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## **Brands take buzz to bank through free integration**

'Cool' factor often trumps fees

By Gail Schiller

During the past four months, Apple iPods, Macs and other products have been featured 250 times on 38 different network primetime shows, including such hits as "CSI: NY" and "The O.C.," for a total of 26 minutes of exposure -- and all of it was free for one of Hollywood's biggest brand stars.

With its cultural cachet and storied history of giving away tens of thousands of Apple computers to the Hollywood creative community, Apple has had perhaps the greatest success of any brand in embedding its products into film and TV without paying for the integrations, even amid Hollywood's rush to cash in on branded entertainment deals over the past several years.

But the Silicon Valley star is by no means alone, especially among companies that have that much-sought-after "cool" factor or that sell big-ticket luxury items, such as Aston Martin and Lamborghini. And, because of practical issues that arise on the set, even brands that lack such totemic status still frequently manage to win free placements.

Many of the Apple placements, as tracked by Nielsen's Place Views, have handed the computer company key roles in story lines: Stewie did his own rendition of the iPod black silhouette commercial in "Family Guy"; Pamela Anderson and her co-stars tried to figure out who left an iPod behind in the "Stacked" bookstore; and co-workers on "The Office" attempted to trade in their office holiday party gifts for an iPod in a yankee swap. Apple also is featured regularly on "Las Vegas," with an iLounge populated by iPods and iMacs as a permanent part of the set.

"iPod has never paid for placement because Apple is cool," said Ruben Igielko-Herrlich, founding partner and CEO of Propaganda Global Entertainment Marketing. "If you're a cool brand or an affluent, prestigious brand, it's not going to cost you what it's going to cost fast-moving consumer products like soft drinks or detergents. When you have that kind of image and aura, you don't pay for it."

But even less hip brands that lack the all-powerful "buzz" factor still are succeeding at getting prominent visual and verbal integrations without forking over extra cash for integration fees, promotional support or media buys, albeit to a lesser extent than they were before branded entertainment took off several years ago.

"As big as branded entertainment is, I will still venture to say that 90% of the brands you see in shows are there for free," said Jeff Greenfield, executive vp entertainment marketing firm 1st Approach. "A lot of brands get in for free not because they're cool but because they happen to be there."

Five of the leading product placement agencies estimate that 70%-95% of their placements are still barter deals only. Norm Marshall & Associates said it orchestrated more than 10,000 free product placements last year.

Market research firm PQ Media last year reported that while paid product placements soared 44% to \$1 billion in 2004, they still only constituted 29% of the overall brand integration market. It estimated that the paid portion of the placement market would increase to 31.9% in 2005, 34.1% this year and 35.6% in 2007 -- still only a fraction of total brand integrations.

Entertainment marketers say that despite efforts by the networks and studios to crack down on free placements, they are still happening for a variety of reasons: Many integration decisions are still being driven creatively rather than financially; production companies still want to save money by getting free product on the set; branded entertainment deals do not come close to covering the amount of product that is needed to dress a set; many changes in props or sets are made during

filming, long after product integration deals are sealed; and producers don't always want to spend the time and money required to satisfy the demands of brands willing to pay for integration.

"Decisions are still driven creatively, and if a brand really does add value to the message, the story and the content, it's going to get away with its prominence in shows without paying," said Keith Ferrazzi, CEO of marketing consulting firm Ferrazzi Greenlight.

Added Erik Stroman, partner at Entertainment Marketing Partners, "There are always going to be examples of great placements for free because the only thing with television that you can't control is what's happening at the set."

But some brands that sell high-priced products caution that even when they don't pay for product integration, they still are not getting it absolutely free. By supplying several vehicles for use in a production, for example, luxury car manufacturers are providing hundreds of thousands of dollars of value.

For its part, Apple has reportedly spent millions of dollars providing free Macs for the Hollywood community over the past 15-20 years. The investment clearly has paid off.

Despite a tiny share of the worldwide PC market, Apple is by far the most widely used PC by fictional characters in film and television. "Apple has 90% of the exposure but only 2% of the business," Igielko-Herrlich said.

Among the luxury brands that recently scored unpaid high-profile placements is Lamborghini, which had a starring role in September on NBC's "The Apprentice," on which contestants were asked to create both a TV commercial and a print campaign for the luxury automaker. Sources close to Lamborghini said the company was approached by Mark Burnett Prods. to appear on the show and paid nothing for the integration. Such other brands as Pontiac, Burger King, Crest and Home Depot reportedly have paid Burnett record fees ranging from \$1 million-\$4 million to appear on the show.

Lamborghini also paid no integration or promotional fees to be featured in Paramount Pictures' "Mission: Impossible 3," due in theaters May 5, and had a prime placement in last summer's "Batman Begins," with a passerby calling Bruce Wayne's Murcielago Roadster a "great car."

In an unusual twist to the brand-studio relationship, the Volkswagen-owned automaker sometimes charges productions up to \$3,500 a day to use their cars, the sources said.

On ABC's hit series "Desperate Housewives," material girl Gabrielle Solis, played by Eva Longoria, drives an Aston Martin. Besides supplying the \$125,000 vehicle to the production, Ford-owned Aston Martin has not paid any additional fees for the frequent visual placements, nor did it pay for a key episode last year in which a new, bright red Aston Martin purchased by Gabrielle was part of the story line. Ford also pays no fees for a Mustang GT convertible, Volvo V70 and Mercury Mountaineer driven by "Housewives" characters Karl Mayer, Lynette Scalvo and Betty Applewhite. Aston Martin also is featured regularly on NBC's "Las Vegas," and HBO's "Entourage" without paying any placement fees.

Starbucks, another brand possessing sought-after buzz, not only has won key roles in "Shrek 2," "Miss Congeniality" and "Austin Powers: The Spy Who Shagged Me" but also recently was cast in a starring role for a new film in development at Universal Pictures titled "How Starbucks Saved My Life."

Starbucks said that while cash does not change hands for its integrations, the company does give away free coffee and products for set dressing and also frequently constructs Starbucks outlets for productions.

Other luxury and iconic brands known to get placed for free include Tag Heuer and Rolex watches, Rolls Royce, Ralph Lauren, Jack Daniel's and the American Express Centurion Black Credit Card. "Those brands will never need to pay," Igielko-Herrlich said.

Less prominent brands, or those with a bit less cachet, that recently have appeared in film and TV for free are Stoli in "Rent," Equifax in "Firewall," Black & Decker AutoTape on Fox's "Stacked" and Kodak digital cameras on Bravo's "Queer Eye for the Straight Guy."

Numerous brands whose logos are not visible to audiences also frequently are placed for free, such as Martin guitars in "Walk the Line" and "Ring of Fire," Rimowa attache cases on all the "CSI" shows, and Humanscale office chairs on a number of shows, including "24," "Boston Legal," "Medium" and "CSI."

Many product placement agencies are getting brands directly into the hands of writers, hoping they'll make it into their scripts and onto the air even if the advertisers are not paying.

But while brands clearly are managing to get cast in high-profile TV and film roles without cutting any deals, paying for brand integration gives them much more say over the way their products are portrayed and virtually assures them that they won't end up on the cutting-room floor, some entertainment marketers say.

"Whether money is spent or not determines how secure your integration is," said Mark Workman, president and CEO of First FireWorks Group.

But according to 1st Approach's Greenfield, with so many high-profile integrations being given away for free, brands that spend \$3 million-\$5 million on a single-episode integration are "massive suckers."