

Product Placement

A change but not a revolution



Lifting the restrictions on product placement would be a positive move, as it increases the armoury at the advertisers' disposal. Broadcasters would be able to offer placement as one part of a range of partnership inventory, alongside sponsorship, online and other branding and promotional campaigns.

The challenge would be to integrate brands into the show so that they retain editorial credibility. Visibility is not always a good thing - it depends on the brand, its values, the editorial context and the specific placement. The skill is in forging partnerships that drive value for the brand owner through clear, credible and suitable placement - and then leveraging that placement off-air in compelling ways.

Brands will of course be interested. TV ads remain a powerful tool, but placement affords a means of embedding your brand into the programme and if used properly can be very effective, especially if it has a role to play, as we have seen in the film world. And just like in films, if it jars with the character, you can do as much harm as good to your brand. Awareness does not always drive affinity - and we can look forward to some really clunky placements and the consequent outraged-of-Tunbridge-Wells complaints. Then it will settle down and become just another string to our media bow.

The jury is out on whether the paid-for model will provide greater value for advertisers who are currently using the free prop supply model (the prop supplied is a branded product). *Why?* Because under pre-existing European broadcast regulations which prohibit advertisers from compromising and influencing editorial, producers and broadcasters are not allowed to give contractual exposure guarantees to advertisers. The regulations (set by AMVS - Audiovisual Media Services) would need to be revised in order for brands, who might be asked for seven figure sums to place their product in a big show such as X-Factor, to negotiate exposure commitment from the production company or broadcaster. Without exposure commitment, brands will find it difficult to assess whether any such possible placement would definitely generate positive returns. This hindrance could possibly be circumvented if production companies share scripts and programme treatments informing brands where their product will be referenced and/or given visual exposure. Subsequently, brands could be invited to bid for exclusive placement rights based on this information.

Will it increase revenue into the commercial broadcasters? Yes, but not in a life-changing manner. The money is likely to come from carving up the advertising budget in a slightly different way. We might see new money into TV, but mostly this will come from current advertisers complementing their spots with a placement tie-in - just as they have done with sponsorships.

Tess Alps, Chief Executive of Thinkbox - the TV marketing body who represents the main commercial broadcasters in the UK, welcomes the turnaround but only if it brings in new money as 'it won't help anyone if placement is just money from other TV activity. I trust no placement agencies or companies or producers will try to sell placement by undermining trust in spot advertising.'

As it currently stands, there is no pre-determined fee model for paid-for product placement, and it is unclear as to who will be the lead trader and recipient of the revenues this generates. Will brands purchase placements directly from the production companies or will the broadcasters? We suspect the former. In the case of programmes commissioned by a broadcaster, the channel might retain the right to represent and trade the placement opportunity to brands with revenues going directly into the broadcaster's coffers or, more likely, being shared or offset between the production and commissioning costs.

As ever, brands should hesitate to rush into deals without rigorous planning, assessment, evaluation and identifying the ROI - agencies such as Mindshare will work with clients to ensure the

best path is taken in line with their individual brand objectives and overarching communication strategy drawing on experience across the globe in devising, delivering and measuring brand partnership campaigns.

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