

Giants, startups of placement valuation

By Gail Schiller, Hollywood Reporter

Ranging from little-known startups to industry leaders in entertainment marketing, research, sports sponsorship and audience measurement, a host of firms are competing to develop the key measurement formula that will become the industry standard for pricing or valuing branded entertainment deals.

Nielsen Media Research

The company offers clients a database of all product placements in primetime entertainment programs on the six broadcast networks. Called Place*Views, the Nielsen service describes various attributes of each placement, including how many seconds it appeared, whether it was in the foreground or background, whether there was any interaction between the product and the actors and whether there was a visual placement or brand mention in the dialogue. A key selling point is that Place*Views offers the program rating for the exact minute when the product placement occurred as well as the demographic profile of the viewing audience at the time the placement took place. According to Nielsen, the service has about a dozen clients, including Zenith Optimedia and MediaCom. Nielsen is planning to expand Place*Views to cable during the first quarter and eventually to film and video games. (Nielsen Media Research is owned by VNU, parent company of The Hollywood Reporter.)

Deutsch/iTVX

Interpublic Group's Deutsch advertising agency and product integration valuation company iTVX have just launched a new entertainment marketing company called Media Bridge Entertainment that will introduce an offering called ROI or Results-Oriented-Integration. The service factors in 52 placement parameters in valuing the quality of each hundredth of a second of an integration, with level scores ranging from 1-10. The iTVX system then translates those scores into a Product Placement/Commercial Cost Ratio that estimates how many commercials or what percentage of a commercial in the same show the integration is worth. For example, the integration of Crest toothpaste into "The Apprentice" this season was assigned a PP/CC Ratio of 10.8, meaning that Procter & Gamble would have had to buy that many commercials in the hit NBC reality series to achieve the same value the placement afforded. iTVX's clients include Fox, Discovery Channel, Kraft, Verizon and Unilever. The company is planning to launch its service in certain overseas markets next month and to expand into film in March.

IAG Research

IAG launched its product placement evaluation product, In-Program Performance in late 2001. IAG does not seek to assign a monetary value to placements but rather provide clients with data on viewer response to product integrations, which it translates into a numerical score that advertisers use in conjunction with their own sales and marketing data to determine their return on investment. Collected mostly from Internet-based surveys with TV viewers, IAG viewer response data includes: general recall -- did the audience remember the placement; brand recall -- could the audience associate the placement with the brand; and fit -- did the audience feel the placement represented a proper fit with the show. Clients of IAG's IPP product include Fremantle Media North America, MindShare, American Express, General Motors and Capital One. IAG is planning to expand its service to feature films.

Brand Advisors

The Los Angeles-based company appears to be one of the only measurement firms focused solely on valuing brand integration in feature films. Brand Advisors has adopted the techniques its parent company, the Salter Group, has used for 15 years in forecasting film revenues for Wall Street investors to predict audience size for advertisers. The studio/film producers and advertisers agree to an advertising cost per thousand (CPM) based on the average rates to reach the film's demographic through a 30-second spot on television. Then Brand Advisors produces a dollar value for the integration based on its forecasted audience size and data it collects on the various characteristics of the placement, which it runs through its own mathematical formula. The company declined to disclose its clients, citing confidentiality restrictions.

NextMedium

Los Angeles-based NextMedium, which describes itself as a technology company for the embedded advertising industry, is a strategic partner of Nielsen Media Research and collaborated in the development and marketing of its Place*Views service. As its next step, NextMedium is working to develop algorithms and analytics that will provide deeper insight into such issues as valuation and a brand's integration performance compared to that of its competitors. NextMedium said it is again collaborating with Nielsen's in developing some of these tools. For its valuation service, which it plans to launch in the first or second quarter of 2005, NextMedium said it will factor in qualitative data, including viewer response to placements, such quantitative data as the duration and attributes of placements and industry consensus on the best methodology for

measuring placements. NextMedium said that while it is currently focused on television, it plans to offer products in the future covering video games, music and film.

Delivery Agent

San Francisco-based Delivery Agent uses the information it compiles from selling brands worn, placed, featured or utilized in particular movies and television programs to provide data that can help brands and entertainment companies put a value on these placements. Working in partnership with networks, studios and producers who provide complete lists of products appearing in their entertainment content -- whether the brand names are visible or not -- Delivery Agent compiles an extensive database of these placements that includes information on 25 different attributes describing the placements. Then based on the number of viewers who either purchased or showed interest in a product that appeared in a TV show or movie via its Internet-based shopping service, Delivery Agent provides transactional data that the company claims clearly demonstrates whether the placements were effective in creating demand for the product. Delivery Agent also offers clients predictive models based on its historical transactional data to help them determine what kinds of product placements will be successful. Based in San Francisco, Delivery Agent's clients include NBC, ABC, Bravo, Miramax Film and Television, Columbia TriStar Home Entertainment, SoapNet, Lions Gate Films and Dimension Films. The company is rolling out its service for music videos in the first quarter and plans to expand into video games in the second half of 2005.

Propaganda Entertainment Marketing/PREVA

Propaganda has developed a valuation system that it says can be used globally and across all media. Propaganda, which started developing the service 12 years ago, will spin off PREVA as a separate independent company that will sell the service starting Saturday. Deciding that sponsorship at sports and cultural events was the closest equivalent to product integration, Propaganda, with input from major clients Nokia, Audi and Panasonic, came up with an average global CPM of \$19.20 for placements that can be adjusted from country to country. Based on that CPM, the company values placements by factoring in audience size, a "freshness" factor that determines the value of the integration to the brand in reruns or syndication and a recall factor developed from Propaganda's own research and that of its clients that takes into account viewers' response to and recall of similar placements. Although Propaganda highly recommends its sponsorship-based methodology, it also offers a second service that values placements relative to the 30-second spot for clients who are more comfortable with that approach. Propaganda's service can be used to value placements in film, television, music videos and video games. Other clients include Lacoste and spirits company Brown-Forman.

Image Impact

Based in Kansas City, Mo., Image Impact was born out of the RCA Group, a company that has been measuring and implementing sports sponsorships for 20 years. Image Impact assigns a so-called signage value index to product placements based on three different attributes: time on screen, whether the product appeared alone on screen and the size and visibility of the placement. Utilizing its patented software, that index is then translated into a monetary value based on the price of a 30-second spot for the show in which the placement appeared. Placement values range from 10%-75% of a 30-second spot, with Image Impact asserting placements are not worth the full value of a commercial in which the advertiser can control the brand message conveyed to the viewer. Image Impact clients include ESPN, ABC Sports, Lifetime and the NFL.

Joyce Julius and Associates

Based in Ann Arbor, Mich., Joyce Julius' measurement service grew out of its sports sponsorship evaluation business. Launched in earnest about 2-1/2 years ago, the service assigns an exposure value for each second of a TV placement relative to the per-second cost of a 30-second spot. Using its proprietary software that factors in placement attributes, each second of the integration is valued at anywhere between 10% and 100% of the per-second cost of a 30-second spot on the same program. Joyce Julius uses the same basic methodology to value placements in film, video games and music videos, but rather than basing value on the price of a TV ad, the company determines an average cost per impression factor based on all media and multiplies that by the number of actual or projected viewers. Clients of the Joyce Julius service include ABC, ESPN, Sprint and Bridgestone/Firestone.

IEG

With a 23-year history of measuring and analyzing sponsorships and corporate alliances, Chicago-based IEG generally values product placement as part of its overall appraisal of marketing partnerships. It factors numerous placement attributes into its valuation model such as the creative quality of the integration, the competitive images on screen and whether there is implied celebrity endorsement for the brand. Like many of its competitors, IEG bases its valuation of television placements on the price of a 30-second spot,

generally assigning a value between 10%-100% of the cost of a TV ad on the same show. For film, video games and other media, IEG bases its valuation on a cost per viewer factor ranging from \$.01-\$2 that it has formulated based on its evaluation of how companies value placement and sponsorship opportunities. IEG declined to name any of its clients but said it has valued product integration deals in television, gaming, large format films, radio and specialty films.

Millward Brown

A marketing research company based in Naperville, Ill., Millward Brown is in the process of conducting an R&D test on a branded content measurement tool, with plans to officially launch the service by the second quarter of 2005. The customized service, developed in Millward Brown's Los Angeles office, will try to measure by way of consumer research the impact of product integration on brand awareness and affinity rather than assign a dollar value to the integration.