

PRODUCT SCREENING

Brand and product placement in films and TV is a lucrative business, often offering licensors and licensees more bang for their bucks than a spot ad in prime time.

BY CRAIG STEPHENS AND REGINA MOLARO

“The Matrix is a computer-generated dream world built to keep us under control in order to change a human being into THIS,” intones Laurence Fishburne as Morpheus, holding up a Duracell battery.

Talk about in-your-face product placement. Just a few decades ago, all products in movies and TV shows were generic. No branding was shown when James Cagney poured a bourbon, Brigitte Bardot lit a cigarette, or Marilyn Monroe sprayed on perfume. But times change—and so do values, or so it seems.

In tune with increasingly sophisticated marketing techniques and strategies—and consumers who now use digital video recorders and TiVo to avoid watching TV commercials—the last 30 years have seen commercial entities seize the opportunity to place their products in films and TV shows. Film and TV product placement now is a highly evolved business. Currently, the U.S. cinema audience for major commercial movies is estimated to be more than 1.8 billion filmgoers; and the international figure is twice that number. This massive worldwide audience makes them an

unparalleled communications medium, wielding huge consumer influence. “When a company’s media plan is developed, the ultimate goal is to reach a certain demographic over a specific period of time with a great enough frequency that the brand’s message is effectively delivered,” notes Julie Weinhouse, principal, HERO Product Placement, Inc. “The integration of brands into entertainment media not only accomplishes these goals, creates ubiquity, and delivers an incredible return on investment, it also has the ability to give the viewer an emotional connection to the brand that a traditional media buy simply cannot achieve.”

According to Koeppl Direct, a direct-response advertising agency that buys television time for commercials and infomercials, 3 million viewers use DVRs, but research indicates that in the next five years that number could skyrocket to 30 million. As a result, there’s a lot of product placement

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going on in TV, says Peter Koeppel, founder and president of Koeppel Direct. Koeppel explains that there's real product placement, and then there's virtual product placement, which digitally recreates a product image or logo and enables it to be placed in older sitcoms. According to Koeppel, popular TV shows such as *Will & Grace*, *Friends*, and *The Drew Carey Show* will use digital placement in episodes. Other creative means of advertising include *The Apprentice's* approach of featuring a different corporate sponsor during each episode.

"I think technology will continue to have an effect on advertising," notes Koeppel, who mentions that TiVo offers technology that enables a logo to appear even when the viewer bypasses the commercials. If the viewer wants to learn more about a particular product, he or she can opt to watch a 10-minute video about it. Koeppel says, "There's money moving from TV into Internet advertising because it is a more viable option." He reports that people are spending money on Internet advertising, as much as \$300,000 per day to appear on a major site.

Other brands get creative by using "advergames" to attract younger consumers who are distracted by television because they're preoccupied with video games, their iPods, and

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spending time online. In addition, BMW produced a series of commercials that resembled mini movies. People visited the Website to watch the videos, which offered a lot more in terms of entertainment value. Koeppel notes the entertainment value of the iPod commercials, as well. "They're almost like music videos that really draw the viewer's attention."

It's important to note that the Federal Trade Commission recently ruled that TV programmers do not have to inform consumers about paid product placement in shows. FTC Associate Director of Advertising Practices Mary K. Engle wrote in her ruling, "There may be instances in which the line between advertising and programming may be blurred. However, we believe that the existing statutory and regulatory framework provides sufficient tools for challenging any such deceptive acts or practices."

It's a matter of debate whether the melding of art and commerce manages to sustain artistic integrity, though it

does help pay the bills. Nowadays, products in films, for example, are not only highly visible, but they also are key plot points. The storyline of *What Women Want* hinged on Mel Gibson and Helen Hunt working on an ad campaign for Nike (with the eventual results shown in great detail onscreen). In *Cast Away*, Federal Express' logo popped up on airplanes, trucks, envelopes, and packages that washed ashore with Tom Hanks, who obsessed about them for half the movie. Hanks also engaged in an ongoing dialogue with his imaginary buddy, Wilson (a Wilson volleyball). More recently, NBC Universal struck a deal with Volkswagen for auto product placement in upcoming films and TV shows, where appropriate.

Product placement is now textbook marketing practice, aiming for increased brand awareness and enhanced brand image. Grace Animation Studios is set to sign a product placement agreement with Yamaha Motor Corporation, USA, to feature Yamaha Sport All Terrain Vehicles (ATVs) in *The Avenging Apes of Africa* movie, slated for DVD release in the summer. Says Kim Steadman, corporate licensing manager, Yamaha Motor Corporation, USA, "*The Avenging Apes of Africa* is sure to be an opportunistic medium for Yamaha when it comes to educating ATV riders on how to ride in a responsible and respectable manner."

Brand placement generally spans either visual, verbal, hands on, or plot. Visual placement is when a product, service, or logo is observed within a film or TV show. Verbal placement is when an actor mentions a product or service by name, and hands on placement—otherwise known as a hero shot—sees an actor actually handling or interacting with a product or service.

The placement shopping list for Bond film *Die Another Day* was almost as long as its script. Pierce Brosnan wore an Omega watch, sipped Finlandia vodka, used a Norelco shaver, and drove an Aston Martin. His co-stars drank Heineken and drove vehicles owned by Ford, including Range Rover, Jaguar, and Thunderbird. Bond also recruited a variety of products in previous movies. The top promotion of 1995, as designated by the Promotional Marketing Association of America, was BMW's tie-in with the James Bond film, *Goldeneye*, rumored to have been valued at \$5 million. One of the promotion's great strengths was said to have been the involvement of a number of BMW dealers who embraced the association with *Goldeneye*, and, more recently, *Tomorrow Never Dies*, helping BMW get maximum leverage from the deal and the Z3 Roadster to sell out in the U.S. before being available at retail. Apart

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from Bond, BMW's mini was at the core of *The Italian Job*.

Beyond hawking outfits for stars at the Academy Awards, the fashion industry, too, has its share of product placement deals, hoping to tap the charm and charisma of high-profile celebs as clotheshorses. Mel Gibson and Joaquin Phoenix exemplified the strategy, both wearing Levi's jeans throughout the film, *Signs*.

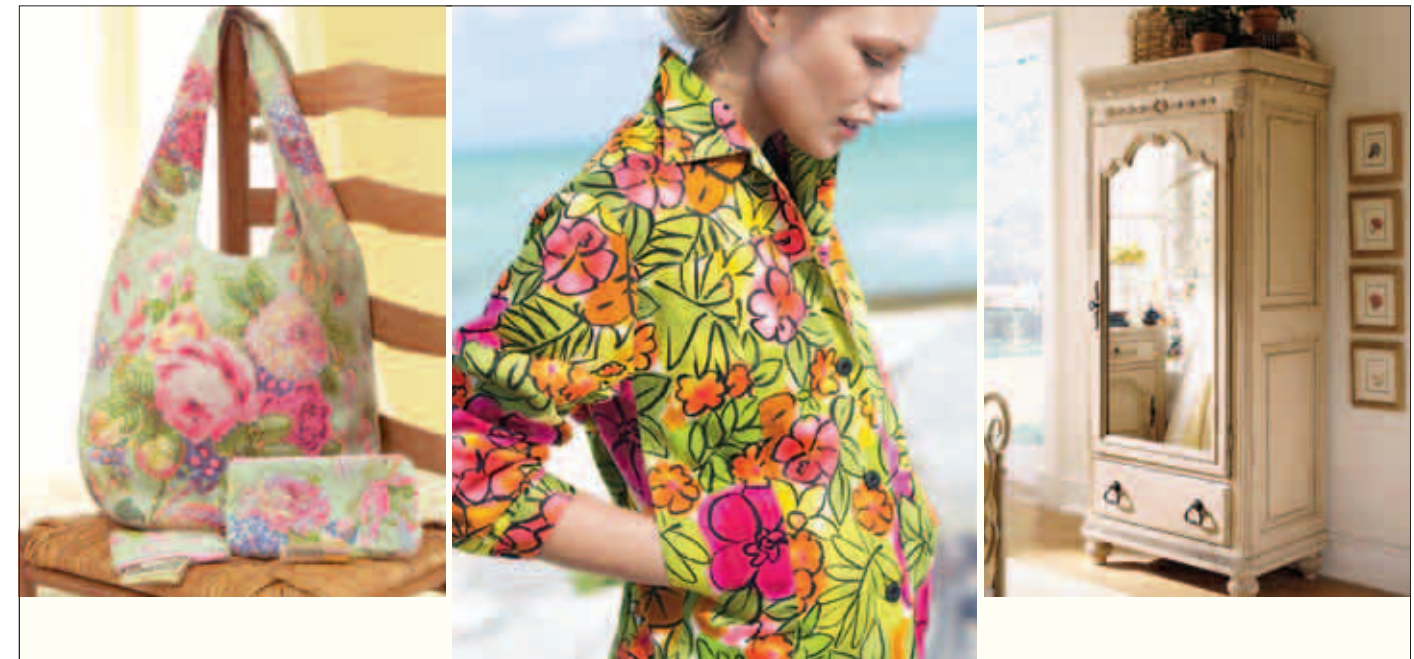
Meanwhile, Tommy Hilfiger's Dimension label signed a \$30 million joint marketing agreement with Miramax Films for its release, *The Faculty*. In addition to wearing Tommy Jeans apparel in the film, *The Faculty's* young thespians Josh Hartnett and Shawn Hatosy and singers Usher and Elijah Wood donned the company's pants, jackets, and shirts for a back-to-school print and TV ad campaign. Money doesn't always change hands when a star agrees to model a designer's creations on film. In the case of *Sliding Doors*, Calvin Klein approached Gwyneth Paltrow with the idea of dressing her for a movie; she suggested this to Miramax, which agreed. Yet even when their labels aren't paraded on star torsos, fashion companies are keen to indirectly ride a

film's coattails by underwriting premieres, tours, and festivals.

Compared to the hefty \$100,000 price tag of placing a single spot ad in prime time, product placement is good value. The average cost of a film placement is valued at \$5,000 with the average reach of a major studio-distributed film in excess of 100 million people (including all ancillary distribution), hence the average "cost per thousand" (CPM) of product placement is less than a dollar per thousand.

Unlike a paid commercial, film product placement incurs no production costs for corporate marketers. Also, a booked commercial appears only during a particular program and then vanishes unless another fee is paid, whereas product placement is embedded within the film and travels with it, giving longevity to a placement.

The placement process starts when placement agencies pore over scripts, searching for scenes where a client's product might fit. Some agencies visit production sets to ensure the products they represent are in the shot and are being used in ways favorable to the brand. Most placement agencies provide their clients with "Product Placement Reports" detailing a



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placement project synopsis, divulging the type of placement, cast, network, a summary of the specific opportunity, and the number of placements and their value compared to a paid spot. They also provide photo proof of performance.

Marsha Levine, owner, CEO, and president of A List Entertainment, reads about 300 scripts a year in search of placement opportunities for her clients. "It's important that the placement is part of the natural context of the film and that we maintain the integrity of the film while also presenting the property or brand in a positive light," she explains. Once both the studio and Levine's client sign a placement agreement, Levine works with production crews, insurance

adjusters, and the legal department on the placement logistics. Her clients include Falcon Jet (placed in *The Client*, *The Jackal*, and *The Pelican Brief*) and Duracell (placed in *The Matrix*), plus numerous companies with prominent placement in TV shows.

While major film studios have strict tight-lipped policies regarding their placement activities, placement agencies scattered around Los Angeles can tout their accomplishments. HERO Product Placement, Inc., has more than 10 clients on its books, all on annual retainer. HERO obtained wide exposure for its client, Lumber Liquidators (a hardwood flooring distributor), in 20th Century Fox's *Dodgeball*. "We

A collection of Club Med sandals, flip-flops, and aqua socks will debut in May via an agreement between Club Med (repped by SloaneVision Unlimited) and The Gina Group. The collection includes footwear, swimwear, headwear, beach towels, and women's sportswear. Sleepwear and men's sportswear will debut in late spring or early summer. Suggested retails will range from \$12 to \$19.

Repped by Nancy Bailey & Associates, Procter & Gamble signed a licensing deal with Carrand Companies Inc. for Mr. Clean automotive cleaning brushes and accessories.

You and Me Legwear designed a line of backpacks, handbags, belts, slippers, and flip-flops featuring General Mills characters and their slogans. Kemps Ice Cream now offers the first-ever Pillsbury-branded line of premium ice cream at grocery stores nationwide.

NYC Marketing announces a global licensing program, which marks the first time New York City's intellectual property has been centralized under one authority. In an effort to leverage the city's image and assets to generate revenue, NYC Marketing, the city's official marketing office and exclusive agent for trademarks, logos, and other intellectual property, is seeking Request for Proposals (RFP) for licensed products. The RFP includes adult and children's apparel; souvenirs; home furnishings; replica vehicles; and school, home, and office products. Supporting agencies include the FDNY, NYPD, Department of Parks & Recreation, Taxi & Limousine Commission, Department of Sanitation, Department of Transportation, and the Mayor's Office of Film, Theatre and Broadcasting. In addition NYC Marketing is seeking proposals for representation outside North America.

Prime Way Corporation will license the Sunbeam brand name for its line of kitchen, laundry, bath, and home storage products. Under terms of the agreement Prime Way will convert its existing line of more than 50 wire storage items to Sunbeam branded packaging, and plans to launch an assortment of new items. Initial new product offerings will be primarily in the kitchen, including wire kitchen shelves, spice racks, pantry organizers, plate racks, lid organizers, and utility shelves. Available in late spring or early summer at mid-tier and specialty stores, as well as in catalogs, suggested retails will range from \$5 to \$50.

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supplied production with approximately 4,000 square feet of flooring for the Average Joe's gym, most of which was returned to our client," explains HERO's Weinhouse. "Lumber Liquidators' exposure included banners that surrounded the court in the final Dodgeball tournament, which was approximately 25 minutes of the film, and it also received a verbal mention as one of the event's sponsors. A majority of the footage used to promote the film was from the final tournament scene that had Lumber Liquidators signage around the court." A short list of networks that ran *Dodgeball* promotional clips featuring Lumber Liquidators included *The Today Show*, *E!*, *Extra*, Fox Sports (online), Comedy Central, and *Access Hollywood*. "Our client was so delighted with the exposure Lumber Liquidators received in the PR footage that the film was almost a bonus," Weinhouse says.

Having worked on placements for *Analyze That*, *The Matrix II and III*, *The Duplex*, *Charlie's Angels II*, and *The Hulk*, Los Angeles-based placement agency Set Resources hopes to target the Australian marketplace and brands such as RM Williams and Fosters sometime soon, but for now it's all local stuff. Set Resources sells its services to the average client for \$50,000 per year. "We offer them more than 100 million minimum impressions on their top shows. We rarely, if ever, pay additional fees for placements," says Aaron Gordon, CEO.

Gordon says the placement industry has changed a lot since he entered it. "In the past, you would have found brands throwing product toward a production with no guarantees of placements. Now, they want to thoroughly inspect those productions and placements to ensure they get more positive exposure," Gordon says. "Film studios and production companies have become more savvy to the marketing benefits a company can get from that exposure. However, there are fewer cash deals being done and more cross-promotion deals, because cross promotions can save much more money on film marketing costs than cash deals can make."

Product placement agency Norm Marshall is one of the industry's key players. According to principal Devery Holmes, "When you recognize that more than 1 billion viewers tuned in to watch the Academy Awards broadcast last year, which is a sixth of the world's population, you understand the power of entertainment and its ability to reach your consumer. Film is one of the only three mediums that wraps around the globe—music and the Internet being the other two. With the introduction of TiVo and Replay TV, both of which heighten the user's ability to avoid placed advertising, the desire for brands to be

integrated into a production is greater than ever."

In the 1965 flick, *The Tenth Victim*, Marcello Mastroianni and Ursula Andress compete in a futuristic, government-sanctioned game in which players kill each other for sport and prizes, thriving on subsidiary payments by pitching sponsors' products in TV commercials. Much like the distorted extremism of *The Tenth Victim*, it seems marketing mavens have only scratched the surface of potential income streams associated with product placement, with endless possibilities in sight including interactive computer games, music videos, game shows, Internet projects, and novels. According to Set Resources' Gordon, "The future will see advertisers partnering with celebrities, directors, and producers. They will potentially own their own productions and have significant say over how their products are used." ©

Brand New

Brands continue to heat up with new deals and products.



The Coca-Cola Company offers its vintage glassware and clothing collection available exclusively at Urban Outfitters nationwide. The vintage glassware features Sprite, Fresca, and TAB logos;

suggested retails are \$8 each. Urban Outfitters also debuted a collection of vintage Ts for women (suggested retail, \$28).

Jeep Consumer Products signed an agreement with Pet Gear Inc. for a collection of pet products for dogs. The Jeep Pet Products collection will include soft and steel crates, beds, cots, and puppy pens. Features include innovative folding systems for quick setup and breakdown and lightweight frames for easy transport. Other features include the use of breathable and protective fabrics to shield pets from extreme temperatures, waterproof trays and floors, as well as top, front, and side entries. Jeep Pet Products will target various pet retailers nationwide and are expected to be available mid-year 2005.

Long established as a children's brand, The Little Tikes Company now will diversify its offerings, expand its presence within the infant arena, and further grow within the toy aisle with the introduction of several new licensees. Little Tikes and its exclusive licensing agency, The Beanstalk Group, signed on Danara International, Ltd., for soft developmental toys and bibs; Irving Personal Care for diapers; and Polyconcept USA, Inc., for branded arts, crafts, and activity sets. Imperial Toy Corporation was signed on for role-play bubble toys; Planet Toys International for trucks, plastic housekeeping role-play toys, and jet stream water packs; and Genius Products for DVDs.

Place Holders

Looking to get your brand, property, or product center screen? The following agencies can help.

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- Creative Entertainment Services www.acreativegroup.com/ces
- Product Placement News www.productplacement.biz
- Set Resources Product Placement www.setresources.com
- Davie-Brown Entertainment www.davie-brown.com
- Vista Group Inc. www.vistagroupusa.com
- A List Entertainment www.alistentertainment.com
- Norm Marshall and Associates, Inc. www.normmarshall.com
- Feature This www.featurethis.com/home.html
- Propstar Placements www.propstarplacements.com
- UPP Entertainment Marketing www.upp.net
- Motion Picture Magic www.motionpicturemagic.com
- ITVX-Product Placement Measurement www.itvx.com:80
- Studio Services www.studioservices.com/prodplacement/index.html
- Hero Product Placement www.heropp.com
- 1st Place Props www.1stplaceprops.com
- ProductPlacements.com
- Seesaw Media Ltd. www.seesawmedia.co.uk
- The Reel Ross Group thereelrossgroup.com
- Premier Entertainment Services www.pes-global.com
- Hollywood Connection www.hollywoodconnectiononline.com
- Product Integrators www.productintegrators.com/presl/index.html
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