Corporate communications expenditures on formats other than traditional advertising have risen (McClellan 2007). Product placement is one such format in which brands appear within media narratives (such as magazine articles, books, movies) and brand sponsorship is hidden (Balasubramanian 1994; Balasubramanian, Karrh, and Patwardhan 2006). Brands have a long history of integration into media narratives for reasons such as providing information and enhancing realism. For example, articles in National Geographic magazine, which began publishing in 1888, routinely contain travel destinations; even Charles Dickens mentioned a carriage line in his novel The Pickwick Papers (PQ Media 2005). More recently, the success of brand appearances such as those for Reese’s Pieces candies in the movie E.T.—The Extraterrestrial has led to an intensified use of product placements (Bhatnagar, Aksoy, and Malkoc 2004). This rising interest, however, is unaccompanied by a thorough understanding of their persuasive effects (Law and Braun-LaTour 2004).

Researchers such as Balasubramanian, Karrh, and Patwardhan (2006) and DeLorme and Reid (1999) argue that product placements are more persuasive than ads and publicity as positive aspects of the two are retained (specifically, control over ad messages and perceived credibility of publicity) while their downsides are mitigated (specifically, lack of credibility for ads and lack of control over publicity). Yet empirical evidence for the persuasiveness of placements remains mixed. While some researchers have found positive brand memory and attitude effects (e.g., Babin and Carder 1996; Gupta and Lord 1998; Russell and Stern 2006), others have come across contradictory or nonsignificant effects (e.g., Cowley and Barron 2008; Karrh 1994). For instance, Russell and Stern (2006) demonstrated more favorable brand attitudes resulting from increased attachment to story characters. At the same time, Karrh (1994) found no significant brand effects of exposure to an excerpt of the movie Raising Arizona.

**SCOPE OF THIS RESEARCH**

With a few exceptions (e.g., Russell and Stern 2006), the interplay between stories, story characters, and embedded brands has not been systematically examined in product placement research. Bhatnagar, Aksoy, and Malkoc (2004) and Law and Braun-LaTour (2004) have called for incorporation of audience–character dynamics and investigate not only brand effects but also the effects on media narratives in which brands appear. Extant research suffers from a lack of attention to media other than television and films. Alternative media such as print (especially magazines), however, account for considerable placement activities (PQ Media 2005). In this research, we draw from traditional and narrative processing literatures to gain understanding of the impacts of audience–character dynamics (i.e., self–character similarity) and the manner of media consumption (i.e., narrative immersion) on brand and narrative evaluations in the context of magazine articles.
CONCEPTUAL FRAMEWORK

Modes of Processing in the Context of Product Placements

People process persuasive information conveyed via traditional methods (such as ads) and product placements differently. The persuasive intent of traditional communication messages is explicit, and brand information is the focus of elaboration (Petty and Cacioppo 1986). The persuasive intent of product placements, however, is not explicit (Balasubramanian 1994). Embedded brand information is part of the subtext of overarching media narratives (e.g., print articles, movies, television shows), and people primarily focus on their subjective experience of the story line (Slater and Rouner 2002). The processing of narratives is an immersion or transportation process, in which people lose themselves in the story (Escalas 2004a, 2007; Gerrig 1994) and “all mental systems and capacities become focused on events that occur within the narrative” (Green and Brock 2000, p. 701; cf. Wang and Calder 2006). Placed messages serve as contextual background information (Slater and Rouner 2002) rather than focal information, as individuals actively (Polichak and Gerrig 2002) and happily (Csikszentmihalyi 2000) travel between the real and narrative worlds.

We propose that two processes, which compete for cognitive resources, are at work for product placement. Specifically, (1) story-oriented narrative processing, in which people need cognitive resources to absorb the story and put themselves in the shoes of the characters (Escalas 2007), and (2) brand-oriented information processing, in which people require cognitive resources to critically evaluate brand information (Slater and Rouner 2002). Mental simulations, in which the narrative’s plot and characters generate realism and affective responses, take place for people immersed in story-oriented processing. Fewer cognitive resources are left thereafter for attending to and critically thinking about integrated brand messages; this lack of critical judgment in turn raises brand evaluations. For people engaged in brand-oriented processing, cognitive effort is expended on counterarguing brand messages (Slater and Rouner 2002) and questioning the appearance of brands. Consequently, placed brands receive less favorable evaluations.

According to research on persuasion knowledge, people are frequently suspicious of ulterior motives when marketing attempts are discerned (Friestad and Wright 1994). For example, people who are equipped with cognitive resources tend to be more suspicious of advertising (Kirmani and Zhu 2007; Mills and Jellison 1967) as well as friendly or personalized salesperson encounters (Campbell and Kirmani 2000; Main, Dahl, and Darke 2007). Balasubramanian (1994) believes that product placements are more credible, and therefore more persuasive, than ads since brand sponsorship remains hidden. Bhatnagar, Aksoy, and Malkoc (2002) further demonstrate that audience awareness of commercial sponsorship adversely affects their persuasiveness. The allocation of available cognitive resources therefore determines the preponderance of story-oriented versus brand-oriented processing and their concomitant persuasive effects.

Similar effects on narrative evaluations are expected. While prior research has focused on brand effects, significant implications for media narratives exist as well. The criticism targeted at author Fay Weldon and her book The Bulgari Connection due to excessive inclusion of the Bulgari brand (e.g., Kim 2002) is illustrative of negative media impacts of product placements. Recipients often question message communicators’ motives and sincerity in accurately reporting events (Eagly, Wood, and Chaiken 1978). Attributions of communicator manipulativeness can hinder persuasion (Mills and Jellison 1967) and extend to narrative evaluations (Bhatnagar and Aksoy 2004). Hence, in addition to brand effects, we also consider narrative effects here.

Role of Self–Character Similarity in Traditional and Narrative Processing Modes

The characters that inhabit narratives are key determinants of persuasiveness (Green and Brock 2000). The connection between audience members and characters facilitates entry into the story (Escalas 2004a, 2007), and it is important to understand how self-referencing narrative transportation into the characters’ schemas and experiences influences story- and brand-oriented processing. Source characteristics such as similarity have been widely studied in conventional persuasion contexts (e.g., advertising), but there is little such research regarding product placement. Traditional persuasion literature identifies two primary modes of information processing: the systematic/central and heuristic-processing/peripheral modes (Chaiken 1980; Petty and Cacioppo 1986). The systematic/central mode refers to an elaborative approach in which people who possess high motivation or ability to process information carefully scrutinize message arguments prior to forming judgments. The heuristic-processing/peripheral mode is characterized by lowered motivation or ability to process information and elaboration on argument quality. Instead, people rely on heuristic cues (i.e., mental shortcuts or rules of thumb), such as source attractiveness and similarity (e.g., “attractive people are likeable,” “similar sources are believable”) when arriving at judgments. For people engaged in such heuristic processing, similar sources are found to result in greater liking of brands and ad messages (e.g., Chaiken 1980; Fiske and Neuberg 1990; Petty and Cacioppo 1986). Alternatively, for those engaged in systematic processing, similar sources either have no persuasive impact (as the focus is on argument strength and correction of perceived biases due to the similar source; Maheswaran and Chaiken 1991; Petty and Cacioppo 1986) or bias the extent and direction of processing (Kang and Herr 2006; Maheswaran and Chaiken 1991; Maheswaran, Mackie, and Chaiken 1992; Whittler and Spira 2002).
While there is little product placement research on source similarity (i.e., self–character similarity), familiarity is found to lower persuasion (Prentice, Gerrig, and Bailis 1997; Slater 1990). It may be that putting oneself in the place of familiar characters is less cognitively taxing, and resources are free for elaborating on brand messages. Indeed, taking the perspective of similar versus dissimilar others has been shown to require less effort and adjustment (Epley and Gilovich 2001; Epley et al. 2004).

Building on this line of reasoning, the extent of self–character similarity should influence the cognitive ease with which people immerse themselves in stories. Specifically, it should be cognitively easier for consumers to immerse themselves in the emotional states and subjective experiences of characters who are more like themselves. With fewer mental resources used up in story-oriented processing, more resources should be available for brand-oriented processing—thus mitigating brand and narrative evaluations. Immersion in experiences of dissimilar characters, however, should trigger more effortful narrative processing. With resources taken away from brand-oriented processing, lowered sensitivity to argument strength and ability to question persuasive intent should result in enhanced brand and narrative evaluations (Escalas 2004a, 2007). In summary, where narrative immersion is not induced, positive similarity effects are hypothesized. Self–character similarity here should affect information processing either as a (1) heuristic cue, where similar characters trigger liking and subsequent message persuasiveness (Petty and Cacioppo 1986), or (2) motivational cue, where similar characters enhance elaboration on positive aspects of triggered thoughts (Maheswaran and Chaiken 1991; Maheswaran, Mackie, and Chaiken 1992). However, when immersion is induced, we hypothesize negative self–character similarity effects as cognitive resources are diverted from story-oriented narrative immersion to brand-oriented information processing.

H1: Narrative immersion will moderate the effect of self–character similarity on brand and narrative evaluations, such that:

(a) When narrative immersion is induced, evaluations of the brand and narrative will be more favorable when perceived self–character similarity is low versus high.

(b) When narrative immersion is not induced, evaluations of the brand and narrative will be more favorable when perceived self–character similarity is high versus low.

STUDY 1

Method

Hypothesis testing was done via a 2 (narrative immersion: control, immersion) × 2 (self–character similarity: low, high) between-subjects experiment. Eighty-eight undergraduate students (45 females, 43 males) at a major university took part in exchange for course credit. Respondents, randomly assigned to one of four scenarios, received instructions related to the immersion condition (see Appendix 1). After this, they were asked to read a hypothetical first-person travel article titled “Balinese Wave” about a three-day vacation in Bali (see Appendix 2). The writer’s name, S. Christie, was gender-neutral to avoid gender-based inferences. A narrative structure was put in place via causally and temporally connected sequences of events (Adaval and Wyer 1998; Escalas 2004b). The causal structure was formed by giving the story’s character a goal (of scuba diving). A temporal flow was given by depicting daily events in the order of occurrence under appropriately titled subsections. A fashion shoot for a fictitious beachwear brand called Intrigue (the target brand) was described for the first day. We chose a clothing brand since the apparel and accessories category is placed heavily in magazines (PQ Media 2005). Two filler nightclub brands (Timber Hut, Candy Pub) were included while describing the second day’s activities to reduce target brand salience and potential suspicion surrounding its insertion. The character attained the goal set for the trip (i.e., scuba diving) on the final day. After reading this article, participants responded to the dependent measures and manipulation check questions. The entire task took about 15 minutes to complete.

Experimental Manipulations

Participants received instructions to submerge themselves in the writer’s subjective experience in the immersion condition, in which they were asked to imagine/understand the writer’s thoughts and feelings (see Appendix 1 for the specific instructions used). These instructions are similar to those used by other researchers (e.g., Green and Brock 2000). Participants in the control condition did not receive these instructions. Self–character similarity was manipulated via social distance (Eveland et al. 1999). The articles used in both conditions were the same, except that the protagonist was depicted as a student at Harvard Law School in the low-similarity condition (see Appendix 2) and the respondents’ home university in the high-similarity condition.

Manipulation Checks

We adopted items from Bruner (1986, 1990) to check the immersion manipulation: “How easy is it to identify with what the protagonist is thinking and feeling?” and “I believe that I am aware of what the protagonist is thinking and feeling” (anchored at 1 [not at all] and 7 [very much so]; Cronbach’s $\alpha = .78$). These assessed awareness of the protagonist’s psychological state and reflected our conceptualization of immersion. Three items were used to check the similarity manipulation: “How similar to the character in the story do you think you
are?”; “I can identify with the protagonist in the story”; and “I can easily put myself in the shoes of the protagonist in the story.” The first scale was anchored at 1 (not similar at all) and 7 (very similar). The last two were anchored at 1 (strongly agree) and 7 (strongly disagree) (Cronbach’s $\alpha = .77$).

**Dependent Measures**

Participants’ responses to four, seven-point scales anchored at 1 (bad/negative/unfavorable/not well written at all) and 7 (good/positive/favorable/well written) were averaged to measure attitude toward the story (Cronbach’s $\alpha = .78$). Attitude toward the target brand (Intrigue) was assessed by averaging responses to three, seven-point scale items anchored at 1 (bad/negative/unfavorable) and 7 (good/positive/favorable) (Cronbach’s $\alpha = .85$).

**Results**

**Manipulation Checks**

Our experimental manipulations were successful. A significant main effect of similarity manipulations on perceptions of similarity to the character emerged, $F(1, 84) = 7.62, p < .01$. Participants viewed the character from the home university as more like themselves compared with the one from Harvard ($M_{\text{Harvard}} = 3.66$ versus $M_{\text{home}} = 4.46$). Similarly, a significant main effect of immersion instructions on the extent of narrative immersion was found, $F(1, 84) = 7.18, p < .01$. Participants who received immersion instructions experienced significantly greater transportation into the story compared with those who did not ($M_{\text{immersion}} = 5.40$ versus $M_{\text{no immersion}} = 4.71$). No significant gender effects on brand, $F(1, 87) = 2.46, p = .12$, or story attitudes, $F(1, 87) = 1.28, p = .26$, were observed and were dropped from further consideration.

**Attitude Toward the Brand**

Self–character similarity and narrative immersion had a significant interaction effect, $F(1, 84) = 7.75, p < .01$, and no main effects on brand attitudes ($F < 1$). A planned contrast showed that brand evaluations were more favorable with a less- versus a more-similar character when participants were instructed to immerse themselves, $F(1, 84) = 4.62, p < .05$, $M_{\text{dissimilar}} = 4.83$ versus $M_{\text{similar}} = 4.30$. Support for H1a was, therefore, found for brand attitudes. Brand evaluations were, however, marginally less favorable with a less- compared with a more-similar character when participants were not asked to immerse themselves, $F(1, 84) = 3.23, p < .10$, $M_{\text{dissimilar}} = 4.33$ versus $M_{\text{similar}} = 4.87$. H1b thus received directional, but not full, support for brand attitudes. (See Table 1 for results.)

**Attitude Toward Story**

A significant interaction effect of self–character similarity and narrative immersion, $F(1, 84) = 15.16, p < .001$, with no significant main effects ($F < 1$) were found. Planned contrasts in the two immersion conditions were conducted. When immersion was induced, participants evaluated the story containing a dissimilar character more favorably than one containing a similar character, $F(1, 84) = 6.58, p < .05$, $M_{\text{dissimilar}} = 4.92$ versus $M_{\text{similar}} = 4.12$. When no immersion instructions were given, the story with a more-similar character was evaluated more favorably than one with a less-similar character, $F(1, 84) = 8.60, p < .01$, $M_{\text{dissimilar}} = 3.93$ versus $M_{\text{similar}} = 4.91$. (See Table 1 for results.) H1a and H1b for story attitudes were, therefore, supported.

**Discussion**

Findings of this study suggest that narrative immersion moderates the impact of perceived self–character similarity on brand and story evaluations. H1a, which postulated that attitudes toward narratives and embedded brands would be more favorable for stories containing less- rather than more-similar characters when a person was immersed in the narrative, was fully supported. H1b, which predicted that attitudes toward narratives and embedded brands would be more favorable for stories containing more- rather than less-similar characters when narrative immersion was not induced, was fully supported for story evaluations and marginally supported for

**TABLE 1**

<table>
<thead>
<tr>
<th>Dependent measures</th>
<th>High similarity (Home university student)</th>
<th>Low similarity (Harvard University student)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No immersion</td>
<td>Immersion</td>
</tr>
<tr>
<td>Attitude toward the brand</td>
<td>4.87 (0.84)</td>
<td>4.30 (1.00)</td>
</tr>
<tr>
<td>Attitude toward the story</td>
<td>4.91 (1.16)</td>
<td>4.12 (1.01)</td>
</tr>
</tbody>
</table>

(See Table 1 for results.)
brand evaluations. While we provided no explicit instructions for participants to immerse themselves in the story in the control condition, baseline immersion that occurred naturally may have mitigated self–character similarity effects for brand evaluations.

We manipulated self–character similarity by depicting the dissimilar character as a Harvard Law School student and the similar character as a student from the respondents’ home university. The experimental manipulation of similarity opens up the results of Study 1 to an alternative explanation, that is, participants may have aspired to the experiences of more-prestigious Harvard Law School students, thereby inducing positive affect transfer from the character to the brand/narrative (Mills et al. 2002; Smeesters and Mandel 2006). An additional study with a local community college student as the dissimilar character was therefore conducted to test this explanation of Study 1’s results ($n = 95$). Pretest results indicated that the local community college students are targets of downward social comparison within the test population. The results were similar to Study 1, brand attitudes: $F(1, 91) = 6.24, p < .05$, $M_{\text{dissimilar}} = 4.64$ versus $M_{\text{similar}} = 3.32$; story attitudes: $F(1, 91) = 4.67, p < .05$, $M_{\text{dissimilar}} = 4.90$ versus $M_{\text{similar}} = 4.24$ within the immersion condition.

A downward, versus upward, social comparison target did not alter the impact of immersion and similarity on brand/narrative evaluations and allowed us to discount social comparison as an alternative explanation.

STUDY 2

The objective of Study 2 was to test a cognitive resource availability account of Study 1 results. Performance on cognitive tasks (e.g., brand memory tasks) is indicative of cognitive capacity, which we propose determines the extent of brand-oriented processing (and therefore brand/narrative evaluations) once narrative immersion has taken place. Researchers such as Bopp and Verhaeghen (2005) and Shiv and Fedorikhin (1999) have previously used memory tasks as proxies for the availability of cognitive resources. If self–character similarity drives the cognitive ease with which people immerse themselves in narratives, and transporting oneself into the subjective experiences of less-similar characters is mentally challenging, the fewer cognitive resources available for subsequent tasks such as evaluating the strength and inclusion of brand claims should also result in weaker performance on other types of cognitive tasks. Therefore, we expected that performance on brand memory tasks for participants immersed in stories about characters dissimilar to themselves would be weaker than in stories with similar characters.

A 2 (narrative immersion: control, immersion) $\times 2$ (self–character similarity: low, high) between-subjects experiment was used to specifically examine the simple effect of similarity on brand memory tests in the immersion condition. Ninety-nine undergraduate students at the same university participated in the study. The stimuli and manipulations remained the same.

Procedure and Measures

Three sequential tasks were conducted: (1) the reading task (related to the travel article), (2) a brand study (an unaided memory task), and (3) a memory task (an aided memory task). Participants first read the article. A seemingly unrelated brand study that followed assessed unaided memory for brands embedded in the article. The instructions were as follows: “This short study tries to find out how many brands you know within several product categories. Please list as many brand names you know or remember for each of them. Please spend no more than one minute on each product category.” Three product categories were then provided: swimwear (the target category), nightclubs (the filler category), and footwear (a distraction category for mitigating potential demand effects). This format is similar to unaided brand memory assessment methods adopted in prior literature (e.g., Lee 2002). An unaided brand memory measure was created for the target brand, and another was created for the two filler brands. A value of 1 was assigned if the target brand Intrigue was mentioned in the swimwear category; a value of 0 was given for missing or incorrect responses. A similar coding scheme was adopted for creating the filler brands’ unaided memory measure. The final activity was the memory task that assessed aided brand memory—again, one measure was for the target brand, and another for the filler brands. A brand name completion task was conducted in which the first two letters of a set of brand names (that participants were told had appeared within the travel diary) were provided. These two letters were followed by a number of blank spaces that represented missing letters (e.g., in the brand name completion task for the filler brand Candy Pub, the incomplete brand name presented was: CA_ _ _ P_ _). Participants were asked to complete each brand name by filling in the missing letters (close-ended task) and explain what each represented (open-ended task). Correct close-ended spellings and open-ended explanations were given a value of 1. Incorrect and missing responses were coded as 0. The aided target brand memory measure was created by averaging values given to the close-ended and open-ended responses ($r = .91$ for Intrigue). Similarly, aided filler brand memory measures were formed by averaging the close-ended and open-ended responses for each brand ($r = .97$ for Candy Pub; $r = .96$ for Timber Hut). An overall aided filler brand memory measure was then created by averaging the aided memory indices for both brands. These measures were included as separate dependent variables within the subsequent ANOVA (analysis of variance) analyses (see Table 2 for results).
Results

Unaided and Aided Memory (Target Brand)

Narrative immersion and similarity had a significant interaction effect on unaided memory, $F(1, 95) = 7.30, p < .01$. A planned contrast in the immersion condition found a significant simple effect of similarity, $F(1, 95) = 4.27, p < .05$: Participants who were immersed in the story performed worse on unaided target brand memory tasks for a dissimilar character than for a similar character ($M_{similar} = .45$ versus $M_{dissimilar} = .20$). Moreover, an additional contrast in the control condition showed a marginally significant effect of similarity, $F(1, 95) = 3.11, p < .10$, $M_{similar} = .06$ versus $M_{dissimilar} = .29$: When no immersion instructions were given, performance on unaided target brand memory tasks was marginally better with the dissimilar character than with the similar one.

Similar patterns of results were obtained for aided memory. A significant interaction between similarity and immersion occurred, $F(1, 95) = 4.44, p < .05$, and a planned contrast in the immersion condition revealed a significant effect of similarity, $F(1, 95) = 4.61, p < .05$. Our expectations of enhanced aided memory test performance when participants were immersed in stories with characters more similar to themselves were confirmed ($M_{similar} = .43$ versus $M_{dissimilar} = .20$). An additional contrast in the control condition did not show a significant effect of similarity ($F < 1$).

Unaided and Aided Memory (Filler Brands)

There was a significant interaction effect of similarity and immersion on unaided memory for the filler brands, $F(1, 95) = 4.48, p < .05$. The planned contrast in the immersion condition found a significant effect of similarity for immersed respondents, $F(1, 95) = 6.13, p < .05$: Having a less-similar character hampered unaided filler brand memory ($M_{similar} = .78$ versus $M_{dissimilar} = .38$). A contrast in the control condition did not yield a significant effect of similarity ($F < 1$).

Furthermore, a significant interaction effect of the two independent variables on aided filler brand memory was obtained, $F(1, 95) = 4.70, p < .05$. When participants were immersed, similarity had a significant simple effect, $F(1, 95) = 5.61, p < .05$. Participants immersed in a story with a character more like themselves performed better on aided memory tasks ($M_{similar} = .36$ versus $M_{dissimilar} = .17$). No significant similarity effects emerged in the control condition ($F < 1$).

Discussion

Inferior performance on unaided and aided brand memory tests (for both the target and filler brands) when participants were immersed in narratives about characters less similar to themselves is indicative of enhanced cognitive burden and subsequent brand/narrative evaluations. Brand listing tasks across a number of product categories, presented as unrelated to the magazine stimuli, assessed unaided brand memory. Similar patterns of results for aided memory obviate concerns that our unaided memory index is less an indicator of brand memory than narrative acceptance (in which participants who are suspicious of the fictitious nature of embedded brands fail to list those in an unrelated task). A task directly related to the magazine article assessed aided brand memory. Additional thought protocols related to the article also revealed no scrutiny pertaining to the fictitious versus factual nature of embedded brands ($n = 128$ participants drawn from an independent sample within the same population). The open-ended thoughts were further coded as either story or brand related. Participants reported the smallest number of story-
related thoughts when immersed in the article with a character similar to themselves (average number of thoughts compared with other conditions = 3.75 versus 5.70, F[1, 124] = 5.89, p < .05). Participants also reported a higher number of brand-related thoughts when immersed in the article with a character that was similar to themselves than one with a dissimilar character (average number of thoughts = .47 versus .38, F[1, 124] = 4.85, p < .05). This supports our contention that where there is immersion in the story and self–character similarity is high, there is little cognitive effort put on processing the story and freed up resources enable brand-related elaboration.

**GENERAL DISCUSSION**

Taken together, results of two experiments demonstrate that narrative immersion moderates the impact of self–character similarity on brand and story evaluations. H1a, which predicted that greater similarity lowers attitudes when immersion is induced, was fully supported for both brand and narrative evaluations in Study 1. Furthermore, H1b, which posited that greater similarity enhances attitudes when immersion is not induced, received full support for narrative evaluations and marginal support for brand evaluations. Participants may have transported themselves into the story somewhat despite the lack of explicit immersion instructions, resulting in partial effects for brand evaluations. We argue the differing effects of similarity with and without immersion induction as follows. In the former instance, people shift from story-oriented to brand-oriented information processing when cognitive resources are available. Similarity to the character eases story-oriented immersion and frees up cognitive resources to proceed with brand-oriented elaboration, thereby hampering brand and story evaluations. Dissimilarity to the character makes story-oriented immersion challenging and leaves few resources for elaborating on brand information, thereby enhancing brand and story evaluations. In the latter case, people engage in traditional brand-related information processing. Performance on brand memory tasks in Study 2 confirms our cognitive resource availability explanation of Study 1 results. Our argument that persuasion knowledge related to product placements creates scrutiny of brand information and lowers brand/narrative evaluations can be tested by including persuasion knowledge as a mediator within future research. Placement fit with the context should further moderate the effect of persuasion knowledge. For example, the BMW Z3 Roadster was launched via the James Bond movie *GoldenEye* (Fournier and Wojnicki 1999). The positioning of the car (as sophisticated and exciting) fits well with the story line and positioning of the character. By including fit as a moderator, it would be possible to confirm that persuasion knowledge is less of a hindrance when fit is good as opposed to when it is poor.

**CONTRIBUTIONS TO THEORY AND PRACTICE**

Traditional persuasion models (e.g., Petty and Cacioppo 1986) would predict positive source similarity effects. Narrative processing models (e.g., Green 2004; Green and Brock 2000) also predict positive effects of similarity between readers and story characters, where similarity facilitates transportation and boosts story-consistent beliefs, perceptions of realism, and believability, irrespective of real-world truth status (Gilbert 1991; Gilbert, Tafarodi, and Malone 1993). We demonstrate more nuanced similarity effects when persuasive brand information is contained within an overarching narrative and variations in narrative immersion occur. When no immersion is engendered, resultant positive similarity effects stay aligned with predictions of traditional dual-processing models such as the Elaboration Likelihood Model (Petty and Cacioppo 1986) and the Heuristic Systematic Model (Chaiken 1980). When immersion is engendered, however, negative similarity effects emerge: Similarity influences the ease of narrative transportation and modulates the availability of cognitive resources for further brand-related elaboration.

Green (2004) utilized a published short story, whereas we created a hypothetical travel article. Similar articles in publications such as the *New York Times*, where it is common to encounter destinations and brands, were templates for our article. Story-related thought protocols indicated that readers did not question the story’s realism and believability. We therefore do not attribute negative similarity effects in the immersion condition to poor quality stimuli and annoyance at brand inclusions. Furthermore, similar stimuli used across all experimental conditions allow us to discount low story quality as an explanation for our results. In addition, our findings suggest that cognitive activities such as story-oriented processing and brand-related elaborations (e.g., “why does the brand appear within the narrative?”; “what does it have to do with the story?”; “is this an embedded ad?”) influence brand/narrative liking. Support for a cognitive affective dependence mechanism—that is, the “cognitive affective model” (Lazarus 1982; Schneider and Shiffrin 1977), where affect (evaluations) is contingent on engagement in varying levels of story- and brand-related cognitions—is therefore indicated. While we have limited our sample to student participants, investigations using wider audiences would strengthen the external generalizability of our results.

Furthermore, there have been extensive inquiries into audience–character relationships (e.g., Fiske 1987; Horton and Wohl 1956; Jenkins 1992; Kozinets 2001; Maccoby and Wilson 1957; Russell, Norman, and Heckler 2004; Russell and Stern 2006), but examinations in the context of stories containing product placements are relatively recent. These include investigations of associations between products and
story characters (D’Astous and Seguin 1999; Russell 2002), and consumers’ perceived relationships with the characters (Russell, Norman, and Heckler 2004; Russell and Stern 2006). Russell and Stern (2006) found that audiences align brand attitudes with those of the characters where an attachment develops. This is in line with Kelman’s Identification Model (1958), where identification with a character positively affects persuasion. While source identification is conceptualized based on subjective experiences and values, we use social distance (Eveland et al. 1999) to create perceptions of similarity. Extant academic scrutiny of product placements has also primarily been limited to brand effects within the context of television and films (e.g., Babin and Carder 1996; Gupta and Lord 1998; Law and Braun 2000; Russell 2002). There is little research done in the context of magazines that are key venues for product placements (PQ Media 2005) and on potentially negative consequences for media narratives (Bhatnagar and Aksoy 2004). Companies also rarely promote brands solely through product placements. For example, the portfolio of promotions for the BMW Z3 Roadster spanned appearances in GoldenEye, cross-promotions with the movie, and public relations appearances by actors. Moreover, placements seldom appear in only one medium. Brands mentioned in Rachael Ray’s cookbooks, for instance, often appear on her television show Day to Day with Rachael Ray, as well as her magazine Every Day with Rachael Ray. Examinations of joint effects from a variety of promotional formats (e.g., ads and placements) across various media (e.g., television and print) would approximate placement effects more realistically.

Our findings indicate that consumers’ immersion in stories containing characters less similar to themselves leads to heightened brand and narrative evaluations. Managers should therefore remain cognizant of factors that affect narrative immersion. The nature of narratives themselves may influence people’s ability or motivation to experience immersion. For instance, narratives that are compelling, well executed, or belong to genres that inherently draw people in (possibly thrillers and suspense dramas, as opposed to comedies) may very well engender greater immersion. Moreover, media consumption increasingly occurs in a variety of formats. Some formats are more conducive to consumption in a continuous fashion (e.g., collections of articles in digest formats, a season of episodes on DVD/Blu-ray) than others (e.g., separate articles, shows on network/cable television with commercial and episodic interruptions). Consolidated formats that allow consumption continuity arguably induce greater immersion vis-à-vis those consumed piecemeal with interruptions. Furthermore, audience–story character attachment may help or hinder immersion. A consumer’s attachment to an actor portraying a character may detract from immersing oneself in the specific narrative. However, where attachment is toward the character him- or herself (perhaps within an ongoing story or sequel), immersion should improve. Finally, people who are naturally predisposed to empathize with experiences of others, as well as toward immersion itself (a construct we call susceptibility to narrative transportation), should transport themselves with greater ease than others.

The brand effects of product placement activities in television shows and movies have received much attention from past researchers. Less well examined are placements that take place in other media (e.g., print) and consequences for narratives that contain embedded brands. This paper draws from traditional information-processing and narrative-processing literatures and demonstrates differing effects of self–character similarity on brand and narrative evaluations when varying levels of immersion in magazine articles occur. Specifically, lower self–character similarity perceptions enhanced brand and narrative evaluations upon immersion induction. Lower perceptions of self–character similarity, by contrast, mitigated narrative evaluations (and, to a marginal extent, brand evaluations) when immersion was not induced. We argue that when people are immersed in a story, greater cognitive resources required for processing stories with characters less similar to themselves—and lower resources available thereafter for scrutinizing brand-related information—heighten brand/narrative evaluations. Performance on brand memory tasks (that served as proxy measures of cognitive resource availability) shows support for this explanation.

REFERENCES


APPENDIX 1

Experimental Manipulations of Narrative Immersion in Studies 1 and 2

A. Control Condition

Suppose you are reading a travel-related diary published in a magazine. Please read this diary carefully.

You will be asked later for your opinions related to this article.

B. Immersion Condition

Suppose you are reading a travel-related diary published in a magazine. Please read this diary carefully. It is important that you use your imagination and really try to understand what might be going through the writer's mind . . . what the writer is thinking and feeling during the trip.

You will be asked later for your opinions related to this article. This exercise is important because the information you provide would be more reliable if you have an understanding of the psychological state of the traveler.

APPENDIX 2

Magazine Article Stimuli for Low Self–Character Similarity in Studies 1 and 2

Balinese Wave

Hidden on the coast of Bali, I found an inspirational location.

By S. Christie

My goal for this summer

I'm a full-time law student at Harvard Law School, and my summer break was fast approaching.

I had been working extremely hard all year and decided that I really needed to recharge, get re-energized and do something really exciting during the summer. My friend claimed that there is no better activity than scuba diving and no better place than Bali to get my fill of fun and excitement. I decided to take this piece of advice. I was determined to try my hand at scuba diving.

I made arrangements for a three-day trip to Bali.

Unexpected fun on Day 1

I was looking for some place hot and wild by the ocean to have some fun. In search of inspiration, I continued driving south down the coast of Bali looking at places till I chanced upon magical Kuta Beach. It had everything I’d need—fascinating beaches, and crystal clear waters. I felt a distinct throb of excitement in the air—the colorful local life with a cosmopolitan flavor, glorious sunsets over the sea. It was the perfect spot for me. Now that I had found a location, I began looking around for hotels.

One of the hotels was close to the quiet end of the beach and I checked myself in. The hotel was a stone’s throw away from the water and the round-the-clock party scene. After settling in, I took myself outside for a walk.

I overheard some people talking about a fashion shoot for the new Intrigue line of beachwear from Sven Irfan’s summer collection along the waterfront. Sven Irfan is one of the upcoming designers and I was curious to witness the photo shoot. The site of the shoot was packed with onlookers while models walked around in the Intrigue swimwear. The swimwear had skillfully cut designs, innovative patterns, and figure-flattering colors—they cleverly controlled and contoured the body. It was a very vibrant
and fun experience witnessing beautiful people wearing trendy clothes against the backdrop of sand and waves. The sun was setting as I walked back to my hotel. I was lucky that I managed to have this unexpected experience at Kuta Beach.

Still having fun on Day 2

The nightlife here was wonderful. There was a large variety of restaurants of all sorts, a choice of beer-bar clusters, go-go bars, and discotheques. I opted to head into town to check out some of the music pubs. Places like the Timber Hut and the Candy Pub offered fun atmospheres with live rock 'n' roll and Balinese food. It was interesting to see the Balinese-style “coffee shops” — nightclubs where ladies in fancy dresses took turns getting up to sing songs while customers ate and drank and, occasionally, enticed singers to join them at their tables. Eating, drinking, bright lights, crowds and pounding music on all sides, dancing . . . the fun was endless!

Finally doing what I came here for on Day 3

I joined a group of young and spirited scuba diving enthusiasts and a dive master the next morning as the water sparkled with early-morning light. He led us about 300 feet offshore where the underwater view was pristine. I was a little wary initially. But inspired by every one else’s daring, excitement and enthusiasm, I ventured deeper under water.

When I got back, I phoned my friends and told them about the spectacular things I had seen that morning and how proud I was of myself for making this happen and scuba diving for the first time in my life. Watching the fashion shoot, sampling the night life, and getting to do what I came here for—to scuba dive and have a fun experience—mission accomplished!!