

***PUT YOUR PRODUCT HERE*** - An idea for federal regulators to contemplate Ralph Nader's request to label product placement on television shows: Whenever the placed product appears on the screen, flash "SHAMELESS PLUG" in big, bold letters. Wait, that's essentially what Nader's group wants to do. *From Real Media Riffs 10/8/2003*

- Clients are asking for exposure beyond the 30-second spot.
- Product placement (branded-content) is just one tool in the overall marketing package.
- The trend toward placement and sponsorship has come from advertisers' wanting to get more value for their advertising spending.

### Name any product placement in a movie or TV show that you've seen?

- Spending for Product Placement to hit \$4.25 Billion in 2005. Rose 16.6% a year average since 1999.
- How much product placement is too much? While networks and production companies enjoy the revenue generated by deep-pocketed marketers eager to place their products on popular TV shows, many worry that too many placements will turn off viewers. Product integration will grow by 30% to \$2.4 billion this year. [Adweek 8/22/05](#)
- At the house of a family of four, three bodies were found, but the young daughter was missing--and Nick refused to give up on finding the little girl alive after he figured out that she left behind Bubblicious gum pieces as clues to her whereabouts in the October 20<sup>th</sup> installment of CBS' "CSI."
- Domino's Pizza sponsors The Apprentice in fall 2005. Cost between \$1-2 Million. Papa John's trumped the product viewers were seeing with a 30-second Papa John's spot: "Papa John's founder said:"Why eat a pizza made by apprentices, when you can call the pros at Papa John's?"
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- [Campbell's Labels Are 'Heaven' Sent, Other Product Placements](#): The Camdens and friends helped Ruthie collect **Campbell's** soup labels for education to earn supplies for her school in an episode of the WB's "7<sup>th</sup> Heaven." 11/05
- Toyota signed on as a non-sports marketer with Mark Burnett and DreamWorks Television for NBC's Contender. Paid \$16 Million on media and product integration, the highest ever paid. Show underperformed.
- On UPN's hit "America's Top Model," models walked a runway at Kmart. On NBC's "The Biggest Loser" contestants vying to lose the most weight struggled to break open a Jell-O branded refrigerator, and on WB's "Gilmore Girls," Lorelai toasted her engagement by drinking a malt beverage and saying: "Let's drink Zima and have sex every night."
- Teams had to create a new salad dressing for Wish-Bone and sell it at a local Stew Leonard's store in the October 19<sup>th</sup> edition of NBC's "The Apprentice: Martha Stewart." Although only one team could win, both salad dressings are being sold for a limited time. P&G Reports Major Sales Lift from Martha Stewart Show with a brand integration campaign for Tide to Go. "The Apprentice: Martha Stewart" show doubled sales of the product. 11/2005, according to the company.
- 9/05: The last six minutes of the finale of 'Six Feet Under' turned into a Prius commercial with Claire driving to NY.]

- “The Apprentice” P&G, Pontiac’s Solstice, Pepsi, Mattel, Toy’s R Us, Levis, Cunard Line, and others paid \$1 million each for product integration roles in Season two. It was free in Season one. Product integration fees are doubled to \$2 million in Season three.
- UPN’s hit reality show, "America’s Next Top Model." In the season finale three model hopefuls competed in a Covergirl commercial and photo shoot. Covergirl cosmetics are seamlessly integrated into the plot.
- April 05: Cruise ship, Norwegian Dawn, hit by a 70-foot freak wave as it was trying to get to New York for an appearance on “The Apprentice” for which it paid \$1 million.
- HBO’s 'Comeback' Navigates Lincoln Mercury Deal Valerie and husband were given a Lincoln Navigator in an episode of HBO’s "The Comeback." Unfortunately, nothing is free; the Navigator not only has to appear in Valerie’s reality show, but they must say the car’s name, the Navigator, any time it’s discussed.
- Major, impact product placements: Reece’s Pieces in movies "ET," and AOL’s presence in "You’ve Got Mail."
- McDonald’s plan to recruit hip-hop and rap artists to feature “Big Mac” in songs. When a “Big Mac song that McDonald’ O.K.’s. gets radio play, Mickey D sends the artist a check. About a dollar a play. The hip-hop community has promoted brands such as Cadillac and Courvoisier without financial incentive. Is this just like product placement deals?
- In the title of “*Harold and Kumar Go to White Castle*.” White Castle did not pay to be in movie, but did initiate a collectible cups promotion with the launch of the movie. The Hot Dog stand was a substitute for a Krispy Kreme doughnuts location after Krispy Kreme backed out just before shooting. In 2004 White Castle spent \$14.8 million for advertising its chain, while McDonald’s spent \$680 million. White Castle’s slogan is “What you crave.”
- Will Smith wore vintage Converse All Stars and he points them out during the movie “I, Robot.”
- How about the demolition of dozens of Mini Coopers in The Italian Job (32 vehicles were provided for movie, prior to the Mini Coopers hitting the dealerships for beginning inventory and PR.
- Product placement seeped also into television on sitcoms like "Seinfeld" and "Everybody Loves Raymond," and the surge in popularity of reality shows. Can you name a car in the original “Survivor?”
- McDonald’s Rap Song for Big Mac Product Placement Stalls. McDonald’s planned to produce rap songs promoting the Big Mac in Summer ’05 have bogged down in an unproductive search for suitable lyrics and high-level administrative changes at the company
- American Idol Ruben Stoddard took \$10-20K from hip-hop clothing maker, 205 Flava, Inc. thru his brother and manager to wear their bright jerseys
- Junior Mints and Jujubes in Seinfeld
- Cingular Wireless and Sony Ericsson, Maserati in Charlie’s Angels: Full Throttle
- Tanqueray in Down with Love
- Oreos in Friends
- Upscale doggy accessory store and its sweaters (Fifi & Romero) featured in Legally Blonde 2.
- Gateway computers in Legally Blonde 2.
- Jeep in Tomb Raider plus Panasonic, AT&T Wireless, Tissot watches
- Dr. Pepper in X2: X Men United, Mazda, Baskin-Robins, Nabisco/Kraft
- Aston Martin or BMW in Tomorrow Never Dies or Die Another Day
- Cadillac, provided 25 pre-production CTS sedans and Escalade EXT SUVs; Overall GM gave film 200 vehicles for The Matrix Reloaded
- Clos du Val wine pays \$5K/month to Set Resources. Placement in movie “The Terminal,” “Sopranos,” “Everyone loves Raymond,” “The O.C.” Also, served at movie premieres.
- Total integration is the new product placement. The **NBC** reality show "Meet Mister Mom" offers a glimpse into the future of TV product placement. Not only have marketers like Clorox, JC Penney and Nissan arranged

for their products to appear on the show, but their new advertising campaigns reference and promote the show, and a Clorox Web site even features show clips and outtakes.

- Samsung ponied up \$100 million in a worldwide campaign to push “The Matrix Reloaded”
- Mitsubishi provided \$25 million to help sell “2Fast 2 Furious.
- In 2002, 5.7% of companies used entertainment tie-ins as one of their top three marketing strategies, according to Annual Promotion Trends Study from PROMOI and The Promotion Marketing Assoc.
- Without adding any media dollars to the total, how much did Finlandia vodka pay to become the official vodka of James Bond?  
\$5 million promoting the film in print ads and special events.

Smirnoff was the official vodka, a designation for 40 years. First Bond film “Dr. No” in '62 until MGM Studios decided to upgrade its promotional tie-ins for the Bond film “Die Another Day. Adweek 12/2002

- **In Germany, You would never** see plastic Coca-Cola cups on a desk sitting in front of “American Idol” judges Randy Jackson, Simon Cowell, and Paula Abdul. That’s because product placement paid or free of charge, is illegal - for all broadcasters - commercial, public, or otherwise. You can’t even talk about real brands on the air.

#### Tie-ins:

- “Scooby-Doo” fruit roll ups became the top-selling brand in a category that includes more than 40 choices.
- Sponsors Samsung, General Motors and Heineken, which spent \$100 million around the summer release of “The Matrix Reloaded” are sitting out the sequel, after finding the flick too advertiser-unfriendly. Ad Age 10/13/2003
- Product placement's role is to complement a larger deal, one that includes traditional advertising spots as well.
- To support DVD/VHS release “Lord of the Rings: the Two Towers,” New Line introduced the “Adventure Card,” a promotional platform with Duracell, Air New Zealand, Chrysler, Dr. Pepper, Seven Up, Verizon, American Online, and EA Games.
- When you build those larger deals, you want the effect integrated and you want it to be close to your spot.
- **Reece's Pieces placement wasn't just that it was in "ET" but that it was part of a larger campaign that included TV spots.**
- Don't just do the product placement and forget about it ... It's very, very important that we now look at product placement as a tool for the building of the final product.
- Companies can charge fees, royalties for associations and creating premiums related to the program or talent.
- “Commercial are passé’ ”, according to the creator and executive producer of Queer Eye for the Straight Guy. The hit has been called “Queer Eye for the Straight Buy” because of so many product placements. We have to be very careful. We can’t just say—“I love X product, “because they have given us money for product placement. It’s about using the right product for a certain episode. It’s a fine line. We use the line “Process over product.”

#### More Examples:

- The earliest example of product placement was found involved films from 1896 created by Auguste and Louis Lumière for François-Henri Lavanchy-Clarke, the Swiss representative for the Sunlight brand of soap sold by Lever Brothers (now [Unilever](#)). One film shows a cart bearing the Sunlight name parked on a street, and another shows "people doing their wash."
- Also fascinating are "the product placements that didn't happen." For example, a letter in Alfred Hitchcock's files from "when he was doing preproduction on 'The Birds,' " in which North American Van Lines offered trucks for "a scene where the people under attack leave town."
- Film fans may forever wonder why in a scene in "Double Indemnity" that takes place in a grocery store, the director, Billy Wilder, had some products like Green Giant vegetables facing the camera while others were turned around, obscuring their labels. And why in a scene set in a kitchen in "All about Eve" are boxes of Sunshine Hi-Ho's and Sunshine Grahams visible on a shelf above Bette Davis?
- "Pepsi Smash" music series on The WB and September, 2003 "Play for a Billion" sweepstakes.
- Cingular's work with MTV's Video Music Awards.
- Mountain Dew and Doritos into the first "Survivor."
- The Emmy-winning Johnson & Johnson-branded original film series on TNT.
- Product placement to NBC's summer reality series "The Restaurant."
- May 2003: "Good Morning America" teamed with Florida Citrus to sponsor Emeril's Breakfast in Bed for Mother's Day.
- Colgate brought daytime soap stars to life at Disney's MGNM Studios in Orlando.
- Kay Jewelers teamed with ABC's "Life with Bonnie, when her TV husband gave her a diamond ring to celebrate her anniversary.
- Olive Garden teamed with ABC's "According to Jim" when family celebrated a birthday at Olive Garden.
- VW teamed with "Jimmy Kimmel Live" in supplying cars for many misadventures around the country.
- College Sports Television, a seven-month-old, 24-hour college sports channel, has struck a marketing agreement with [Nike](#) that will include not just ad time and promotions for the company, but a regular half-hour program called "Nike Training Camp." More often than not, the program will feature only teams that have endorsement deals with Nike. Although the value of the agreement is estimated at less than \$1 million, it subsidizes the fledgling channel's efforts to create programming that can stand out among offerings from dozens of other cable channels. But renews questions about the proper boundaries between advertising and programming as well as between academia and commerce.
- The price of plugs at the old ball game: For between \$100,000 and \$500,000, marketers can land a season-long branded entertainment deal for a mention per game in the radio broadcasts of Yankees or Mets baseball games. The practice long predates the notion of product placement, and has been honed by broadcasters into an art form; as Mets announcer Gary Cohen says, "You don't want to intrude on the action. At the same time you're giving the sponsors their money's worth."  
[NorthJersey.com](#)

#### Evaluation:

- Third seconds of screen does not equal a 30-second commercial.
- **CONSUMERS MAY HATE COMMERCIALS--NO STUDY** needed to tell you that--but they seem perfectly comfortable when it comes to product placement on TV shows. 80% of Americans have a positive view toward this powerful new form of promotion, a MindShare study released 2/24/05. Marketers appear to be equally enthralled with the idea of product placement, according to another

study conducted by ANA (Association of National Advertisers), unveiled at 2005 Television Advertising Forum.

- In the ANA's survey of 118 marketers, 63% said their company has participated in branded entertainment initiatives in 2004-2005. About 42% of the marketers who conducted a branded entertainment promotion said that they did so in order to make a stronger emotional connection with consumers--an amount that outranked other stated benefits by nearly double. And while 60 percent said that they had done a branded entertainment deal in the past, 80% said they certainly will do one in the future.
- Still, as MindShare found, there is a catch. As perhaps with any form of advertising, consumers told, in terms of product placement, "It depends on how it's done." That was the view of 46% of consumers, while 37%"it's generally okay with me."
  
- The product placement without a promotion really goes unknown and unseen.
- Conventional advertising CPMs may be a good starting point for determining the return on investment of product placements, but a panel of industry leaders said it might require an entirely different metric to get at the true value of these increasingly popular product placement plugs.
  
- In fact, ROI was the major focus of the Kagan World Media conference on sponsored programming and product placement, which was held in New York during fall 2003.
- The forum, which drew media buyers and content providers from the United States and Canada, tried to home in on the value that should be placed on placements and sponsorships. The conclusion: Its value depends not just on the spot itself but how well it belongs in the TV show or film and its integration within a campaign.
  
- Product placement is about 100 times cheaper than the typical 30-second spot and does provide value. "We just don't have the Stanford Research Institute measurement to back it up."

#### FTC, Commercial Alert and Government Issues:

- Many in the ad business see it as a solution to ad-zapping technologies, but the so-called practice of product integration into TV programming came under specific official government scrutiny in October 2003.
- In a complaint filed with the Federal Trade Commission, Commercial Alert, a public advocacy group backed by Ralph Nader, requested the federal government investigate the wave of product placements and other undisclosed product pitches that have begun infiltrating TV shows.
- The complaint singles out ABC, CBS, NBC, Fox, UPN, the WB and Walt Disney Co. for failure to comply with sponsorship identification requirements.
  
- Gary Ruskin, author of the complaint and executive director of Commercial Alert, asserted product placement and plugs are a deliberate ploy on the part of advertisers to mislead consumers into thinking such products are part of regularly scheduled programming.
- But agency executives contacted by MediaDailyNews counter the accusations are driven by wrong-headed logic and challenged Commercial Alert's fundamental assertion that advertising and commercialism not in the public interest. More importantly, federal scrutiny notwithstanding, media buyers said the effort likely will fall on deaf ears.
- "I don't think anything will come of [the complaint]," said Brad Adgate, svp and director of research at Horizon Media.
  
- "On-air product placement is merely a throwback to the early days of TV and movies."

- Certainly there is no harm in placing a product on a set so long as it works naturally with a given story line.”
- Laura Caraccioli-Davis, VP and director at SMG Entertainment, adds, “Products are absolutely essential to a set. They give it authenticity. Without them, a kitchen or living room on set wouldn’t look like a real kitchen or living room at all.
- In the complaint, Ruskin cites pre-existing sponsorship identification requirements made by the FCC, hoping to highlight hypocrisies in the execution of its rules. : “Paramount to an informed opinion and wisdom of choice, is the public’s need to know the identity of those persons or groups who elicit the public’s support;” a broadcast audience must “be clearly informed that it is hearing or viewing matter which has been paid for...”
- “It is inherently deceptive because [such advertisements are] often below the viewer’s threshold of awareness,” he said. To remedy this, Commercial Alert suggested a ‘paid advertisement’ message be placed at the bottom of the screen for as long as the product appears. In addition, the group suggested sponsors should be indicated at the outset and end of each program.
- **Home Depot** has inked a multiprogramming deal with Mark Burnett Productions to integrate its brand into a variety of reality television shows. The deal, touted as the first of its kind, calls for the production company to pitch concepts and TV show ideas to Home Depot, rather than zeroing in on product placements in existing shows.

#### Helpful Hints:

- There’s a fine line between creativity and commercialism.
- In Matrix Revolutions there was bad blood among clients or advertisers with directors and producers. Warner Bros. lost a bundle when GM, Samsung and Heineken spent more than \$100 million to promote second installment but not the third. Advertisers blamed prima donna behaviors of producer, Joel Silver, and directors, Andy and Larry Wachowski. Disagreements were over product placements.
- One thing’s for sure: Product placement isn’t the “be all and end all. It’s part of the “whole” marketing program.
- Be creative, but believable in its execution.
- Bigger is not always better. More is not always better.
- Look to one of the seminars on product placement. One is the LA Office RoadShow seminar, on product placement, held in LA.
- Read the contracts. Do research. Read the revised script.
- Build trusting relationships
- Be ahead of curve. Read Adweek, Advertising Age, Premiere, Variety, Hollywood Reporter, People.
- You need to work 14-16 months in advance for a national promotion. Need to work your distribution network, the entertainment partner and your other products.