



Marketing Messages

MARY CHARLESON

Product placement now interwoven in the fabric of media marketing

Apple Computers used in 24, people meeting at Starbucks in a movie, or **Best Buy** being the featured marketing challenge on *The Apprentice*. This is product placement. From the overt to the unobtrusive, product placement is everywhere. It has become big business on the screen and in the media. Why? Consumers are inundated with advertising everywhere. While this fragmentation threatens the effectiveness of traditional advertising, product placement seeks to cut to the organic level by becoming “part of the story.” Done well, brand-name items are used as props within the context of a movie to make it authentic and realistic. It is where the line between advertising and entertainment or advertising and editorial becomes blurred.

Products can simply be chosen to enhance a scene, or they can be used by arrangement with either product or financial compensation. The current trend in TV is to use a combination of the 30 second commercial and product integration in the show. **Coca Cola** has done this on *American Idol*.

Product placement has made its way into movies, TV, video games, music, books, newspapers and magazines. Just how effective is it in TV? **Nancy Tear, Founder of PropStar**, a local product placement firm, declines exact figures, but notes, “Getting **Alienware Computers** coverage on “24” was like winning the lottery. Traffic to their website, inbound calls, emails and web forums experienced dramatic increases in traffic.”

“With the advent of personal media, control is in the hands of the consumer if they choose to accept it. If you are inserting commercial content within the program, they can't get around it. Because Canada's broadcasters pick up so much programming from the US, there are fewer opportunities here. Canwest Global recently inserted digitally a Casino Rama logo atop the New York taxi that carried away a fired *Apprentice* candidate. They can do it in programming simulcast from the US, but this virtual placement was only seen in Canadian markets”, notes **Rick Sanderson, General Manager, OMD Vancouver**.

While on screen placement has been happening since the 1980's, product placement in print is fairly new and somewhat controversial. The presence of any paid placements would seem troubling for editors who pride themselves on presenting objective news content that supposedly is not influenced by advertisers or other business interests. While being entertained, consumers may seem receptive to product influence, but where editorialized news and reporting is involved, people expect to know what is objective and what has been bought.

Dose, the free daily aimed at the 18-34 year old market, integrates the three platforms of print, online and mobile to reach their audience. They sell both ad space and branded/integrated content. The day “*Batman Begins*” opened in theatres, the entire *Dose* issue was devoted to *Batman*. The paper boasted 70 editorial integration points, photos, a *Batman* front cover, full-page ads, as well as online and mobile contests and giveaways. Warner Brothers essentially bought the issue. *Dose* called it co-branded. To be fair, advertisers are always looking for publicity and publications for newsworthy content. But the *Dose* example takes the practice to a new level.

Dan McLeod, Publisher of the Georgia Straight notes, “Advertisers have become a lot more demanding these days. With three new free dailies, the print competition is very intense, and advertisers feel that this is a good time to demand more, because often they can get it. The commercialization of the daily paper has reached its zenith with the commuter papers. You can actually “buy” an entire issue of any of them for a price. The *Straight* is one paper that has consistently refused to compromise its editorial integrity by accepting these kinds of ads.”

However, some in the advertising community see it differently. “Traditional publications separate advertising and editorial like church and state. I think the 20 something's are more accepting. They've grown up in a world of media. They can easily pick it out. As long as its evident, I don't think they're being fooled,” says Rick Anderson, General Manager, OMD Vancouver.

And what do consumers think about all this? **Pollara**, recently fielded questions for my company on this topic to 1,200 Canadians. In BC, 43% of those surveyed agreed with the statement “Media accept payment to profile a product”. Those aged 18-24 were the least likely to believe this practice takes place, with 33% agreeing. There was also an education and income effect. The higher the education and the higher the income, the more likely they were to believe paid placement takes place. Although perception may not match reality, relatively low numbers reported that “Seeing a product used on TV or in a movie caused them to view it favourably”. In BC only 8% agreed with this statement. However, 18% of those 18-24 yr agreed. And when it comes to “Trusting what is written or reported about a product”, 33% of those in BC agreed with the statement. Again youth, those aged 18 -34 had the highest trust in editorial and reporting, with 38% agreeing. It appears younger consumers are most influenced by product placement, and those with less education are less likely to question the practice or challenge its influence.

With the media landscape becoming increasingly crowded, product placement is here to stay. And with it come issues of ethics and creative ways to leverage it.

Mary Charleson, MBA is president of Charleson Communications, a company specializing in market research, strategy and advertising development. She writes monthly and can be reached at mary@charleson.ca