RQ2: How does the presentation of a product placement affect its reception?**

Participants in the current study discussed the elements they find acceptable or unacceptable in product placements. The following factors should be considered while crafting product placements aimed at Generation Z, as they affect their reception of product placements.

**Do not ruin the fantasy.** Above all, Generation Z participants feel product placements should be integrated into entertainment thoroughly enough that the illusion of the story remains intact. When placements are executed poorly, they jolt Generation Z viewers out of the world that actors, producers and writers have created for them to enjoy. Bad placements are ones that remind viewers that the story it is not real. It is important for placements to leave the fantasy of a show or movie's world unbroken.

Reflecting on what makes for a poor product placement, participant V explained:

You get immersed in the reality that a show builds... You want to be immersed and forget about everything. The minute that all of a sudden, you're thrown out of that because of this jarring thing that doesn't fit with the storyline, it doesn't fit with the situation, it doesn't flow correctly, it takes you out of the experience and you very clearly realize that this is just a product placement (V, phone interview, September 9, 2018).

Here, V encapsulates the frustration that Generation Z feels when product placements disrupt the fantasy of their entertainment. Similarly, respondent J explained that a bad product placement is one that pulls them out of the story and makes them pause and think, "what's going on here?" rather than continuing to be entertained (J, phone interview, August 12, 2018). Generation Z audiences do not want the root of their entertainment to be disrupted by advertisement.

Respondent K pointed out that breaking the spell of the entertainment can even turn a brand into a laughing stock: “I’m imagining a Coke in someone’s hand and the label perfectly outside of their grip. Like, there’s no way they picked that up [accidentally]. It’s funny because it’s not normal for the label to be perfectly shown like that” (K, phone interview, August 12, 2018). This is an example of a placement that does not blend in with the imaginary world of the plotline, forcing K to recognize the scene as a farce. The placement’s obviousness jolts K from the fantasy of the story and makes the brand and the show look clumsy. Instead of receiving branding information about Coca Cola (e.g. popular celebrities drink Coke), respondent K is laughing at it.

Participant D pointed out that disrupting the story is what fuels the unpopularity of commercial breaks. D said of commercial breaks, “...interrupting the show that they’re trying to watch, I think is going to be off-putting” (D, phone interview, August 30, 2018). D explained how the most basic concept of product placement is to leave the play of the story intact. When it cannot fulfill this tenet, a placement has truly failed. To succeed, placements must be gracefully integrated into the fantasy of Generation Z viewers’ shows and movies.

**Be genuinely original.** Placements land well with Generation Z viewers when they appear to have been chosen to fit the storyline, rather than added as an afterthought. The audience should believe that the brand *had* to be included in the plot in order for the story to take place. Respondents agreed that placements should be chosen fit storylines, not storylines to fit placements. The brands used in a piece of entertainment should be brought in out of necessity to the plotline rather than the production budget. Generation Z

watchers notice when a brand is placed in a show without fidelity to the storyline, and this can incite feelings of irritation toward the show or brand.

Interviewee J perceives placements positively when they are presented as a necessity in the storyline. After watching the *Stranger Things* clip, J pointed out the *Ghostbusters* placement as one that executed this concept well. In the clip, a boy uses part of his *Ghostbusters* Halloween costume to capture a small alien (The Duffer Brothers, 2016). J said, “It’s almost like they needed to capture it in something, and then *Ghostbusters* happened to be what they came up with. Instead of: they had [to advertise] *Ghostbusters*, now how to integrate the movie around that” (J, phone interview, August 12, 2018)? Fitting brands to plotlines, not plotlines to brands, helped accomplish what J considers the best type of product placement: “My ideal advertisement is one that I don’t really even know that it’s there” (J, phone interview, August 12, 2018).

Similarly, respondent P said that products should look as though they are naturally occurring in the environment of the show or movie in which they are placed, and interviewee D said good product placements are ones that “...go along with the story itself” (D, phone interview, August 30, 2018). Respondent V summed this concept up when they said, “If at all, [a placement] should benefit the storyline, not take away from it or distract you from it” (V, phone interview, September 12, 2018).

This concept holds in reality TV shows as well as fictional narratives. Respondent I does not like celebrity endorsements because they can’t tell whether the celebrity actually likes the product or is promoting it just to get the advertisement money. Participant I said, “I think I would be most drawn to [brands] where you know they’re using it and you see that they’re enjoying it” (I, phone interview, July 2, 2018).

Respondent I wants producers to have celebrities promote brands that they already use, not pay them to endorse brands that they do not actually enjoy. This dynamic is perceived as disingenuous and has made respondent I turn away from the brands used in these types of placements.

When product placements are not executed with fidelity to the plotline, Generation Z viewers take notice. This often incites irritation toward the brand or the entertainment. Interviewee C said they are able to sense disingenuity in a placement through discrepancies in the actions and dialogue of the show. When the dialogue and action sequences of the show appear to break from their typical flow, C knows that an extraneous brand has been added to the storyline. C is able to recall placements that they felt positively about because they clearly fit with the theme of the show and the topics that characters brought up frequently. C said these placements do not “rub you the wrong way because it works its way into [the show’s theme]...It’s really just the ones that feel like they don’t fit that rub you the wrong way” (C, phone interview, July 9, 2018). To avoid rejection from Generation Z audiences, brands should be written into the plotline early in production. Irrelevance to the storyline is detected and detested by this audience. Placements should be crucial to the story’s progression, not added as an afterthought.

**Audio is out.** Generation Z members expressed annoyance with product placements that use audio rather than visual cues. They feel it makes the placements obvious and disruptive. They take notice when products are discussed rather than shown, and react negatively.

Interviewee I expressed deep annoyance at placements that require characters to say the name of the product out loud because it quickly turns into “overkill” (I, phone

interview, July 2, 2018). Interviewee P expressed incredulousness at placements that require actors to say a brand name aloud. They believe audio placements make advertisements very noticeable and take away from the placement's ability to blend in with the entertainment (P, phone interview, July 2, 2018). Interviewee C also dislikes brand "name dropping," and prefers visual placements (C, phone interview, July 9, 2018).

Participant C posited that an ideal placement is one in which a product's function is shown, not told. C said that instead of "talk[ing] about how great it is," the brand should be written into the plot, preferably as a joke, to make the placement unique and enjoyable to watch (C, phone interview, July 9, 2018). Interviewee K agreed, as they prefer placements that do not have to be explained, but are instead demonstrated. They feel audio placements are too heavy handed. K offered a Doritos placement that showed the bag of chips and had characters say the brand name as an example: "...seeing the Doritos, it's obvious to me that they're Doritos, I don't think the character needs to talk about it" (K, phone interview, August 12, 2018). Participant V explained that placements become overly explanatory when they use audio, treating the audience as if they are not intelligent enough to grasp a more subtle advertisement.

Furthermore, interviewee V believes placements become too noticeable when they are spoken, and expressed annoyance at this. V said they noticed placements "when one of the main characters or someone who has a speaking role *says* the actual product or brand. It's talked about via dialogue, that's kind of a big one....That's the big send off for me" (V, phone interview, September 12, 2018). The placements V is referring to were delivered orally and made him question the relevance of the product to the show.

Conversely, V is “not taken aback by it [if] it wasn’t directly talked about” (V, phone interview, September 12, 2018). Forcing brand names into the dialogue broke the camouflage of the placement and disrupted V’s entertainment, inciting a negative reaction. Interviewee D expressed a similar sentiment, and believes dialogue surrounding a placement is what gives it away as an advertisement rather than an organic piece of the story (D, phone interview, August 30, 2018).

Additionally, visual product placements appear to be easier for members of Generation Z to recall. Respondents E, I and K said they believe they can remember how placed products looked better than they can remember the names of their brands. For this demographic, visual placements win out over audio placements.

**Integration.** Generation Z participants said they prefer product placements that are integrated into the plotline of a show or movie rather than left in the background as a prop. They feel this helps make the placement more subtle and camouflaged within a scene, preventing placements from becoming distracting. This tactic also appeared to make product placements more effective, as Generation Z respondents demonstrated better recall of placements used in plotlines.

Respondents I and P made statements about how it is better to write placements into the plotline in scripted shows and movies. P said, “I’d probably rather see it more integral to the plotline” (P, phone interview, July 2, 2018). Respondent K said that when a placement is brought into the plotline of a show, “It doesn’t interrupt the storyline for any reason” (K, phone interview, August 12, 2018). K noted that placements are good when they are “...a part of the storyline and going along with a character in a way that’s not so thrown off from what’s going on” (K, phone interview, August 12, 2018).

Generation Z feels this practice effectively brings products into the storyline of a show or movie and helps camouflage the advertisement within a scene. Participant C said product placement is better when “...you can work it in to where you don’t really think anything of it” (C, phone interview, July 9, 2018). C thought that integration allowed “the natural progressions of the show” to be preserved.

One participant was able to provide a particularly effective example of this tactic. In *Stranger Things*, the board game *Dungeons and Dragons* is a recurring activity that the main characters of the show play for fun or use as a tool to plot against the aliens invading their town (The Duffer Brothers, 2016). The characters are shown using the board game in several episodes in seasons one and two. In reference to the game’s use in *Stranger Things*, C said:

They do a good enough job of writing it into the storyline that you just make it part of the characters’ identities from your vantage point. You don’t see it as a product placement as much as just part of the storyline (C, phone interview, July 2, 2018).

Here, C gives an example of a brand that has effectively camouflaged itself through integration into the plotline. Rather than being placed as a prop in the background of the scene, it is used as a plot device, which adds to the entertainment rather than takes away from it.

Respondent E believes that leaving a brand out of the storyline detracts from the effectiveness of the spot. E said, “I wouldn’t want [placements] in the background, I would want the characters actually using the products because that makes it more relevant, and you can see how the product is being used. In the background it’s not really noticed” (E, phone interview, June 28, 2018). E feels that without integration, a brand might disappear entirely and risk having no exposure to audiences. Similarly, interviewee

D thinks placements become accessible to viewers without being disruptive when they are part of a scene's plotline: "...leaving it in the background is something I personally wouldn't notice. Having it actually be a part of the scene in the forefront makes it a little more noticeable" (D, phone interview, August 30, 2018). Participant E agreed, "If it's in the background it's not really noticed" (E, phone interview, June 28, 2018). These participants point out how, without integration into the plotline, there is no incentive for Generation Z audiences to pay attention to a product placement.

Generation Z respondents also demonstrated how using a product on screen makes the advertisement more effective by enhancing recall. In the *Stranger Things* clip used during the interview portion of the current study, a character is shown using a Three Musketeers bar to feed an alien (The Duffer Brothers, 2016). Participant C reported watching *Stranger Things* in its entirety several months prior to the day they were interviewed. After rewatching the clip for this study, they said "as soon as I started watching the episode that [Three Musketeers spot] came back to mind. So obviously it did work, at least a little bit – I tied it to this episode and that storyline" (C, phone interview, July 7, 2018). Participant D also watched *Stranger Things* before participating in this study. After rewatching the *Stranger Things* clip, D said:

I think [placements] being used by the character will definitely help audiences notice it more. Up until just watching this scene now, I never noticed the E.T. [prop]. But I've always noticed the Three Musketeers because he's using it because it's a critical part of the scene itself (D, phone interview, August 30, 2018).

References like these demonstrate how having characters use a product, rather than leaving it in the background as a prop, is important to Generation Z viewers.

**Repetition.** Generation Z respondents spoke about the importance of avoiding excessive repetition when employing the product placement tactic. They expressed negative feelings toward placements that appear too frequently in the same piece of media. Respondents agree that products are shown too frequently when they begin to distract from the entertainment itself. Having one brand appear across multiple episodes of the same show is an acceptable way to repeat a product placement without irritating Generation Z viewers.

According to Generation Z viewers, placements should not be shown so frequently that they disrupt the entertainment piece in which they appear. Interview participants said placements that are shown too frequently are overwhelming and distracting. Interviewee E said placements are bad if they repeat the brand name too many times in one segment (E, phone interview, June 28, 2018), while respondent I thinks it's "overkill" when characters talk too much about enjoying a product (I, phone interview, July 2, 2018). Respondent J can remember blockbuster movies that they feel have too many instances of the same product placement. J said:

...It's in there so much, that all of a sudden you're like, OK, that's the fifth time I've seen that...if your entire show is just full of however many advertisements you can fit in...it kind of disrupts the story itself and it makes it seem like [the show is] in it more to get as many advertisements in as you can (J, phone interview, August 30, 2018).

Interviewee V said a product can be shown either too many times or for too long in one continuous shot to qualify as overly repetitious. They feel this treats the audience as though they are not smart enough to digest a more subtle advertisement. Using the events in the *Stranger Things* clip as a hypothetical example, they said:

I think if you establish the fact that this animal eats Three Musketeers, you say the product once. If you have to show that animal eating again, it's just implied that

they're eating Three Musketeers. I don't need to be constantly reminded that this is what they're eating (V, phone interview, September 12, 2018).

Respondent V illustrates how a product placement can easily become irritating and face rejection when it appears too frequently in Generation Z's entertainment.

To avoid this faux pas, participant C suggests placing an item across multiple episodes of the same show. They offered the Three Musketeers spot from *Stranger Things* as a good example of this, as it "...shows up more than one time in the show. If it was just the one time when he feeds him then I wouldn't have noticed as much but because he comes back to it I do" (C, phone interview, July 9, 2018). C is able to recall the names of several other brands that appeared in multiple episodes of the same show. They report positive feelings toward these placements and believe the advertisements were executed well. Participant D concurs, and qualified that a placement is shown "not frequently," but enough times to notice, when a brand appears in two or three episodes of the same show over the course of several seasons (D, phone interview, August 30, 2018). Interviewee K considers one recurring placement a "centerpiece," and endorses this practice as one that does not crowd the storyline. They said, "I think it's OK to surround one product around the show...But if they did it with a lot of products then I think it would take away from it" (K, phone interview, August 12, 2018). Using tactics like these, which draw out the appearance of placements rather than crowding them into one block of entertainment, will be beneficial to advertisers attempting to reach the Generation Z demographic. Steps should be taken to avoid excessive repetition of product placements, as this quickly becomes irritating to Generation Z consumers.

**Placements can own characters.** Generation Z members respond well to the concept of a brand being associated with a specific character on a show. They are able to

easily recall brands that are tied to characters and do not report negative feelings toward these brands or characters in most cases. Generation Z respondents believe that placements are better if they are presented as congruous with characters' personalities. This helps keep placements from distracting from the entertainment, as it makes the placements appear more natural.

Interview participants are accepting of brands that align themselves with characters in shows. Respondent C said, "Some of the characters, it just works into their personality. You can pair it with them in a way" (C, phone interview, July 9, 2018). C said that on one of their favorite shows, side characters are clearly given one brand to promote and be associated with through product placement. For example, one character is well known for working at a specific hotel, and routinely lists the merits of working for the franchise. C said, "...it's [treated] like part of the side characters' role. They're so much associated with [the brand] that you almost forget about it for the whole show" (C, phone interview, July 9, 2018). C appreciates the ability of this type of placement to integrate the brand into the show without distracting from the plot. Other participants agree. Interviewee D believes it is only fair to the story to have the placements match the characters. D said, "I think it is important in the sense of good storytelling. If it's just thrown in there and it's a blatant advertisement and it doesn't fit, people are going to be less likely to really believe it" (D, phone interview, August 30, 2018). Respondent J believes placements can even help with character development. Reflecting on the items placed in the character's room in the *Stranger Things* clip, J said, "I think it creates his character a little bit better" (J, phone interview, August 12, 2018). When a placement is

not matched to a character's personality, respondent V said they react negatively to the advertisement.

Respondent J believes the placements in the *Stranger Things* clip make a difference in the show. J reported they had previously viewed the show and had an understanding of the plotline and the characters. J spoke about how it would matter to them as a viewer if the products placed in the character's room were incongruous with his personality. J said, "I think it would have stood out and said something differently about who he was as a person" (J, phone interview, August 12, 2018). Participant P expressed appreciation for matching brands to characters as well: "I feel like normal people have specific brands they like. Kind of makes you get to know that character a little better and it seems more natural" (P, phone interview, July 2, 2018). Respondents P and J suggest that tying brands to specific characters is a positive form of product placement for Generation Z audiences.

Not only are Generation Z respondents appreciative of brands that are paired with characters, they believe this tactic increases the efficacy of product placements. Participant D said that if placements "...go along with the character and it makes sense then people will probably think, "OK, I like this character and I want to like what they like'" (D, phone interview, August 30, 2018). D believes that character congruence will make purchases of the product more likely. Respondent E reported that they could easily recall placements that are paired with characters. They gave an example from a popular sitcom that involves a main character working at a real clothing store. Every time the character talks about her job, the brand is given a product placement. Respondent E has come to associate positively with both the character and the brand using this type of

placement. Respondent E's ability to quickly recall the brand in conversation suggests that the placement is effective as well.

Similarly, interviewee C was able to quickly recall three brands that were associated with three different characters in two sitcoms. C felt that because some of these brands coincided so seamlessly with the base nature of the characters, they blended in with the show nicely and even improved it. C reflected on these placements with positive feelings. In reference to one character's fondness for a particular brand of alcohol, C said, "...it's become synonymous with [that character], that if he's drinking whiskey...you assume that's what it is" (C, phone interview, July 9, 2018). When the same character made a pilgrimage to his whiskey's distillery, C enjoyed the placement: "That was woven into the show so much that they show the distillery, he actually goes there, and you're not even thinking about it as advertising. You're thinking [that character] would love this because that's something he likes" (C, phone interview, July 9, 2018). This is an example of how Generation Z viewers enjoy placements that are tied to the established personalities of characters in their shows and movies. In order to connect with Generation Z audiences, product placements can be coordinated with characters whose personalities align with the traits of the brand.

**Placements can own a time or place.** Some support was shown for placements owning a time or place on television shows. Examples of this tactic include having characters consistently choose to order a particular soda brand in the same diner, or celebrate good times with the same brand of alcohol. Generation Z participants appreciate the ability of these types of placements to appear without lots of repetition of the brand name. Instead, products can be inherently associated with one time or place and

audiences can recall the brand on their own, without excessive prompting. Respondents were able to recall feeling positively about several product placements that use this tactic.

Interviewee C can recall an alcohol brand that owns specific moods in one of their favorite shows. C said this brand “...usually comes out at a stressful or celebratory time. It’s either funny if they’re drinking at the time or it makes sense to be drinking. They pull it out at opportune times” (C, phone interview, July 9, 2018). When asked to create their hypothetical ultimate product placement, C said they would craft a placement where Coca Cola would be shown in the same diner over a series of episodes. C said, “I think it would be a recurring theme but tied to that restaurant” (C, phone interview, July 9, 2018). C feels positively about placements that are tied to a time and place, and can easily recall brands that use this tactic.

Participants appreciate the ability of these types of placements to appear without gratuitous repetition of the brand name. When products are inherently associated with one time or place, audiences can recall the brand on their own, without excessive prompting. Respondent I said their favorite reality show placement is the family-run store of a group of celebrities. The show often takes place at the store. Respondent I said:

It’s not like they were constantly talking about how great their store was, but everyone that likes the show knows that it’s their shop so people want to go there because they like the show, they see a bunch of scenes in that exact location, so it’s cool (I, phone interview, July 2, 2018).

These examples demonstrate how associating a placement with a specific time or place is received well by members of Generation Z. This tactic allows for fewer audio placements and exposition. It allows placements to appear as subtle reminders that do not distract from the entertainment.

**Use a comedic format.** Generation Z participants believe it is best for product placements to appear in comedies. Since comedies typically do not need the same gravitas as a drama or horror piece, it is not as disruptive when brand names appear in the entertainment. Comedies are driven by gags and surprises, which lends itself to variety and the incorporation of multiple elements, like brands.

Respondents K and J both posit that placements are better received in comedies. Participant V said, “I think comedy as a whole really lends itself to product placement” (V, phone interview, September 12, 2018). Participants feel it is not as disruptive when brand names appear in comedic entertainment. Respondent K said, “...comedies can have random things going on without looking bad, whereas drama is so focused on one thing that if you threw too much product in there it might take away from it” (K, phone interview, August 12, 2018). Respondent V believes sitcoms are best for product placements:

...It works because it's not a story-driven show. It's episode by episode, it's flavor of the week. There's no overarching storyline, or if there is it's pretty loose...When you get to your drama-filled shows and action-packed movies, I feel like [product placement] takes away from everything...When you want to sit down and watch [dramatic] movies, you're expecting to watch or hear a narrative that might be compelling or dramatic, and if you have product placement in there it might just take away from it. Whereas a comedy it's like, I'm expecting to laugh. If I see a Coke can, oh well (V, phone interview, September 12, 2018).

Here, respondent V explains how product placements can be easily integrated into comedic entertainment as they do not distract from the mood of the entertainment.

Interviewee C notes that dramas with longer running times and fewer episodes have fewer opportunities to execute a placement across multiple shows, as recommended earlier. The 20- to 30-minute sitcom format might be ideal for product placement because brands can be referenced briefly in a single episode, but frequently over time, and worked

in using jokes. Respondent C was able to recall placements within their favorite sitcom that they believed were good placements because of their integration over time through visual gags. Respondent K said, “You can make irrelevant things relevant by using humor” (K, phone interview, August 12, 2018). Generation Z respondents feel that placements in comedies are not at risk of disturbing the mood of the show, or disrupting the fantasy that the story lives within. They are more open to the use of product placements in a comedic content.

**RQ2 Conclusion: The ideal product placement.** Based on the current study’s eight interviews, Generation Z participants feel that a great placement is subtle, selected based on a predetermined storyline (not clumsily added to the script), visual not aural, integrated into the plotline (not left in the background as a prop), consists of a product that does not need to be explained, is not overtly repetitious and demonstrates the good qualities of the brand on screen. These findings are supported by Cowley and Barron (2008), who observed that subtle placements are better at fostering positive brand connections than overt placements, as well as Russell (2002), who concluded that placements are more effective when they are congruent with the plotline. Persuasion and attitude toward the product are enhanced by this congruency (Russell). Additionally, a study by d’Astous and Seguin (1999) supported the finding that having placements that are relevant to the content of the entertainment increases positive brand connections (d’Astous & Bitz, 1995; McDonald, 1991; Meenaghan 1983; Parker, 1991, p. 899). The current study reinforces, clarifies and expands upon these concepts.

Almost all Generation Z interviewees believe that product placement should, first and foremost, be subtle. Participant J said, “My ideal advertisement is one that I don’t

really even know that it's there" (J, phone interview, August 12, 2018). Participant J thinks a placement is not subtle when it makes them question what is happening and pulls them out of the story. J explained, "It almost gives me a question in the back of my mind. Something that I would notice standing out" (J, phone interview, August 12, 2018). Participant V agreed and said they prefer placements that do not distract from the story arc of a film.

As an extension of the element of subtlety, good placements also avoid disrupting the constructed reality of a show or movie. As discussed earlier, Generation Z members are able to detect when a placement has been clumsily added to a piece of entertainment and not selected based on relevant events in the plot. For Generation Z, integration into the plotline is key. The audience should think that the product had to be there for the story to take place. For example, after watching the *Stranger Things* clip for their interview, participant J noted how well the product placements work within the entertainment because of their compatibility with the storyline. In the clip, a character uses a prop from his *Ghostbusters* costume to trap an alien (The Duffer Brothers, 2016). J said, "It's almost like they needed him to capture it in something, and then *Ghostbusters* happened to be what they came up with. Instead of: they had *Ghostbusters*, now how to integrate the movie around that" (J, phone interview, August 12, 2018)? J feels the placement is appropriate and well executed because of its apparent necessity within the plot. Respondent V summarized this concept when they said:

You get immersed in the reality that a show builds... You want to be immersed and forget about everything. The minute that all of a sudden, you're thrown out of that because of this jarring thing that doesn't fit with the storyline, it doesn't fit with the situation, it doesn't flow correctly, it takes you out of the experience and you very clearly realize that this is just a product placement" (V, phone interview, September 12, 2018).

Breaking with the fantasy of the story and its setting causes Generation Z audiences to react negatively to a product placement and should be avoided.

Generation Z participants also express a desire for placements to be visual, not aural, and integrated into the plotline. As explored earlier, interviewees I, P and C have a shared dislike of “name dropping” when it comes to placements (C, phone interview, July 9, 2018). Most respondents report an affinity for visual placements over audio placements. They believe audio placements make advertisements too noticeable and take away from the brand’s ability to blend in with the entertainment. Additionally, interviewees requested that placed items actually be used by the characters in a show or movie. Respondent E said, “I wouldn’t want [placements] in the background, I would want the characters like actually using the products because that makes it more relevant” (E, phone interview, June 28, 2018).

Placements should consist of products that do not need much explanation. The items shown on screen should have qualities that are easily demonstrable. Generation Z viewers do not enjoy exposition around an advertisement that is supposed to be subtle. For example, participant I said they prefer placements that are for “clothing or accessories because you can see it...enough that you’re interested in it, but it’s not a product that they have to go into a lot of description about” (I, phone interview, July 2, 2018). Additionally, participant E said they prefer product placements where “you can see how the product is being used” on screen (E, phone interview, June 28, 2018). Generation Z interviewees noted that introducing new products through placement is a bad idea, as they would have to be explained on air. Participant J said, “If it was a product that I didn’t know about, I might just think it’s some fake product that they’re

coming up with for the show. And rarely would I take the time to look that up either” (J, phone interview, August 12, 2018). Interviewee D said they only notice placements if they are for brands that they already know, which would also suggest that it would be counterproductive for new items to be introduced via placement. Items used in product placements should be uncomplicated and easily understood.

Product placements should also demonstrate the positive qualities of a product on screen. Interviewee P explained that in their hypothetical ultimate product placement, Doritos would be passed around a group of friends to show how easy it is to share the chip. P believes demonstrating the good qualities of a product within its placement is preferable. Participants I and E hold similar sentiments and suggest that placements be used to show audiences the merits of a particular brand.

In the eyes of Generation Z members, a good product placement is not overly repetitious. Interviewee E said placements are bad if they repeat the brand’s name too many times in one segment (E, phone interview, June 28, 2018), while respondent I said placements become “overkill” when characters talk too much about a product (I, phone interview, July 9, 2018). Respondent J remembers placements appearing too frequently in the same movie and said, “...it kind of disrupts the story itself” (J, phone interview, August 30, 2018). Interviewee V said products that are shown too many times or for too long in one shot are too repetitious, and therefore irritating. Advertisers should avoid giving the same item too many placements in a single piece of entertainment.

If a placement is subtle, selected based on a predetermined storyline, visual, used in the storyline, is easy to understand, demonstrates the good qualities of the brand and is not overly repetitious, it is likely to be well received among Generation Z viewers. In

these ways, the presentation of a product placement affects Generation Z's reception of the advertisement.

**RQ3: What changes are manifesting in the nature of product placement and the Netflix medium that are affecting the consumer experience?**

The ability to pay for a few channels instead of subscribing to a bundle of channels has altered the way in which Generation Z audiences consume their entertainment. A shift in the popular opinion of product placement has also affected this audience's perception of media.

**Cherry picking.** The ability to pick and choose which OTT streaming channels a viewer desires, rather than being forced to purchase a bundle of channels, has lead Generation Z consumers to cherry pick the channels they desire in order to pay less for television. This aligns with the finding that 60 percent of young adults aged 18 to 29 in the U.S. use streaming as their primary source of television as of 2017 (Rainie, 2017). They do their best to avoid paying for cable, as they do not feel it is worth the cost. They do not see the point in paying for many channels when they are only interested in watching a few. Instead, they select specific subscriptions and share them among friends and family to drive down cost or avoid paying for television altogether.

When asked how they watch television, all Generation Z respondents listed a few specific OTT streaming services. Aside from a subscription to Netflix, which was included as a requirement in the current study's screener, the most common subscriptions were Hulu and Amazon. Respondents typically supplemented these services with apps that were specific to an outside channel or network, like ESPN or Mtv. Respondent I said, "I have Netflix and Hulu...And I have Bravo the app and the Mtv app" (I, phone

interview, July 2, 2018). They subscribe to the bare minimum of services in order to acquire the entertainment they seek. For example, respondent D has only one subscription: Netflix. Otherwise, they search for free movies online as their only other source of television (D, phone interview, August 30, 2018).

These sparse subscriptions are typically shared among several people, taking full advantage of the ability to have multiple users logged in to the same OTT streaming service at one time. Almost all respondents had at least one subscription they did not pay for themselves, but had access to because of a shared login and password. Participant P reported they did not pay for any of their entertainment subscriptions. Everything they watch is from a streaming subscription they do not pay for. Respondent K spoke about using a myriad of friend and family subscriptions to cobble together the services necessary to watch all of the shows they are interested in. Respondent K explained:

I don't personally subscribe to any, I use other people's accounts. Netflix is my sister's, Hulu is my roommate's from last year. I used to use my other roommate's HBO account. I'll use my parents' charter subscription to watch shows on Mtv that I catch up on or Bravo (K, phone interview, August 12, 2018).

Also common among Generation Z audiences is an aversion to cable. They do not feel it is worth the cost, since they can pick and choose what they want to watch via streaming services and apps. Participant V explained that their subscriptions are "All streaming. I didn't want to pay for cable. Even when it's all of my subscriptions, it's still \$100 cheaper than cable" (V, phone interview, September 12, 2018). Participant P said they receive cable, but only because their apartment complex provides it. They have taken steps to avoid paying for cable in the past, when it was not required by their lease. Respondent K said, "I have a television but we do not have cable. We paid for cable last year, and I'm not planning on doing it [this year]" (K, phone interview, August 12, 2019).

K feels that cable is not worth its cost because they can watch all of the shows they are interested in via streaming.

Now that OTT streaming has given audiences the ability to pick and choose what they pay for, Generation Z viewers are choosing to avoid paying for bundled channels. They drive down the cost of television to the best of their ability by sharing subscriptions among friends and family members. There is no more channel flipping; Every piece of entertainment is deliberately selected. Generation Z audiences cherry pick their channels and watch only the shows and movies that they seek out.

**Positive feelings toward product placement.** Unlike the Baby Boomers before them, Generation Z members do not seem to harbor many negative feelings toward the practice of product placement (Newell, Salmon & Chang, 2006). They are able to recall instances when placements elicited negative responses, but do not feel that placements are undermining or damaging their media overall. In some cases, they even defend its use. In most cases, they reflect indifference toward the practice and accept it as a part of modern life.

Like other interviewees, respondent J reflected indifference toward the practice of product placement. They said they might notice placements, but that they are not bothered by them: “It’s just part of the movie, it doesn’t really take away from it” (J, phone interview, August 12, 2018). Respondent D said:

I don’t take a ton of particular notice [of product placements]. I think it can be kind of over the top if it’s being talked about and obviously focused on, but I think if it’s just a subtle slip into the scene that actually fits what’s happening in the storyline, then I don’t mind it (D, phone interview, August 30, 2018).

Generation Z participants do not harbor negative feelings toward product placement, and accept its presence in their entertainment with passivity. Respondent K believes that placements are a fact of life, and that there are lots of placements in the media they consume that they do not know about. V showed a similar amount of indifference: “I haven’t noticed any branding. I’m not saying it’s not there. But it hasn’t been super prevalent” (V, phone interview, September 12, 2018). Neither participant believes they are aware enough to catch all of the placements they are exposed to, but they accept this easily and are not bothered by it. This is a departure from older generations’ belief that product placements are deceitful (Newell, Salmon & Chang, 2006), and is supported by the finding in the literature review that young viewers now perceive product placement as a generally positive practice (Brennan, Rosenberger, & Hementer, 2004; Gupta & Gould, 1997; McKechnie & Zhou, 2003, as cited in de Gregorio & Sung, 2010, p. 84). Respondent K did not realize that placements were Netflix’s way of doing business until reflecting on placements during their interview for the current study. Their reaction to this revelation was positive: “I never thought about how they get their money from product placements instead of having ads. That’s really cool” (K, phone interview, August 12, 2018). Unlike audiences that came before them, Generation Z is accepting of the presence of placements in their media.

Though respondents could recall times when they were irritated by product placement, they did not ultimately consider them to be damaging their entertainment. Respondent E is able to recall times when they were annoyed by poorly executed placements. However, E said that if a placement “...makes sense in the show, and they didn’t focus on it and repeat it so many times, and just made it part of the show instead of

exaggerating it and why they’re using it, then I wouldn’t mind it” (E, phone interview, June 28, 2018). Here, E illustrates how Generation Z is willing to accept placements if they are executed well and do not take away from their entertainment storyline, even though they have been exposed to sloppy product placements in the past.

Throughout their interviews, Generation Z respondents actually defended the use of product placement as an advertising practice. Participant I said that if placements are used in the right context and “fit in the storyline” in a way that makes them appreciate the product being advertised, then the placement “is totally fine” (I, phone interview, July 2, 2018). Interviewee V defends the use of placements in film and said, “I understand why it has to happen. You have to pay for movies somehow” (V, phone interview, September 12, 2018). V went on to say they think it is a fair trade to see advertisements if they are not paying much to access the entertainment. Similarly, Respondent I believes the root concept of product placement is working, as their friends buy things they see advertised through product placement. Respondent I said, “I think it draws people in. Like, ‘that’s cool if they’re using it, I want to use it too’” (I, phone interview, July 2, 2018).

In a more obvious display of placement preference, respondent J said placements can make storylines more relatable by bringing in elements of the world that viewers are familiar with, like brands viewers use in their real lives. Reflecting on the placement of a brand in one of their favorite sitcoms, J said, “...it made it more realistic. Like, OK, this is an actual company. It integrated the real world that I’m familiar with into it. So it made it more relatable” (J, phone interview, August 12, 2018). This is supportive of Nelson and McLeod’s (2005) finding that college students review product placements positively and can perceive them as making films more realistic (p. 22).

Interviewee K could easily recall a placement they enjoyed. The placement not only enhanced the film for K, but their life afterward, as they continue to purposely integrate the placement into their routine:

Funny example that I think added more humor to the movie was in *This is the End*. Seth Rogen and James Franco are going through their supplies of what they have left in the house when the world's ending, and he's going through random generic things like a hammer, and then Cinnamon Toast Crunch comes up and he's like, "CT Crunch..." and now I call Cinnamon Toast Crunch, 'CT Crunch' (Edwards, Goldberg, Rogen, & Weaver, 2013) (K, phone interview, August 12, 2018).

This member of Generation Z is actively enjoying a product placement. This is a major departure from previous generations, when people took steps to avoid placements and even have them banned from entertainment (Newell, Salmon & Chang, 2006).

In some cases, Generation Z respondents expressed a belief that placements are improving in quality. Participant I thinks that bad product placements are something that happened in the past. Respondent I said, "I feel like its been minimized now and they're having different ways of going about it so [product placement] doesn't seem so obvious" (I, phone interview, July 2, 2018). Furthermore, several participants, including interviewees V and K, said they have difficulty remembering placements in original Netflix shows. This lead them to believe that the placements shown on Netflix are higher quality than product placements in older media, as they are exhibiting subtlety.

The ability to cherry pick channels rather than subscribing to a bundle of services and the increasingly positive outlook on the practice of product placement has shaped the perceptions of Generation Z members in ways that are different from the generations before them. Generation Z audiences are refusing to pay for television they do not watch and embracing the practice of product placement in their entertainment, opening the door to its continued use.

## **Conclusions**

The purpose of this study is to explore the ways in which Generation Z perceives product placement in original Netflix content. The following conclusions were reached through the analysis of eight in-depth interviews with members of Generation Z.

Generation Z viewers use OTT streaming services as background noise while they complete responsibilities like homework, cooking or cleaning. Shows with brief running times, many episodes and comedic or ‘light’ content are preferred in this setting, as they do not require much of the audience’s focus. Many participants even bring their Netflix accounts to bed to distract them until they fall asleep.

Members of Generation Z are inviting Netflix shows to be a constant companion in their lives, and by extension, the product placements embedded in them. Unknowingly, they are integrating product placements into almost every part of their days, as programs are left on while they socialize, work, relax and even sleep. Generation Z consumers are integrating product placements into the rhythm of their lives. This behavior suggests Generation Z audiences might be desensitized to placements compared to earlier generations. Future studies should explore this topic further.

Generation Z consumers have a fear of binging on television. They avoid long form shows that have multiple seasons available to stream. Some even avoid shows that seem ‘too good’ because they fear it will distract them from real life. They do not like to commit to shows with long running times, as they are afraid they will be unable to stop watching them within a reasonable timeframe. Generation Z viewers are aware they can be manipulated by their media, and it scares them. The increasing integration of product

placements into entertainment is contributing to Generation Z viewers' fear of manipulation. Generation Z audiences are conscious that there are entertainment purveyors who would like to persuade or manipulate them. Barring certain types of media is the only way they feel than can exercise some control over this relationship. More research is need to explore Generation Z audiences' fear of losing of control to the people producing the media they consume, including advertisers.

For a Generation Z audience, the ideal product placement is subtle, selected based on a predetermined storyline, visual, used by characters on screen, advertises a product that does not need exposition, avoids repetition and demonstrates the desirable qualities of the brand on screen. When these guidelines are followed, Generation Z viewers are more inclined to react positively to product placements.

The ability to cherry pick channels, rather than having to purchase a bundle of assorted channels, has lead Generation Z audiences to consume television in a new way. They subscribe only to providers that carry shows they are interested in, and often share subscriptions among friends and family to drive down costs. Members of Generation Z take steps to avoid receiving and paying for cable subscriptions. They do not flip through channels to see what is playing. Having to subscribe to specific services for specific shows means that entertainment is decided upon ahead of time and deliberately selected.

The popular opinion on product placements has shifted, and Generation Z viewers now believe they are an acceptable -- and even a positive -- mode of communication. Older generations perceive product placement as a dirty practice that tries to manipulate and trick audiences (Newell, Salmon & Chang, 2006). The fact that Generation Z viewers prefer product placements to commercial breaks is a major departure from the old way of

thinking (Nebenzahl & Secunda, 1993, as cited in d'Astous & Seguin, 1999, p. 899). In the current study, they even defend the use of product placement as a logical way to raise funds for filming. In most cases, they simply accept product placement as a part of modern life. This suggests the continued or increased presence of product placement as an advertising tactic in the years to come.

The current study subscribes to the information processing school of thought, which examines the factors that allow humans to form impressions, shape attitudes and determine beliefs (Bohner, Moskowitz & Chaiken, 1995). Specifically, the current study addresses the concepts of awareness, perception, behavior and development through an information processing lens. The information processing model asserts that humans are shaped by stimuli that they select, meaning every interaction is a process of active participation that evolves as more stimuli are selected and consumed (James, 1890, as cited in Bohner, Moskowitz & Chaiken).

The findings gleaned from interviews with Generation Z consumers reflect their awareness of the use of product placement as an advertising tactic, their positive perception of the practice, and their adjusted behaviors due to the consumption of product placements. Members of Generation Z can be considered aware of product placement because of their ability to point it out while watching a video clip and discuss times when they have seen placement in the past. The study addresses the perceptions Generation Z viewers hold concerning product placement. Study participants were able to describe the elements that influence whether placements elicit either a positive or negative reaction from them. They were also able to list ways in which placements altered their behavior,

including increased consumption or avoidance of media that uses product placements instead of commercial breaks.

Each of these concepts was examined through an information processing lens. The current study asserts that these individuals are responsible for the media they consume and are shaped by what they learn from that media and how they interact with it. Changes in behavior following the consumption of product placements over time are attributed to the media participants chose to consume.

Practical implications for the findings of this study are related to advertisers' need to respond to the changing world of media. Members of Generation Z are the next group of consumers poised to hold the greatest share of buying power. They have grown up immersed in the digital age with access to technology beyond what any other generation has experienced before. Their thinking patterns and tastes are drastically different than those of the consumers who came before them. In order to keep up, it is important to learn about what they will accept and reject in their media. They have grown up with the power of the skip button and streaming services that allow them to consume entertainment at their own pace. To hold their attention and persuade them effectively, it is important for advertisements to gracefully integrate with the media they prefer, namely, OTT streaming and product placement. Learning about and responding to the ways in which Generation Z interacts with product placement on OTT streaming platforms will be crucial to the survival and success of advertisers in the near future.

Brands can forge connections with Generation Z consumers by following the recommendations provided by the participants of the current study. The positive feelings Generation Z consumers have toward the practice of product placement should be taken

as encouragement to pursue or continue using the tactic. Advertisers can craft placements that are subtle, selected based on a predetermined storyline, visual, used by characters on screen, soliciting a product that does not need exposition, avoiding repetition and showing audiences the good qualities of the product. Integrating these elements into placements will encourage positive reactions and associations with the brand.

Advertisers can also be proactive about the changing format of Generation Z consumers' media habits. This audience will no longer be exposed to advertisements by happenstance. Viewers are deliberately selecting their channels, series and movies. They will only be exposed to the advertisements that accompany the entertainment they select. This gives advertisers the chance to speak to specific groups of consumers. Commercials are broadcasted across entire channels in the hope of reaching a percentage of the target audience. With OTT streaming, advertisers can pinpoint their target demographic and only place advertisements in shows that are proven to cater to those consumers. This has great potential to cut costs while increasing consumer views. The specificity with which Generation Z consumers select their entertainment can become a tool of efficient communication for advertisers.

Limitations on the current study include the inability to confirm which brands are product placements in original Netflix content. Although product placement is defined in the style of Newell, Salmon & Chang (2006) as “the insertion of branded products or services into mass media content with the intent of influencing consumer attitude or behavior” (p. 577), Netflix is private about its business practices, and not all appearances of branding in the *Stranger Things* interview clip could be confirmed as paid placements. However, the inclusion of brands in the clip was enough to run the experiment, as the

purpose of the watch-along was to see if Generation Z viewers could identify brands that appear within OTT streaming. Future studies would benefit from using clips with verifiable product placements from companies that make their commercial partnerships more public.

Additionally, the sample used for the current study skewed toward older, educated members of Generation Z. Everyone interviewed was 18 years or older and had completed at least some college. Although the screener prevented people who work in marketing or advertising from qualifying for the study, several respondents reported taking marketing, advertising or communications classes that taught them about the practice of product placement (C, phone interview, July 9, 2018), (D, phone interview, August 30, 2018), (E, phone interview, June 28, 2018), (I, phone interview, July 2, 2018), (V, phone interview, September 9, 2018). The awareness of product placement practices among such a large portion of respondents may have altered the conclusions drawn from the group's interviews. Future studies should seek out a wider variety of respondents to prevent possible bias.

Other studies might explore the nature of Generation Z consumers' fear of addiction to televised content. While the current study touched on participants' attempts to avoid spending too much time glued to shows and movies, future studies could examine this fear in the context of phone, gaming and YouTube usage. Additionally, a study on the recognition of and reaction to products placed in shows popular among the Generation Z demographic could be conducted. Researchers could monitor social media channels for mentions of products placed in shows shortly after they become available for streaming.

The current study shows that Generation Z audiences prefer product placements in OTT streaming to be subtly integrated into the plotline of the entertainment, leaving the story arc unbroken. Generation Z viewers connect with brands that are written into the plotline early in production. Audiences can sense when placements are forced into a storyline and react negatively. Placements should consist of items that appear crucial to the story's progression. Generation Z viewers have distinct tastes that set them apart from their predecessors.

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