

Madison Meets Vine: How Product Placement, Integration And Sponsored Programming Is Evolving And Changing The Way Marketers Reach Consumers

by ARNOLD PETER of LORD, BISSELL & BROOK LLP and FERRIS THOMPSON of EDELMAN

Historically, 30- and 60-second commercials have paid for television programming. Television has operated on this largely unchanged business model since the so-called “Golden Age” of television. Today, production integration, placement, and sponsored programming are the rage. This is the intersection of Madison and Vine. Madison refers to the world of advertising and marketing, headquartered on Madison Avenue in New York; and Vine is the street identified with the world of entertainment content and programming in Hollywood. We tap into the mind of one of Hollywood’s leading experts in this area, Ferris Thompson, to find out what’s right and wrong about the trend, and where it’s all headed.

Ferris Thompson leads the entertainment marketing practice at Edelman, the world’s largest independent public relations firm. Ferris, a 20-year entertainment veteran, is based in Edelman’s Los Angeles office and is the company’s first senior executive dedicated solely to the practice of entertainment. The principal focus of the entertainment practice is to blend entertainment marketing with public relations to create powerful and relevant messaging, strong brand allegiance and grow product sales or corporate reputation.

Thompson joined Edelman in April 2004 from United Talent Agency, where he managed the firm’s marketing department. UTA is one of the world’s largest talent agencies and Thompson was instrumental in connecting the agency’s TV, film, and music clients with major brands. Prior to UTA, he was Vice President of Corporate Marketing and Strategic Alliances at Universal Studios.



INSIGHTS: What is your overall philosophy about product placement, product integration and sponsored programming?

Before we get into the philosophy of product placement and integration, I think it’s important to recognize that this type of marketing seems to be receiving a disproportionate amount of media relative to how effectively and frequently it can be applied. Yes, consumers aren’t paying attention to commercials as much as they used to, but this trend has been happening for years. Is there more product integration going on today, or is there just more press about the integration that is happening? It’s hard to say because no one really tracks overall product placement activity year over year. Steven Spielberg not only integrated Reese’s Pieces into ET more than 20 years ago, he also built promotions around the partnership. Texaco “sponsored” primetime entertainment at the dawn of television

as we know it. How different are these examples from Pepsi in “Austin Powers” and Toyota presenting “Father of the Pride” commercial free on NBC? The answer is it’s not.

And as it is with the world of entertainment, the best form of product integration is all about the story and the role a brand plays in telling that story. It’s no longer enough to be a prop on the set. To break through and connect with the consumer, brands need to find ways to be a part of the story. And this presents the real challenge. Is the integration natural and organic? Or is it a forced fit? Consumers are more sophisticated than ever. If they feel they’re being overtly sold, this type of marketing will backfire.

Product integration should also be a part of an overall strategic approach to building a brand, not a tactic for the tactic’s sake. Placement may get a brand its

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“15 minutes of fame” but in the end that will be hard to sustain unless it’s an integrated piece of a larger strategic communications campaign.

INSIGHTS: What, in your opinion, are currently the best and worst examples?

That depends on your point of view. Each stakeholder from the network to the advertiser has a different need or interest. Ultimately it’s the consumer who should decide the best or the worst, but again there doesn’t seem to be a viable system of measurement in the marketplace to gauge success or failure right now.

INSIGHTS: What is the basic economic formula? Should brand owners be prepared to pay more than they would for standard spot advertising?

There is no “formula” per se as there are a wide range of variables that need to be taken into consideration. It depends entirely on the show, the quality of integration, the size of the audience, the advertising support, and the associated marketing activities that a brand may bring to the table.

INSIGHTS: Is there resistance from programmers and creators? How is the resistance overcome?

Mark Burnett, considered by some to be the top TV producer in Hollywood and someone who is also having great success with product inte-

gration, recently remarked, “I work on getting the show right first, then if there’s an opportunity to integrate brands we explore those options.”

Again there is a wide range of ways to craft these deals. Cash helps. A lot. But if it doesn’t fit into the story, no amount of cash will get the deal done.

INSIGHTS: There are always issues of creative and business control between network and cable executives on the one hand and producers on the other. Are the issues any different here and ultimately, who should have final approval?

Brands need to trust the story tellers but have safeguards to protect their interests and commitments.

Steven Spielberg not only integrated Reese’s Pieces into ET more than 20 years ago, he also built promotions around the partnership.

INSIGHTS: Is there a class or category of brands for which integration will not work or is any brand capable of being integrated into the right type of programming?

Yes, certain categories might never find their way into programming. But it’s not as much about the category as it is about the degree of difficulty of finding the natural way to make a brand a part of the story. Is it easier to work with cars than with household cleaning products? Sure, but who’s to say that the right story integration isn’t out there for Pledge.

INSIGHTS: What is a higher risk proposition for brand owners, tradition-

al advertising or product placement and sponsorships?

In advertising the advertiser has all the control over the content, the message and/or the offer. Then again it’s a commercial and TIVO is on the way. With product placement there is much less control but the delivery can be significantly more authentic as it’s not a sales pitch. Both forms of marketing bring their own inherent risks.

INSIGHTS: Final question. How do you see this trend playing out in the next five years?

What’s that phrase from Jerry McGuire...”show me the money!” In the last six months alone we have seen a series of record-breaking deals from “The Apprentice” to “The Contender” and “Oprah.” That trend looks like it’s escalating. Beyond that it’s going to get more integrated, more sophisticated and more measured. And it will be as important as ever to partner with experts who know the marketplace and the most strategic and effective way to integrate brands into pop culture.

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