

**WS/Article – “Is in a Show or a Commercial?”**

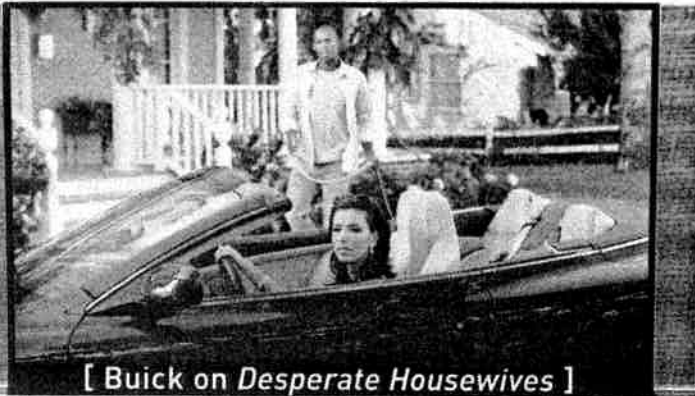
**Directions: Read the article, “Is in a Show or a Commercial?” on page 14 – 17. Then answer the questions below.**

1. This article is about what?
2. How were products first used in TV shows?
3. Why are advertising companies putting their product into the story lines of shows?
4. What form of television is this ‘branded entertainment’ reminiscent of?
5. Why are television companies allowing for product scripted shows?
6. What type of shows is it easier to put product placement in?

**WS/Article – “That’s Advertainment...”**

**Directions: Read the article, “That’s Advertainment...” on page 20 - 23. Then answer the questions below.**

7. What is Advertainment?
8. What is the concern about product placement in the various shows, movies, videos, & games?
9. How has product placement in shows changed over the last few years?
10. What product has stayed in the top five for product placement in shows for the last 5 years?  
(use both articles to find answer)



[ Buick on *Desperate Housewives* ]



[ Herbal Essences on *What I Like About You* ]

# Is It a Show or a

Viewers beware: Now that skipping the

**O**n a recent episode of the WB's *What I Like About You*, the character played by the show's young star, Amanda Bynes, competes against a friend to be in a shampoo commercial. It seems like a fairly typical plot line, but in fact, it's been scripted to showcase Herbal Essences, whose products feature heavily in the episode.

Similarly, over on Fox, Bernie Mac pops Roloids while ranting about life's injustices and his stomach pains on *The Bernie Mac Show*. And on ABC's *Desperate Housewives*, Eva Longoria's character, Gabrielle Solis, finds herself hard up for money and takes a job at a mall as a spokesmodel for the new Buick LaCrosse.

Welcome to the next generation of product placement: Brands of sodas, cars, jeans, soups, and appliances are no

*Lorne Manly reports on media for The New York Times.*

longer just occasional props on TV shows, as they were until about five years ago. Instead, as part of more elaborate marketing deals, advertisers are increasingly working with writers, producers, and the networks' advertising departments to incorporate products into the story lines of both scripted and reality shows.

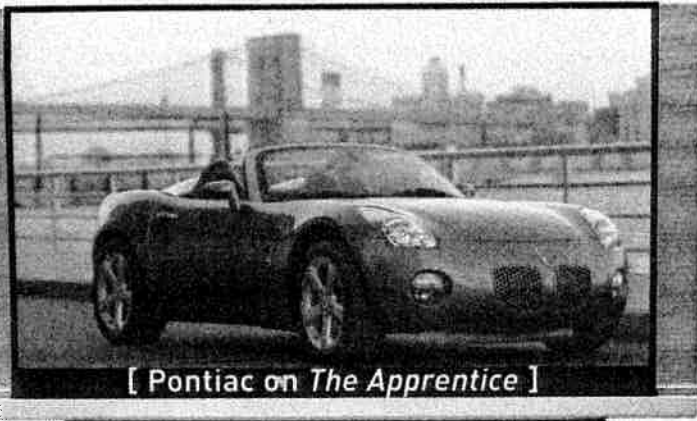
## SKIPPING THE ADS

Companies are turning to more-sophisticated kinds of product placement on television because they're worried that viewers are no longer paying attention to their ads—especially with the proliferation of devices like TiVo, which let viewers fast-forward through commercials. While such digital video recorders are currently in fewer than 10 million households, marketers are preparing for the day when millions more viewers are able to skip right past their 30-second ads.

Fearing that standard commercial spots are losing their effectiveness and reach, companies are scrambling to adapt.

LEFT: ABC MEDIANET; RIGHT: THE WB NETWORK

LEFT: NBC MEDIA VILLAGE; RIGHT: PICTURE PERFECT



# ...a Commercial?

the ads is so easy, products are being scripted directly into TV shows

By Lorne Manly

Many are cutting their ad budgets and throwing more money into product-placement deals.

But not everyone is thrilled with the trend. Some creators of TV shows worry that “branded entertainment” could turn television characters into product promoters instead of storytellers. And the Federal Communications Commission (FCC) has turned a wary eye on a practice it sees as little more than stealth advertising.

In some ways, this newfangled form of branded entertainment harks back to the beginnings of television. Half a century ago, ad agencies themselves often produced shows like *The Colgate Comedy Hour* and *Texaco Star Theater*, in which a chorus line of dapper gas-station attendants opened each show by singing the Texaco jingle (“Oh,

we’re the men of Texaco, we work from Maine to Mexico”) before introducing the host, Milton Berle.

A combination of rising production costs and quiz-show scandals pushed the sponsors out of the show-making business by the late 1950s. As companies devised new ways to reach consumers, commercial ad spots as we know them today were born.

Top 10 Most-Placed Products in TV Shows*	
1	Coca-Cola Classic
2	Everlast apparel
3	Everlast sporting equipment
4	Nike apparel
5	Gatorade
6	Chef Revival apparel
7	24 Hour Fitness Centers
8	Toyota cars and trucks
9	Home Depot
10	Sierra Mist

\*FIGURES ARE FROM SEPT. 20, 2004, TO SEPT. 18, 2005  
SOURCE: NIELSEN MEDIA RESEARCH

### IMPACT OF ‘SURVIVOR’

But products gradually (and subtly) found their way back into TV shows. Hoping that Hollywood’s glamour would rub off on their everyday products, companies bartered their wares to television shows and feature films, giving studios free props in exchange for on-the-air product exposure. This practice also helped the networks

LEFT: ABC MEDIANET; RIGHT: THE WB NETWORK

LEFT: NBC MEDIA VILLAGE; RIGHT: PICTURE DESK

defray costs, and made the shows feel more familiar.

Then, about five years ago, product placement became much more intense, partly because of the success of the reality show *Survivor*. Producer Mark Burnett sold sponsorships to advertisers in which companies would pay to have their products inserted into various scenes. The original sponsors of *Survivor* (including Reebok, Ericsson, and Dr. Scholl's) each paid \$4 million for the privilege.

The revenue generated by these deals covered most of the show's production costs. That enabled CBS to put *Survivor* on the air without much financial risk. And because success in television is always accompanied by swarms of imitators, the networks latched on to this low-cost programming model.

The result? Reality shows started clogging the networks (they were cheap to produce and high in demand), and advertisers followed close behind.

#### REALITY VS. SCRIPTED SHOWS

During the 2004-05 television season, more than 100,000 product placements appeared on the six broadcast networks, an increase of 28 percent from the previous season, according to Nielsen Media Research. Experts say many more are on the way, particularly in scripted shows. Leslie Moonves, co-president of Viacom, which owns CBS and MTV, predicts that within one or two years, nearly every show on network television will have product placements.

The challenges and contests in reality shows readily lend themselves to product placement, say executives. Thirsty and starving contestants guzzle Mountain Dew and chow down on Doritos after outlasting their opponents in a *Survivor* episode, and the viewer usually accepts the products' presence. And since there is no traditional story line to interrupt, reality shows are especially easy to insert brands into.

Scripted shows, however, are trickier: Weaving brands into story lines without bugging viewers can be challenging. "The needle we have to thread is to have a brand integration that is effective enough to have resonance, but, and it's a big but, subtle enough so that it doesn't offend," says Jonathan

**TV executives say they must walk a fine line with product placement: Too much of it and they risk alienating viewers.**



Prince, creator of the recently canceled *American Dreams* on NBC, in which Campbell's soups played a significant role.

For the Campbell's tie-in, which he devised with NBC, Prince already had an idea to portray the deviousness of a character, Patty, a student in junior high school. So he came up with a continuing story line in which Patty bribed schoolmates to send entries that she ghostwrote to the Campbell's soup essay-writing contest to bolster her chances of winning. [Scholastic, the publisher of *Upfront*, worked with Campbell's on the contest.] Her actions had repercussions, and a lesson was learned in this family-friendly series.

Colleen Milway, global media director for the Campbell Soup Company, says the story line fit the squeaky-clean

NBC-TV  
CLOCKWISE FROM TOP LEFT: JANSZKY, GETTY IMAGES, ILL. PICTURE DISK



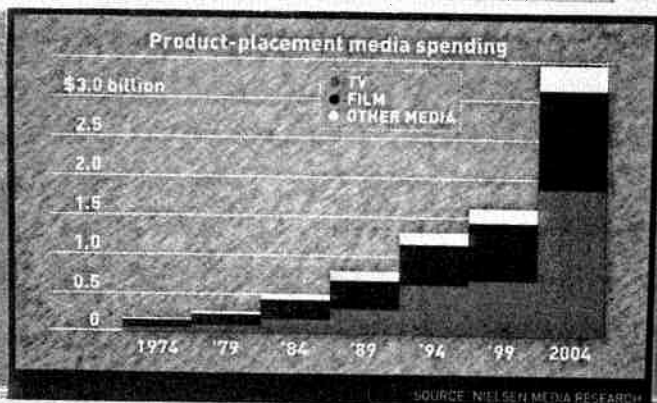
IN THE EARLY DAYS of television, sponsors were literally part of the show.



[ Pringles on Survivor ]



[ Texaco Star Theater, 1948-53 ]



[ Everlast on The Contender ]

image the company wants for the brand.

While measuring a product-placement's effectiveness is still an inexact science, it is likely that embedded ads are having an impact on viewers.

Take, for example, the Pontiac Solstice's guest appearance on an episode of *The Apprentice* last season. In the 41 minutes after the show ended, 1,000 cars were presold, according to Steve Tihanyi, general director of marketing alliances and entertainment at General Motors.

### 'FULL AND FAIR DISCLOSURE'?

But advertisers know they walk a fine line. Ultimately, the industry is self-regulating: Turn off viewers, and there won't be a show left to cram with product placements.

"When a marketer uses branded entertainment to actually sell a product, the entire exercise will fail," according to Jak Severson, the CEO of Madison Road Entertainment. "Audiences are so sophisticated today, the last thing they will do is sit and be sold to during an entertainment show."

Scripted product placement faces some other foes, like Jonathan S. Adelstein, a commissioner at the FCC. "Whether it's classic payola, where a radio station gets a large plasma television to play a certain song, or a corporation pays \$100,000 to get its product mentioned on the air, both the station and the network are required by law to disclose that," he says.

The networks do disclose promotional considerations on the air. But, according to Adelstein, the credits whip by so fast that the human eye cannot read them, even with TiVo.

"Is that full and fair disclosure? I don't think so," he says. "We need to make sure people are sure they're being sold to."

For Joe Davola, president of Tollin/Robbins Television, which produces *Smallville* and *One Tree Hill* for the WB network, the benefits of product placement outweigh any hypothetical downside.

"If people get insulted, they can go watch PBS or go rent an independent movie," he says. "Seriously. This is the real world. I'm not ruining television." ☺



Lady Gaga: Miracle Whip paid to be part of her "Telephone" music video.

# That's Advertainment

In the music video for her hit song "Telephone," Lady Gaga checks for missed calls on her Virgin Mobile phone and smears Miracle Whip salad dressing onto sandwiches.

In an episode of *90210*, Dixon and Annie pack a coolerful of Dr Pepper for their road trip to Arizona and vow to drink nothing else during spring break.

In the online-gaming world, *Sims 3* players can take the Renault Twizy electric concept car for a spin around their virtual neighborhood.

And in the movie *Up in the Air*, George Clooney faithfully stays at Hilton Hotels and flies only on American Airlines.

None of this embedded advertising happened by accident. The makers of each of these products worked hard to secure their on-screen appearances. And these kinds of

product placements are becoming a lot more common as advertisers look for new ways to get their messages across to consumers.

For years, food, car, and electronics companies have offered, and often paid, to have their products included as props in TV shows and movies. But in recent years, as DVRs have made it easier to skip traditional 30-second ads, advertisers have sought new ways to pitch their brands, including paying producers to script them into TV shows, as well as movies, videos, and video games.

"We want to blur the lines between the commercial breaks and the entertainment content," says Dario Spina, who handles "integrated marketing" for Comedy Central, Spike, and MTV's other entertainment channels.

But some watchdog groups are concerned about the explosive growth of what is sometimes called "advertainment."

"Typically, when people view a commercial that they know is a commercial, they employ a veil of skepticism," says Corie Wright at Free Press, a nonprofit organization that works to educate consumers about media. But "product placement tends to shape viewers' preferences even [when] the viewer isn't aware they've seen a commercial."


## News Shows

Of particular concern for Wright is the growth of product placements on news shows, which raises the possibility of conflicts of interest when the shows cover stories associated with any of their sponsors.

Wright wants the F.C.C. (Federal Communications Commission) to make its product disclosure rules more strict—currently, advertisers and media companies can disclose product placements in

VIA WWW.LADYGAGA.COM & YOUTUBE (LADY GAGA)

SCREEN CAPS VIA ABC MODERN FAMILY; VIA DW STUDIOS LLC & COLD SPRING PICTURES FROM THE FILM "UP IN THE AIR" (GEORGE CLOONEY)



**Modern Family:**  
An entire episode was  
scripted around the iPad.

## Desperate to grab viewers' attention, advertisers are increasingly blurring the line between entertainment and commercials

BY VERONICA MAJEROL

small type in the show's end credits—and to extend the rule to include cable television, not just network TV.

In a way, the current wave of product placements is a return to the roots of television and, before that, radio marketing. In TV's early days in the 1950s, soap, tobacco, and oil companies wedged themselves into the very titles of the shows they produced—like the *Colgate Comedy Hour* and the *Texaco Star Theater*. (Singing gas-station attendants opened the *Texaco* show each week with a jingle: "We're the merry Texaco-men, tonight we may be showmen, tomorrow we'll be servicing your cars.")

But rising production costs and the quiz-show scandals of the late 1950s (in which sponsors played a part in rigging shows) pushed advertisers out of the business of producing shows themselves. Marketers then

began focusing on the 30-second ad spots.

Product placement began its TV comeback about a decade ago, when *Survivor* tried it with great success, selling \$4 million sponsorships to advertisers—including Reebok, Ericsson, and Dr. Scholl's—to insert their products into the show.

### **American Idol**

The sponsorship revenue covered most of the show's production costs, and other networks jumped on the bandwagon. Pretty soon, millions of Americans found themselves watching Paula, Simon, and Randy sipping from Coca-Cola cups every week as they sat in judgment of

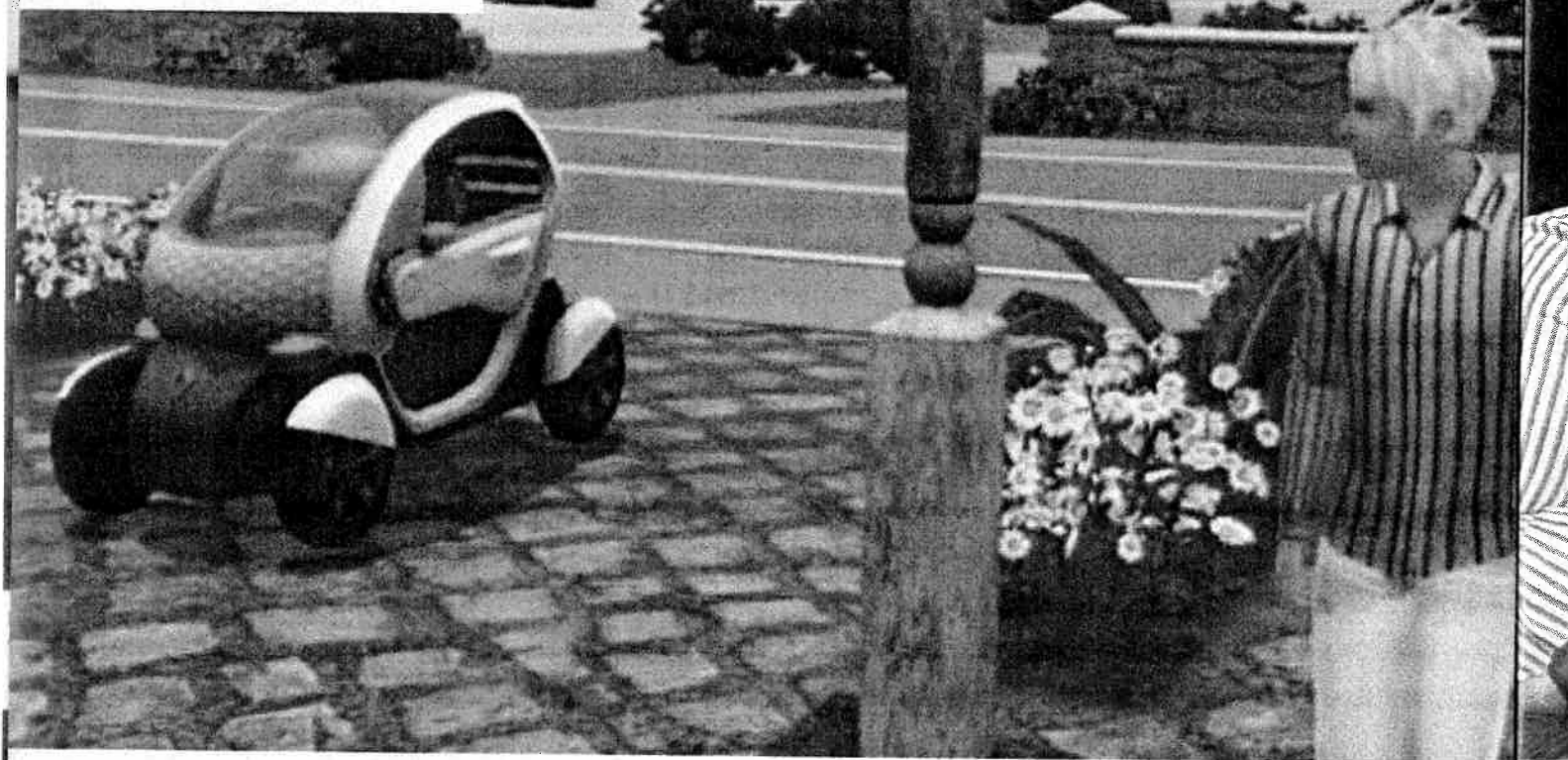
*With reporting by Brian Stelter, Joseph Plambeck, Stephanie Clifford, Miguel Helft, and Tanzina Vega of The New York Times.*



American Airlines, Hilton Hotels, and George Clooney were the stars of the film *Up in the Air*.



*Sims 3* players can download Renault's electric concept car into their game—because the carmaker paid Electronic Arts to include it.



singing contestants on *American Idol*.

"*American Idol* kind of made it cool to integrate your brands into programs," says David Kaplan of Nielsen IAG. "It was hard to avoid, it was prominently featured, and it was on a show that had more viewers than any other in the country."

Nielsen measures the effectiveness of product-placement on TV by polling thousands of viewers every day to see how well they recall particular placements and how well they thought the products fit into the show.

Kaplan says other reality shows, and eventually scripted programs, took their cue from *Idol* and got a lot more sophisticated. It's no longer just a matter of leaving soda cans or cereal boxes on the kitchen table; brands are now getting incorporated into the storylines by the shows' writers from the very beginning: *Modern Family*, for example, recently scripted an entire episode around the iPad, while *Community* integrated an elaborate plot about KFC into a recent show.

Today, product placement is a way of life in many media. Revenue from product

## Top Five Brands for Product Placement on TV



AT&T



Coca-Cola



Nike



Chevrolet



Apple

SOURCE: NIELSEN IAG (JANUARY TO SEPTEMBER 2010, BROADCAST TV)

placement in music videos has doubled since 2000 to nearly \$20 million last year, according to PQ Media. In the past, MTV was the dominant outlet for music videos, and company policy prohibited blatant product plugs. But as video viewing has migrated to the Web—to sites like YouTube and VEVO—product placement has become more common.

The "Telephone" video, which prominently features at least half a dozen brands—some by Lady Gaga's artistic choice, some for payment—may be the

most brash example. But with CD sales plunging as downloading (both legal and illegal) soars, more music artists and record labels are trying to use their videos to make money rather than to simply promote an album, as they have in the past.

### 50 Million Mini Cooper Views

Atlantic Records' video for "Billionaire," the hit song by Travie McCoy that features Bruno Mars, includes a paid placement of a Mini Cooper. This turned out to be a good investment for BMW, which makes





American Idol has had a product-placement deal with Coke from the beginning.

## Top Five TV Shows for Product Placement



**American Idol**



**Jay Leno**



**Celebrity Apprentice**



**Biggest Loser**



**Amazing Race**

SOURCE: NIELSEN IAG (JANUARY TO SEPTEMBER 2010, BROADCAST TV)

the Mini: The video has been viewed more than 50 million times on YouTube. And unlike other types of advertising that run with music videos—like 15-second ads before the music, purchased for a specific period of time or number of views—the Mini placement in the video will be around for as long as the video itself.

Hollywood is also incorporating more products into scripts than ever before. In the past, studio executives handled negotiations to include products in films. But with rising moviemaking costs, screenwriters

and producers are increasingly working with advertisers before their scripts are fully shaped. That way, the products can be woven into storylines more organically.

Jordan Yospe is a branded-entertainment lawyer who works with screenwriters and producers early in the filmmaking process to advise on product integration. He says hitting the right note is something of an art.

“I’d rather see a can of Coke or a can of Pepsi” than a generic soda can, which he says pulls people out of the story. “But I don’t want to see a character hold up a can

and say, ‘This is great Coke.’ Everything needs to be done in the appropriate degree of moderation.”

The more intricately a brand is woven into a movie, however, the more a brand pays for the appearance, with fees ranging from several hundred thousand dollars to several million dollars per film. For the moviegoer, the result is more-elaborate advertising woven into movie plots.

In terms of the surge in product placement on television, Nielsen’s David Kaplan says many viewers don’t mind. “What the data is showing us is that consumers seem very much OK with product placement, and, if anything, find them to actually enhance their viewing experience.”

Even so, Corie Wright of Free Press says it’s important for people to be aware of the various media messages around them, and to stop and think about whether brands in movies, TV shows, music videos, and video games are there because of a creative decision or because someone’s trying to sell you something.

“Nine times out of 10,” Wright says, “they’re trying to sell you something.”

RAY MICKSHAW/WIREIMAGE FOR FOX TELEVISION NETWORK (AMERICA IDOL); LOGOS VIA VARIOUS CORPORATE WEBSITES