**Dissertation Report**

**On**

**Media Placement of Product and Locations in Movies**

**Submitted By:**

**Nikhil Raman**

**2K11/MBA/60**

**Under the Guidance of:**

**Mrs. Meha Joshi**

**Assistant Professor**

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**DELHI SCHOOL OF MANAGEMENT**

**Delhi Technological University**

**Bawana Road Delhi 110042**

**January -May 2013**

**Declaration**

I Nikhil Raman, 2K11/MBA/60, student of Delhi School of Management hereby declare that I have pursued a research study on the topic **“Media Placement of Products and Locations in Movies”** under the guidance of Mrs Meha Joshi, Assistant Professor, Delhi School of Management. I also declare that this work has not been submitted in part or full to this or any other organization/ institute as part of any project work by me.

**Acknowledgement**

It is indeed a matter of great pleasure to present this project report on the topic **“Media Placement of Products and Locations in Movies”** to The Head, Delhi School Of Management. I gratefully acknowledge my profound indebtedness towards my esteemed guide **Mrs Meha Joshi, Assistant Professor, Delhi School of Management** for her invaluable guidance, excellent supervision and constant encouragement during the entire the project work. I also take the opportunity to thank **Prof. P.K. Suri, Head, Delhi School of Management** for being a constant support in deciding the framework of the research study.

Last but not the least; I would like to express my heartfelt gratitude towards my parents for their constant encouragement & support.

Nikhil Raman

Delhi School of Management

**Executive Summary**

The aim of this thesis is to highlight the phenomenon of product placement and relate this to the possible evolution of the concept of media placement of locations in film. We also aim to highlight the need for marketers and filmmakers to establish a closer relationship in order to facilitate location placements. Product placement is a relatively new idea within marketing. Despite this, it has become a more accepted and used concept, especially within the motion picture industry. It has been noticed that exposure on screen has had a positive effect on sales of the showed products, even though there are still no clear method to measure its efficiency. Evidence has shown that there is an increased tourism to destinations exposed on screen.

Our purpose is to investigate if media placement of locations (defined as paying for the placement) is a possible future source of revenue for location marketers as well as film and product placement agencies. We have interviewed people from three main areas: marketer of a geographical location, product placement agency, and representatives from the film production. We see a potential development of location placements.

Research has shown a relationship between movies and increased tourism. Destinations shown in movies stimulate an empathy and affective destination image, to some degree familiarity and an interest to visit these places. Many destination resorts, states and municipalities have discovered this opportunity and encourage the use of their locations as settings of movie and TV productions. Product Placement and hence also media placement of geographical places, i.e. location placements, is assumed to be a relatively low-cost advertisement (in terms of CPM, i.e. cost per thousand comparison of medium efficiency) for the municipalities. A product placement reaches many potential visitors over a long period of time. However, the initial cost may be high and the outcome is uncertain. Companies benefit from a new source of income and it becomes easier to find suitable locations with the support of the municipality.

The purpose of this thesis is to investigate whether media placement of locations (defined as paying for the placement) a possible future source of revenue for location marketers as well as filmmakers and product placement agencies. We have chosen to focus on one medium, the motion picture industry, in order to get a deeper analysis and understanding than would be possible with a broad range of media. Moreover, motion pictures are regarded as the most powerful medium when it comes to describing a place.

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# Introduction

This report will explain the background to our interest and choice of subject. Furthermore, it presents the problem discussion that result in the purpose of this thesis. Lastly, it describes the limitations made.

The aim of this thesis is to highlight the phenomenon of product placement and relate this to the possible evolution of the concept of media placement of locations in film. We also aim to highlight the need for marketers and filmmakers to establish a closer relationship in order to facilitate location placements. For this reason this thesis ought to be of interest for marketers, filmmakers and product placement agencies.

1.1 Background

Product placement is a relatively new idea within marketing. Despite this, it has become a more accepted and used concept, especially within the motion picture industry. It has been noticed that exposure on screen has had a positive effect on sales of the showed products, even though there are still no clear method to measure its efficiency. Evidence has shown that there is an increased tourism to destinations exposed on screen. For example, the movie Brave heart increased tourism to Scotland; Notting Hill has brought attention to London’s district Notting Hill. We therefore see a possible development of product placement, which so far only has incorporated products, to also include placement of geographical places (cities, region or nations etc.), i.e. location placement. Our purpose is to investigate if media placement of locations (defined as paying for the placement) is a possible future source of revenue for location marketers as well as film and product placement agencies. We have interviewed people from three main areas: marketer of a geographical location, product placement agency, and representatives from the film production. Since we had some problems collecting sufficient data, we decided to complement our empirical findings with secondary data. We see a potential development of location placements. It does however require some conditions to be fulfilled. First, the placement must be seamlessly placed, should lead the story forward and should not be the main focus before the script. Second, the placement must be communicated openly throughout the entire production process and with all parties involved. Finally we see that placement must be founded on good relationships and having the right channels. The actors involved in a location placement are the marketer, product placement agency, location shout, director and other film production crew. To sum up, a well thought-thru location placement that are consistent with the overall location brand image and the story, would benefit both the location and the film.

1.2 Problem Discussion

Research has shown a relationship between movies and increased tourism. Kim and Richardson (2003) argue that destinations shown in movies stimulate an empathy and affective destination image, to some degree familiarity and an interest to visit these places. As said by Katherine Oliver (cited in Sauer, 2004), the commissioner of the Mayor’s Office of Film, Theatre and Broadcasting for New York City, “*When filmmakers capture the essence of the city on camera, their films become powerful advertisements for New York City as both a tourist destination and an international capital of film production*.”

The tourism to Scotland increased after *Brave hear*t and the Indian film *Kuch Kuch Hota Hai* that was filmed in Scotland. Another Bollywood movie *Kaho Na Pyar Hai* almost doubled the number of Indians travelling to New Zealand (Sauer, 2004). Tourism increased to Tokyo after *Lost in Translation* and to Notting Hill in London after the movie *Notting Hill* (Sauer, 2004). New Zealand tourism offices use the trilogy *The Lord of the Rings* to market the locations shown in movies (Tourism New Zealand, 2003).

Many destination resorts, states and municipalities have discovered this opportunity and encourage the use of their locations as settings of movie and TV productions. Murray (2001) explains that destinations are likely to exploit well-known movie or TV programs in their brochures if they were shot at the location (cross promotion), for example Sony’s popular TV show “Bade Achhe Lagte Hain” saw Sakshi Tanwar and Ram Kapoor extensively shoot for their honeymoon sequence in Australia. They were seen visiting the famous Sydney Cricket Ground, Opera House, the rock formation popularly known as Three Sisters among others. He believes that this trend of connecting places to their appearance on screens reflects the way the society experience the movie and television productions as more real than the place itself, due to the growing influence TV and film has on people.

We are wondering if states and regions are willing to take this development one-step further. Are they prepared to pay TV and movie production companies to shot on their locations? We believe that the potential in media placement of geographical places is great and that states and municipalities should consider using this kind of placement as a part of their promotion mix.

Product Placement and hence also media placement of geographical places, i.e. location placements, is assumed to be a relatively low-cost advertisement (in terms of CPM, i.e. cost per thousand comparison of medium efficiency) for the municipalities. A product placement reaches many potential visitors over a long period of time. However, the initial cost may be high and the outcome is uncertain. We also believe that the production companies would be positive to a development of location placements. They benefit from a new source of income and it becomes easier to find suitable locations with the support of the municipality. Although, it would also mean that the production company has less freedom as they have to adapt to the new demands from the placing location marketers.

We see similarities in the placement of locations and the way the product placement industry first came to be i.e. how the product placement industry was discovered by a coincidence. The companies saw an increase in demand after film exposure; in a similar way as location marketers now see an increase in tourism after exposure on screen. We therefore believe that location placement will follow a similar development that conventional product placement has gone through, and hence have a bright future once its potential is established. Marketers of geographical locations are acknowledging the benefits of locations featured in movies but, as far as we understand it, the tourism industry, nor the placement agencies or the film production companies, has not yet fully been able to commercialize the opportunities location placements brings.

As location placement is a new concept, there has been very little research done on the correlation between locations shown on screen and tourism. As we are investigating this phenomenon from commercial interest perspective, we believe that our research will add important information to the existing research base. Even more so, we believe that our research will contribute to new ideas for location marketers, product placement agencies and film production companies of how to take advantage of this new development.

At the moment, the film production companies have the control of the choice of location. If the marketers are to be able to take advantage of the potential of location placements, they need to take the initiative and learn how the film producers and directors think. We have therefore decided to put our main focus on the perspective of the marketers of locations. They need to push the demand for placement of their locations.

* 1. Purpose

The purpose of this thesis is to investigate whether media placement of locations (defined as paying for the placement) a possible future source of revenue for location marketers as well as filmmakers and product placement agencies.

* 1. Limitations

We are aware that there are many different media where product placement of geographical places would be possible, for example Internet, music, books, games and magazines. We have chosen to focus on one medium, the motion picture industry, in order to get a deeper analysis and understanding than would be possible with a broad range of media. Moreover, motion pictures are regarded as the most powerful medium when it comes to describing a place.

**Objective**

The aim of this thesis is to highlight the phenomenon of product placement and relate this to the possible evolution of the concept of media placement of locations in films. We also aim to highlight the need for marketers and filmmakers to establish a closer relationship in order to facilitate location placements. For this reason this thesis ought to be of interest for marketers, filmmakers and Destination Marketing Organizations.

The concept of product placement is, however, experiencing a significant growth due to the difficulties of reaching the consumers with traditional advertising. The on-going debate and discussion concerning product placement, traditional theories and academic articles provided the foundation for conducting this thesis. Based on this, the aim of this thesis is to gain a deeper understanding of this area and specifically about the process of product placement and the criticism aimed towards product placement.

**LITERATURE REVIEW**

Theoretical Framework

*In chapter two, we explain the relevant theories for this thesis. The current literature of marketing of locations, marketing communication and of product placements is discussed. Lastly, we present six questions.*

As the marketer’s perspective is our main focus of this thesis, we start by explaining some basic marketing strategies and tools for the marketing of a location. The next section deals with how to communicate this strategy to the audience, media evaluation and image transfer. Furthermore, the concept of product placement and its process is explained and act as a foundation for the understanding of location placement.

2.1 Location Marketing

The perceived image of a location can today be of greater importance than the real place. The author argues that the high-pressure marketing and sales techniques that is used to help cities improve their image has developed over the last 150 years. A good country image can not only benefit locations but in addition national products as they can stress the country-of-origin factor in the marketing program. Locations in this thesis are defined as a geographic area, everything from a small city or destination to a larger region. The four main target groups for marketing of locations are, according to Kotler: visitors, residents and employees, business and industry, and export markets. Firstly, *visitors* and the tourism market, directly and indirectly, accounts for more than 10 per cent of global GDP and investments. Some places, such as Venice (Italy), Salzburg (Austria) and Skagen (Denmark), are almost entirely dependent on revenues from visitors. Kotler divides visitors into two groups: business visitors and non-business visitors. However, Kotler recognize that many locations fail to target and focus on one of these groups, and instead make a standardized marketing program for both. The second target group, the *residents and employees*, is important due to the willingness for the location to attract highly skilled labor to the region. Attracting and retaining *business, industry and economic activity* to the region is also highly important and constitutes the third target group. The last target group is the *export markets*, and deals with the ability to produce goods and services that are appealing for other regions. The watches made in Switzerland are an example of a successful export that has strengthen the brand and image of Switzerland.

2.1.1 Strategies for Location Marketing

Kotler has identified four main strategies for marketing locations: Image marketing, Attraction marketing, Infrastructure marketing and People marketing. Although, they claim that it is very few places that succeed in all categories.

2.1.1.1 Image Marketing

Image marketing stresses the importance of creating a positive image for the location, for example through a slogan (*New Delhi – India ka Dil)*. The image must be valid, be a part of a larger marketing program, communicated repeatedly and through many channels for it to be effective. A place can have either an overly attractive, positive, weak, contradictory or negative image.

An *overly attractive image* can create traffic jams, noise, queues, high prices and a large number of people, for example the French Riviera and Mallorca (Spain). They might instead need to de-market their location and focus on quality as an alternative of quantity. Places with a *positive image*, such as Stockholm, Venice, Prague and Hannover, need to highlight the positive factors and make the marketing even more effective. Locations with weak image usually lack a clear leadership and message. Moreover, they are generally characterized by small populations, inadequate resources and being located in remote areas. Although places like this might have attractive features, they need to turn them into competitive advantages. A *contradictory image* exists when people have different views of a location or some of its features. Brussels (Belgium) is regarded as a hypermodern, international, well-functioning city as well as a sterile, costly and crowded city. Their challenge is to stress the positive image while reduce the realities that lies behind the negative image. It is argued that this can be very hard to manage since the first impression is generally deep-rooted and hard to change. The local media also contribute to the negative image by reporting about crimes and corruption in the area. Kotler claim that the city Corleone on the island Sicily in Italy can be described as having a *negative image*. They are associated to the strong presence of the mafia, much to blame the movie *The Godfather* for. According to Kotler these places are usually eager to improve their image. To do this, they need a new strategy to develop a more positive profile and often need less attention. It is however difficult to change an image, it can take years until it has settled effectively. It requires a lot of information of how the location is currently perceived by visitors, residents and businesses as well as being able to decide on which new image to adopt. An opinion opposing to the one started by Kotler is one presented by Riley when they argue that locations that are portrayed negatively also can attract visitors. Hence, the negative portrayal of the location might be good for the tourism industry.

2.1.1.2 Attraction Marketing

Kotler stress the need for attractions in order to survive. Few places have natural attractions. Venice and its canals, Stockholm and its islands and waters, and Athens and its historical buildings are examples of this. Paris and the Eiffel Tower, London and Big Ben are examples of *Guinness Attractions*, where the attraction is the biggest, tallest or in some other way best in its class.

2.1.1.3 Infrastructure Marketing

The infrastructure plays an important role in location marketing in addition to image and attractions. Investments in infrastructure are not only a good idea due to the marketing, but also to reduce unemployment, which in turn improves the image. Western Europe spent € 315 billion on improving the infrastructure in 1996. Not only streets, highways, railways, airports and harbors are interesting. Marketer also tries to differentiate themselves in regard to their telecommunication networks, for example stress the excellent knowledge and resources in IT (Telecom Valley, France), their outstanding application experience (Ireland- the Call Centre Country in Europe) or their position on niche applications (Landis initiative Media for Online Services in Dortmund). Niche science parks are also a way to make use of the infrastructure. Examples include the San Rafael Biometrical Science Park in Italy and the Cambridge Science Park in the UK. These often attract retail stores, residential areas and recreational facilities, and create a small city around the science park.

Good transportations have led to increased visitors to cities that lie on the route. For example, the small city Saint Cyrsyr-Loire in France benefits from the high speed train to Paris and Ashford near London benefit from the Channel Tunnel. Situations like these often result in *secondary investments* when the cities invest in their local attractions and exploit the transportation possibilities.

2.1.1.4 People Marketing

Ireland is a country that has realized the potential of its citizens. Their slogan is “People are to Ireland what Champagne is to France”. Marketing a location centred on people can take several forms: *famous people* (Rovaniemi in Finland market itself as Santa Claus’s Home, Prague as Frank Kafka’s Hometown and Madrid with its Real Madrid), *enthusiastic local leaders* (North Carolina in USA used the new governor in their message: Our New Governor Means Business!), *competent people*(the Netherlands high quality of their schools, from primary to university level and beyond),and *people who have moved to the place* either through focusing on whole families, special experts and business persons, or statistics.

2.1.2 Tools for Location Marketing

Kotler declares that the traditional promotion tools for marketing of locations are advertising, sales promotion, public relations, direct marketing and personal selling. Other tools include television, songs, sports, novelty icons (such as the Loch Ness Monster in Scotland) and fictional icons (Quasimodo in the Cathedral of Notre Dame in Paris). Kotler state that television and film are the most powerful media for creating emotions and for describing locations. They combine picture, sound and motion, are appealing to the senses as well as receive a long reach and attention. AnetteInsdorf, film professor, adds by saying that”*Film is the most authentic among all art forms”.*  On the other hand, television and film has high initial costs, has to deal with extensive clutter, short-lived exposure and audience selectivity. Kotler has recognized the power of television as a promoting tool for locations. “*A film can reach millions of people and has the potential to celebrate, define or even vilify a place*” They argue that location marketers can encourage filmmakers to shoot in their surroundings in order to enhance the visibility and familiarity with the location.

Furthermore, Kotler has identified three tools for marketing the image of a location:

1. Slogans, themes and positions: A *slogan* is a short catchy phrase that should capture the vision and image of a place. They can help to generate motivation, enthusiasm and act as a platform to further intensify the image when they are incorporated in the strategic marketing plan. Spain’s slogan is “Everything under the sun”, Switzerland’s “Incredible Swiss, incredible international” and Amsterdam’s slogan is “Capital of inspiration”. Another way is to use *themes* that are adaptable, flexible and are based on the reality, for example Estonia’s theme “Leading the way in reform” is backed with their actions to remove trade barriers and encourage private control of business. Image *positioning* stresses unique attributes and benefits that separate the location from others. Slovenia “The best kept secret in Europe” and Berlin “Capital of the New Europe” is examples of this approach.
2. Visual symbols: This tool is used by many cities, for example the Red Square in Moscow, Big Ben in London and The Viking Ship in Oslo. However, the symbol needs to be consistent with the slogan and the image to be effective. There are several different strategies with how to deal with visual symbols. The *diverse visual* gives the viewer many visual images to create a special character to a location. Opposite to the diverse strategy is the *consistent visual* where the marketers stress one specific positive image. The problem with this strategy is that it might not be appropriate for all segments. The third strategy is the *humorous visual*, and is useful when concealing negative features, for example Bradford in UK made a self-parody of itself that changed the image of the town. The last strategy is the *denying visual*. Here, the city ignores the negative aspects and tries to cover it by overwhelming the audience with positive images. This can however backfire as visitors become disappointed once they visit the place.
3. Events and activities: Fairs and festivals are the most common events to promote a location. Roskilde in Denmark and Glastonbury in the UK are examples of this. Other events are sport competitions and business exhibitions.

2.2 Marketing Communication

In this thesis, we view geographic locations as brands. Building a brand in order to achieve market share is mainly about communicating core values and the desired image of the brand. In order to accomplish this, mastering the communication process is mandatory. The communication processes rest on basic theories such as the basic communication model. Sometimes, in order to have a desired image rub off on the specific brand, marketers try to connect the brand with objects, other brands or people who encompass these desired attributes. This is called the image transfer process. Image transfer is achieved through a number of methods. An example of this is for instance co-branding scenarios where one brand is marketed in co-junction with another brand. The idea is that both brands ultimately benefit from this cooperation.

In this chapter, we will discuss criteria for evaluating media when it comes to activity level, impact level and level of communicability. In connection to this, we will discuss Media tactics. We will also bring up a few ideas and models relating to communication in general as well as models that are more specific. These models and theories discussed are the general communication model followed by the ad exposure model. Furthermore, we will mention the ideas of implicit and explicit processing and the mere exposure effect as discussed by Dahlén (2003). Both of these are interesting notions in the context of product placement and hence also in media placements of locations.

Product placements can be viewed as a method of transferring image from for example a specific character in a film or the storyline of the film itself to a specific brand featured in the film. This thought is valid to keep in mind as we discuss the notions of image transfer. Related to media placements of locations we will also discuss destination image.

2.3 History of Indian Cinema and Bollywood

The announcement in July of 2003 by the Oxford English Dictionary that it accepted the word Bollywood and defined it as Indian cinema did not amuse everyone in the Indian Cinema Industry. The news received a mixed reaction. Some thought that, after many years, the Indian cinema finally got the recognition it deserved but others, including several actors, directors, and other professionals, criticized the decision. Actor Rahul Bose stated that “Bollywood” refers to just the mainstream Hindi film industry when there is actually much more to it. Indian cinema includes numerous regional film industries in addition to Hindi films. According to Subhash Ghai, a director, it wasn’t even the people from the Hindi film industry who acknowledged it as Bollywood. He noted that the first time the term “Bollywood” was used, it was in the BBC’s coverage of the film, *Ram Lakhan*(1989). BBC said that the Bombay film industry was copying the style of Hollywood in terms of costumes and fashion, and so the Bombay film industry could be called Bollywood (Bollywood in Oxford Dictionary, 2003). So, unlike Hollywood, Bollywood did not get its name from an actual place. In this study, the entire Hindi film industry located in Mumbai is referred to Bollywood.

In 1910 Dhundiraj Govind Phalke (popularly known as Dada sahib Phalke) was struck with the idea of making a feature-length film while watching a short documentary, *The Life of Christ*, at P. B. Mehta’s America-India cinema in Mumbai (Agnihotri, 1990; Kaur&Sinha, 2005; Mujawar, 1969). Until then, only foreign films from Hollywood and Europe were frequently distributed in the country (Thomas, 2005). Phalke decided to make his first film on “Indian gods,” and thus the first feature film in Indian cinema was born. *Raja Harishchandra* (King Harishchandra) (1913), Phalke’s film, was the first inline among the many Hindu mythological films that followed. Before the film was released, R. G. Torney made a film on a Maharashtrian (a state in India) saint, *Pundlik*. However, since it was made by an Englishman, many scholars do not acknowledge it as the first Indian film (Kaur&Sinha, 2005). Many critics later noted that, although early Indian films, including *Raja Harishchandra,* did not have equal impact on all the people in India (such as Muslims), they certainly started the era of motion pictures (Kaur&Sinha, 2005). Until the 1920s, more than 90% of the films distributed in India were foreign films. It took a few more years for the number of Indian films to grow. Finally, sound technology arrived in the Indian cinema, and the first film with sound, *AlamAra* (Beauty of the World), was released on March 14, 1931 (Thomas, 2005).

European and Hollywood cinema had a strong impact on the early Indian producers and directors. Phalke was not only inspired by foreign cinema but had visited Europe three times. Himanshu Rai, one of the early producers, trained with Georg Pabstand Erich Pommer at Germany’s most prestigious studio, UFA (Thomas, 2005). Among the early film makers, the Wadia brothers were the enthusiastic young owners of Wadia Brothers’ Productions. Theirs was a big business with almost 600 people on the payroll by the mid-1930s. Many Hollywood film directors, producers, technicians, and actors visited Mumbai, and Homi Wadia made sure that they visited the Wadia studio. He not only openly acknowledged the influence of Hollywood cinema on their films but also made many of their films based on several foreign films (Thomas, 2005).

Bombay Talkies was another big studio in the 1930s. Started by producer Himanshu Rai and his wife and actress Devika Rani in 1935, the studio released its first film *Achhut Kanya* (Untouchable Girl) in 1936 (Mishra, 2002; Thomas, 2005). V.Shantaram was another well-known director and one of the early producers in the history of Bombay cinema (Shantaram&Narwekar, 2003). He started working in the Maharastra Film Company at a very young age and directed his first film, *Netaji Palkar*, in 1927. In 1929, he, along with four other partners, founded Prabhat Film Company in Kolhapur. Several of his movies were well received by the critics (Shantaram&Narwekar, 2003).

Kaur and Sinha (2005) and Mishra (2002) stressed that all the early films in India mirrored the social and political situation around them. The early films were primarily based on the fight for independence and other social issues. HimanshuRai’s *Achhut Kanya* (Untouchable Maiden) (1936) addressed the issue of the caste system in India. The Wadia brothers covered the Indian freedom fight in many of their films. For example, in *Hunterwali* (Woman with the Whip) (1935), the protagonist fought for her rights and to reclaim her kingdom from a treacherous tyrant. V. Shantaram also portrayed the Indian social environment in his movies such as *Aadmi*(Human) (1939).What started with a mythological cinema in the early 1920s turned toward the social genre in the 1930s, remained so until the 1960s, and then was dominated by Amitabh Bachchan’s “Angry Young Man” image of fighting against rich and corrupt politicians and gangsters. In the early 1990s the trend turned to romantic movies and has continued ever since.

Bollywood has always represented the cultural and social background of India and has always been inspired by the customs and life of Indian people. That, in turn has inspired people’s dreams and fantasies. Overall, it has always been very close to the hearts of the Indian people.

2.4 Product Placement in Movies

Product placement, or placing brands in movies, is a widely recognized practice that dates from the 1980s. This study is a content analysis of product placement in 15 Bollywood and 15 Hollywood movies from 2005 to 2009.

Statistical tests showed that there were a significantly higher number of product placements in Hollywood movies that were integrated into the storylines, verbally referred by characters in the movies, appropriate to the movie scenes, and containing implied endorsements by the actors than product placements in Bollywood movies. However, in terms of duration of the time that brands were onscreen, product placements in Bollywood movies in 2006 and 2007 were significantly greater than in Hollywood movies.

The results also showed many similarities between the movie industries in the two countries. Transportation was the most prominent product category followed by electronics in both Bollywood and Hollywood. Brands from both the industries were primarily presented in a positive context and were mainly associated with the primary movie characters. Almost all the products were featured in such a way that their brand names or logos were shown as well their other functional or aesthetic qualities.

Commercialism has been an integral part of all forms of mass media that have been in existence since the nineteenth century. There is no better way to reach the audience than to place a product in the hands of stars, who the audience views with dreamy eyes and who possess an incredible power to influence consumer behaviour. The concept of product placement in the movies has been an engaging and exciting research topic for mass communication scholars for many years now. For Hollywood filmmakers and U.S. marketers, the practice of product placement is an established concept.

However, it is still a developing practice in the Bollywood cinema–the mainstream Hindi film industry based in Mumbai, India, formerly known as Bombay. This thesis analysed the practice of product placement in the films produced in Bollywood and Hollywood.

Although the concept of placing a product in a film for payment is relatively new to Bollywood, it is certainly not an unheard of practice. Using celebrities’ influence to establish a social trend or fashion can be traced back to Hindi movies from the 1950s. Bollywood has always reflected Indian culture. The mainstream Hindi cinema is usually the result of all the unmistakable Indian specialties such as colourful costumes and sets, exotic locations, and, most important of all, song and dance sequences. During the past 96 years, numerous technicians, directors, actors, and actresses have come to the Hindi cinema industry from all corners of India. They have brought with them their regional culture and languages, which have blended perfectly to create the Bollywood cinema that exists today. Bollywood movies not only reflect the day-to-day life of ordinary Indians, but, as in America, have also become a part of Indian life.

As a result, the Indian audience, instead of thinking of a movie as a make-believe phenomenon, can relate to it and become emotionally involved with the actors working init. They look to Bollywood to tell them how to dress fashionably, how to talk impressively, and how to behave in social settings. For a longtime, screen stars have served as idols for Indian audiences. As a result, Bollywood has become a huge marketplace for promoting goods and services.

There were a few Hindi films before the 1990s that featured identifiable brands in some of the scenes. However, those brand placements were on a very limited scale and generally went unnoticed by the audience. The first highly noticed product placement was Coca-Cola in the box office hit movie *Taal* (The Rhythm) in 1999.Coca-Cola appears more than once in *Taal* as a prominent drink accompanying the stars in various emotional situations such as love, friendship, and nostalgia. Since then, product placement has become common in Hindi films.

As for Hollywood, it has come a long way from the nickelodeon era of coloured advertisement slides appearing between two entertainment reels. Although advertisements have been a part of Hollywood movies for a very long time, public consciousness about the practice of product placement came with the movie *E.T., The Extra-Terrestrial* (1982). Elliott, a character in the film, lays down Reese’s Pieces to invite the alien into his home. Since then, the audience has become used to these numerous brand insertions into films. Today, product placement is a multimillion dollar industry that satisfies film producers by reducing the cost of production and marketers by boosting sales.

2.4.1 Product Placement in Bollywood Cinema

The Indian film industry has always been a two-way street. It has reflected the customs and culture of Indian society and has set societal trends. The Indian audience has always been emotionally involved with onscreen actors. It has always looked to the actors and actresses for new trends, fashions, and hairstyles. Actors such as Dilip Kumar, Dev Anand, and actresses such as Sadhana, Asha Parekh, and Helen were famous for their costumes and hairstyles. Amitabh Bachchan has always been an onscreen voice for the poor, and Shah Rukh Khan has represented the younger generation. Thus, it did not come as a surprise when advertisers and marketers saw mainstream cinema as an opportunity to advertise their products and to rely on stars to set trends for costumes, accessories, and many other products.

Unfortunately, there is little research about product placement in the early Hindi movies. Some of the early movies featured a few brands; however, there are no accounts available to determine whether those placements took place in exchange for money. Coca-Cola was ahead of the game even in Bollywood movies. In a scene from the film *Shree 420* (Mr. 420) (1955) when Raj Kapoor, the protagonist, enters Mumbai for the first time, a large Coca-Cola banner was visible right above his head. In *Chalti Ka Naam Gaadi* (The One That Moves Is a Vehicle) (1958), the story revolved around three brothers who own an auto repair shop. Several scenes in the film featured a poster depicting Mobil brake fluid along with at least one mention of it by one of the primary characters. In the movie, *An Evening in Paris* (1967), Coca-Cola was featured more than once. The hero and heroine of the movie carried a Coke bottle everywhere they go, and an entire crate of Coke was clearly visible in one of the scenes. *Koshish*(Efforts) (1972)also had a crate of Coca-Cola placed right beside the protagonist in a scene. Rajdoot motorcycle was featured in Raj Kapoor’s *Bobby* (1973), starring Rishi Kapoor and Dimple Kapadia. The motorcycle was associated with the movie in such a way that it was famously known as the Bobby motorcycle among consumers. These examples provide evidence that product placement is definitely not a new trend in the Hindi cinema industry.

The practice of placing brands in Bollywood films for money began in the late1990s. Yash Chopra’s *Dil To Pagal Hai*(The Heart is Crazy) (1997)featured several brands such as Pepsi, Levis, and Killer jeans. The 1998 release *Bandhan (Bond),* starring Salman Khan and Rambha, included an entire scene in which the heroine insists on having a Pepsi with the hero. However, it was *Taal* (The Rhythm) (1999) by Subhash Ghai, which played the same role in Bollywood that *E.T*. played in Hollywood in 1982. It was after Coca-Cola’s placement in *Taal* that people started becoming aware of the practice of product placement. Coke was featured very prominently in *Taal*. The main characters in this movie were shown not only drinking Coke but also saying the product name during their conversations. The brand was associated with emotional aspects of the movie such as friendship and love. The marketing group of Coca-Cola declared to have paid 200,000 rupees ($4,260 USD) to close the deal, although according to an industry rumour, it was about one million rupees ($21,300 USD).

One of the most common trends in Indian movies is to have celebrities endorse products for which they are brand ambassadors. Aishwarya Rai, the brand ambassador for Coke, has starred in movies such as *Taal* (1999) and *Kuchh na Kaho*(Don’t Say Anything) (2003), which had Coke’s placement. Hero Honda motorcycles were featured in the movies *Kabhi Khushi Kabhi Gham*(Sometimes Happiness Sometimes Sadness)(2001), *Aap Mujhe Achhe Lagane Lage*(I Started Linking You) (2002), and *Koi Mil Gaya* (I Found Someone) (2003). All these movies starred Hrithik Roshan, who is the brand ambassador for *Hero Honda*. His image as a well-built youth riding the bike is appealing to Honda’s young target market. *Kabhi Khushi Kabhi Gham*(2001) included a huge variety of product placements such as several stores, shows, women’s magazines, and food chains such as Starbucks and Burger King. *Koi Mil Gaya* (2003) not only featured Bourn vita, but it also included a scene where the protagonist talks about its advantages.

Like Hollywood, Bollywood film makers have also been exploring different types of product placement. Apart from just a brand placement in a movie or a prominent character talking about it, the producers have started placing a product integral to the storyline. The 2002 film *Road*, shot mostly on roads with the lead characters driving the cars, and featured Tata Motors’ Safari 4-wheel SUV. For this placement, Tata Motors paid about 12.5 million rupees ($266,250 USD). The trend of weaving a product into the storyline has become common in the Hindi film industry in the past few years. In fact, recent films such as *Fashion* (2008) and *Dostana* (Friendship) (2008)included several brands that were integral to the movies’ themes. *Fashion* featured products such as Sunshine and Kimaya, which the protagonist, who is a model, endorses. The storyline of *Dostana* included one of the main characters working for the magazine *Verve*.

Several such films can be named for their product placements, especially the films released in the last five years. Most Bollywood movie producers now have separate departments to handle product placements in their movies. Since this type of advertising is likely to grow, it is important to study the practice in detail.

2.4.2 Location Placement in Movies

The tourism industry has reached the stage of maturity. Tourists today are more experienced and become selective in their choice of holidays, in terms of destination and activities. The tourism industry itself is very competitive with many new destinations trying to attract the tourists to their destinations. The days that Destination Marketing Organizations (DMOs) just simply promote the destinations and then wait for the tourists to visit the destinations are gone. Today tourists need to be enticed in which destinations have to be marketed effectively to maintain the market share and attract new market segment (Ashworth & Goodall, 1990). DMOs have to shift the conventional concept of ‘selling existing places’ to ‘inventing new destinations to be sold’. The emphasis should therefore be on destination positioning and differentiation.

There have been an increasing number of tourists visiting destinations featured through films and television series which are not directly related to tourism promotion campaigns. This phenomenon is called film-induced tourism or movie-induced tourism. Film-induced tourism is defined as tourist visits to the destination featured on television, video, or cinema screen (Hudson & Ritchie, 2006a). Film-induced tourism is one of the fast growing sectors of the tourism industry. The increasing popularity of film-induced tourism owes to the rise of international travel and the growth of entertainment industry (Hudson & Ritchie, 2006b). Schofield (1996) believes that film-induced tourism to rapidly become fashionable since more audience are interested in cinematographic history through actual visiting experience. When people are seeking sights seen on the screen, they are film-induced tourists. For destinations, films do not only provide short-term tourism revenue to the destination but also long-term prosperity. Despite the growing interest of film-induced tourism, it has received little attention from researchers and practitioners.

This paper examines the phenomenon by reviewing previous research and practices to call for more research attention into this particular area and to outline the benefits of film in creating new attractions for a destination. This paper is divided into five main sections. First, the influence of film on tourism demand is discussed. Second, literature related to tourist decision-making and the rise of film-induced tourism is reviewed to identify the research gap. Third, the benefits of film tourism for the destination in various aspects are elaborated. Fourth, the challenges facing the destination promotion are highlighted and the final section presents the findings on the film-induced tourism practices of leading film tourism destinations.

### 2.4.3 Disadvantages of Product Placement

Finding ultimate product placement is hard. Bill qvist says that it is a jungle and demands quite a lot of time and connections to find the appropriate placement for a product. Moreover, it is difficult to measure the effect product placement have since it is usually used in a combination of other promotion tools. High initial costs, clutter, and audience selectivity are other drawbacks of product placement in television and motion pictures according to Kotler. The cost of placing products in films varies depending on the placement and the film itself. For example, Statoil is said to have paid SEK 500 000 for the placement in the Swedish film *Hamilton*, while Ericsson paid SEK 80 million for a placement in *Bond- Tomorrow Never Dies*.

McDonough and Egolf, claim that it is hazardous to do product placements. There is no guarantee that the film will be popular and the company can lose a lot of money on advertising campaigns based on the movie if it is a failure. For the film production company, product placements can compromise the artistic integrity of the film.

Too much product placement can be negative. If the majority of the audience feels that the film is no more than an elaborate advertising vehicle, resulting in negative attitudes and hence will not be interesting for marketers anymore since marketers prefer positive con- texts to promote their brands in and product placements will decline.

2.5 Film-Induced Tourism in Practice

There are many strategies used by various DMOs to market film locations through promotion and product development. One of the effective strategies to induce film tourists is collaborative campaigns with the film industry. DMOs are beginning to forge relationships and provide incentives for film commissions to track productions and film releases so the organizations can act as soon as they see the signs of a film. Various DMOs are trying to entice producers to make films in their countries since it clearly shows that the economic impact is immense. England is a good example of how film and television has been a blessing on their tourism industry. Approximately 28 million visitors visit Britain each year after viewing the country on the screen. Visit Britain made attempts to invite Indian film producers to use locations in UK for ‘Bollywood’ films even if the locations are used as backdrops for other countries. The Australian Tourism Commission (ATC) recently collaborates with Disney on ‘Finding Nemo’, being the first DMO to promote a destination through an animated film. The Singapore Tourism Board launching The Film in Singapore! Scheme (FSS) aims to facilitate international film-makers and broadcasters in the shooting, production and post-production of quality movies and television programmes in Singapore. Each film-maker or broadcaster may be granted financial support based on the extent to how the film or programme can uniquely showcase Singapore's locations (Singapore Tourism Board, 2008). These DMOs also works closely with film distributors and other partners to ensure that the maximum exposure of the location is obtained. This is because they are fully aware that the exposure to a film gives a town, city or country a better opportunity to be viewed by potentially millions of audience than targeted through a tourism promotion campaign.

Movie maps have also been widely used by DMOs to promote film locations of the destination. Movie maps have been found to be successful as part of film tourism marketing campaigns. They can ease film tourists to trace the locations where the films took place. Visit Britain produced a movie map highlighting over 200 filmed locations across Britain which presented film-related places. These materials have quickly become Visit-Britain most successful printed product. The maps generate media prompting people to discover different parts of Britain as they follow the footsteps of the screened actors. Other destinations that have produced movie maps include United States, Australia, New Zealand and Korea.

2.5.1 Benefits of Film Tourism

One of the major economic benefits that film-induced tourism can bring to the local community is enduring tourism receipts. Film locations can be all-year, all-weather attractions which alleviates problems of seasonality in the tourism industry. Riley et al. (1998) studied 12 films and found that the peak of the interest appear after the release of the film, approximately 50% increase in visitation at least five years later and the image is often retained for a long time. There are a number of studies shown in Table 1 that reveal the increasing visitation numbers at film locations.

|  |  |  |
| --- | --- | --- |
| **Film** | **Location** | **Impact of visitor number** |
| Braveheart | Wallace Monument, Scotland | 300% increase a year after release |
| Captain Corelli’s Mandolin | Cephalonia, Greece | 50% increase |
| Field of Dreams | Iowa | 35,000 visits in 1991 and steady increase every year |
| Four Weddings and a Funeral | The Crown Hotel, Amersham, England | Fully booked for at least 3 years |
| Harry Potter | Various locations in UK | Increase of 50% or more in all filmed locations |
| Mission Impossible 2 | National Park, Sydney | 200% increase in 2000 |
| Notting Hill | Kenwood House, England | 10% increase in one month |
| Pride and Prejudice | Lyme Park, England | 150% increase |
| Sense and Sensibility | Saltram House, England | 39% increase |
| The Beach | Thailand | 22% increase in youth market in 2000 |
| Troy | Canakkale, Turkey | 73% increase |

Table 1

Another significant benefit of the film tourism is that it increases the cultural value for the film location. Film tourism is a medium of which a range of cultural meanings and values may be communicated. Many heritage sites that serve as film locations gain popularity after the film release because these places acquire specific meaning through film narration. Without film storylines, a castle or a stately home may not be indistinguishable from others

Film can enhance the destination image and increase the awareness of the host city. Previous research (Kim & Richardson, 2003) suggests that those who are exposed to the film have more favourable destination image towards destinations featured through films than those who are not exposed to films. Television series are even more powerful since they can continuously reinforce the appeal of the destination that builds top-of the mind awareness. One of the most recent destinations that has largely benefited from film-induced tourism is New Zealand. ‘The Piano’ provides positive benefits for tourism in New Zealand and was depicted in posters to promote international tourism advertising. The image of New Zealand has been further reinforced since it has been the backdrop of the three ‘Lord of the Rings’ films. The New Zealand tourism website promotes the country as ‘Home of Middle-earth’. Other well-known films shot in New Zealand include ‘The Last Samurai’, ‘Whale Rider’ and ‘Perfect Strangers’.

2.5.2 Destination Promotion Challenges

Natural, historical and man-made attractions have been traditionally recognized as the main types of tourist attractions. DMOs have repeatedly promoted these attractions in all sorts of advertisements. A number of these attractions are limited and DMOs may find it difficult to attract tourists who have visited the attractions to revisit the destination. Some DMOs have actively promoted ‘hall marks events’ as another type of attraction that enhances destination image and acts as a luring device for tourists to the destination. Ritchie (1984) defines ‘hall marks events’ as ‘major one-time or recurring events of limited duration developed to primarily enhance the awareness, appeal and profitability of a destination in the short and long term’. The hallmark events include trade fairs, festivals, culturally unique events, historical commemorations, major socio-political happenings and sporting events. Although films can be useful to promote new destinations, only several have taken such advantages. Riley suggests that films can be used as a showcase of tourist attractions within the frame of the story allowing the potential tourists to develop a complete destination image. Audience can view the movie repeatedly and with each encounter, there is a potential to attract the audience as visitors to the film locations.

Promoting tourist destinations to potential holidaymakers through short advertisement segment of radio, newspaper, television and magazine is a very expensive proposition. For example, Europe, the leading continent in term of number of international tourist arrivals, spent €600 million in 2007 for their advertising campaigns Although Thailand reduces 25% budget for tourism advertising campaigns, Tourism Authority of Thailand alone spent 1.2 billion baht in total for their advertising campaigns through the promotion, DMOs hope that the potential holidaymakers will be favourably impressed with the destinations through the exposure of the advertising spots and print media and such efforts could induce visitation to the destination. However, current tourism promotion lacks the resource to prolong destination exposure to capture awareness and sustain the interest of potential holidaymakers. Moreover, consumers are exposed to hundreds of print and broadcast advertisement which confuse their consumption each day. It is suggested that destination promotion through films is one of the effective solutions for the challenges facing DMOs at present. Films can fulfil the deficiencies of prolonged exposure as well as sustain the interest of the audience. Promoting through films would be even more powerful for unknown tourist destinations with lesser expense than traditional advertising campaigns.

2.5.3 Film-Induced Tourism Research

To influence the choice of destinations, under-standing of how decisions are made and which factors can influence them are regarded as the important pieces of information. There are plenty of models explaining the tourist decision-making process which include important variables influencing tourist decisions. Table 2 summarises the list of important variables influencing the tourist decision-making process.

|  |
| --- |
| **Variables** |
| Travel stimuli |
| Confidence in travel intermediary |
| Previous travel experience |
| Perceived risks |
| Destination knowledge |

Table 2

It has long been recognized that travel stimuli through marketing efforts and previous travel experience have played an important role in influencing destination choice. Non-touristic-directed stimuli such as films can also have strong influences on tourist decision-making. These stimuli have not yet been included in the tourist decision-making models as important variables. The power of film in portraying a positive destination image to induce tourist arrivals to a place is clearly shown in various researches. Having reviewed the literature, it was found that film-induced tourism is relatively new in tourism research. Research on the impact of film on tourist decision-making is even lacking. At present, many studies on film-induced tourism mainly focus on western films and the impact of films on the increase of the number of tourist arrivals to the destination.

Only a decade ago, it was noted that there is a lack of academic research in film-induced tourism. Riley began to analyse the changes of the visitor number at ten former film sites in United States. Busby & Klug studied the visitor profiles in Notting Hill, London. It has been analysed how ‘Before Sunrise’ filmed in Vienna and ‘Groundhog Day’ filmed in Pennsylvania can influence the viewers’ perceptions of a place. Hudson & Ritchie examined the impact of ‘Captain Corelli’s Mandolin’ on the Island of Cephalonia in Greece. Iwashita surveyed the impact of UK popular cultures on Japanese visitors to UK. Carl explores the film tourists’ motivation, expectation and satisfactions of landscapes of the location of ‘Lord of the Rings’. Recently, research related to Asian films by Kim initially investigated the impact of Korean drama series in reducing tension and mistrust between Japan and Korea while Rewtrakunphaiboon (2008) proposed a framework for studies on the impact of film on tourist destination choice.

2.5.4 Influence of Film on Tourism Demand

It has been widely recognized in tourism literature that destination image greatly influences tourist destination choice. Images of destinations play a significant role in influencing tourist decision-making process as the basis for tourists to make choice about where to visit. The more favourable the image of the destination, the greater the likelihood of being selected as a destination choice. Butler suggests that films can influence the travel preference of those who expose to the destination attributes and create a favourable destination image through their representation. Film can provide knowledge of certain aspects of the country such as nature, culture and people which result in the construction of the attitudes towards the country. An interest in the nation and its positive image can eventually lead to an actual visit to the country.

Leisure activities such as watching films as well as travelling are ways to escape. Both provide temporary relief from the real world. Films can induce viewers to travel by the physical properties (scenery and landscape) and their associated theme, storylines, events and actors, shaping the audience’ feelings, emotion and attitudes towards places. Location and film experiences are enhanced in memories by associating them with the actors, events and setting. The world of associations and sentiments are enclosed in the viewers’ minds as memories and obsessions which give meaning to the locations. Locations, events and characters become iconic attractions as a result of being given powerful meanings in film narrations. People tend to visit particular places by specific images, memories, associations and emotional attachments to places and meanings. A summary of different forms and characteristics of film tourism is shown in Table 3.

|  |  |
| --- | --- |
| **Form** | **Characteristics** |
| 1. Film-induced tourism as part of a main holiday | Tourists will visit film location or book a film tour for a holiday without any previous destination knowledge |
| 2. Film-induced tourism as a main purpose out of special interest | The booking of a holiday to a destination as a result of its profiles on the screen |
| 3. Film-induced tourism icons as focal points of visit | Natural beauty, historical places, actors can serve as icons |
| 4. Film-induced tourism to places where filming is only believed to have taken place | Tourists visit the filming places even if the film represents a different setting. |
| 5. Film-induced tourism as part of romantic gaze | Tourists like to gaze on places reinforced by the films in solitude, establishing a semi-spiritual relationship with the place |
| 6. Film-induced tourism for reasons of escape | Visiting film locations elevates tourists beyond the mundane reality of everyday life |

Table 3

‘Dil Chahta Hai’ (Released 2001) is a brilliant example of a Bollywood movie not just promoting a tourist destination but literally bailing it out from a disastrous situation. Bollywood Movie ‘Dil Chahta Hai’ helped Goa tourism after the 9/11 terror attacks. Goa tourism made profits with the help of Bollywood Movie Dil Chahta Hai. This revelation was made by the Chairman of the Goa Chamber of Commerce and Industry (GCCI) Ralph de Souza. According to him joint promotion of Goa Tourism and Dil Chahta Hai helped tourism industry generate some profits at time when Global tourism industry took a hit due to 9/11 terror attacks on New York City. Ralph de Souza said: “We invested Rs.3 crore in the 'Dil Chahta Hai’ campaign by promoting the film's first release on a popular television channel. It was a tremendous hit. We roped in early nearly Rs.30 crore profit.”

Dil Chahta Hai was one of the biggest hit of the year and large portion of the movie was shot at the exotic locations in Goa. The film was story of three friends, Amir Khan, Akshay Khanna and Saif Ali Khan. Dil Chahta Hai helped in promoting the tourism in Goa which once again highlights the impact of Bollywood movies on the tourism industry. Indian tourists have a tradition to travel destinations featuring in popular Bollywood movies.



Figure 1

Many film locations around the world become the pull factors for tourists to visit. Let us discuss this through a decade old example of the Bollywood movie called ‘*Koi Mil Gaya*’ (Released 2003), this movie brought a virtually non-existent town of *Kasauli* which is located in the So landistric of Himachal Pradesh. The entire plot of the movie is shot in *Kasauli*. The movie went on to become the biggest hit of that year and very liked by the kids, which in turn opened doors to new vistas for *Kasauli*. Tourists visiting Shimla, Manali, Mcloadganj etc in Himachal Pradesh also visited Kasauli which had already started boasting of the movie which was shot there.



Figure 2

There is another concept of promoting a location through a song in the movie. Songs are considered to be the soul of our Bollywood movies; one cannot imagine an entertaining Bollywood movie without songs. Let us discuss this through an example.



Figure 3

Delhi & its surrounding areas have their long list of such historic monuments that it comes as no surprise that the Purana Qila which is pretty much ‘in’ Delhi, as one of the 7 cities of Delhi. The entire Purana Qila complex where it is housed has been used in the song ‘Agar Main Kahoon’ from the movie *Lakshya*. It is not the only song shot there, the others are as follows:

Hrithik &Preity break-up scene from **Lakshya**  
‘Chand Sifarish’ from **Fanaa**  
The scene where Shah Rukh says good bye to Preity from **Veer Zaara**  
Thoda Thoda Pyaar from **Love AajKal**  
TereNaam from **Tere Naam**

Certain films are likely to be more successful than others in attracting a number of tourists to the featured destinations. Such success involves various critical factors influencing film-induced tourism. The story line and site should be closely related in which the film involves the audience an emotional experience which links perfectly with the location. Repeating exposure would provide greater familiarity, attachment and identification. All these elements will become the push factors for the audience to visit the site, people, experience and fantasies portrayed by the film. The success of a film can be a good predictor of film-induced tourism. Another critical variable is that the explicit beauty of the setting of the film locations can have a powerful impact on potential tourists.

2.5.5 Use of Exotic Locales in Hindi Daily Soaps

From the famous Sydney Opera House in Australia to beautiful exotic locales in Switzerland and Macau, small screen fiction as well as reality shows are being increasingly shot in foreign locations, much to the delight of viewers. For instance, the newly married onscreen couple Ram and Priya go to Sydney for their honeymoon in “Bade Achhe Lagte Hain”, the protagonist in “Hitler Didi” travels to Macau in search of her sister and the new reality show “Survivor India” has been shot on an island in the Philippines.

Niret Alva, co-founder of production house Miditech, said “They certainly add to exotic appeal and an unusual viewing palette. They also have an aspirational value, given the large numbers of Indians who are increasingly looking to travel abroad”. In addition to providing the audience an entirely different experience the daily soaps help in promoting the foreign locations through their wide viewership in India.

“The tie-ups with foreign locations will only work when it suits the content or the story of the show. It is important to have a credible story as it automatically arouses curiosity in people. There’s no use of putting in so much effort if the sequence doesn’t fit in the story,” said Sukesh Motwane, head – fiction programming Zee TV. He also admits that the entire unit gets immense help from the tourism officials abroad.

In case of daily soaps, the shooting in exotic or foreign locales provides them a variety to offer to their viewers but on the contrary escalates their cost of production.

There is an increasing trend of producing reality shows loosely based on the western ones. For instance, “Khatron Ke Khiladi”, “Roadies” and most recently “Survivor India” have tapped foreign locations like South Africa, Malaysia and the Philippines respectively.

Niret Alva also said that “The Philippines is very welcoming. The governor of the province where ‘Survivor India’ has been shot was personally involved in smoothing out issues. There was support for the project from all levels of the Philippines government, who also sensed a good opportunity to promote their country to a large Indian audience”.

2.5.6 Film Tourism Impact(Table 4)

|  |  |  |
| --- | --- | --- |
| **Film or TV Series** | **Location** | **Impact on Visitor Numbers or Tourist Revenue** |
| Braveheart | Wallace Monument, Scotland | 300% increase in visitors year after release |
| Heartbeat | Goathland, North Yorkshire, England | Three times the number of normal visitors in 1991 |
| Deliverance | Rayburn County, Georgia | 20,000 film tourists a year Gross revenues $2 to 3m |
| Dances with Wolves | Fort Hayes, Kansas | 25% increase compared with 7% for previous 4 years |
| Close Encounters of the Third Kind | Devils Tower, Wyoming | 75% increase in 1975 20% visit now because of the film |
| Thelma and Louise | Arches National Monument in Moab, Utah | 19.1% increase in 1991 |
| Field of Dreams | Iowa | 35,000 visits in 1991 Steady increase every year |
| Dallas | Southfork Ranch, Dallas | 500,000 visitors per year |
| The Lord of the Rings | New Zealand | 10% increase every year 1998 to 2003 from UK |
| Steel Magnolias | Louisiana | 48% increase year after release |
| Last of the Mohicans | Chimney Rock Park, North Carolina | 25% increase year after release |
| The Fugitive | Dillsboro, North Carolina | 11% increase year after release |
| Little Women | Orchard House, Concord, Massachusetts | 65% increase year after release |
| Bull Durham | Durham, North Carolina | 25% increase in attendance year after release |
| Harry Potter | Various locations in U.K. | All locations saw an increase of 50% or more |
| Mission: Impossible 2 | National parks in Sydney | 200% increase in 2000 |
| Gorillas in the Mist | Rwanda | 20% increase in 1998 |
| Crocodile Dundee | Australia | 20.5% increase in U.S. visitors 1981 to 1988 |
| The Beach | Thailand | 22% increase in youth market in 2000 |
| All Creatures Great and Small | Yorkshire Dales | Generated £5m for Yorkshire Dales |
| To the Manor Born | Cricket St Thomas, Leisure Park, England | 37% increase between 1978 to 1980 |
| Middlemarch | Stamford, Lincolnshire, England | 27% increase in 1994 |
| Four Weddings and a Funeral | The Crown Hotel, Amersham, England | Fully booked for at least 3 years |
| Mrs. Brown | Osborne House, Isle of Wight, U.K. | 25% increase |
| Notting Hill | Kenwood House, England | 10% increase in 1 month |
| Saving Private Ryan | Normandy, France | 40% increase in American tourists |
| Sense and Sensibility | Saltram House, England | 39% increase |
| Pride and Prejudice | Lyme Park in Cheshire, UK | 150% increase in visitors |
| Cheers | Location in Boston | $7m in unpaid promotional advertising each year |
| Miami Vice | Miami | 150% increase in German visitors 1985 to 1988 |
| Forrest Gump | Savannah, Georgia | 7% increase in tourism |
| Troy | Canakkale, Turkey | 73% increase in tourism |
| Captain Corelli’s Mandolin | Cephalonia, Greece | 50% increase over 3 years |

2.6 Film Tourism Factors

Despite the growing body of research relating to film tourism, no attempt has been made to identify the critical factors behind this fast-growing phenomenon. We shall discuss the key factors influencing the film tourism:

1. Destination marketing activities
2. Destination attributes
3. Film-specific factors
4. Film commission and government efforts
5. Location feasibility

Despite suggestions that destination marketer shave neglected this very effective form of publicity, a review of the secondary research related to film tourism suggests that some destinations have leveraged the visibility that films provide and benefited by showing a significant rise in visitor numbers following a film’s release.

The 31 marketing activities in the model are based on this secondary research. The model suggests that destination marketing organizations (DMOs) can engage in a variety of marketing activities both before and after release of a film, and these are described below.

2.6.1 Marketing Activities before Release

Despite the fact that DMOs often cannot be selective of films being produced, they can be proactive in promoting their locations to film producers. Most destinations have a short term focus that facilitates film production, concentrating on the associated economic impacts (Croy and Walker 2003), but some are becoming active in encouraging producers to make films in their region to benefit from the long-term tourism impacts. DMOs in Britain, Kansas, and Singapore are examples. Visit Britain has been targeting Indian film producers for some time in the belief that they can be persuaded to use British locations for Bollywood films and thereby generate significant economic benefits for Britain’s tourism industry(Woodward 2000). In the United States, Kansas’s Travel and Tourism Development Division spends US$1.2 million annually on tourism and film promotion. And the Singapore Tourism Board announced a 3-year US$7 million scheme in2004 to lure leading international filmmakers and broadcasters to produce their work there. Approved screen projects that showcase Singapore’s appeal receive special help with resources and work permits.

Some destinations appoint public relations specialists to place their regions in films. Canada and the Bahamas, for example, have identified film tourism as a marketing opportunity and employ Weber Shandwick, one of the biggest public relations firms in the world, to get maximum exposure for their destinations in television and film (Weber Shandwick 2005). Chicago’s Office of Film and Entertainment Industries also has successfully increased the number of films made in that city by employing a product placement specialist (*The Economist* 1998). At the preproduction stage, it is also important to be involved in location scouting. The Swiss Tourist Board will pay all the scouting expenses for top Bollywood directors, as Bollywood films made in Switzerland have stimulated incoming tourism from India.

At the preproduction stage, a destination can negotiate credits for being used in the film. In 2005, marketers’ from Yukon Tourism and Culture partnered with French and Italian distributors of the film *Le Dernier Trappeur*. Yukon’s tourism marketing branch negotiated credits to appear right at the beginning of the film, making it clear to viewers that the film was shot in the Yukon. Together with industry partners, including the federal government, more than CDN$60,000was invested to co-brand Yukon and Canadian travel destinations with the film’s distribution in Europe (Raycroft2005). There also is increasing interest among consumers in seeing the making of the films. This provides another opportunity for destinations to get involved in marketing their locations. New Zealand, for example, included a destination guide with *The Lord of the Rings* boxed set that indicated where different scenes were shot.

During production of a film—especially one that is high profile—there are many opportunities to generate publicity for a location. Working with the producer’s publicist throughout the film production process is one way to ensure consistent messaging about the location and its merits as a destination. During the filming of *The Lord of the Rings*, for example, media clippings mentioned that the film was being shot in New Zealand, providing important early linkage between the film and the location. The film’s stars also provided endorsement of New Zealand, heaping praise on the island and helping to promote everything from Wellington’s fashion to its cafés (Zukowski 2003). Visit Britain works hard to get endorsements from Bollywood actors for British locations, recognizing that they can add tremendous kudos to a destination and bring it higher up on the agenda of must-see destinations for many Indians and Asians (Woodward 2000).

Publicity also can be generated around the activities of the actors while on location. During the making of *CaptainCorelli’s Mandolin*, publicity shots featuring the two mainstars (Nicolas Cage and Penélope Cruz) were flashed around the world, raising the profile of Cephalonia, the location of the film, considerably. The couple allegedly had an affair, generating even more publicity (Ward 2001). Film actors also are used after production of a film to promote a destination. The Australian Tourism Commission used Paul Hogan in its ads for some years following the success of *Crocodile Dundee* (as did Jersey, Channel Islands, with *Bergerac’s* John Nettles).

DMOs occasionally develop marketing partnerships and prepare marketing material in advance of a film’s release. Early in 2005, Visit Britain collaborated with Sony Pictures and Columbia Pictures in advance of the release of *Closer,* a movie filmed in London starring Jude Law, Julia Roberts, and Clive Owen. On the Visit Britain Web site, visitors could download a *Closer* movie map that showed the “many iconic London locations used in filming” (Visit Britain 2005).Locations and attractions used in the film also collaborated in the marketing initiative. The London Aquarium, for example, had a printable 20% discount voucher on the side of the map. The Visit Britain site also had a direct link to Sony Pictures, which, in turn, was advertising the *Closer* movie map on its home page.

2.6.2 Marketing Activities after Release

During and after release of a film, media attention can be attracted to the film location. The Tourism Authority of Thailand (TAT), for example, heavily advertised its attractions during release of the film *The Beach* (Grihault 2003).The marketing campaign included a substantial amount of joint activity with 20th Century Fox and aimed to capitalize on the expected further popularity of Thai beaches in the wake of the film. In addition to advertising heavily in cinemas, TAT sent United Kingdom journalists and travel agents on familiarization trips, and awareness campaigns included financing a holiday prize on a BBC television game show with a quiz themed around *The Beach.*

Promoting the destination during the screening of a film is another way to attract attention to a destination. The Scottish Tourist Board distributed direct-response postcard adverts in cinemas that were screening *Braveheart*, inviting viewers to send for information on Braveheart Country.

Branding a destination around a movie like this is quite common. The district of Hambleton in North Yorkshire, for example, branded itself Herriott Country, developing The World of James Herriott Museum following the success of *All Creatures Great and Small*. And Brontë Country in the United Kingdom still runs trade and press familiarization visits specifically based on the theme and its film and TV dramas (Brontë Country 2005).

The period of time following a film’s release is when many DMOs get involved in marketing activities related to film tourism. At this stage, the challenge for DMOs is to convert the audience’s interest in a film into a commitment for a future visit and capitalize on additional visitors brought through film. Marketing opportunities are generated at every release window (cinema, video/DVD rental and purchase, pay-per-view television, and free television). Traditionally, this cycle lasts a couple of years, although this may get shorter as Hollywood capitalizes on the success of DVD sales by bringing them to the public earlier (Buckley 2004). However, it is not uncommon for even a moderately successful film to have a shelf life in excess of 25 years (Lazarus 1994). For example, the little town of Clayton, Georgia, continues to bask in the attention it received from the adaptation of James Dickey’s celebrated novel *Deliverance*. So successful was tourism following the film that the state of Georgia created its own Georgia Film and Videotape Office, which continued to attract films, most notably *Driving Miss Daisy* and *Fried Green Tomatoes.*

Collaborative campaigns with the film industry are a powerful way to induce film tourists (Grihault 2003). DMOs are beginning to forge relationships with film commissions to track productions and film releases so the organizations are in a position to act as soon as they see the signs of film tourism. Executives at Visit Britain attempt to plan with a studio at least12 months in advance of a film’s release date. In the Bahamas, where the film commission is under the auspices of the Ministry of Tourism, the ministry is involved immediately after it receives a script. It invested US$16 million on the recent film *After the Sunset*, starring Pierce Brosnan, to ensure maximum exposure for the island. The Bahamas realized the potential of promoting tourism through films after the Beatles filmed “*Help!*” there in 1964. Now it gets involved in films at the outset. The Australian Tourism Commission (ATC) also is very proactive in forging relationships with the film industry. Recently, it collaborated with Disney on *Finding Nemo*, being the first DMO to try promotion through an animated film.

Movie maps have been found to be successful as part of a film tourism marketing campaign. Visit Britain produced its first movie map campaign in 1996, sponsored by Vauxhall. The movie map featured 200 film and TV locations around Britain from 60 years of British film history and quickly became Visit Britain’s most successful printed product. It generated extensive media coverage both at home and overseas, prompting people to discover different parts of Britain as they followed in the footsteps of their screen heroes (Demetriadi1996). Other destinations that have produced movie maps for various film locations include Seattle, New York, Australia, and Mississippi. Others have promoted movie maps and location guides for specific films. In 2004, the Santa Barbara Conference and Visitors Bureau produced *sideways—The Map*, a guide to the film locations of *Sideways*, even before the film was released. Within weeks of the premiere, visitors eager to see the diners, hotels, and wineries used in the film purchased 10,000 copies of the guide.

Other marketing activities can include guided tours and film walks. A recent travel magazine listed 25 film tourism destinations with detailed information about tour packages developed just for film tourists (*Arthur Frommer’s Budget Travel Magazine* 2004). There are numerous examples of such tours. In California, a local tour company capitalized on the success of the movie *Sideways*, mentioned above, by creating a popular *Sideways* tour. Even before the Nicolas Cage film *National Treasure* was released, the Washington, D.C., tourism Web site was advertising a National Treasure Tour—a self-guided tour that followed in the footsteps of the actor(Washington, D.C., Convention and Tourism Corporation2005). Journey Latin America, a tour operator in the United Kingdom, also pre-empted the film *Motorcycle Diaries* by organizing a 3-week *Motorcycle Diaries* tour from Buenos Aires to Lima. After *Harry Potter*, several tour operators setup to show visitors around the many movie locations featured in the film, and the James Bond films have spurred many imaginative packages from tour operators (Grihault 2003).Finally, in New Zealand, there are a number of *The Lord of the Rings*–related tours, such as a Lord of the Rings flight with Nelson Helicopters, a drive around Lord of the Rings country with Nomad Safaris, and tours to Hobbiton in Waikato.

Hotels, guest houses, attractions, and museums used in films are often promoted to the public to generate tourism. The Crown Hotel at Amersham, England, makes a point of promoting the very room used by stars Hugh Grant and Andie MacDowell in *Four Weddings and a Funeral.* In Cephalonia, Greece, a local woman still advertises her apartment as the location for the alleged affair between Nicolas Cage and Penélope Cruz during the filming of *CaptainCorelli’s Mandolin*. On the Greek island of Mykonos, tourists can take a room at the Manoulas Beach Hotel, scene of the film *Shirley Valentine.* And in Tunisia, film tourists can stay at the hotel used as the location of Luke Skywalker’s childhood home in *Star Wars* (Jeffery 2004). Museums are also often used to promote the history behind a particular film. The Istanbul Archaeology Museum, for example, reopen edits Ancient Troy exhibit after 9 years of closure to respond to tourist demand after the release of the US$200 million blockbuster *Troy* in 2004.

Finally, having a dedicated film Web site that links the film to locations and location tours also is deemed important (Croy and Walker 2003). Internet linking of film to place was emphasized in New Zealand, where Tourism New Zealand developed part of its Web site specifically promoting *The Lord of the Rings* and its film sites throughout New Zealand. After the 2002 Academy Awards and a series of ads announcing New Zealand as best supporting country, the nation’s tourism Web site had more than 1 billion hits within a year.

2.6.3 Film Tourism: A Model for Exploiting Film Marketing Opportunities

1. Destination Marketing Activities

Before Release

* Appoint an executive or public relations specialist to deal with film studios directly
* Actively promote the destination to film studios
* Offer grants and tax credits to encourage studios to use the location
* Be actively involved in location scouting
* Plan carefully to maximize the impacts of post-production exposure
* Carefully assess a film’s merit in terms of its promotional value
* Negotiate end credits for the destination
* Negotiating and/or produce a "making of the film" feature
* Engage the film’s stars to promote the film location
* Provide images for media or tour operators to use in promotions (on cd rom or Web site)
* Ensure media coverage of the film mentions the film location
* Invite travel media to film location
* Sponsor the film directly
* Plan activities to promote other tourism sectors such as art, crafts, food, wine, music, and fashion

After Release

* Invite travel media to special release of the film
* Post signage and interpretation at the location
* Sell film memorabilia
* Replicate or maintain film icons/sites/scenes/ sets to maintain authenticity
* Host events that continue the pull of the film beyond its natural audience peak
* Develop a dedicated Web site for potential tourists
* Post links on Web site to film tours run by local tour operators
* Engage in joint promotional activity with inbound tour operators
* Package additional attractions to lengthen tourist stay
* Work collectively with other public organizations and tourist authorities to promote film locations
* Promote hotels and guest houses that were used in films
* Engage in joint promotional activity with film companies
* Create electronic links to the destination on the film Web site
* Have guided tours and /or film walks
* Produce film and site maps for tourists
* Create exhibitions or displays of memorabilia from the film
* Attract continuous media attention to the location at each release window (dvd etc.)

1. Destination Attributes

* Scenery
* Sets
* Backdrop
* Icons
* Awareness
* Brand

1. Film-Specific Factors

* The success of the film
* Identifiable and accessible locations
* Relevance of the story to the location /clear link
* Amount of exposure/length of time on the screen
* An image tourists want to explore or discover
* A film location that has an emotional attachment
* Untainted environments
* A location that has a physical icon that viewers can identify with

1. Film Commissions & Government Efforts

* Lobbying
* Tax breaks
* Scouting services
* Dedicated Web sites
* Active promotion

1. Location

* Resources
* Cost
* Taxes
* Labour
* Expertise

1. Methodology

3.1 Research

The area of research and the specific research questions deals with potential outcomes and development of the research area related to the phenomenon of product and location placement. The purpose of the thesis is not so much about referring to historical data, but rather to make interpretations of contemporary findings in a step to draw conclusions of potential future directions of the industry. The secondary research design will rest on underlying notions of subjectivism and keep an interpretive view of the sense making process. According to Müller (2004) such approach is considered the best practice when the goal is to reach understanding rather than just explaining a situation.

This leads us to engage in a qualitative study, i.e. not looking for quantifiable results but to seek for connections and consistency in established theories as well as suggesting new combinations of theories analyzing empirical evidences achieved through the study. Given the state of the research phenomena, i.e. not widely investigated.

3.2 Methods of gathering the data

In order to get a holistic view of the product placement phenomenon and relate this to media placements of locations, the information was gathered from secondary research material available as various options viz. magazines, articles, internet, and books (e-books). A few DMOs were approached initially to extract data from them, however, they knew very little to disclose the information to us.

3.2.1 Collection of data

Our aim was to investigate the trend in location placement in films and its effect on tourism; however the industry to be contacted could not be reached either over phone or over e-mails for communication.

3.2.2 Presentation of Findings

The parameters on which the marketing of the location in films is done were identified; these parameters were then further classified studied to come out with sub-parameters which determine the success factors of location placement in films. Further to this there are examples from the past which prove that the location placement has proved to be as a blessing for the location tourism or have generated direct or indirect revenue for the state.

However, we feel confident that it is consistent with our purpose as it allows the reader to easily view what source the data comes from.

1. Empirical Findings

In chapter 4, we introduce the empirical data collected for this thesis. The empirical data consists of mostly secondary data collected from various credible sources. The data is presented from various perspectives of the marketing organization, product placement agency.

4.1 Marketing Organization

These days every organization is looking forward to add a new business function in its existing line of business, however, marketing is one such function which is considered as the revenue function of the organization. Therefore, keeping that in mind these days the organizations are spending on advertisements and airing of the same during prime time TV shows. Now the trend is shifting towards increasing the visibility of the product and associating it with the appropriate brand ambassador while portraying it in right spirit for the right audience. All this happens by placing their product appropriately in the films. This approach is proved beneficial for the marketing organizations in sense of increasing the visibility of their products and reaching out to a greater audience.

4.2 Location Placement

Location placement though relatively nascent compared to a wider product placement is showing promising signs of going a long way. It does involve rules, regulations, laws to be dealt with, particularly laws of foreign land. There are also instances of location placement not turning out to be a positive sign for the location. It also involves interference of foreign nationals or foreign tourist board in the production of the film. This leads to a slight compromise in the quality of the film. The location can be promoted either through the exotic locations or the people of the same place by involving them in the movie. The culture of the location can be absorbed in the script to enhance and create a diverse experience for their audience.

4.3 Placement Process

Placement agencies offer their clients to either sign a one-year contract where they will be placed in all television and film projects that are suitable for their brand during one year. Alternatively, companies sign up for placements in a single project. In the one-year contracts, the companies pay a fixed sum per year.

Placement agency can then negotiate directly with the production companies and the placement process is faster. In the project case, the placement process takes longer time as the agency has to negotiate with both the production company and the placing company for each placement. The agency is working as an advisor in the choice of media channel.

Product placement is no first-hand choice when it comes to activity level, impact level and communicative level. The activity level is low and there is no method for measuring the impact level product placement has. Product placement has a good communicative level since it displays the product in a natural environment. Over-exposed placements have disappeared a few years ago since neither the agency nor the customers wants too obvious placements.

The contracts regulate how the companies want their products to be exposed and in what context they do not want to be associated with. It is important that the medium is appropriate for the target group. The idea is not to place the products in as many productions as possible but to place them in the right environment.

Product placement is not the only marketing effort a company should undertake. It should be part of a greater marketing program. It should always be followed by other marketing efforts.

The effectiveness of product placements is generally measured in quality, for example if the product is exposed in a positive context on screen. A more important part might not be the placement itself but the spin-off effects of the cross promotion activities. It is from cross promotion the real benefits come from. There are no real quantitative measuring methods for product placements except that the sales of certain products shown on screen have increased with a certain percentage.

The same is the case with the location placement which is an extension of the product placement process. It encourages the tourists to consider the location shown in the film to consider it as an option while planning her/his holidays. Movies like ‘Kashmir ki kali’ (Starring: late. Shammi Kapoor and Sharmila Tagore) encouraged people to consider Kashmir and Srinagar as the favorite Honeymoon location through their famous song ‘Taarif karoonn kyauski’. Then there came a culture of having the name of a place in the name of the film, for example, ‘Love in Tokyo’, ‘An evening in Paris’, ‘Kashmir ki kali’, ‘Mission Kashmir’, ‘London Dreams’, ‘Namaste London’, ‘New York’, ‘Mumbai se aaya mera dost’, ‘Shootout at Lokhandwala’, ‘Hyderabad Blues’, ‘Bombay to Goa’, ‘Delhi 6’, ‘Delhi Belly’, ‘Delhi heights’, ‘Chalo Dilli’, ‘Bombay’, ‘Mumbai meri jaan’, ‘Ramji Londonwale’, ‘Once upon a time in Mumbai’, ‘Bombay Boys’, ‘Chak de India’, ‘Chandni Chowk to China’, ‘Lahore’etc.

1. Analysis

5.1 Potential of Product Placements

After analyzing the empirical findings, we see a future growth of the product placement industry much due to:

(1) Increased mistrust towards conventional advertising

(2) Technological innovation allowing receivers to oversee commercial messages.

(3) A way for socially unacceptable products, such as alcohol, tobacco and advertising aimed at children, to find loop holes in the legal framework of today.

Furthermore, given the young history of product placement in India, the lack of measurements and the current financial predicament of making a film through conventional subsidized SFI channels, results in that many organization that has potential to engage in product placement might not be involved into any greater extent. If the industry was more established and hence had better status amongst the film professionals’, then product placement would probably be a more widely accepted than it at the moment is in India.

Furthermore, brands area natural part of our surroundings. Even though some forces in society work towards getting an advertising free public room, making use of branded products in film in a seamless natural way in productions adds credibility to that film. For example, there are in general more products and brands visible in documentaries since they are shot in the “real world”.

Given the increase of branded articles in our everyday surroundings we see the need for future development of product placement along those same lines. i.e. perhaps even an increase of products placed in order to uphold the motion picture credibility among audience. It will no longer be possible to have a completely brand-free film if it not takes place in outer space or in a historical setting. The audience will get used to increased product placements and hence the idea of seamlessness regards to the amount of appropriate placements in a film might change over time.

We have not reached any specific findings explaining the marketers’ evaluation of media and media channels. In general terms, choice of media channel depends on the target audience and the objective of the marketing campaign. The general downturn of the attitude towards conventional marketing, parallel with attitude towards advertisement at the cinema is on a constant high, indicates a rise for the product placement industry and other unconventional marketing methods. There are reports indicating the likelihood for a younger audience to identify with celebrities and create positive attitudes to items featured in conjunction with these. This relates back to the notions of image transfer.

Further product placement is deemed to be an effective tool (no established accepted methods aside) when the objective is to increase brand awareness. However, in order to drive purchase the placements most likely need to be complemented with cross promotional activities.

It is true that there are a number of cinematic train wrecks around discrediting the goodwill of product placements. The trend however seems to be that of acknowledging the importance of discretion when integrating products. The placements must be neat and natural in order for it to be practicable. In the end, even though there are no accepted measures for the effectiveness, the audience is the public judge that either acquits or convicts.

Another important aspect of the development of the placement industry is to not limit ones view of product placements to the quantity and nature of the exposures in the films per se. By paying attention to the wider spin-off effects offered by effective placements one becomes conscious of new enlarged benefits from product placements. Examples of activities that will lead to positive spin-off effects from product placements might be to highlight the fact that brands are placed in films in the internal communication and marketing of an organization. A company might, as a result of signing placement agreements, have the opportunity to bring employees as extras at the set. Putting up exclusive screenings of the film for employees might also be good for internal communication purposes. Both of these effects are sought after in internal marketing as it communicates that the company are creating value for its employees. As mentioned above, even if product placement in itself might not boost sales significantly, implementing cross-promotional sale drivers might do. Furthermore, there is an increasing trend of viewing productions (mainly TV-productions) as media platforms where the main purpose is to cater for products to be integrated in an entertainment setting. Another reason as to why filmmakers tend to view product placement with skepticism is that this way of thinking places the production as a vehicle for promoting products hence leaving manuscript as a second priority item. Filmmakers are, as are most product placers within big picture productions, of the opinion that the manuscript has to be a firsthand priority.

## 5.2 Benefits & Drawbacks

As mentioned, the negative aspects about product placement are mainly due to the lack of efficiency and return on investment (ROI) measures and the fact that product placements may interfere in the artistic process behind making a film. At the same time, placements may be perceived as a method that involves high initial costs. Saying this, taking the whole process into consideration, spreading the costs of the placement on to the positive spin-off effects, and the low CPM (Cost Per thousand Comparisons) due to the many exposures and to the relatively long life span of a film, placements turns into a quite cost-efficient marketing tool.

As above mentioned, one of the negative aspects of product placement is that there are no acceptable tools established in order to measure its effectiveness. However, if we assume effective placements to be the kind that flows by in a story rather unnoticed as a natural seamless part of the production, we are left to support the ideas of advertising schema and indirect perception.

1. Conclusion

Findings support the fact that product placement will continue to increase as an occurrence on film and TV. Apart from the specific area of interest, i.e. media placements of locations, we are not in the position to suggest other detailed possibilities for future trends of the industry. Suffice to say, that findings support the fact that the industry will continue to grow within the areas of increased collaboration between filmmakers and marketers which will result in more seamless natural brand integrations. Given the general trend in the industry, we are safe to assume that the development of media placements of geographic locations as niche area within the product placement industry will be positive as well. Currently there are few and far in between examples of film projects where locations are active participants of the production. We see indications of how this will become as natural in the near future as conventional product placement are today.

However, in order for media placements, just as for conventional product placement, to be at all plausible, some conditions must be fulfilled. These include: Placements must be seamless natural parts of the story and move the story forward. If the sole purpose in producing a film is to make room for placements the production is likely to backfire. The main focus should be the script, which in turn may cater for natural placements to take place. Furthermore, the parties involved in the placement process must be involved from the early start and throughout the whole film project. This factor is important in order to ensure good communication between marketer and filmmaker. As marketers are more involved in the film process they are more likely to know what to expect from placement deals, as well as increase the knowledge about what constitute seamless placements. On the topic of communication, increased awareness and understanding about different ways of thinking, e.g. from the perspective of marketer towards film maker, and vice versa, is an absolute must in order to create and maintain lasting and effective business relations resulting in good placements from the perspective of all parties.

Speaking of need for efficient communication and establishing the right relationship, we see a need for this in connection with the ideas of media placements of locations. As we see it, the key factors involved in the location placement process, which indicate a slight modification of the placement process, are; location marketer, product placement agency, location scout and director along with additional film crew such as set designer. It is hence important to form networks accordingly, i.e. marketer establish relationships with the product placement agency which in turn have connections with the right location scouts who works closely with the director and set designer in order to get the most suitable location appear on film. Assuming that placing the location on film is the means to the end objective for location marketer, then, location scouts can be viewed as gatekeepers allowing entrance into the important film industry network.

When it comes to the image enhancing characteristics of the film medium we see; that the positive results on image enhancement rests on several factors. We see the need for a natural connection and communicative flow between the factors. This supports the notions of the need for increased seamlessness in product placement. The notion of seamlessness further indicates that the ideas of implicit processing are important to consider when it comes to product placement and its impact on communicability. Saying this, the lack of efficiency measures regards to product placement makes it hard to know for sure whether this is the case or not.

It further reveals the benefits of film-induced tourism in promoting locations to the wider audience than traditional targeted tourism promotional campaigns. Film tourism marketing strategies have been successfully employed in the leading film destinations such as United Kingdom, United States, New Zealand and Korea. Lessons learned from these countries can benefit many destinations that intend to use films to promote existing or new attractions. Despite the benefits of films on tourism and the lessons learned from various DMOs, many tourism organizations have been very slow to employ marketing opportunities through films. This may be due to the lack of research and knowledge on how to implement film marketing strategies.

The success of film locations rely on the success of films. Some film locations are much more successful than others in terms of the number of tourist arrivals. Although films provide great impact on tourist destination choice, film-induced tourism is regarded as a complex and dynamic concept and success depends on a number of factors beyond the control of DMOs. Further research is needed on the critical success of the film tourism and the psychological aspects of tourist behaviour in visiting film locations.

Although films provide many positive impacts for the destination in terms of economic, cultural values and destination awareness and image, drawbacks of the film should also be carefully considered. This could be undesirable consequences such as loss of privacy and the difficulty of accessing local facilities for local people, traffic congestion and the destruction of the natural environment. Another important issue includes the residents’ attitudes towards the influx of film producing crews and the large number of tourists to the film locations.

Appendix

Table 1 –Impact of films on tourism

Table 2 – Variables influencing the tourist decision-making process

Table 3 – Forms and Characteristics of Film-induced Tourism

Table 4 – Film Tourism Impact

Figure 1 – Three friends from the movie ‘DilChahtaHai’ sitting on the Goa fort.

Figure 2 – *Kasauli* in the movie ‘Koi Mil Gaya’

Figure 3 - PuranaQila, Delhi

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