

PRODUCT PLACEMENT ON THE VIRTUAL INFLUENCER'S INSTAGRAM TOWARDS BRAND RECALL

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ABSTRACT

This study aims to examine the influence of product placement on the virtual influencer's Instagram account (@allysagladys) towards brand recall. The sample size for this study consists of 60 students from Tarumanagara University in West Jakarta. The method used in this study to collect the data is convenience sampling where questionnaires were distributed directly to the respondents. The results of this study shows that respondents brand recall is affected by product placement on the virtual influencer's account. Additionally, this study suggests that companies should enhance their social media promotion through collaborations with influencers to improve brand recall of their product.

Keywords: *Product placement, virtual influencer, brand recall, Instagram*

1. INTRODUCTION

In the realm of luxury brands, social media marketing has become an invaluable tool for establishing stronger connections and communication with customers. It's a response to the ever-evolving social landscape, which compels companies to explore innovative ways of reaching and engaging consumers [1]. While the adoption of social media as a primary promotional channel is on the rise, there's a distinct lack of research on the effectiveness of product placement using virtual influencers in this context.

Consider Gucci, the iconic Italian luxury brand, and Nike, the American sportswear giant. Both have embraced Instagram as a key platform for their promotional activities. Through social media, these brands have the ability to reach vast audiences, engage with customers in real-time, and cultivate a sense of community around their products. Social media serves as an interactive technological platform, elevating the quality of communication to a new level [2].

Instagram stands out as the preferred promotional medium for its remarkable user engagement. A remarkable 58% of its users actively seek information about products and brands, outperforming other social platforms [3]. On Instagram, celebrities and influencers have emerged as pivotal figures in promoting brands and their products [4]. Influencers, content creators with substantial followings on social platforms, have become trustworthy sources of information, aiming to stimulate consumer interest in companies and their offerings. However, there remains a scarcity of research exploring how virtual influencers and product placement can influence consumer behavior and brand recall in luxury brands.

Gucci and Nike collaborate with a mix of real-life celebrities and virtual influencers to exhibit their products. They artfully integrate fashion elements like clothing, bags, and shoes into the content shared by influencers. This practice, known as product placement, involves the seamless inclusion of products within marketing programs. It can manifest in various ways, from prominent placements where the product is prominently featured and discussed to subtle placements that are more discreet [5]. For luxury brands, product placement is a strategic

avenue for gaining recognition, fostering recall, and securing a place in consumers' minds. This, in turn, shapes the brand image and influences consumer perceptions and preferences [5].

In the evolving landscape of marketing, a novel phenomenon has emerged – virtual influencers. These virtual influencers, empowered by artificial intelligence, replicate human behaviors and exert a compelling influence on social media platforms. This presents a unique opportunity to reshape consumer connections with brands [6]. Notable virtual influencers on Instagram, such as Lil Miquela (@lilmiquela) with over 3 million followers, and Shudu Gramm (@shudu.gramm), who has successfully collaborated with renowned magazines and brands, are driving innovation in influencer marketing. Gucci and Nike have incorporated product placement strategies to elevate brand visibility within the audience. The exposure to product placements has the potential to enhance brand recall in the audience's memory, a phenomenon of great interest for luxury brands and sports apparel. However, understanding the precise impact of virtual influencer product placement on brand recall is an underexplored area of research.

In light of this research gap, our study aims to delve deeper into the correlation between product placements by virtual influencers on Instagram and brand recall, particularly in the context of sports apparel and luxury brands. By exploring this relationship, we hope to provide valuable insights into the potential of AI-driven influencer marketing for luxury brands as well as sports apparel and its impact on brand retention and consumer behavior.

Product Placement

Product placement is a marketing technique defined as the deliberate and paid inclusion of branded products into mass media programming, utilizing both visual and auditory elements [7]. Essentially, product placement is a strategic approach that involves discreetly integrating branded products into movies or television programs with the primary intention of influencing the audience [8]. This marketing practice is often referred to as embedded marketing, where specific products or brands are seamlessly included within the context of a program [5].

In essence, product placement encompasses a purposeful act to subtly convey commercial messages through the implicit inclusion of products or brands in media content. This technique is a powerful means of engaging audiences and promoting products, primarily driven by its unobtrusive yet influential approach within the media landscape.

Virtual Influencer

Virtual influencers, frequently abbreviated as VIs, embody computer-generated imagery (CGI) or artificial intelligence (AI) constructs designed to replicate the traits and personalities of real human beings. These digital avatars have amassed a remarkable following, attracting millions of dedicated followers on popular social media platforms like Instagram [9].

A comprehensive definition classifies virtual influencers as digital personas meticulously crafted to closely resemble real-life human influencers. Individuals, digital agencies, or brands often manage these personas, overseeing distinct social media profiles [10]. These human-like computer-generated characters, whether human designers craft them or AI algorithms unleash their creative potential, play a pivotal role in shaping innovative digital marketing strategies [11]. In summary, virtual influencers essentially entail AI-driven entities that mimic the appearance and behaviors of human individuals.

Brand Recall

Recall is a fundamental memory process triggered when an individual encounters a stimulus and then endeavors to recreate or reconstruct the stimulus due to its absence at the time of recall [12]. Brand recall, as noted by [13], signifies the participant's ability to recollect and name all product placements witnessed in a given media context. Additionally, in the study by [14], recall is depicted as a person's inclination to retain the memory of a specific brand or logo, stimulated by exposure through various media channels.

From these insights, brand recall operates as a facet of memory influenced by distinct stimuli, enabling an individual to recollect or reconstruct these stimuli unaided. Previous research, such as that conducted by [14], underscores that brand recall serves as a key instrument employed by researchers to gauge consumer awareness and recognition of specific brands.

The Impact of Product Placement on Virtual Influencer's Towards Brand Recall

According to research conducted by [15], product placements that are highly visible and prominent tend to result in greater brand recall. This notion is further supported by a previous study [16], which found that when a brand is placed in a program with full disclosure, the majority of participants can correctly recall it (73.9%). In contrast, only 33.9% and 25.4% could correctly recall a brand placed in partial and undisclosed conditions, respectively.

The prominence and uniqueness of product placements, both in terms of audio and visual cues, significantly influence brand recall, as highlighted by [17]. Additionally, the duration of exposure to a media source can impact an individual's ability to remember a brand or product, as indicated by [18].

Furthermore, as [19] notes, dual-product brand placements tend to elicit higher levels of brand recall compared to single-product brand placements, especially at moderate and high repetition levels. Research also demonstrates that longer exposure to media can enhance an individual's ability to recall a specific brand [20].

Therefore, the research model of this study are as follows:

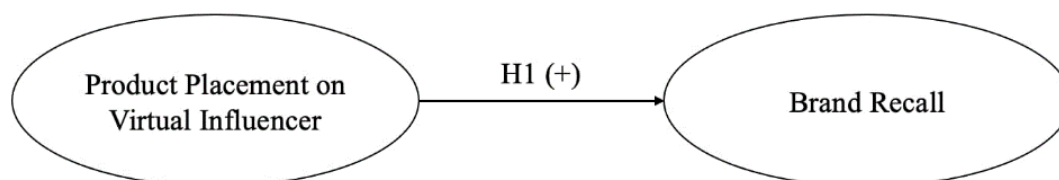


Figure 1. Research Model

H1: Product placement has a positive effect on brand recall.

H1a: Product placement has a positive effect on brand recall of Gucci.

H1b: Product placement has a positive effect on brand recall of Nike.

2. RESEARCH METHOD

The research design employed in this study used a pre-test and post-test experiment without a control group. Measurements were taken before and after the treatment was administered. This design incorporated three manipulation test questions and two sociodemographic questions related to age and gender.

Participant

Data for this research was collected in October 2023 through direct fieldwork involving Tarumanagara University students as participants. These participants were instructed to

complete a provided online survey using Google Forms during the data collection process. We gathered a total of 60 responses using convenience sampling. Thirteen responses were excluded due to not passing the screening question, leaving us with data from 47 respondents. The sample was predominantly female at 80.85%, with males making up the remaining 19.15%. Regarding age distribution, 55.32% of respondents were between 17 and 18, 38.30% fell within the 19 to 20 age group, and 6.38% were aged between 21 and 22.

Treatment

The participants received treatment by being exposed to Instagram social media content (@Allysagladys), featuring product placements from Nike and Gucci. We selected these two brands due to their recognition in Indonesia, taking into account that our participants are Indonesian students from Tarumanagara University in Jakarta. Each participant had five minutes to observe the content. Upon completion, they were instructed to complete the post-test questionnaire and were prohibited from re-exposure to the content.

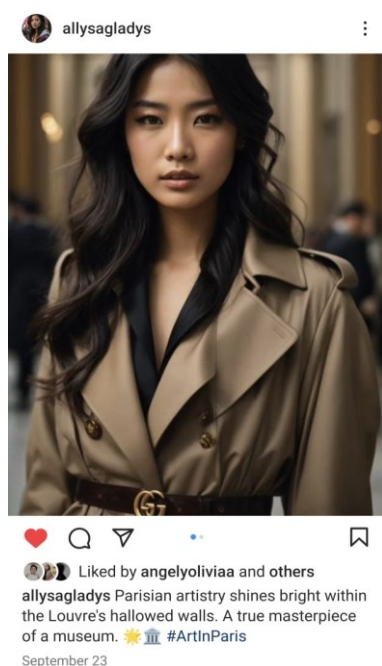


Figure 2. Gucci Product Placement



Figure 3. Nike Product Placement

Procedure

Data collection took place on the university campus, involving student participation and questionnaire completion. Participants received instructions on questionnaire completion and were asked to confirm when they reached the pre-test questions and, again, when they had completed these questions before proceeding to the treatment section. In the treatment section, participants had 5 minutes to observe content from the Instagram virtual influencer @alysagladys using a device provided by the researcher. Following this, participants were instructed to complete the post-test questions and submit their responses upon questionnaire completion.

Measurement

Brand recall was evaluated by noting the brands remembered in two measurement sessions: before (pre-test) and after receiving the treatment (post-test). This research adopted two

binomial indicators to measure brand recall, drawing from previous studies [15][16][21][22]. Participants received a code of 1 if they successfully recalled both Nike in the sports apparel section and Gucci in the luxury brand section; conversely, they were assigned a code of 0 (codes were assigned in each section). The collected data were subjected to analysis using a paired t-test.

3. RESULTS AND DISCUSSIONS

Table 1. Results of Brand Recall Analysis

Brand	BR Before	BR After	Mean Before	Mean After	t-value	Cohen's D
Overall	67	79	0.713	0.926	-4.082**	0.572
Gucci	24	35	0.511	0.745	-2.865*	0.494
Nike	43	44	0.915	0.936	-0.573 ^{ns}	0.080

BR: Brand Recall; **p-value less than 0.010; *p-value less than 0.050; ns: Not Significant.

The results of the hypothesis testing presented indicate a significant relationship between product placement and the formation of brand recall. Overall, based on the data collected, we can conclude that there was a substantial increase in brand recall after participants viewed product placements on the virtual influencer's Instagram (Mean before: 0.713, Mean after: 0.926, t-value: -4.082, p-value: less than 0.010, Cohen's D: 0.572).

Brand recall for Gucci increased from 24 before exposure to 35 after, demonstrating a large difference (Cohen's D: 0.494) between brand recall before and after the exposure. This result can be attributed to Gucci's status as a luxury brand, which is less of a necessity for most people compared to sportswear. The notably increased mean values indicate that exposure has a measurable impact on brand recall (Mean before: 0.511, Mean after: 0.745, t-value: -2.865, p-value: less than 0.050).

A small increase (Cohen's D: 0.080) of brand recall was observed for Nike, even though the p-value suggests that the result is not statistically significant (p-value: more than 0.050). This can be explained by Nike's initial popularity, as most participants could identify the brand even before exposure. Brand recall for Nike was 43 before exposure and 44 after exposure. This indicates that some participants were already familiar with Nike before the exposure, so they easily recalled the brand. Although not statistically significant, the increased mean value suggests that the exposure had some impact on brand recall (Mean before: 0.915, Mean after: 0.936, t-value: -0.573, p-value: more than 0.050).

Our research findings reveal significant insights into the impact of product placement on brand recall. We focused on the use of a virtual influencer, @allysagladys, within digital marketing and its effect on brand recall, particularly in the case of Gucci. Comparing our results with previous research, we find consistent patterns. For instance, studies have shown that viewers can recognize brands placed in the films they watch and even distinguish them from non-placed brands [12]. However, the effect on brand recall was noted to be somewhat marginal. In line with our approach, another study employed a similar experimental setup [16], where participants viewed video clips with varying levels of disclosure regarding product placements. This research highlighted that full disclosure significantly improved brand recall compared to partial or undisclosed placements.

Moreover, some research has used experimental methods to investigate product placement within films and its influence on brand recall [17]. One study, in particular, aimed to understand the influence of product placements on day-after recall, indicating that product placement had

an effect, especially when movies were viewed on larger screens. In tandem with our study, another research endeavor examined the effect of product placement using computer games to measure brand recall [22]. The pre-post test experimental design in this study involved exposing participants to product placements within a popular computer game, ultimately revealing that brand exposure in a gaming context increased recall.

However, our findings also highlight a significant divergence when considering the brand recall of Nike. We found that Nike's brand recall wasn't significantly influenced by exposure, and this can be attributed to the brand's pre-existing popularity in the sportswear category. Participants in our study were already familiar with the Nike brand, easily recalling it even before exposure. The exposure didn't enhance brand recall but instead reinforced existing brand memory. This disparity stems from the nature of the goods offered by these brands. In the realm of luxury goods where Gucci operates, brand retention is reduced due to the non-essential nature of these items, unlike sportswear brands like Nike. These observations are reinforced by data indicating that, in 2022-2023, Nike remained the world's most popular brand [26], dominating the sports apparel market as the most valuable sportswear brand [27]. In Indonesia, Nike secured the second spot as the best sportswear brand, holding a 17.10% market share [28]. This data corroborates our research findings, emphasizing the familiarity of Nike among participants without requiring additional exposure.

4. CONCLUSIONS AND SUGGESTIONS

In conclusion, our study emphasizes the effectiveness of product placement in enhancing brand recall, particularly in digital marketing using virtual influencers. The impact varies depending on a brand's popularity and nature, but product placement effectively bridges entertainment and advertising, offering a unique tool for boosting brand recall.

From a brand's perspective, digital marketing through social media is the initial strategy to promote products. Influencers' content on social media strengthens customer brand memory. Technological advances have transformed marketing activities. The rise of virtual influencers demonstrates the success of digital transformation, urging companies to intensify digital marketing, especially through virtual influencer product placements, to enhance brand recall. Nike and Gucci, though widely known, still face competition in consumer memory. This research illustrates the influence of virtual influencer product placement on recall, highlighting its importance in establishing and reinforcing brand recall. Building strong brand recall is advantageous for a brand, ensuring it's top-of-mind for consumers when considering relevant products.

Based on this research, respondents remember Nike and Gucci as sporty and luxury fashion brands. Hypothesis testing confirms the significant relationship between product placement and Gucci brand recall, given its luxury status and the research's student participants. Conversely, with Nike's pre-existing popularity, the study reveals that product placement doesn't significantly affect recall but fortifies brand memory. To bolster brand recall, Nike and Gucci should intensify product placements through virtual influencers like Allysa Gladys. Further research can refine and expand upon these findings.

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