

OMD, ABC Team On 'Branded' Study, Find Complementary Effect

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WITH BRANDED ENTERTAINMENT AN INCREASINGLY lucrative marketing niche in the United States - marketers spent an estimated \$1.9 billion in on it in 2004, a 46.4 percent increase from the previous year - marketers are scrambling to find a way to enter the fray. There motives are clear. Digital video recorders (DVR) have emerged as a significant threat to conventional TV commercials, as illustrated by a recent IPSOS survey of U.S. adults, which found 35 percent skip ads every time or almost every time they used their DVRs. An additional 28 percent said they "sometimes" skipped ads.

Not surprisingly, a 2005 study by the Association of National Advertisers found 63 percent of U.S. advertisers already are engaged in branded entertainment initiatives in 2004. An additional 26 percent said they planned to engage in branded entertainment in the coming year.

Now a new study conducted by the ABC Television Network and Omnicom media shop OMD suggests there is fertile ground for those who want to expand their stake in the territory.

Presented at the Advertising Research Foundation's and ESOMAR's recent WAM conference in Montreal last month, the study followed the reactions of some 600 viewers ages 18-49 during ABC's coverage of the American Music Awards in November 2004. Importantly, the study gauged their reactions to both branded entertainment and traditional advertising during the show.

The study found a 34 percent lift in brand awareness among those exposed to both traditional advertising and branded entertainment during the show, with viewers exposed to both integration and advertising most likely to say they planned to go out and buy products showcased.

"This project was demonstrative of the effectiveness of the effectiveness of branding content coupled with traditional TV advertising," said Bryon Schafer, senior manager of primary research at ABC, who co-presented the paper along with OMD's top researcher Beth Uyenco. "The most important thing in terms of integration is that it's seamless and organized in nature, both with the program and the brand identity. Viewers are savvy and the more intrusive, the less effective."

Instead of branded entertainment emerging as a substitute for conventional TV advertising, the finding suggests the two formats have a complementary effect.

"Exposure to the advertisement improves impression (of the product)," concludes the report. "And further exposure to the integrations yields additional positive impression."