Branded Entertainment: Using Product Placement to Reach Consumers in the New Media Environment

Transitioned Media Conference
Rachel Mueller-Lust

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"Product placement is a small price to sell your soul for….

Product placement is a line that marketing and editorial shouldn't cross….

If you're a brand with integrity, people will want you in their content, but if product placement is allowed, we won't pay for it."

—the guardian
Dr. Pepper Product Placement in 90210 on The CW television network
April 14, 2009
The Critics and Bloggers Panned It

“Were they kidding with that tonight? Tonight's episode of 90210 deserves an award, for the single most egregious example of product placement in the history of television. Once or twice, it felt like a ... spoof of a television show doing product placement. ... Product placement was so ubiquitous and clunky it was almost insulting.”

Los Angeles Times
But actual viewers - including Dr. Pepper’s core target - responded quite favorably

**Brand Recall**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Pepper in 90210</td>
<td>85%</td>
</tr>
<tr>
<td>Category Norm</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Index</strong></td>
<td>173</td>
</tr>
</tbody>
</table>

**Brand Opinion Improvement:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Pepper in 90210</td>
<td>29%</td>
</tr>
<tr>
<td>Category Norm</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Index</strong></td>
<td>193</td>
</tr>
</tbody>
</table>
And the majority of viewers found the placement to be a **seamless fit** with the show’s plotline.

- **62%** of Viewers thought it fit “naturally” into the 90120 program.

- **Only 4%** cited a “lowered” opinion of Dr. Pepper as a result of the placement.
In fact, it is very unusual for products to experience negative perceptions from their in-show integrations.

**BRAND OPINION LINK**
- Greatly/Somewhat Improved Opinion: 36%
- Greatly/Somewhat Lowered Opinion: 2%

**PERCEIVED FIT LINK**
- Natural and Seamless Fit: 41%
- Somewhat Forced/Forced and Awkward: 2%

9.22.08-3.31.09; P13+
Limited to Primetime Non-Sports Programming – all airings
Why the Rise of Branded Entertainment such as Product Placement?

What’s the Value for Advertisers?
The ability to commercial-skip has grown substantially over the last several years.

DVR Penetration Among HHs Thru February 2010

DVR owners fast-forward more than 50% of all commercials recorded.
Ad break clutter continues to rise … comprising nearly 16 minutes of the average programming hour last year.

Source: The Nielsen Company, Primetime Broadcast + Cable TV, Includes national, syndication and local ads, plus PSAs and Promos, Only networks available all 4 years were included.
Brands in program have better exposure opportunity and historically have generated 54% higher brand recall compared to traditional ads.
But it takes two to tango: traditional ads often generate higher purchase intent.
And 1+1 does equal 3: Ads paired with product placement generated **double** the recall and **double** the purchase intent.
Viewers are seeing more major branded entertainment than ever before

Number of Major Product Placements by Year:
Overall

- 2006: 4401
- 2007: 4458
- 2008: 5744
- 2009: 5775

+31%

Includes 12 networks in Primetime with Ad/Sponsor Adjacency
And the rate of growth in scripted programs is even higher.
Yet viewers have actually responded more favorably to placements in the last several years, with consistently negligible negative impressions.
Reality programs are the most active genre and offer the most optimal environment.

<table>
<thead>
<tr>
<th>Genre</th>
<th>Placement Density</th>
<th>Brand Recall</th>
<th>Brand Opinion Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reality</td>
<td>10</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>Comedy</td>
<td>3</td>
<td>45%</td>
<td>25%</td>
</tr>
<tr>
<td>Drama</td>
<td>4</td>
<td>38%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Note: Brand Opinion Improvement is Top 2 Box among brand-recallers; Placement Density includes only those episodes with at least one measured placement.
+100% Brand Opinion vs Drama Norm

+76% Brand Opinion vs Reality Norm

Jan 1 – Dec 31, 2009; Primetime Broadcast & Cable Entertainment
Sometimes being too “organic” means that few viewers take notice…

Dr. Pepper IPP in 90210 Brand Recall Trend

- Sep-08: 35%
- Nov/Dec-08: 46%
- Jan-09: 39%
- Feb-09: 41%
- Mar-09: 42%
- Apr-09: 41%
- May-09: 41%

Beverage Category Norm: 41%

The passive nature of most early-season integrations hindered Brand Recall.
If well-executed and relevant, more overt placements can heighten recall without turning off viewers.

The passive nature of most early-season integrations hindered Brand Recall.

The strong April Brand Recall score reflects the success of the ‘road trip’ integration.

Dr. Pepper IPP in 90210 Brand Recall Trend

- Sep-08: 35%
- Nov/Dec-08: 46%
- Jan-09: 39%
- Feb-09: 41%
- Mar-09: 42%
- Apr-09: 81%
- May-09: 67%

Beverage Category Norm: 41%
Implemented well, Program Placements provide Valuable Branding for Advertisers

Top 10 Most Effective Product Placements on Brand Opinion

Broadcast/Cable

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Placement Description</th>
<th>Program (Network/Air Dates)</th>
<th>Brand Opinion Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subway</td>
<td>Contestants eat at restaurant; trainers describe &quot;Fresh Fit&quot; meals</td>
<td>The Biggest Loser (NBC, 2/10 - 11/03/09)</td>
<td>344</td>
</tr>
<tr>
<td>2</td>
<td>Kids Crooked House</td>
<td>Company assembles kids playhouses in the Gosselin's yard</td>
<td>Jon &amp; Kate Plus 8 (TLC, 6/22 - 9/21/09)</td>
<td>300</td>
</tr>
<tr>
<td>3</td>
<td>Vaseline</td>
<td>Sponsor of miniseries and contest; Clarissa wears Aloe Fresh</td>
<td>Maneater (LIFE, 5/30 - 6/1/09)</td>
<td>290</td>
</tr>
<tr>
<td>4</td>
<td>Food &amp; Wine Magazine</td>
<td>Gail Simmons is identified as working for the magazine</td>
<td>Top Chef Masters (Bravo, 6/10 - 8/20/09)</td>
<td>285</td>
</tr>
<tr>
<td>5</td>
<td>Cheerios</td>
<td>Cereal is recommended as a healthy food; sponsor of challenges</td>
<td>The Biggest Loser (NBC, 2/3 - 11/24/09)</td>
<td>266</td>
</tr>
<tr>
<td>6</td>
<td>Whole Foods Market</td>
<td>Contestants shop for ingredients to use in challenges</td>
<td>Top Chef Masters (Bravo, 6/10 - 8/20/09)</td>
<td>261</td>
</tr>
<tr>
<td>7</td>
<td>CVS Pharmacy</td>
<td>Company donates money and provides supplies to families</td>
<td>Extreme Makeover: Home Edition (ABC, 1/11 - 11/8/09)</td>
<td>259</td>
</tr>
<tr>
<td>8</td>
<td>Mood Designer Fabrics</td>
<td>Designers shop at store for supplies for their challenges</td>
<td>Project Runway (LIFE, 8/20 - 11/19/09)</td>
<td>259</td>
</tr>
<tr>
<td>9</td>
<td>GE</td>
<td>Alex and Simon install Monogram appliances in their remodeled kitchen</td>
<td>The Real Housewives of New York City (Bravo, 4/28 - 7/7/09)</td>
<td>253</td>
</tr>
<tr>
<td>10</td>
<td>Glad</td>
<td>Company provides prize to winner; products are used during challenges</td>
<td>Top Chef (Bravo, 1/7 - 11/25/09)</td>
<td>242</td>
</tr>
</tbody>
</table>

Source: The Nielsen Company, 1/1 - 11/30/09
Thank you!