Selling Creatively
Product Placement in the New Media Landscape

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Executive Summary

In the last decade, the media landscape has undergone a series of dramatic upheavals. The rise of the Internet, digital music, digital video recorders, and the video game market have divided the already splintered attention of consumers even further, leaving advertisers scrambling to keep their messages from being lost in the shuffle.

One such upheaval is the waning influence of TV ads. The increasing popularity of Digital Video Recorders (DVRs)—which have an estimated installed base of 8 million units, up from less than a million in 2002—and the availability of shows on-demand or for download through BitTorrent or iTunes threaten to topple the 30-second TV spot from its pedestal in the near future. As a result, advertising agencies are looking toward product placement, product integration, and sponsorship as means of capturing the attention of audiences.

Neither product placement nor corporate sponsorship of entertainment is new. Both techniques were staples of radio and early television and were eventually replaced by advertising due to its wider reach and the rising costs of sole sponsorship. But recent questions about the pricing and efficacy of advertising have caused the pendulum to swing in the other direction.

Both explicit placements (where brands are name-dropped and integrated into the story) and subliminal placements (where brands and products are present in the background) have the potential to be powerful tools for connecting with audiences, but a spate of recent examples make it plain that many companies are not using these techniques to best effect. Indeed, a survey of the product placement field reveals that, while certain common-sense principles are widely understood, they are not consistently put into practice. Such failures lead to placements which are clumsy and obtrusive, undermining not only the placement’s effectiveness but also the entertainment value of the program that contains it. As there is evidence that a placement’s effectiveness is proportional to an audience’s engagement with the property in which it is contained, this outcome is extremely undesirable.

This white paper is a survey of the current state of product placement and branded entertainment. It is intended as an overview of the field across multiple media, including TV, movies, video games, and the Internet, and also points to areas in which further research is needed. In addition, this paper provides a model of the implicit contract between media producer and audience in an attempt to explain why some placements succeed and others only anger or annoy an audience.

Product placement is a far more complicated process than advertising, as its goal is to embed commercial messages within a narrative or interactive framework that is not under the advertiser’s control. As if that weren’t enough, some studies suggest that explicit product placements and background placements function in radically divergent ways.

The most important take-away for this paper is that effective product placement is as dependent on creative skill as it is on guaranteeing screen time for a brand or product—after all, if no one wants to watch the TV show or play the game which contains a placement, that placement has no value! Both explicit and background placements must be integrated into a narrative, albeit in different ways. While the only requirement for a background placement is that it not stick out, it can take a quite a bit of work to make a more prominent placement seem natural.
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Created for MIT Convergence Culture Consortium
in partnership with Turner Broadcasting, GSD&M and MTV

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Why Product Placement/Branded Entertainment?

Over the years, the content of entertainment media has repeatedly been shown to affect economic behavior. Ever since Clark Gable took off a dress shirt to expose his bare chest in *It Happened One Night* (Frank Capra, 1934) and caused undershirt sales to plummet, Hollywood has been aware of the potential of entertainment to affect consumer attitudes. Still, it was only after the sales of Reese’s Pieces spiked 65% in the 3 months after they were featured in *E.T.* (Steven Spielberg, 1982) that modern marketing firms really began to strive to place their client’s products in movies and on TV.

There are two primary trends driving increased integration of brands and products into entertainment properties. One is the growth of new media markets such as video games and the Internet, which advertisers see as a means of cutting through commercial clutter and making their messages stand out. This has led to a variety of initiatives, ranging from background product placement and explicit brand advertising within video game environments to the creation of branded entertainment such as BMW Films’ professionally created “The Hire.” Other efforts in this arena include computer and video games that are effectively playable advertisements (most notably *America’s Army*) and the immersive and often commercially motivated experiences of alternate reality games (ARGs).

The other trend is the spread of digital video recorder (DVR) devices such as TiVo and Replay TV, which threaten to undermine the effectiveness of the 30-second TV ad. Studies have shown that most DVR owners skip past commercials (a CBS study shows that 64% say they always skip commercials, while 26% “usually” do so), as opposed to only 45% who said they didn’t watch commercials on live TV. While the networks argue that more people claim to skip commercials than actually do so, the numbers are sobering. When combined with the growth of the DVD market and the thousands of viewers who download TV shows through BitTorrent or the iTunes store (where ads are so far absent), it is clear that marketers need to look for other ways of reaching audiences.

Product placement or integration has the advantage of not being easily bypassed or cut out (unlike TV ads, which are routinely edited out of the files shared on BitTorrent), but shifting from one creative model to another is not always easy. There are many techniques which customers will tolerate in ads that are
intolerable within the context of entertainment, as well as pitfalls which even well-integrated placements can fall prey to. The Implicit Contract, Contract Violations, and Placement Context sections detail some of those pitfalls—as well as a useful model of the relationship between the entertainment provider and their audience—but it is interesting to consider how many of the principles set forth in this paper were once well-known.
A Brief History of Sponsorship

Neither product placement nor branded entertainment is an innovative revenue model. From the dawn of commercial radio to the birth of the commercial break on TV, corporate sponsorship (along with associated brand and product placements) was the primary model for funding TV and radio shows.

Origins in Radio

In 1922, two years after the introduction of radio broadcasting, AT&T announced that it would be opening a radio station on which advertisers could buy time to address the world. In spite of negative reactions from trade organizations and luminaries such as Secretary of Commerce Herbert Hoover, AT&T went ahead with its plan, opening the radio station WEAF. Though sales were slow at first, the Christmas season saw the Macy’s, Gimbel, and Hearn department stores buying airtime for commercial lectures.¹³

The first sponsored programs and series resulted from the efforts of the Rankin advertising agency, which arranged for actress Marion Davis to talk about “How I Make Up for the Movies” on behalf of Mineralava (a cosmetic product). Mineralava was mentioned only briefly, and hundreds of letters were received in response to Davis’s offer of autographed photos. The scale of the public response enabled Rankin to convince Goodrich to sponsor a series of programs.¹⁴

In 1923, the clothing firm Browning King lent its name to the Browning King Orchestra, a weekly one-hour music program which didn’t even mention that Browning King sold clothes. By 1924, this level of restraint had been adopted by other companies; sales pitches all but disappeared, replaced by sponsored series aimed at increasing awareness of their sponsor’s trade name. This helped WEAF win public acceptance, for, as Edgar Felix later wrote in a book on sponsored broadcasting, “[the audience] resents the slightest attempt at direct advertising”.¹⁵ Indeed, to some, even trade-name promotion was scandalous and déclassé.

The 1929 stock market crash undermined this view, as did the emergence of CBS as a rival to NBC (which had replaced AT&T as the premier commercial broadcaster in 1924). When CBS, fighting for market share, allowed the president of American Tobacco to announce the price of Cremo cigars on the air, NBC was
quick to follow suit. This trend led Sen. Burton K. Wheeler to refer to the airwaves as a “pawnshop.” In this period, 55% of all radio programs were created by advertisers or ad agencies.

**TV and the Growth of Product Placement**

Aside from a detour into restraint during World War II, when wartime scarcity forced advertisers to focus on improving their companies’ reputations rather than pushing specific products, the pawnshop atmosphere survived the transition from radio to television. Commercial product placement by companies other than the show’s sponsor also became more common. While daytime melodramas had been incorporating their sponsor’s products into their stories since the 20s (usually soap or cleaning products, giving rise to the phrase “soap opera”), TV offered many more opportunities for placement than radio. The consolation prize on the *$64,000 Question* (CBS, 1955-1958) was a Cadillac (donated in exchange for an on-air product description), and advertising agencies maintained lists of products for which writers and directors would be paid if they were included in their show.

**The Power of Sponsors**

For the bulk of this period, sponsors had complete authority over what would be broadcast in the time they had paid for. If a sponsor decided to replace one program with another, the network’s consent was a mere formality. As noted above, most programs were created by advertising agencies, and their creative staff was often comprised of agency employees. During rehearsals, representatives of the sponsoring company were often present and were free to order last-minute changes if they so desired.

Such power inevitably led some corporations to censor and undermine the works they sponsored. DuPont’s radio series *Cavalcade of America* (1935-1953) omitted all violence from its version of American history, focusing on scientific progress. Filtered cigarette manufacturers had the villains of the dramas they sponsored smoke unfiltered cigarettes, and cigarette-sponsored news programs had a “gentleman’s agreement” not to show famous people smoking cigars (Winston Churchill was an exception). During the 1950s, many sponsors succumbed to pressure from red-hunters and blacklisted suspected communists from working on their shows. Stories on race relations were similarly anathematized, leading sponsors to force absurd changes on Rod Serling’s *Noon on Doomsday* (CBS, *The U.S. Steel Hour*, 1956) after he let slip that it was inspired by a case in which a black man had been killed for whistling at a white woman.

Still, not all sponsors were given to panic. Edward R. Murrow’s *See it Now* (CBS, 1951-1957) was sponsored by Alcoa, which stood by Murrow as he took on Sen. Joseph McCarthy at the height of the Red Scare. Though the series polarized public opinion (the mail Alcoa received was 5-to-4 against Murrow), Alcoa let Murrow continue reporting without interference.

**Controversy Strikes**

Towards the end of the 50s, however, issues surrounding the abuse of sponsorial power came to a head. Charles Van Doren, who had won $129,000 through repeated appearances on the game show *Twenty-One* (NBC, 1956-1958), admitted that he’d been given the answers by the show’s producers, who’d done so on behalf of the show’s sponsor. Similarly, the producers of the *$64,000 Question*, sponsored by Revlon, had been instructed as to which contestants should remain on the show and which should be shown the door. The result was a public backlash against advertiser-created shows. By 1968, fewer than 3% of all network programs were created by advertisers.
The Shift to Commercial Breaks

Of course, network executives at CBS and NBC had wanted to break the power of sponsors for some time. The sense that a sponsor ‘owned’ the block of time they paid for had created program schedules which the networks felt were nonsensical. Sylvester L. Weaver Jr., who became president of NBC in 1953, argued for a “magazine concept” of advertising, in which sponsors would buy ads that were run during breaks in programs controlled by the network. He launched the Today (1952-present) and Tonight! (1953-1957) shows using this model, earning NBC a considerable sum of money, but major sponsors (as well as his own sales department) resisted broader adoption. Even as major industry organs decried the innovation as harmful, however, the rising costs of sponsorship were forcing companies like Philco and Goodyear to alternate weekly billing as the sponsor of what was essentially the same show.26

The quiz show controversy afforded the networks an opportunity to reclaim control of their own schedules. In 1960, Broadcasting magazine reported that four out of five shows in prime time would be licensed to the networks, with commercial time sold to advertisers. The rising costs of sole sponsorship also contributed to the acceptance of the new model: By 1970, producing a one-hour drama could cost a sponsor upwards of $200,000 (to say nothing of the cost of buying airtime).27

Lessons from the History of Sponsorship

- Corporate sponsorship of media was motivated by both brand publicity and the idea that gratitude would make audiences transfer the affection and loyalty they felt for a show to its sponsor.

- Sponsorship’s era of dominance ended not because it was ineffective, but because sole sponsorship of a series became too expensive, and because sponsors overreached their bounds, producing a backlash.

- The system of commercial breaks adopted in the 1960s was designed to transfer power from sponsors to the networks. This was because the interests of sponsors conflicted with the networks’ interests over who had final control over scheduling and content.

- Sponsorship of a program makes you a target. Groups who hope to influence the show’s content will lobby for changes, leading fearful sponsors to undermine the integrity of the material they present.

- The power of sponsorship can corrupt. Not only did many sponsors rig the shows they put on, but they also interfered with their creation in ways that weakened the final product. This sort of behavior can damage (and even destroy) the audience gratitude which sponsorship aims to create.
The Implicit Contract

In order to get an audience to pay attention, much less feel gratitude, one has to keep them entertained without boring or distracting them. Creators of fiction have known this for decades (if not centuries). The novelist John Gardner wrote of the importance of creating and maintaining a "vivid and continuous fictional dream" in the mind of the audience, while several science fiction authors (including Larry Niven and Damon Knight) have spoken about an implicit contract between author and reader. As the backlash against rigged quiz shows suggests, understanding the implicit contract between creator and audience is vital for successful product placement. Marketers who fail to understand the contract and how it works have blundered again and again in their attempts to use advertising and marketing techniques in a context where they are counterproductive.

The Audience/Provider Exchange: A Concept Model

Gardner, Niven, and Knight have many things to say about crafting prose fiction, but the idea of an implicit contract is more generally applicable. Instead of focusing on an author and a reader, let's pull back and consider the exchange that occurs whenever an audience member interacts with a media product.

Whenever someone picks up a magazine, turns on the TV, or goes to a movie, they have certain expectations of the experience they'll receive in exchange for their time, attention, and money. What those expectations are depends on both their knowledge of the media form and the specific content they're pursuing. (For example, anyone turning on a commercial TV channel expects that the show they're watching will be interrupted by ad breaks, and that the ads will not intrude into the show.)

The typical exchange involved in entertainment media might be modeled thusly:
The Audience offers the Provider:

- Their time
- Their attention
- Sometimes (e.g. movies, cable TV) their money

The Provider offers the Audience:

- Entertainment
- The delivery structure they expect

The following exchange represents an equitable relationship between an audience and a media provider:

\[ \text{Time + Attention (+ Money?)} \leftrightarrow \text{Entertainment + Expected Delivery Structure} \]

Whenever an entertainment provider violates the implicit contract created by the audience’s expectations (through intrusive advertising or clumsy product placement, for example), they risk alienating their audience.

This exchange represents a violation of the contract:

\[ \text{Time + Attention (+ Money?)} \leftrightarrow \text{Unexpected Content + Entertainment} \]

By lessening the entertainment value of their content and ambushing the audience with unexpected content, the provider is effectively cheating them. As a result, the audience is likely to become annoyed and stop wasting their resources on a content provider which they feel has treated them unfairly.

To avoid losing the attention of audiences, an entertainment provider that wants to convey commercial content must integrate that content into one of the two variables on their side of an equitable exchange: Entertainment or Expected Delivery Structure. (To continue our TV example, subtle and appropriate product placement in a show would be commercial content added to the Entertainment variable, while heavy product and brand presence by a reality show’s sponsor, such as Coke’s construction of the “Red Room” in American Idol, would be part of the Expected Delivery Structure.)

**Supporting Evidence**

While our notion of the implicit contract comes from the arts, there is a substantial body of empirical research which supports it. For example, a 2002 study by Cristel Antonia Russell shows that audiences expect the modality of a placement (whether the placement is visual or audio-based) to correspond to its relevance to the plot of a show, with visual placement being less plot-connected and audio placements being more strongly connected to the plot. Placements which defy these expectations (such as a visual placement that’s strongly connected to the plot) are incongruous, and therefore more memorable.
While this may make incongruous placements seem like a good thing, previous studies showed that incongruity has an extremely negative effect on audience evaluations of a product. Incongruous placements are memorable because they prompt viewers to think about the reason for the brand or product’s presence in the show, which in turn causes them to resist the commercial motives they perceive.\footnote{Russell’s 2002 study shows that incongruous placements were 4–5 times less persuasive than placements which matched a placement’s modality to its level of plot connection.}\footnote{31} Essentially, this means two kinds of product placement are effective at persuading audiences: Placements with audio components that are strongly linked to a show’s plot, and visual background placements, which lend verisimilitude to the show’s setting.

**The Power of Subliminal Placements**

One of the seemingly counterintuitive results of Russell’s study was that background placements were as persuasive as highly integrated placements, despite not being nearly as memorable. If true, this effect is due to ‘subliminal priming’.\footnote{Though audiences may not recall seeing a placement, merely being exposed to the brand or product makes them more familiar and more positively disposed towards it. (Also, if audience members don’t notice a placement, it’s more difficult for them to be annoyed by it.}\footnote{34} While practitioners of product placement are aware of the power of priming in influencing consumer attitudes and perceptions,\footnote{35} there is a tendency on their part to seek to prime the audience for product placements with ads, increasing both their recall of the placement and their perception of the placement’s commercial intent. While more research is needed, Russell’s 2002 study suggests that this approach may be less persuasive than simply allowing a background placement to work without support.

**Lessons of the Implicit Contract**

- Our model of the implicit contract makes it clear that the problem with unexpected content is that it ambushes the audience – its appearance is an unwelcome surprise.
- The solution to this problem is to present commercial content in such a way that audiences welcome it, or at least expect it. Placements which play to audience expectations are 4-5 times more persuasive than those which seem incongruous. Yet, as we will see, this point has not yet been fully grasped by the practitioners of product placement.
Contract Violations: Four Failures of Integration

Despite indications that many individuals within the product placement industry and among their clients understand the risks of heavy-handed and obvious product placements (which damage verisimilitude and push audiences away from the entertainment), there is no shortage of such placements in recent media products. Some of the most egregious examples of such placements from the last few years are covered below, to illustrate the traps which they fell into.

Need For Speed Underground 2

In 2003, Electronics Arts took its Need For Speed franchise in a new direction with Need For Speed Underground, a racing game focused on car tuning and customization, as seen in The Fast and the Furious (Rob Cohen, 2001). The original Need For Speed Underground contained licensed cars and parts from AutoZone, but its sequel upped the number of product placements significantly.

Need For Speed Underground 2 still contains licensed cars and context-appropriate product placements by Bilstein Shocks and Autozone, but also introduces a city full of billboard-filled streets that the player must drive through to get from one race to the next. Ads from companies such as Edge, Cingular, AutoZone, and Old Spice can be seen alongside Burger King and Best Buy stores with oversized signage. Using real businesses as landmarks and a certain number of billboards can be tolerable—it worked in the Crazy Taxi games. But the streets of NFSU 2 are saturated with ads. Unlike Crazy Taxi (Sega, 2000), which included a wide variety of non-branded destinations, the start and finish lines for races in NFSU 2 are constantly near an advertiser’s store, making it all but impossible for players to overlook EA’s product placement deals.

Instead of lending realism to the game environment, these embedded ads are so dense and inescapable that
they shove the game’s commercial agenda in the player’s face. Even the game’s interface is infested with brand and product placement. The SMS messages that lead to new missions are delivered via a Cingular cell phone, and the game’s user interface bears Cingular's logo, keeping it on-screen for every moment that a player races or navigates the ad-filled cityscape.

EA's pandering to its advertisers isn’t just a fault in itself. It also lends credibility to the commonly repeated accusation that the game’s unrealistic crash physics were required by EA's license with auto manufacturers, diluting the quality of gameplay. Furthermore, even though it was filled with ads and placements, Need For Speed Underground 2 sold for full retail price ($50), making it clear that EA was not passing even a fraction of the money it had made through product placement on to the consumer as savings. Given these faults, it’s no surprise that Need for Speed Underground 2 won Gamespot’s “Most Despicable Product Placement” award for 2004, further tarnishing EA’s already sullied image in the gaming community.

**Suggestions for Better Integration**

Need for Speed Underground 2 would have been better served if its city had been developed into something more than a glorified menu system. If EA had combined the city model that Rockstar Games used in Midnight Club 3 (where the city itself was the racetrack) with the landmark system of Crazy Taxi (where branded locations were just one type of landmark among many), the oversized billboards and painfully intrusive Cingular logo that dominated the game’s interface wouldn’t have been necessary. The increased exposure to background placements would have primed players to respond well to the brands they saw on the game’s virtual streets without drawing their ire.

**Transporter 2 (Trailer & Movie Opening)**

The trailer for Transporter 2 (Louis Leterrier, 2005) begins with a pan around an Audi A8 that could’ve been taken directly out of a car advertisement or an auto show, and even goes so far as to show a full screen close-up of the Audi logo on the car’s grill. Until several seconds have passed, the only clue that the ad is a movie trailer as opposed to a car ad is the MPAA preview approval card.

> Obviously, Audi wanted to capitalize on displacing BMW as the Transporter’s car of choice, as BMW provided the vehicles for the first Transporter movie (Louis Leterrier and Corey Yuen, 2002), but having the camera linger on its logo so it dominates the screen in both the trailer and the opening credits of the movie is a bit much to stomach. And as Roger Ebert notes in his review of the movie, it’s not credible that, “after it crashes through [a] concrete wall while jumping to [another] building, there’s not even a scratch on the shiny silver circles on the front of the car.”

> Apparently audiences are expected to believe brand logos are indestructible.

Although product placement analysts are divided on the movie (with some cringing and others crowing about the number of extra impressions Audi received by placing its car so prominently in Transporter 2 and its trailers), the crassness of the placement and prior research on audience engagement (see Evaluation Metrics & Engagement, below) suggest that a subtler placement strategy might have done Audi more good.
Suggestions for Better Integration

If Audi could have made the Transporter’s car visually distinctive and easily recognizable as an Audi without resorting to shoving its brand logo at the audience, it would have achieved its goal without risking audience alienation. Unfortunately, the A8’s profile is similar to that of the Acura Legend, Lexus GS, and every other 4-door luxury car from the last half-decade, so without resorting to a concept car to promote its brand (as it did in *I, Robot*), Audi’s only real option to improve the integration of its placement would be to show more restraint with its brand logo.

The Island

Of course, the product placement in *Transporter 2* seems positively understated when compared to that of *The Island* (Michael Bay, 2005). While it’s debatable as to how badly *Transporter 2*’s financial success and value as entertainment were compromised by Audi’s heavy brand presence, it seems reasonable to conclude that *The Island’s* box office performance (a gross of $35.8 million in US release, against a budget of over $120 million) was influenced by its placement-choked narrative.

As with *Need For Speed Underground 2*, a full list of the product placements in *The Island* would be tedious, but a rundown of some of the worst offenders is illustrative:

- **Puma**: Not only does every one of the clones wear Puma shoes and track suits, but Lincoln (Ewan MacGregor) holds a shoe with the Puma logo right up to the camera. The rationale for this action is extremely thin, as the facility is strictly ordered and monitored, and yet he’s supposedly managed to lose his shoe.

- **Xbox**: Lincoln and Jordan (Scarlett Johanssen) use an oversized Xbox to play a virtual-reality game in a gratuitous scene with very little plot value.

- **Aquafina**: After Jordan defeats Lincoln, he drowns his sorrows in a bottle of Aquafina. (Aquafina is also the only brand of water visible in the movie.)

- **Cadillac CIEN**: Not only is the car used in a major chase scene, but before the scene begins a character holds forth on the car’s technical specifications.

- **Ben & Jerry’s**: Jordan buys Ben & Jerry’s ice cream with a credit card and hands it out to children in order to be found and captured. The Ben & Jerry’s logo is behind her as she hands out the ice cream.

As these examples suggest, *The Island’s* product placement is so ham-handed that it actively damages the film’s believability, throwing audiences out of the movie time and again as characters engage in actions that make sense only as excuses for product placement. Many of these scenes lead into other farcical plot points, as in the scene where after being recaptured, Jordan shoots her way out of the operating room with a gun she concealed on her person. (Wouldn’t the guards have searched her?)
The Island was never going to be a good movie, but, when crass and nonsensical product placement is added to a plot that is already full of holes, the resulting product is even worse (and more offensive to audiences and reviewers) than it would be otherwise. Not only did The Island receive a slew of negative reviews, but even some more forgiving critics couldn't help but comment on its use of product placement.

**Suggestions for Better Integration**

The Island would benefit most from having its roster of placements purged, with only those placements which actually fit into the plot (the Cadillac CIEN) or could blend into the background (Aquafina, Puma) retained. Every gratuitous close-up on a logo should have been excised, along with the sequences that were inserted to justify them. Director Michael Bay’s experience in advertising was probably a liability here, as a more restrained cinematographer could have done a lot by exposing audiences to background placements.

**Medium & Memoirs of a Geisha**

Sony Pictures’ promotion of its movie Memoirs of a Geisha (Rob Marshall, 2005) within the NBC show Medium (2005-present), on the other hand, had potential. Allison (Patricia Arquette’s character) going to see a sneak preview of a movie could have been smoothly integrated into the show’s plot, with a nod to motivation (a long day at work, her husband surprising her with sneak preview tickets) and camerawork that presented the movie’s promotional materials as a natural part of the theater’s lobby.

Instead, however, the show’s product integration hits the audience over the head on several occasions. When Joe (Allison’s husband) asks her to go see Memoirs with him, he holds up an ad that takes up the entire back page of his newspaper (and a third of the screen). The show then cut to a commercial—for Memoirs of a Geisha. Later in the show, when Allison and Joe are at the theatre, a ticket-buying sequence is inserted, seemingly as an excuse to zoom in on a marquee banner for the movie and so Joe can repeat the movie’s name. Immediately afterward, Joe and Allison meet one of Joe’s old flames, Karen, who’s just watched Memoirs with her husband. As they talk, every shot of Joe contains a giant glowing promo poster, and towards the end of their uncomfortable banter Karen tells Joe and Allison that “they’re going to love [the movie]”.

There are several things wrong with this approach. First, as with Audi’s logo in the Transporter 2 trailer, Memoirs of a Geisha ads and promotional materials are obviously being shoved onscreen. Second, the screenwriting dictum “get into a scene late and get out early” has been sacrificed in order to get extra mentions and visual placements of the movie’s promo materials: Both the scenes in which movie ads are placed are needlessly long, and the trip to the movie theater is poorly motivated and doesn’t mesh organically with the rest of the episode.

Third, following a scene in which Memoirs was mentioned with an ad for the movie risks audience confusion (and subsequent annoyance), as well as making it painfully obvious that the movie’s placement on Medium is based on some kind of financial arrangement between Sony, the producers, and NBC. It’s plain from Sony’s press releases that they were aiming for a synergistic effect, but, if that was their goal, a deeper and better thought-out integration of Memoirs of a Geisha into the TV show would likely have been more effective.
Suggestions for Better Integration

As noted above, Allison’s trip to the movies should have been motivated more organically, the gratuitous ticket-buying scene should have been cut, and Memoirs of a Geisha’s promotional posters should have been treated like a natural part of the theater’s lobby, instead of being shoehorned into every shot of Joe. Also, while the ad for Memoirs was meant to prime the audience for the movie’s placement, it probably shouldn’t have been the first ad in the pod.

Lessons of Integration Failure

• Product placements which fit into the expected framework of a show, film, or game (such as the Audi A8 in Transporter 2) are usually mishandled through overexposure and clumsiness. Such placements aren’t objectionable on their own – but forcing the audience to be aware of placements pushes them out of the experience.

• Even when a placement isn’t an obvious fit for a property (such as characters from Medium going to see Memoirs of a Geisha), it should be integrated into the narrative as organically as possible.

• As Need for Speed Underground 2 demonstrates, having too many brand and product placements can be just as bad as shoving brands or products in the audience’s face. An audience that pays for a product chock full of placements is likely to be resentful.

• Some product placements are just inappropriate (a Mack truck in The Island?) and should be avoided.

• Also, with too many placements, the value of each placement is likely to be diluted. Even the best creative team can only integrate so many products into a single entertainment property and make it seem natural.
Placement Context: Five Failures of Message

Product placement, as a form of marketing, is intended to convey a particular image or message to a particular audience. There are two ways such communications can fail:

1. The message might not reach the right audience.

2. The audience might receive the wrong message.

In a well-established medium, such as TV or film, the demographics of a property’s audience (though not necessarily its size) can usually be estimated or quantified ahead of time. This is less true in newer media—Even though the BMW Films Web site has had over 100 million viewers since 2001 and was a huge critical and PR success, there was no way for BMW to determine what portion of their viewers were old enough to drive and could afford a BMW. Still, problems of demographics and audience size are a familiar concern in marketing circles and far from unique to branded entertainment.

Meaning management and the risk of sending the wrong message are more specific to the product placement field, particularly as many companies have taken a very unsophisticated approach to handling those risks. There are currently two attitudes towards ‘negative placements’ which companies have adopted; the first is that any placement is a good placement, while the second is that placements which might be perceived as negative are to be avoided at all costs.

While more research clearly needs to be done in this area, it is our contention that the truth lies between these two extremes. As our examples will show, having products used by the protagonist of a television/film story is not sufficient to cast a product in a positive light, as the meanings conveyed by a placement are more complex than whether the placement is “positive” (associated with a protagonist) or “negative” (associated with an antagonist).
Powerade and *The Matrix*

In an example of the cross-promotion campaigns typical of Hollywood product placement deals, before *The Matrix Reloaded* (Andy and Larry Wachowski, 2003) was released, Powerade produced an advertisement featuring an agent from *The Matrix*. Though this was more an example of an entertainment property being placed into a marketing campaign than the reverse, it was notable because in an attempt to promote a product, it risked conveying entirely the wrong message to consumers.

The ad (which played before *The Matrix Reloaded* in theatres) featured an agent sitting across a desk in an interrogation room, with a bottle of Powerade in front of him. The agent describes the virtues of Powerade in character, placing the audience in the role of human batteries who need to produce energy for the machines he serves. The ad closes with the sinister line “Drink your Powerade. We have quotas to meet.”

Obviously, the ad was an attempt to harness fans’ attachment to the Matrix movies by drawing an ironic and amusing parallel between the power of advertisers and the power that the agents have over ordinary humans in the world of *The Matrix*. However, the authoritarian framing sequence and imagery which the advertisement adopts is unsettling, and the agent’s deadpan and stilted delivery, while entirely true to the movies, comes off as more chilling than humorous.

While the ad is quite memorable, the narrative that it conveys (an uncaring—even hostile—authority figure demanding that the audience drink Powerade) is unlikely to persuade anyone to do as they’re told.45

Motorola and Call Failure on *24*

Motorola seemed to have scored a marketing coup by placing its cellular phones in the hands of members of the Counter Terrorism Unit in Fox’s hit show *24* (2001-present). The placement seems as if it’s perfect: a large audience, seeing Motorola products in the hands of heroic government agents. Yet the need for drama and suspense in *24* worked against Motorola in a very simple but critically important way in terms of meaning management—most of the calls characters make on the show don’t get through.

On a dramatic level, this is perfectly understandable. It’s far easier to build up suspense if Jack Bauer is working without backup instead of having the full support of the US government one phone call away. At the same time, however, Motorola’s brand and products are consistently linked with calls that fail to connect, creating a pernicious association that was probably not a part of Motorola’s plan when they approved the product placement.

Coke and AT&T: *American Idol* and Guilt By Association

While the effects of having Motorola’s products fail so often cannot easily be measured, some message failures are easier to evaluate. Such is the case with the audience backlash that emerged out of a voting
scandal at the end of *American Idol 2* (ABC, 2002-2003). Dr. Henry Jenkins describes the controversy in *Convergence Culture*:

“The down-to-the-wire contest between Clay Aiken and Ruben Studdard turned out to be almost as close as the 2000 presidential election, with the two finalists separated by little more than a hundred thousand votes out of 24 million votes cast. The text message votes all got through and were counted—several million worth—whereas millions of telephone callers faced endless busy signals… Clay supporters were particularly vocal about the degree to which clogged phone lines made it impossible to get an accurate count and some argued that the lines may have been arbitrarily restricted to ensure a close race. The *American Idol* producers had raised expectations about responsiveness to audience feedback and thus faced a backlash when they failed to meet those expectations.”

An Initiative Media study found that AT&T, which had branded the show’s voting mechanism, had its reputation damaged by the backlash that resulted. The study also suggested that Coca-Cola and Ford—the show’s other key sponsors—may have had their reputations sullied through their association with AT&T. Obviously, this is not a risk present in traditional advertising; but because of the level of control that AT&T, Coke, and Ford were perceived to have over *American Idol*, fans held them responsible for technical and design failures in the show’s voting system, proving that audience attachment to a show and awareness of its sponsors can be a double-edged sword.

**Malt Beverages and Alcoholism on *Big Brother 3***

Even less interactive reality shows can be treacherous for their sponsors. Stolichnaya Citrona and Sauza Diablo (a pair of soda-like malt beverages produced by Miller Brewing Company) were heavily marketed during *Big Brother 3* (CBS, 2002), and their product was provided to contestants along with their groceries. Given the availability of alcohol, many of the contestants drank. However, one contestant, Amy Crews, drank to excess again and again, making a public spectacle of herself. In a confrontation with Amy, another contestant told her she should check into a rehab program once she was evicted (which she eventually did).

The series aired Stolichnaya plugs at least once an episode even while the storyline about Amy’s abuse of their product was running, but the juxtaposition of the two messages significantly undermined the benefits of Miller’s sponsorship of the program. Evidence later surfaced that Amy’s problems with alcohol had predated the show (she pled guilty to a DUI charge when she was 20) and that another contestant, Chiara, had also been arrested on drunk-driving charges.

**Jeep & “The Mudds”***

In the wake of the success of BMW Films, other companies have tried to use the Internet to facilitate similar branded entertainment campaigns to promote their products. Given the model established by BMW, one would think that DaimlerChrysler would be able to do something interesting with its campaign for the Jeep Commander.

Sadly, while the web episodes (hosted at wearethemudds.com) are supposed to be funny, they’re painfully
inane, featuring the Mudds, a family of five who are constantly covered in mud driving around in a Jeep Commander. The campaign’s premise—that the Mudds are on a geocaching trip—isn’t even mentioned until the second episode, and although it uses recent technology (such as an in-character blog written by one of the kids and an interface based on Google Maps) it’s unclear what synergies the various parts of the campaign are supposed to exploit.

The problem with this example of branded entertainment is that its creators seem to have forgotten that viral marketing needs to hook its audience to be effective. After one filters out the Web sites which simply regurgitated Jeep’s press release regarding their “Mudds” campaign, audience reactions ranged from tepid to actively hostile. There might have been a useful brand message buried somewhere in “The Mudds,” beneath the bizarre gimmick and lack of a hook, but Jeep would probably have been better served by engaging the geocaching community directly. One way of doing so would have entailed giving a Jeep Commander to a real family in exchange for them producing video clips and written accounts of their geocaching excursions, which they would then place on a blog in real time.

Lessons of Message Failure

• “The Mudds” highlights that branded entertainment is entertainment first and foremost. No matter how clever a marketing campaign is, if there’s no hook to get people to watch it or interact with it, they won’t.

• As the Matrix/Powerade ad demonstrates, elements of compelling entertainment don’t always work well for products. The authoritarian imagery used in the powerade ad was extremely powerful, but not in a way that made the drink appealing to customers.

• Likewise, Motorola’s placement in 24 seems like it would be positive (through association with the heroic Jack Bauer) but reveals that current gauges of what constitutes positive or negative placement may be too simplistic.

• AT&T, Coke, and Ford’s image problems in the wake of the American Idol voting scandals suggest a judicial adage that might be relevant to show sponsors: The appearance of a conflict of interest is as bad as an actual conflict of interest. This is especially true in the context of shows with a large fan base.

• Also, as the American Idol and Big Brother scandals demonstrate, placements in unscripted shows carry some risk not present in scripted ones. While such placements can be more ubiquitous than placements in dramas or sitcoms, the show’s sponsors and producers have less control over the meaning that the placement will convey.
Limits and Repercussions of Product Placement

As the preceding examples have demonstrated, while product integration and branded entertainment have great potential, there are several areas where creating compelling entertainment and communicating marketing messages can come into conflict. The following list is not meant to be comprehensive, but rather to highlight creative issues which are likely to come up as the creation of branded entertainment expands.

Genre

Product integration and placement is easiest in a contemporary setting. Audiences expect to see characters drinking cans of Coke or driving around Fords or BMWs as opposed to using generic products (like “beer” or “pizza”) or made-up brands. The farther away from contemporary a movie’s setting becomes, however, the more obtrusive and out-of-place branding and product placement becomes.

While certain sub-genres such as near-future science fiction, such as Blade Runner (Ridley Scott, 1982), and I, Robot (Alex Proyas, 2004), and stories set in a real or imagined twentieth century, such as Band of Brothers (HBO, 2001) and King Kong (Peter Jackson, 2005) also allow for product placement, they have to do so within the audience’s sense of plausibility. Historical dramas are essentially limited to brands and products that existed in the period they depict (or those which could believably have existed then), while placements in science fiction live or die on plausibility alone.

There are ways of getting around genre limitations of product placement (most of which involve leveraging an entertainment property to sell licensed or branded goods), but with few exceptions, pre-20th century dramas, for instance HBO’s Rome (2005); fantasies (The Lord of the Rings, the Final Fantasy games); and far-future science fiction stories, such as Battlestar Galactica (Sci-Fi, 2004-present) and Pitch Black (David Twohy, 2000) do not plausibly lend themselves to product placement. At the same time, if the entertainment industry were to stop producing works of these genres, it would impoverish our culture’s creative landscape and kill profitable franchises.
**Conflicting Themes & Messages**

The *Failures of Message* section (above) touched on some issues surrounding communicating with audiences. But just as improper placement can lead to communicate the wrong message, perfectly reasonable placements may not work within certain contexts. Consider the following example: Revlon and Loréal regularly advertised alongside MTV’s *Daria*, in which much of the humor comes from the protagonist condemning her sister Quinn and her friends in the Fashion Club as vapid and shallow. (Quinn only becomes sympathetic at the very end of the show, as a result of rejecting portions of her appearance- and popularity-based ideology.) Although the ads were reaching their target demographic, it's hard to imagine that the clash of messages between *Daria* and the ads surrounding it benefited the cosmetics companies.

What this example illustrates is that every entertainment property has its own themes and sensibility. As a result, placements whose brand messages conflict with that sensibility are likely be rendered ridiculous by association. Imagine seeing a Volvo in a high-speed racing game. The effect would be laughable, and provide little benefit to the company’s brand.

**Brand and Product Saturation**

As noted earlier (while discussing *Need For Speed Underground 2* and *The Island*) there appear to be limits as to how many placements can be made in an entertainment property before (A) the audience begins to be annoyed by them and (B) the sheer volume of brand placements begins to reduce each individual placement’s effect.

While these limits have yet to be fully gauged or acknowledged, some entertainment companies have developed rules of thumb for product placements within their own productions. For example, at the 2005 Next Big Idea-East conference, Linda McMahon (CEO of World Wrestling Entertainment) indicated that the WWE considers audiences in general to be “very savvy. They don’t want anything... rammed down their throat.” As a result of years of live audience reaction and Internet-based fan feedback, McMahon indicated that the WWE is very careful about how long product placements are on screen and requires them to have some justification for being present.

**Placements Aren’t Ads**

Product placement and branded entertainment are powerful tools, but certain products that are advertised on TV cannot be used in placements as easily as they can be advertised. As screenwriter Alex Epstein says:

> “My characters can drive your cars. They can take Tylenol and they can drink Pepsi instead of Coke. And I can definitely work Levitra into an episode. But ING Bank? The stuff for clearing up infections under your toenails? Auto insurance? Some of the stuff they advertise on TV is boring, and a lot of it is kinda gross.”

Imagine trying to integrate a bank’s brand into a cop show. The genre agitates for robbery or investigations, but both tend to be viewed as having negative connotations and there are only so many ways a bank (or an insurance company or an anti-fungal cream) can be placed in a positive context within the constraints of a given show. Even worse, an overemphasis on explicitly positive placement might itself cause problems—a show where all brand placements are have positive associations or in which the antagonists use generic products while the protagonist uses branded ones is unlikely to seem credible to audiences.
Distinctiveness and Design Concerns

Another issue that can come up when trying to avoid obtrusive visual placements is that many products are not immediately distinguishable from their competitors. This is especially true in the automobile industry, where many luxury cars and SUVs are designed in a very similar manner. The danger of this kind of homogenous design is that even a prominent and well-integrated product placement won’t be recognized by the audience.\(^{54}\)

Obviously, many companies have distinctive designs. One can distinguish Coke cans from Pepsi cans on coloration alone. Apple’s iPod is immediately identifiable in both placements and advertisements, which has undoubtedly contributed to the iPod’s explosive popularity. Still, in the emerging media environment, having a distinctive appearance for a product is becoming even more important because it will increase the chances of audience members recognizing it in a different context.

Variations in National and Cultural Attitudes

Cultural differences between countries can also impact the effectiveness of product placement. In a study published in 2000, researchers found that, on the whole, American audiences were more accepting of product placement in movies than audiences in France or Austria and that men were more likely to claim that they purchased brands they saw in movies than women.\(^{55}\) A 2001 study on attitudes toward product placement in the US and Singapore confirmed that there are differences in the acceptance of product placement between countries.\(^{56}\) To date, Americans have been more tolerant of product placement than the citizens of France, Austria, and Singapore, which suggests that product placements which might be acceptable to US viewers may offend or turn off foreign audiences.

Lead Time: Papa John’s vs. Dominos

Our final example of the limits of product placement comes from the March 31, 2005, episode of Donald Trump’s reality show, The Apprentice (NBC, 2004-present). Domino’s had sponsored one of the show’s contests, and both the teams on the show competed to see which of them could sell more meatball pizzas, as per Trump’s suggestion.

Domino’s was ambushed by Papa Johns, however, which bought air time during The Apprentice’s timeslot and ran an ad for their own Spicy Meatball Pizza, “featuring founder and chairman John Schnatter in a boardroom setting asking, ‘Why eat a pizza made by apprentices when you can call the pros at Papa John’s?’”\(^{57}\) Domino’s was promoting its own Cheeseburger Pizza, so, with Trump extolling the virtues of Meatball Pizza on the show, Papa Johns had gotten the better of its competitor.

The window of opportunity for this kind of stunt is closing as ads become less relevant, but, given the lead time between producing a TV show and airing it, other companies may yet succeed in duplicating Papa John’s stunt.
Product Integration and Audience Expectations

As we touched upon above, the threshold of an audience's tolerance for product placement seems to be dependent on genre and context. Specifically, audiences seem to be much more tolerant of brand logos and product placement in programs where such placements reflect the “real world,” like sports broadcasts and reality TV. For example, a study of brand placement in video games identified the believability of placements as a key element in whether audiences accepted them. To return to our model of the implicit contract, this is because, in sports, advertisements on stadium walls, stock cars, athletes, and even as part of the names of sports arenas are part of the expected delivery structure. Similarly, audiences expect “reality programs” to be funded by corporate sponsors and the companies whose products they highlight. As a result, it is possible for product integration to be much more overt in shows like Survivor (CBS, 2000-present) and The Apprentice. After all, much of the point of such shows is that the contestants are either working with or competing for access to products with recognizable brands.

The same principle applies in a different way to the James Bond franchise. Product placement is acceptable in the Bond movies because audiences expect it—in a way, the defining characteristics of a Bond movie are the cars, the guns, the gadgets, the vodka, and the snazzy clothes. In ways that other spy movies cannot match, only parody (as in the Austin Powers films), the Bond franchise is about selling a lifestyle. The image of glamour that has been built up around 007 and the Bond brand requires appropriate props, and, as a result, brand-name product placements have become necessary for a Bond movie to fulfill its cultural role.

Creating a Context for Placement

While the cultural capital which the Bond franchise has built up over the course of decades is not something that other creators can duplicate, the idea of selling a lifestyle and using pre-existing cultural roles are good jumping-off points when considering creating branded entertainment. HBO’s Sex and the City (1998-2004), in representing a particular high-upkeep cosmopolitan lifestyle, was a perfect medium for the placement of brands and products that were appropriate to that lifestyle, such as Hermès, Vogue magazine, and (most notably) Manolo Blahnik shoes, which had several episodes built around them.
The opportunity for product placement was inherent in *Sex and the City* from the moment its premise was conceived, but this is also true of properties that are less obviously focused on issues of fashion and glamour. Action and spy properties tend to lend themselves to certain kinds of placements (cars, weapons, cell phones, handheld electronics) while high school shows lend themselves to a slightly different menu of products (pizza, snacks and soft drinks, clothing, music, cell phones, mp3 players, cars). The teen drama *The OC* (FOX, 2003-present) has proven especially powerful in driving music sales and giving mainstream exposure to independent bands and artists such as Jem, Imogen Heap, and Death Cab for Cutie. In the video game market, the soundtracks for Rockstar Game’s *Grand Theft Auto* series have proved immensely popular, and Electronic Arts has been leveraging its market dominance through its EA Trax program (which places songs into hit games like the *Madden* and *Need For Speed* series).

Of course, ‘creating a context for placement’ can mean more than choosing a genre or form and exploiting its pre-existing conventions. Consider the placement of handheld gaming devices in the Fox medical procedural *House* (2004-present). On several occasions, a scene begins with Gregory House playing games on a Game Boy or PlayStation Portable—not exactly the kind of product one expects to see in a medical drama. And yet, because the placements are entirely in line with what the audience knows about House (a diagnostic genius who avoids work he finds boring by—among other things—watching TV), they add texture to his already complex character rather than being obtrusive.

**Key Point**

These examples should not suggest that program sponsors need to pressure creators into creating protagonists who use their products (in fact, it’s hard to imagine a practice more likely to result in forced and unnatural product placements). Instead, the ability to illuminate an aspect of an existing character’s personality through an appropriate brand or product will increasingly facilitate placements that aren’t “native” to a given genre. Consider a female cop who decides to treat herself to a pair of high-ticket shoes, or a high-powered executive who decompresses by playing *Halo*. If used sparingly, such juxtapositions can be great character moments—as well as a way of sneaking placements into properties which might otherwise be a poor fit.

**The Property as Placement**

So far, most of our discussion of brand and product integration has touched on adult media. And yet, though children’s programming rarely contains product placement per se, most children’s programs simultaneously serve as both entertainment and extended advertisements for products bearing the show’s brand. Even the licensed goods of *Sesame Street* (PBS, 1969-present) licensed goods produce a significant revenue stream, though it pales in comparison to those of more commercial franchises like *Pokemon*, *Teenage Mutant Ninja Turtles*, and *Yu-Gi-Oh*.

Speaking of *Yu-Gi-Oh*, it takes the classic children’s programming formula one step further by showing its characters playing games with the exact same collectible cards which viewers can buy in stores. Whatever else can be said about the *Yu-Gi-Oh* phenomenon (and both the show’s narrative and the card game’s original design are appallingly poor) it was a stroke of genius on the part of Konami to make their product the centerpiece of their own show.
The Perils of Placement Saturation

The following Amazon review was written for C. S. Lewis’s *The Lion, The Witch, and the Wardrobe* (1950), which contains no paid placements at all:

“I bought these books to have something nice to read to my grandkids. I had to stop, however, because the books are nothing more than advertisements for ‘Turkish Delight,’… The whole point of buying books for my grandkids was to give them a break from advertising, and here (throughout) are ads for this ‘Turkish Delight’! How much money is this Mr. Lewis getting from the Cadbury’s chocolate company anyway? This man must be laughing to the bank!”62

However misguided the Hon. Lou P. Nizer Jr.’s outrage at product placement in Lewis’s *Chronicles of Narnia* may be, it is indicative of a larger danger—audiences who have been conditioned to see product placements are more likely to read mentions of brands or products as paid placements (and resent them accordingly), even when they are unpaid and meant to add verisimilitude. As product placement expands, it will be incumbent upon creators and product placement agencies to handle brand and product integration carefully, as clumsiness runs the risk of poisoning the well, and not just for themselves. Bad product placement has the potential to help precipitate a broader consumer backlash.
Evaluation Metrics & Engagement

Up until this point, all the evaluations in this white paper have been qualitative, which has undoubtedly caused frustration to some readers. But the fact of the matter is, unlike in TV advertising, the product placement industry has no single agreed-upon metric which both companies buying placements and their placement agencies can use to evaluate the effectiveness of a placement. Instead, there are a wide variety of competing groups seeking to position themselves as the industry leader in placement evaluation. While some seek to place a value on product placements (either directly or in relation to the value of 30-second ads) others focus on the placements’ impact on consumers.

In TV advertising, of course, the supposedly universal measure of the value of advertisements are the Nielsen Ratings. Even so, individual ad agencies have their own formulas for calculating how much impact a given advertisement had, which take into account more variables than just the raw number of impressions an ad received. (Recall that 45% of live TV viewers ignore commercials.) Impressions, of course, are the equivalent of counting eyeballs—a crude measure of audience engagement at best.

In contrast, evaluating a product or brand placement involves many more variables. Some examples:

- How prominent and visible is the product? Is its brand clearly identifiable?
- How long does the placement last?
- Is the brand or product mentioned in a dialogue?
- Is the brand or product used by an important character?
- What meanings do the product’s depiction and placement attach to it?
There are also methodological questions on which the placement valuation field has not yet reached a consensus:

- Is placement time worth more or less than a comparable amount of ad time?
- Does making a placement longer make it correspondingly more effective?
- How does audience engagement impact advertising and placement recognition?

**Major Players**

A brief overview of some of the players in the placement evaluation field may be useful. Three of the most prominent names in the field are Nielsen, iTVX, and IAG Research.

Nielsen’s dominance of advertisement evaluation and its preexisting infrastructure allow its Place*Views service to offer the minute-by-minute rating for the show in which a placement appeared, as well as information such as the exact length of the placement, its relative prominence (foreground or background), whether the actors interacted with it, and the placement type (visual, verbal mention, or both). While the Place*Views service has the advantage of using a familiar evaluation system (ratings share), it is based on repurposed statistics and lacks a qualitative component, viewer recall or engagement statistics, or any evaluation of the monetary value of the placements it rates. Nielsen also has a separate service (Sports Sponsorship Scorecard) which focuses on sponsorship of sporting events.

iTVX’s Instant Access service allows clients to watch product placements in context, along with a calculation of their effectiveness—the Q-Ratio. The Q-Ratio is a number which represents the number of 30-second ads that a placement is equivalent to (or for decimal values, what fraction of a 30-second ad). The number of variables considered while calculating the Q-Ratio rose from 20 to over 50 between 2004 and 2005, but many of these variables must be judged on a hierarchical scale (such as the degree to which a placement is integrated into a show, where ‘1’ is background placement and ‘10’ indicates the product’s integration into the storyline), though there is a high degree of temporal granularity (down to .001 of a second). On the other hand, iTVX considers many factors which Nielsen does not, such as viewer engagement, whether a placement seems intrusive, and the probability that a show’s audience is actually paying attention.

IAG Research’s In-Program Performance service both tracks placements and evaluates them with surveys which measure both audience reaction and how well viewers can recall both the context of a placement and the product or brand name that was placed. In addition to the results of their online surveys, IAG tracks 20 variables for each product placement or sponsorship occurrence (such as duration, type of placement, etc.) and correlates them with the results of their surveys so their clients can judge which of their placements are the most effective. IAG will also estimate the dollar value of a given placement.

What emerges from examining the divergent methodology and metrics of these three companies is that they are measuring different things.

- Nielsen has repurposed its existing assets to provide information on how many viewers were exposed to a given placement, as well as data about the placement itself, but makes no attempt to evaluate the placement’s impact or audience’s engagement. As such, Place*Views measures only the potential reach and impact of a placement and not its actual effect.
• iTVX has the most value-focused placement-evaluation procedure of the three but is forced to quantify subjective impressions within the context of an expert system\textsuperscript{68} to produce its results. In addition, the Q-Ratio evaluates the value of placements in relation to advertisements (though iTVX asserts it can be recalibrated to measure value against any metric the client chooses).

• IAG’s focus on audience reaction surveys is both a strength and a weakness. By collecting information on shows that viewers watched the night before,\textsuperscript{69} they gauge which placements were memorable and well-integrated into a show’s plot. However, the structure of the electronic survey questions (in which only respondents who answer context and brand questions correctly are allowed to judge the quality of a placement) is potentially problematic.\textsuperscript{70}

Common Features

One quality which Nielsen and iTVX’s evaluation schemes have in common is that they seem transitional—Nielsen’s because it is based on a repurposed advertising metric and iTVX’s because it produces results in terms of how many 30 second ads (or what fraction of such an ad) a given placement is worth. While these choices make sense in terms of communicating with marketing professionals who are already familiar with ads, if the TV advertisement is truly on the way out, the product placement industry will need a metric that allows placements to be evaluated on their own terms.

It’s also worth noting that iTVX’s metric places less value on background placements and more on explicit placements, while IAG relies on audience recall of a placement to measure its effect. These methodological choices mean that their metrics value explicit product placement over background placement. This is not surprising, but if Russell’s 2002 findings are valid (there is some dispute over this point\textsuperscript{71}), this methodological blind spot has the potential to systematically undervalue an entire class of product placements.

Other Metrics

Nielsen, iTVX, and IAG are not alone in developing metrics to evaluate product placement. A San Francisco company called Delivery Agent measures 25 different attributes that describe a product placement and then compares them to the number of customers who showed interest in or purchased the product via its phone and Internet-based shopping service.\textsuperscript{72} Propaganda Entertainment Marketing’s spinoff PREVA has created a metric which computes cash values for product placements and sponsorships, although they also offer a conversion to 30-second ad equivalents for those more comfortable with such a metric. Image Impact, from Kansas City, MO, calculates a “signage value index” based on placement duration, clutter, and the size and visibility of the placement, asserting that placements are less effective than ads because ads allow for better meaning management. The list goes on, but these three examples are fairly representative.

A common theme among evaluation metrics for brand and product placement is the idea that second-for-second placements cannot be more effective than an ad.\textsuperscript{73} While this may be true of background placements, this view ignores both the declining value of advertisements in the age of DVRs and the 45% of TV viewers who ignore ads entirely. As such, any metric which accepts this as an axiom is likely to produce misleading results, particularly in light of recent findings on audience engagement.
Audience Engagement

A joint study of *American Idol 2* by Initiative Media and MIT’s Comparative Media Studies department casts some light on the question of audience engagement. In a study involving loyal fans of the show (referred to as “Loyals”) as well as more casual viewers, the researchers found that 80% of *Idol* Loyals watched the entire show, as opposed to less than 20% of casual viewers. In addition, close to 60% of loyal viewers paid full attention to the program. In a broader ‘Favorite and Occasional Program Survey’, researchers found that over 80% of viewers watched the entirety of their favorite shows, while over 60% paid full attention to them.

In addition to demonstrating that fans and loyal viewers of a show paid more attention to its content, the studies also demonstrated the amount of attention viewers paid to a show often transferred onto the advertisements that ran during that show. Loyal *Idol* viewers were almost three times as likely to remember the categories of advertisements played during the show as casual viewers (27.9% vs. 9.6%), while people viewing their favorite show were twice as likely to recall ad categories as casual viewers (19.9% vs. 10.2%). This data suggests that, with regards to the impact of impressions, **fans and loyal viewers are 2–3 times more valuable to advertisers than casual viewers.**

In addition to showing a strong connection between audience engagement and ad recall, the study also showed that viewers who watched their favorite program in groups were more aware of product placements (16.3%) than those who watched alone (13.7%). This was consistent with findings that group viewing resulting in higher rates of category recall for ads, higher recall for specific ads, and paid more attention to ads in general.

For more information on this subject, please see Sam Ford’s “Fanning the Audience’s Flames: Ten Ways to Embrace and Cultivate Fan Communities” (C3 white paper, 2006).

**Key Point**

As the study did not compare levels of product placement awareness between loyal and casual viewers, it would be premature to make claims about precisely how valuable loyal fans of a show will be to placement agencies and their clients as the industry expands. However, given how much more consistently fans can be expected to give a show their full attention, it seems safe to say that placing products in front of a smaller, more engaged audience may well prove more valuable than reaching a larger audience which is less connected to a show or property.
Growth Areas and Future Applications

While most of the examples used in this paper have been TV shows or movies, the fields of video games and online entertainment are both growth areas for advertising and brand promotion. While another of the consortium’s white papers is focused exclusively on advertising in games, it would be remiss for a paper on product placement to gloss over such an important subject without comment.

Placement in Games

With software sales in the US reaching $8 billion in 2004, the video game market is a growing cultural force. As noted earlier in this paper, efforts have already been made to connect with audiences through brand and product integration efforts in video games, and it seems safe to say that such efforts will continue in the future.

The rule that products should be integrated into an entertainment experience as organically as possible gains extra force in the context of a video game. Not only do players engage and interact with the game environment in a way that TV and movie audiences do not, but even relatively short games tend to have a play time of 8–10 hours, while longer games can run to 50–100 hours. Massively multiplayer games like Everquest (Sony, 1999) and World of Warcraft (Blizzard, 2004) can engage their most dedicated players for upwards of a thousand hours a year. The kind of repeated exposure that inclusion in a video game can generate risks making even the most innocuous placement stick out unless its inclusion in the game environment seems natural instead of arbitrary.

An example of this sort of naturalistic placement is the Sony Ericsson PDA that Sam Fisher uses in Splinter Cell: Chaos Theory (Ubisoft, 2005). The Splinter Cell games are gritty stealth-action games with a realistic setting, and the Sony Ericsson PDA is an in-game device that functions much like an actual PDA would. Its brand logo adds another touch of verisimilitude to the game as a whole.

See Ilya Vedrashko’s “In-Game Advertising” (C3 white paper, 2006) for a more detailed look at product and brand placement in games.
Branded Entertainment & Viral Marketing

In the wake of the success of BMW Films, more and more companies are using branded games, video clips that feature their products, or online toys which are difficult to classify (such as Burger King’s subservient chicken[81]) for viral marketing. As the goal of such campaigns is to be amusing enough that audience members will encourage their friends and acquaintances to watch or interact with the game, the key is to hook audiences and keep their attention through entertaining or intriguing content.

At the same time, online promotions need to stay fresh and original, as audiences soon grow bored of seeing the same attention-getting gimmicks over and over. Surprisingly few companies have followed in BMW Films’ footsteps by pursuing A-list talent (whether from the film industry or otherwise) to produce branded content for them, perhaps because of the cost of doing so. As the example of “The Mudds” demonstrates, however, insufficient concern for engaging an audience can lead to uneven results.

Interactive TV: Scene Tagging as an Engagement Metric and Sales Device

One of the great unfulfilled promises of convergence is the idea of interactive TV. Once it was shown that TV viewers didn’t want to stop watching a show to buy a product featured in it, interactive TV was left by the wayside. With TiVo and other DVRs rapidly increasing their market share, however, it has become possible to imagine a form of interactive TV that would not only be less intrusive, but would also help measure the effects of product placement (fulfilling the promise of metrics like that developed by Delivery Agent, referenced above).

Suppose that, while you were watching TV, a button on your DVR remote would let you flag a scene which contained something you were interested in—a song, a shirt, or a piece of furniture. At the end of the episode, the DVR would take you to an online store through which you could browse and buy the products that were in that scene. Once such a system were in place, not only would it let audiences identify and buy products they were interested in, it would also give companies which placed products in shows a sense of how much interest (and how many immediate sales[82]) a given placement attracted. While such statistics would not reflect the ability of placements to increase brand awareness, they could be extremely useful for gauging audience recognition and reaction to particular product placements.
Recap

- Branded entertainment and product placement are expanding because companies need to cut through commercial clutter and connect with TV viewers who avoid ads by using DVRs or downloading TV shows off the Internet (via iTunes or BitTorrent).

- **Most of the business models and techniques being considered are not new.** Program sponsorship and product placement were the primary source of funding for radio and television broadcasting from 1922 until 1960.

- Effective product placement depends on understanding the implicit contract between audience and media provider. **Providers who violate the implicit contract with blatantly commercial motives are cheating their audience**, and an audience that feels it has been cheated will abandon you.

- Despite evidence that many in the product placement business understand this principle, **poorly integrated placements happen all the time**.

- The context and meaning of a placement is important, and **existing guidelines for dividing good placements from bad placements can be misleading**. Mere association with a hero or villain isn't the whole story.

- **Product placement has different limits than advertising.** Some genres don't work well with it, and not every product can be placed into a given show. Brands with distinctive designs are generally better suited to background placement.

- Conversely, in the right context, **audiences expect appropriate product and brand placements**. This provides both opportunities for placement and challenges, as even unpaid placements can be seen as commercially motivated.

- There is no consensus on which of many competing metrics most accurately gauges the impact of product placements. **The most prominent metrics measure different things**, and **may undervalue background placement**.

- **Strong audience engagement with a TV show makes ads that run alongside that show 2–3 times more effective.** This strongly suggests that the more engaged an audience is with a show, the more effective placements in that show will be, and parallels the ‘gratitude factor’ that motivated sponsorship in TV and radio.

- Since engagement increases the effect of placements, **video games and other interactive media are fertile ground for product placement and brand promotion**. Interactive placements must be more subtle, however, for overexposure can make even comparatively innocuous placements annoying.
Predictions and Recommendations

• In the short term, the advertising model that has sustained television since the 1960s will face faltering revenues. In the long term, as DVRs spread, it will need to be replaced by some combination of paid brand and product placement and corporate sponsorship, which will probably weaken network power.

• Since audiences dislike having brand logos shoved in their face, distinctiveness of design will become even more vital to brand recognition than it already is.

• Because the pressure to compromise on audience engagement (so vital to placement effectiveness and a project’s long-term success) for immediate financial benefit will be great, media executives will need a very clear sense of where the line between acceptable placement and obnoxious commercialism lies. Creative experience and broad cultural literacy will be vitally important to developing this sense.

• Creative talent will become much more important. Advertising and product placement firms will need to work closely with producers, show runners, writers, and game designers. Since the effectiveness of explicit placement can depend on the nuances of the message a placement sends about a product, creative workers must play an active role in the product placement process—and be compensated for it. While there is active resistance to this idea, a creative team that resents integrating brands and products into a narrative is a recipe for disaster. Positive incentives must be given so writers and designers will want to ensure that placements are well-integrated into their work.

• Any metric of placement effectiveness which does not account for audience engagement should be understood to be fatally flawed. Also, when choosing a research partner, companies must understand exactly what their partner’s metric measures and what it does not. Even the most accurate evaluation metric can be deceptive if its results are misunderstood or over-sold.

• Both technological interactivity and participation in brand and fan communities will become increasingly important to developing engagement with franchises and brands. Initiatives which allow fans and audience members to see the results of their input and display their creativity should be used to reinforce a brand’s strength. The text bumpers played on Cartoon Network’s Adult Swim band are a good example of this phenomenon. MTV’s decision to air machinima on MTV 2’s Video Mods (2004-present) is another.

• The era of entertainment aimed at the lowest common denominator is coming to a close. As developments in interactive TV and DVRs make the value of engaging a loyal audience clearer, it may no longer seem universally advantageous to garner the widest possible audience at the expense of the interest and enjoyment of an entertainment property’s core adherents. Indeed, as audience engagement metrics and product placement continue to be refined, understanding and speaking to a property’s loyal fan base may prove to be one of the most effective ways for marketers to reach the audience they desire.
References and Further Reading


David Ernst, Stacy Lynn Koerner, Henry Jenkins, Sangrita Shresthova, Brian Theisen, and Alex Chisholm, “Walking the Path: Exploring the Drivers of the Expression,” Whitepaper from Interactive Media and the Comparative Media Studies Program at the Massachusetts Institute of Technology, 2003.


Endnotes

1 <http://www.adweek.com/aw/national/article_display.jsp?vnu_content_id=1001480065> and Scott Donaton, Madison and Vine: Why the Entertainment and Advertising Industries Must Converge to Survive, New York: McGraw-Hill, 2004, p. 49. Donaton’s 2002 numbers are for TiVo alone, but, as TiVo was the market leader in DVR technology at that point with half a million units installed, it seems safe to say that less than a million DVRs were in use at that time.

2 One example of such a swing are Sony Classic Pictures’ sponsorship of the third season premiere of Nip/Tuck (F/X, 2003–present) and placement of Memoirs of a Geisha (Rob Marshall, 2005) inside the eighth episode of Medium’s (NBC, 2005–present) second season, detailed in this paper. See also: <http://www.hollywoodreporter.com/thr/marketing/article_display.jsp?vnu_content_id=1001479856>


4 Ibid.

5 For the purposes of this paper, any integration of a brand or product into entertainment content, no matter how prominent, is considered product placement.

6 “Branded Entertainment” is generally understood to mean an entertainment property (game, short film, comic book) which was created with the specific intention of promoting a brand or product.

7 In 2001, BMW funded a series of short films (known collectively as “The Hire”) which involved prominent producers and directors such as David Fincher, Ridley Scott, Ang Lee, and Wong Kar-Wai. A total of eight films were made and distributed, both over the Internet and on DVDs inserted into Vanity Fair magazine. BMW’s Web site claims that the series garnered over 100 million hits before the films were taken off the Web in late 2005. <http://www.bmwusa.com/bmwexperience/films.htm>.

8 America’s Army, released in 2002, is a first-person shooter designed as a promotional tool for the US Army, in which players take on the roles of combat infantrymen. Intended to educate as well as entertain, America’s Army requires players to go through virtual ‘basic training’ and coordinate their actions closely to achieve victory, unlike most other games in the genre.

9 Alternate Reality Games (or ARGs, as they’re popularly known) generally consist of Web sites which lead players “down the rabbit hole” into a fictional world. To access more information and keep playing, players must solve difficult puzzles. Microsoft used the ilovebees ARG to promote the release of Halo 2. ARGs will be the focus of an upcoming C3 white paper.

10 http://abcnews.go.com/Entertainment/wireStory?id=1319923
11 Donaton, p. 54.

12 BitTorrent is an Internet peer-to-peer file sharing protocol which is largely decentralized and designed to be faster the more users are trying to download a single file. This makes it well-suited for distributing large files (such as individual episodes or whole seasons of TV shows) between hundreds or even thousands of users. While anti-piracy groups have taken steps to shut down BitTorrent ‘trackers’ (servers which track file information), a trackerless version of the protocol was developed in 2005.


14 Ibid., p. 16.

15 Ibid., p. 17. Felix also argued that a sponsor “does not earn the right to [insert] propaganda in the midst of a broadcasting entertainment any more than a... guest may suddenly launch into an insurance solicitation at Sunday dinner.” While these sentiments may seem quaint in light of later developments in advertising, they should not be dismissed out of hand (see The Implicit Contract, page 14).

16 Ibid., p. 24–27.


18 Barnouw, p. 42

19 Ibid., p. 34

20 Ibid., p. 55

21 Ibid., p. 191–192

22 Ibid., p. 50

23 Ibid., p. 51. These events were dramatized in the film *Good Night, and Good Luck* (George Clooney, 2005). Alcoa withdrew its sponsorship a year after the McCarthy controversy had died down, citing a need to shift to sales promotion. Still, while it sponsored *See it Now*, Alcoa kept to its agreement with Murrow: “Don't tell us how to make the aluminum, and we won't tell you how to make the programs.”

24 Ibid. p. 56.


26 Barnouw, p. 46–47. *Philco Television Playhouse* (NBC, 1948-1955) and *Goodyear Television Playhouse* (NBC, 1951-1957) ran in the same Sunday time slot on alternate weekends and shared the same production staff and creative team.

27 Ibid., p. 58. For comparison, Ryan Murphy (the creator of *Nip/Tuck*) cited the typical cost to produce an hour-long drama (with a running time of ~42 minutes) as $2 million in an interview in the 16 Sept. 2005 issue of *Entertainment Weekly*.


29 Larry Niven wrote the following on the topic: “The reader has certain rights. He bought your story. Think of this as an implicit contract. He's entitled to be entertained, instructed, amused; maybe all three. If he quits in the middle, or puts the book down feeling his time has been wasted, you're in violation.” <http://www.logicalcreativity.com/jon/quotes.html#n>. Damon Knight also discusses the implicit contract in *Creating Short Fiction*, New York: St. Martin's P, 1997.


This is important because attitudes towards advertising and product placement are positively correlated—if someone dislikes advertising, they usually dislike product placements. Michelle R. Nelson, Heejo Keum, and Ronald Yaros, “Advertainment or Adcreep? Game Players’ Attitudes toward Advertising and Product Placements in Computer Games,” *Journal of Interactive Advertising*, Autumn 2004.


The first *Crazy Taxi* game featured brand placements from KFC, Tower Records, and Pizza Hut, but while some customers wanted to go to branded locations, many others wanted to go to non-branded areas like the docks or a college cafeteria. (The game’s soundtrack featured noted punk bands Bad Religion and The Offspring.) The game’s sequels maintained the same level of product and brand placement as the first game, with the second game replacing Bad Religion with Masters of Mayhem and swapping in Burger King, FAO Schwarz, The Gap, and other stores for the lineup from the first game.  


This is essentially the plan suggested by one of the Mudds’ better informed and most eloquent critics at <http://cuene.typepad.com/blog/2005/12/rant_online_bra.html>.  

The most positive audience responses to the “Mudds” campaign can be found at <http://www.fantasycars.com/cgi-bin/ultimatebb.cgi?ubb=get_topic&c=3&f=3&topic_id=000960> (and even those are mixed). More typical comments (such as those from http://www.autoblog.com/2005/10/19/the-mudds-take-possession-of-the-jeep-commander/) condemn the idea as “corny”, and compare the mud to pig feces. Other message board denizens reacted very poorly to efforts by Jeep’s reps to push the “Mudds” campaign. (See <http://www.jeepnewsnow.com/modules/newbb/viewtopic.php?topic_id=51&forum=23>).  

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A Volvo can actually be unlocked in Need for Speed 3: Hot Pursuit, though its presence in the game was meant as a joke.


From “No Boundaries in this Ring”, an interview with Linda McMahon accessible on the DVD of the 2005 “Next Big Idea – East” conference.


As an example, it seems doubtful that many viewers of UPN’s Veronica Mars (2004-present) who hadn't specifically sought out the information would be able to identify the brand of Logan Echolls' bright yellow SUV. The vehicle is shown regularly, but absent a distinctive design, the only way of knowing which company produces it is to pay close attention to brand logos. (It’s a Nissan XTerra.)


Michelle R. Nelson, “Recall of Brand Placements in Computer/Video Games,” Journal of Advertising Research, March/April 2002, p. 87. The question “Which types of games (if any) do you think are better suited to product placement or advertising and why?” drew the following exemplary responses:

- “I find advertising in sports stadiums to be fairly unobtrusive and life like [sic]”
- “Sports or games where the scenery has advertising in real life”
- “A big flashing sign in Medieval Times would be a foul!”
- “I really can’t imagine something unrealistic, like a flying monkey person wearing Nikes”

In episode 64 ("Ring a Ding Ding", Season 4), Carrie realizes that she’s spent so much on her shoe collection (Manolo Blahnik shoes can cost $400 or more) that she could have leased an apartment with the money instead. In episode 83 ("A Woman's Right to Shoes", Season 6), Carrie's shoes are stolen at a party, and she coerces the hostess who made her take off her shoes into compensating her for them.

In addition to their TV shows, Pokemon and Yu-Gi-Oh have video games, comic books, collectible card games, and other ancillary merchandise based around their brands. The Teenage Mutant Ninja Turtles, as an American franchise, are more focused on toys, though they also have a collectible card game and video games.


On 29 December 2005, Frank Zazza, CEO of iTVX, had this message on the company's front page <http://www.itvx.com/>: “Through our research refinements of the many variables, the one factor that has gained substantial weight is that of engagement.” iTVX tracks engagement value as a message that has a beginning, middle and end. In TV and film it’s called ‘established on the set, continuity and resolution,’ recognizing that the deeper the message goes through those factors, the higher the recall recognition.” This matches up with MIT and Initiative Media’s findings on audience engagement in David Ernst, Stacy Lynn Koerner, Henry Jenkins, Sangrita Shresthova, Brian Theisen, and Alex Chisholm, “Walking the Path: Exploring the Drivers of the Expression,” whitepaper from Initiative Media and the Comparative Media Studies Program at the Massachusetts Institute of Technology, 2003.
One factor in iTVX’s evaluation metric is an “awareness factor”, which considers cognitive (ignoring commercials), behavioral (leaving the room), mechanical (switching shows or lowering the volume), and technological (use of a VCR or DVR) elements in gauging the effectiveness of placements and the ads which support them.

The Advertising Research Foundation has cautioned against using frequency measurements (such as Nielsen’s gross rating points) for predictive or evaluative (ROI) purposes. Noise, interference, and variations in audience engagement make the inference of reach dubious at best. See Frank Zazza and Raymond Pettit, “A Theoretical and Empirical Study of Product Placement Quality, Presented at ESOMAR WAM, Branded Entertainment Session, June 2005.

An expert system is a tool or program designed to deal with real-world problems that would usually require a specialist’s expertise. Expert systems must be created and maintained with the aid of human experts, and rely on rules of thumb and the results of industry and academic research to translate data (“Do we see a close up of the product?”) into quantitative results (“If so, weigh up 2 points”).

IAG’s sample size—more than 80,000 surveys each day, according to <http://www.iagr.net/sln_iaginprogram.jsp>—is sufficiently large to give its findings on audience reactions statistical credibility. By contrast, Nielsen has people meters in 5,100 households and collects data from a total of around 25,000 households. <http://www.nielsenmedia.com/about_us.html>. Of course, much more raw data is generated by Nielsen people meter households than IAG survey respondents.

While the system is clearly designed to prevent viewers from responding to product placements they didn’t witness or overlooked, if a viewer recalled and had strong feelings about a specific brand or product placement but answered incorrectly about the context in which it was placed, they would be moved on to the next question about the show instead of given a chance to respond to the placement itself. Similarly, IAG’s methodology completely overlooks the priming and recognition-enhancing effects of background placement.

Dr. Raymond Pettit of iTVX argues that Russell’s study:

- Does not address the impact of entertainment on the favorability of brand image
- Does not take into account the ‘strength’ of impact on familiarity, liking, and engagement
- Does not address the fact that the priming effect diminishes with increased frequency
- And overlooks the aesthetic and persuasive impact of a story or narrative.

It is not clear how accurate Delivery Agent’s transactional numbers are, since its online shopping service (though promoted through on-screen banners and its client’s Web pages) is neither widely known nor particularly convenient. A way to increase the effectiveness of such an evaluation metric would be to integrate it into Internet-enabled DVRs, with viewers ‘marking’ scenes that contain products of interest with their remote. Such a scheme is detailed under Growth Areas and Future Applications, below.

This view is held by both Image Impact and Joyce Julius and Associates. Schiller, p. 2.

Massively Multiplayer Online Games, or MMOGs, are virtual environments which can be explored by thousands of players simultaneously. *Everquest* was one of the early success stories in the MMOG field, but it catered primarily to ‘hardcore’ gamers. While *World of Warcraft*, like *Everquest*, is an online role-playing game set in a fantasy world, its accessibility to more casual players has allowed it to surpass its predecessor, with a player base of 5 million customers worldwide.
Obviously, high-ticket items (such as cars, furniture, and computers) and commodities (such as soda and foodstuffs) are unlikely to be sold directly through a scene-based store such as the one we have described. Still, assuming widespread adoption of the technology, clothes, accessories, and items that can be downloaded directly (like music) would have great direct sales potential.

The bumpers, in which Adult Swim responds to messages from fans, are calculated to be humorous in much the same way as Adult Swim’s low-budget animations are, and appear to be different every time they’re played.

Machinima is animation created by using a video game engine. Activision’s 2005 release of Peter Molyneux’s *The Movies* (a game designed around making machinima) has made producing machinima much more accessible.
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The Convergence Culture Consortium at MIT (C3) is a partnership between thinkers and researchers from/affiliated with the Comparative Media Studies program at MIT and companies with a keen interest in deciphering convergence culture and the implications it can have for their business. Members of the consortium gain new insights and ideas about a very intractable and urgent set of questions that they are already grappling with in the current business environment. We aim to expand the role of industrial leaders by informing them of dynamic humanistic scholarship while providing them with early access to the cutting-edge ideas that emerge through the consortium. For more information, please visit www.convergenceculture.org.