



AVMS Implementation
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

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21-25 St Anne's Court
London
W1F 0BJ

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Dear Sirs,

I write on behalf of Digital Rights Group in response to the consultation on the Audio Media Visual Services Directive and in particular to support the proposal that measured product placement be permitted in the UK. Digital Rights Group is the leading international independent distributor of television programming within the UK and comprises of C4I Distribution, ID Distribution, Portman Film & Television, I-Rights, Zeal Entertainment and Click TV.

The Digital Rights Group supports the proposal that the Government legislates to allow limited product placement in the genre of programmes specifically permitted by the AVMS. We set out below our arguments in support of this proposal:

1) Protection of Original Programming

It is a fact that advertising revenue from traditional TV advertising is decreasing and shall continue to do so as more people use digital video recorders (DVRs) or access VOD services. The reduction in advertising revenue will reduce the budgets available to commission original programming in the UK. If product placement were permitted in the programme genres specifically permitted by the AVMS the revenue derived from the same could replace the revenue obtained currently from traditional TV advertising and thus protect original programming in the UK.

2) Protection of the Consumer and Programme Integrity

One of the arguments against permitting product placement in the UK is the concern that allowing it could lead to programmes becoming effectively advertisements for products. We do not accept this. Firstly if producers abandon their integrity and start making programmes

containing too much product placement, viewers will vote with their feet and stop watching. We believe therefore that product placement, if permitted in the UK, will be self regulatory. Secondly, the rule of impartiality and undue prominence contained in the Ofcom codes will still apply. We assert that these controls are sufficient to permit measured product placement in the UK.

3) Existing Prop Placement and Product Placement

Prop placement is used frequently in the UK, for example the use of Becks Beer in Eastenders, therefore the UK is already exposed to a type of product placement on a large scale. In addition product placement is contained in feature films and television programmes from the US. There is no conclusive evidence that the use of product or prop placement has caused a decline in the standard of programming. This being the case, surely there should be no concern about allowing product placement in the limited categories as permitted by the AVMS?

4) Encouraging Co-Production

If the Government rejects product placement then it is very likely that we will be seen as a less attractive jurisdiction for co-producers than jurisdictions in which product placement is permitted.

In conclusion, the Former Culture Secretary Andy Burnham's belief that allowing product placement "risks damaging viewer and consumer confidence in the integrity of UK-produced programming" is unsubstantiated. The main fear seems to be that we end up with the US model of television. Having witnessed the problems the US suffers due to the lack of regulation of product placement, we agreed that, without a doubt, the US model is the wrong model for the UK. However, that does not mean that product placement should be banned altogether. We would be better placed to introduce limited, regulated product placement which would not have a detrimental effect on the industry or consumer. The proposal to allow product placement in the categories permitted by the AVMS is an ideal way to introduce product placement, protect the consumer and boost the revenue available to British broadcasters and programme makers.

In our view, if product placement is prohibited in the UK the only thing that the Government will achieve is closing doors to producers and broadcasters alike and damaging the UK television industry long-term.

Yours faithfully

Lisa Lyons-Wilson on behalf of Digital Rights Group