

SHOW INTEGRATION: *Not Just Set Dressing*

Luminosity Perspectives

September 2009

Overview

Product placement, or product integration, is a type of advertising where marketers place real-life products throughout all different types of media, such as film, television, video games, and books. The presence of the brand is the result of an economic exchange between the marketers and the media. Traditionally, product placement occurs with the inclusion of a brand's logo or appearance of a product in a shot. When this happens, it is supposed to appear naturally weaved into the program, as it is unsaid to the viewer that this is an advertisement.

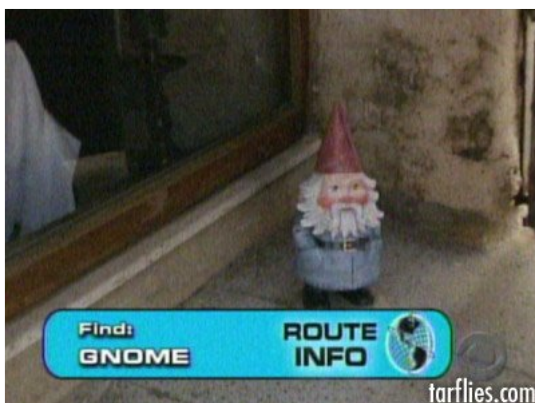
When most people think about product placement, they usually visualize packaged goods or other consumer-purchased tangible items. Not surprisingly, the most popular products featured are automobiles, electronics and computers, and tobacco products. However, with today's changing media landscapes and the ability for viewers to watch what they want when they want, new, non-traditional, "non-products" have taken advantage of developing unique ways to reach their targets through product placement.

Sponsorships

While sponsorships are a traditional form of product placement, many service-oriented advertisers are also seizing these opportunities. For example, 24 Hour Fitness gyms have a deal with the reality show "The Biggest Loser," which happens to be one of the top shows for quantity of product placements. 24 Hour Fitness signage is seen throughout the state-of-the-art onsite gym provided by 24 Hour Fitness at The Biggest Loser Ranch, where contestants live while competing on the program. In addition, they also sponsor The Biggest Loser Six-Week Weight Loss Program at all their fitness clubs to help fans of the show lose weight. Another featured sponsorship on "The Biggest Loser" is Subway restaurants. Contestants can be seen eating Subway sandwiches and also discussing Subway as a health-food alternative.



The Biggest Loser - 24 Hour Fitness



The Amazing Race - Travelocity

Another sponsorship example is Travelocity's sponsorship of the reality show "The Amazing Race". At the end of every episode the first team that reaches the pit stop receives a trip to a foreign destination sponsored by Travelocity. In addition, when contestants discover their next designated location they are often seen looking up Travelocity.com for information about that particular city. Travelocity has also integrated into the content of the race, where one task was to find hidden Travelocity Roaming Gnomes, the company's mascot.

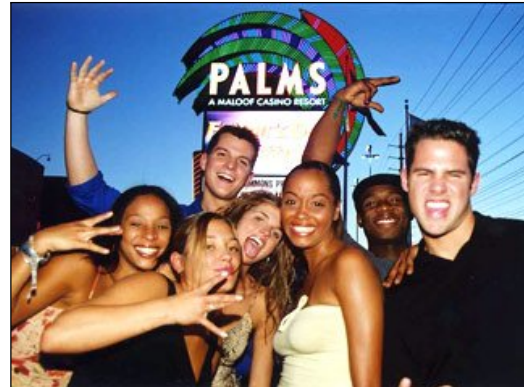
Location

By sending characters to a specific spot or setting a scene in an exact location, advertisers can use this opportunity to show off their service, which, in this case is the location themselves. For example, in the comedy “The Office” the characters met up at the local Chili’s Bar & Grill. Chili’s serves as the host of the annual “Dundie Awards,” which are arbitrary awards that office boss Michael Scott (played by Steve Carrell) gives to employees for various “achievements.” Similarly, Chili’s was also used in scripted shows “What I Like About You” and “Gilmore Girls” to provide the setting for different scenes to advance the plot.

The Palms Hotel and Casino has also been used as the backdrop for many movies. This year, showing up in “21” and “Meet the Spartans,” the hotel was able to advertise its amenities while setting the stage for these movies. Other placements include being the home for MTV’s Real World Las Vegas and an episode of “The OC.”



The Office - Chili’s Restaurants



The Real World Las Vegas - Palms Casino

Sounds

Another huge market that has taken advantage of non-traditional product placement recently is the music industry. Having bands or songs featured in hit television shows, movies, and video games has become one of the main ways for musicians to sell themselves to consumers. On shows such as the CW’s “Gossip Girl,” “One Tree Hill,” and “90210” the music played during every episode is revealed at the end of the show. The name of the artist, a picture of their album, and information on where to purchase their music is mentioned while driving viewers to the CW website. Some shows, including “One Tree Hill” and “Smallville,” have taken music placement further by integrating the musicians into the storyline. “One Tree Hill” has often featured these musicians as guest actors on the show integral to the plot. Shows on MTV such as “The Hills” display the name of the artist and the song title as a song is playing during the episode to give viewers instantaneous recognition of what is being played.

Musicians have also targeted video games to get their music heard. In the Grand Theft Auto series, players have the ability to listen to an array of radio stations, many featuring real musical artists. More famously, Madden Football has helped breakout bands such as Good Charlotte and Franz Ferdinand by including them on their game soundtrack. As a result of the success of Madden Football, about 4,000 submissions are received every year to be considered for the game’s soundtrack.



One Tree Hill - Kate Voegele

Usage of Product

New industries have started to use product integration in a much less conspicuous manner for their services. The pharmaceutical industry has jumped aboard, finding a home in many medical dramas on the air. The mentioning of brand-name drugs are used instead of the generic chemical labels in order to gain recognition for those products.



Scrubs - NuvaRing

For example, the mention of the EpiPen on an episode of “Boston Legal” and the NuvaRing contraceptive on “Scrubs” has been used.

In addition to brand-name drugs, medical equipment companies have sent their devices to be aired on television. Three Seattle-based firms, Philips Medical Systems, Cardiac Science, and SonoSite, have made deals to have their products on “ER” and “Grey’s Anatomy.” ThinkLabs hi-tech stethoscope has been seen around the necks of doctors on shows like “ER.”

Show Integration Examples

Music

Kate Voegle- One Tree Hill
 Hilary Duff- The Hills
 The Fray- Grey’s Anatomy

Services

State Farm- Bill Engvall Show
 Verizon- Gossip Girl
 Marquis Jets- Entourage

B2B

Cisco-Iron Man
 Staples- The Office
 UPS-Nascar

Websites

YouTube- Tropic Thunder
 Travelocity-The Amazing Race
 Amazon- Grand Theft Auto 4

Pharma

EpiPen- Boston Legal
 NuvaRing- Scrubs
 Think Labs- ER

Take Away

Product placement is a valuable initiative for all advertisers, not just those with tangible, physical products. According to PQ Media, the product placement market’s predicted growth between 2004-2009 was 14.9% reaching \$6.94 billion (gizmag.com). This can be expected considering DVR penetration has reached 25% of US homes and continues to climb every year (Nielsen Media Research, July 2008).

In addition, according to Nielsen research, brand recognition increased 29% for product placements during highly enjoyable programs. Placements on emotionally engaging programs were also recognized by 43% more viewers (Getting Engaged: How to Marry Ad Response to Programming). Popular shows such as The Amazing Race, The Biggest Loser, and Grey’s Anatomy have seamlessly allowed multiple product placements without detracting audiences and will continue to accept product placement. Therefore, well devised and strategic product placements have potential to produce strong results.

Considering all of this, advertisers may want to reevaluate product placement as a feasible opportunity for their non-traditional “products.”

About Luminosity Marketing

Luminosity Marketing provides media consulting and marketing research services. We specialize in connection planning, including target development, competitive intelligence, and media planning and media buying. Analysis for this edition of *Luminosity Perspectives* by Hillary Marcovici, Junior Media Manager.

To learn how your brand can benefit from product placement, please call Elizabeth Dolinski at 646-213-4862.

Visit us online at www.LuminosityMarketing.com.