The Effect of Product Placement on Customer Interests in Mediation by Brand Awareness

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ABSTRACT: This research is motivated at this time a lot of product advertisements placed in a soap opera. The test of this study is to determine the effect of product placement on consumer buying interest and brand awareness as a mediating variable. The sample in this study was 100 respondents loyal viewers of the soap opera holy SCTV in the village of Kauman Ngoro Jombang. The instruments in this study used a questionnaire and were analyzed using SEM-PLS analysis. The results of this study indicate that product placement can significantly influence consumer purchase interest and brand awareness is a partial mediator between product placement and buying interest of CintaSuci soap opera audience on SCTV.)

Keywords: product placement, brand awareness, purchase interest

1 INTRODUCTION

Nowadays, technology is rapidly changing and increasing. One of them is the development of communication technology. In today's society, life always depends on mass media. Almost all human activities depend on technology. This makes it no longer difficult for business people to introduce their products. The most common medium used by marketers to introduce their products is advertising (ads) as a promotional medium. Creative ads can attract consumers from seeing and eventually buying the products. One of the objectives of an advertisement is to influence consumers to buy a product.

An intention is a form of real thought that signifies the initial movement of the customer's plan to buy a product or service within a specific time period (Schiffman & Kanuk 2007). Consumers' purchase intentions are closely related to motives for using and buying certain products or services. Motives are influenced by different things, including needs, environment, and one's own lifestyle (Zulganef & Ramadhika 2014).

In general, marketers use several mediums like television, radio, magazines, tabloids, or newspapers for advertising their products. Of the several media used, television is still one of the most commonly used mediums, as evidenced by many advertisements during television programs. Television media is a media that is watched and enjoyed by the people of Indonesia almost every day. By presenting various programs that can attract the attention of their viewers, many people watch television every day. In fact, the results of Nielsen's research on Indonesian people's consumption of digital media and conventional media show that both now complement each other.

Table 1 Nielsen's data for 2018

Generation Z (10-19 years old)	Millennial Generation (20-34 years old)	Generation X (35-49 years old)
Television 97 %	Television 96 %	Television 97 %
Internet 50 %	Internet 58 %	Radio 37 %
Radio 33 %		Internet 33 %
Paid television 7 %		
Print media 4 %		

Source: Nielsen 2018

From the data above, television media is still the main media consumed by many Indonesians, even though it is divided into several generations. Nowadays, television advertisements are used by businesses to promote their products. This is done because television programs are shorter compared to

the ads that are approximately 10 minutes each commercial break and contain about 15-20 advertisements. The various advertisements displayed during the soap opera program break are drinks, food, to a household furniture.

However, too many advertisements on television make the viewers feel bored. Many people tend to move to other television channels when the advertisement is displayed. This makes advertising in the current television program commercial breaks less effective for business people to market their products. Product placements can be one of the ways that businesses can choose to promote their products. Product placement is a way to promote a product by embedding it on a television show as if it is part of the program, and most of the viewers may not realize that they have watched certain advertising. (Zulganef & Ramadhika 2014).

Brand awareness also acts as an essential factor in determining consumer buying interest, and a brand will accumulate in the minds of consumers who, in turn, will influence the decision to buy. From this opinion, it can be concluded that brand awareness is an initial stage of consumers, which will influence the intention to buy a product. Promotion is the goal of brand awareness. Product placement in a soap opera aims to make viewers have high brand awareness of a product and later it will lead to the buying process.

1.1 *Purchase interest*

Interest is a form of real thought that is the initial movement of consumers' plans to buy products or services during a certain period of time. Purchase interest is the tendency of consumers to buy brands or take actions to purchase based on the likelihood of consumers that consumers will make purchases (Dwiantara 2018).

According to Nurpratama (2014), purchase interest arises when someone feels very interested in various information about products obtained through advertisements and can be measured through the following indicators: attention, interest, desire, and action.

1.2 *Product placement*

Product placement is one of the ways that business people often do to market their products. Product placement is a way to promote a product by embedding it on a television show as if it is part of the program and most of the viewers may not realize

that they have watched certain advertising. (Zulganef & Ramadhik 2014).

From some of the above opinions, it can be concluded that product placement is one way to promote a product by embedding it on a television show such as the soap opera section. According to Nurpratama (2014), the product placement strategy is the placement of brand names, products, product packaging, symbols, or logos in films, television programs, or other mobile phone media to increase viewer's memory for certain brands. According to Russel (1998), there are three important dimensions in product placement, namely: visual dimension, auditory dimension, and connection dimension plot (PCD).

1.3 *Brand awareness*

Brand awareness is a cognitive process that ultimately affects consumer intentions (conative) to make purchases (Zulganef & Ramadhika 2014). According to Aaker (1991:61), brand awareness is the ability of consumers to recognize or recall that they are part of a particular product category. Brand awareness requires a broad reach (continuum raging) of the uncertain feeling that certain brands have been known before, so consumers believe that the product is the only one in the product group. Consumers can be represented in different levels of brand awareness, as shown in the following pyramid.
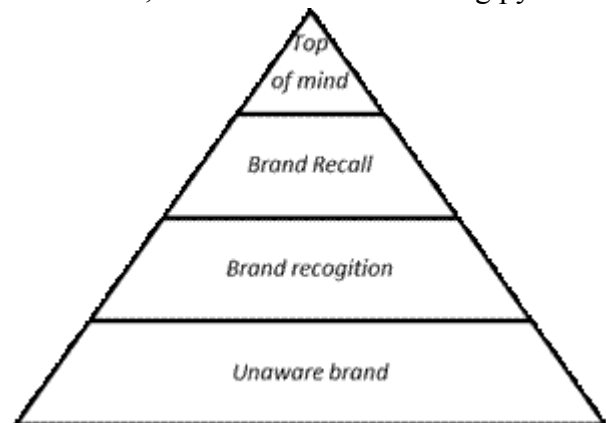

Figure 1: Brand Awareness Pyramid
Source: Aaker (1991)

The ability of consumers to remember and recognize a brand product depends on the level of communication or customer perception of the product brand being promoted. The following is an explanation of the level of brand awareness said by Aaker (1991):
1. Unaware of brand
   At this level, consumers are doubtful or unsure whether they have identified the brands that have

been mentioned. Consumers are also unaware of the presence of these brands.

2. Brand recognition

At this level, consumers can identify the brand mentioned. Consumers already know the brand of a product, but still, need tools to remember. The impact of brand awareness is very important when someone is at the point of sale. In order to increase brand awareness, brand names must be different and unusual.

3. Brand recall

At this level, consumers can remember the brand without being given a stimulus. Remembering a brand is based on a person's request to mention a particular brand name in the product category.

4. Top of mind

At this level, consumers remember the brand that first appeared when it came to the product category in a certain position.

1.4 *Hypotheses*

H1: The better the product placement in Cinta Suci soap opera, the more positive the consumer's buying interest will be.

H2: The better the product placement in Cinta Suci soap opera, the more positive the brand awareness of consumers.

H3: The better the brand awareness of consumers, the higher the buying interest of consumers.

H4: Brand awareness mediates between product placement and consumer buying interest.

2 RESEARCH METHODS

2.1 *Research design*

This type of research is explanatory research, which is research conducted to explain the factors that cause a problem or better known as explanatory research on the effects caused by supporting factors (Sugiyono 2014). By using a Likert measurement scale, data collection was done by questionnaire and documentation. The analysis technique in this study used *Structural Equation Modeling* (SEM) analysis. The population and sample of this study were loyal viewers of Cinta Suci soap opera on SCTV station and this study used a purposive sampling technique.

2.2 *Description of the respondent*

The description that s the product placement in Cinta Suci soap opera on SCTV is as follows: 100 respondents were 44 men and 66 women. Most

respondents were over 30 years old of age. Most of the respondents were students, totaling 53 people, 29 private employees, and 18 others. 93 respondents have income level of IDR 500,000 - 1,000,000 and 4 respondents have income level of IDR 1,000,000-2,000,000._____

3 RESULTS AND DISCUSSIONS

3.1 *Result*

This study used the Partial Least Square (PLS)

Table 2 *Combined Loading*

Indicator	Loading factor	P-value
X1.1	0.620	<0.001
X1.2	0.750	<0.001
X1.4	0.503	<0.001
X1.6	0.680	<0.001
Z1.1	0.760	<0.001
Z1.2	0.760	<0.001
Y1.1	0.642	<0.001
Y1.2	0.755	<0.001
Y1.3	0.587	<0.001
Y1.4	0.540	<0.001
Y1.6	0.705	<0.001
Y1.8	0.534	<0.001

Source: Primary data processed 2019

Based on table 2, the results of combined loadings data processing obtained a load value of P-value < 0.05, thus indicating that convergent validity is acceptable.

Table 3 Square Root of AVE's

	X	Z	Y
X	0,645	0.129	0.323
Z	0.129	0.760	0.145
Y	0.0326	0.143	0.635

Source: Primary data processed 2019

From table 3, the results of processing the value of the r*oot of AVE* can be obtained that each variable is greater than the correlation between latent variables in the same column, thus indicating that discriminate validity is acceptable.

Table 4 Composite Reliability and Cronbach's Alpha Coefficient

Variable	Composite reliability coefficient	Cronbach's alpha coefficient
X	0.736	0.522
Z	0.732	0.268
Y	0.800	0.699

Source: Primary data processed 2019

From table 4, the results of processing the *composite reliability coefficient* data get a value of more than 0.7, so that composite reliability can be accept-

ed. As for the Cronbach's alpha coefficient for the variables X and Y, the values are more than 0.5, so they are accepted. The variable Z gets a value of less than 0.5, so it is rejected.

Table 5 Model Fit and Quality Indices

Model Fit and Quality Indices	Fit Criteria	Output Model	Information
Average path coefficient (APC)	P=0.008	0.207	Fulfilled
Average R-square (ARS)	P=0.108	0.077	Fulfilled
Average adjusted R-square (AARS)	P=0.131	0.063	Fulfilled
Average block VIF (AVIF)	*Acceptable if <= 5, Ideally <= 3.3*	1.012	Fulfilled
Average full collinearity VIF (AFVIF)	*Acceptable if <= 5, Ideally <= 3.3*	1.095	Fulfilled
Tenenhaus GoF (Gof)	*Small >= 0.1, Medium >= 0.25 Large >= 0.36*	0.190	Fulfilled the large category
Sympson's paradox ratio (SPR)	*Acceptable if >= 0.7, Ideally =1*	1.000	Fulfilled
R-square contribution ratio (RSCR)	*Acceptable if >= 0.9, Ideally = 1*	1.000	Fulfilled
Statistical suppression ratio (SSR)	Acceptable if >= 0.7	1.000	Fulfilled
Nonlinier bivariate casuality direction ratio (NLBCDR)	Acceptable if >= 0.7	0.833	Fulfilled

Source: Primary data processed 2019

Table 5 shows the results of the fit indicators, namely Average Path Coefficient (APC), Average R-squared (ARS), and Average Variance Inflation Factor (AVIF). P-values are given for APC and ARS indicators, which are calculated by estimating resampling and Bonferroni like correlations. P-Value for APC = 0.008 and ARS = 0.108 are fulfilled. The table above shows the model fit and quality indices are met, with an APC value of 0.207 and an ARS of 0.077, as well as significant. AVIF value is also fulfilled, which is 1.012.

3.2 *Hypothesis testing*

Table 6 shows the hypothesis test results carried out on 100 respondents.

Table 6 p-values

	X	**Z**	**Y**
X			
Z	0.046		
Y	<0.001	0.062	

Source: Primary data processed (2019)

1. *Product placement* has a significant effect on brand awareness.
2. *Product placement* has a significant effect on consumer buying interest.
3. *Brand awareness* has no significant effect on buying interest.

3.3 *Mediation test*

To see the mediation model in the model can be seen from the *P-value of direct effects for paths with two segments* with the provision of P-value ≤ 0.05 (alpha 5%).

Table 7 Direct Effect For parts with two Segments and P-value of indirect effects for parts with two segments

Criteria	Variable	X	Z	Y
Indirect Effect For parts With Two Segment	X			
	Z			
	Y	0.024		
P-value of indirect effect for parts with two-segment	X			
	Z			
	Y	0,365		

Source: Primary data processed 2019

Based on Table 7, the indirect effect mediation test for parts with two segments and P-value of indirect effect for parts with two segments can be seen on the following hypothesis: product placement can significantly influence buying interest, but brand awareness cannot mediate the relationship between the two variables.

To see the form of a full or partial mediation model based on data processing, it can be seen from the P-value directly and indirectly and the calculation value of VAF (Variance Accounted For), as in Table 8.

Table 8 VAF Calculation

Indirect Effect = 0.05 * 0.06	0.003
Product placement → Brand awareness = 0.05; Brand awareness → Buying interest = 0.05	
Direct Effect	0.01
Product placement → Buying interest = 0.01	
Total effect = 0.003 + 0.01	0.013
VAF = Indirect Effect /Total Effect = 0.003/0.013	0.23

Source: Primary data processed 2019

Table 8 shows the testing brand awareness as mediating the relationship between product placements and buying interest. The VAF

calculation results show a value of 0.23 or 23%. This value shows that brand awareness is a partial mediation, according to the statement of Hair et al. (2013) that if a VAF is valued between 20% - 80%, then it is categorized as a partial mediator.

3.4 *Determination coefficient test*

Table 9 R-square

X	Z	Y
	0.027	0.110

Source: Primary data processed 2019

Based on table 9, it can be seen that the value of R-square on the brand awareness variable is 0.027 with a percentage of 2.7%, so it can be concluded that the ability of mediating variables to explain the dependent variable has a very low effect, while the remaining 97.3% is influenced by other variables outside the structural model equation. The model of the purchase interest variable is 0.110 with a percentage value of 11%, so it can be concluded that the ability of the dependent variable in the independent variable has a low influence, while the remaining 89% is influenced by other variables outside the structural model equation.

3.5 *Discussion*

Product placement is a way to increase product or service advertisements by showing products on TV shows and creating the impression that the existence of a product is part of a film story or television show (Belch & Belch 2007). Product placement in Cinta Suci soap opera was able to make viewers watching aware of Gery Malkis wafer product advertisements. The promotion of Gery Malkis product advertisements placed in Cinta Suci soap opera is considered capable of creating a top of mind in its viewers. This can happen because the viewers of the soap opera have strong brand awareness of the products displayed. The results of this study reinforce research conducted by Zulganef & Ramadhika (2014), which stated that the purpose of product placement is to make the audience have a strong brand awareness of a product and Harris & Brahmana (2016) research, which showed that product placement has an impact on brand awareness.

Product placement is a way to improve product or service advertisements by showing products on TV shows and creating the impression that the existence of a product is part of a film story or television show (Belch & Belch 2007). Placement of products in Cinta Suci soap opera is considered able to generate interest; this is motivated by the mention of the Gery Malkist product brand by soap opera players very clearly, so as to make viewers pay attention to the advertised product. This covert ad will be perceived by viewers, which will arouse the interest of soap opera viewers to find information about the product. The search for this information eventually led to the desire to purchase advertised products. This flow is in accordance with what was stated by Nurpratama (2014) regarding indicators of buying interest. The results of this study are in line with research conducted by Dwiantara (2018) that stated product placement has a positive effect on buying interest and research conducted by Harris & Brahmana (2016), which found that product placement will affect purchase intention.

Brand awareness is an initial stage of consumers who can bring up the intention of consumers to buy an advertised product. According to Aaker (1991:61), brand awareness is the ability of consumers to recognize or recall that a brand is part of a particular product category. The awareness of Cinta Suci soap opera viewers about the promotion of Gery Malkist product advertisements placed in the soap opera was not able to make the viewers interested in buying the products advertised. The inability of brand awareness in generating interest in the product occurs because soap opera viewers focus more on the storyline than on products placed in the soap opera. In addition, the Gery Malkist product is also not the only product advertised in the soap opera, making it difficult for viewers to remember and realize the advertised product. To arouse brand awareness to create a desire to buy the advertised product, product promotion must be strong and able to make viewers remember the brand of a product. The results of this study contradict the research of Kumalasari (2013), which stated that brand awareness has an impact on consumer buying interest. The results of this study are also not in line with research by Harris & Brahmana (2016), which suggested that brand awareness affects purchase intention.

Product placement is one way to promote a product that is placed in a soap opera show and is part of the storyline. Promotional product advertisements placed in Cinta Suci soap opera are able to make the audience interested in buying. The suitability of the product with the soap opera story is able to make the soap opera viewers understand and arouse brand awareness of Gery Malkis products, but this brand awareness is not able to urge a desire to find further information about Gery Malkist

products. Thus, it can be said that brand awareness is a partial mediator of the relationship between product placement and consumer interest.

4 CONCLUSIONS

This study aims to determine that product placement in Cinta Suci soap opera that has an impact on buying interest mediated by brand awareness. Based on the analysis, it can be concluded as follows: Product placement is able to generate buying interest of Cinta Suci soap opera viewers. Product placement is able to arouse the brand awareness of Cinta Suci soap opera viewers. Brand awareness cannot generate the buying interest of Cinta Suci soap opera viewers. Brand awareness becomes a partial mediator between product placement and the buying interest of Cinta Suci soap opera.

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