

## **Response to The Department for Culture, Media and Sport Consultation on Product Placement on Television, November 2009.**

### **From**

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### **Introduction**

I would offer a few comments in response to this consultation. My colleague at the University of Surrey School of Management, Dr Amy Rungpaka Tiwsakul, and I have conducted one of the very few empirical studies into UK television product placement (publications are referenced below). Some of my views are based on this research, although what follows consists of my opinions and not research findings as such.

We did not respond to the previous consultation but I did comment on Radio and in trade press on these issues, and we both contributed to some Westminster EForum briefings on the topic.

### **Introduction**

#### **Conceptualisation of product placement**

Brands are in constant demand for TV shows in order to make scenes realistic and interesting to viewers. Branded content in TV also serves purposes of plot development and characterisation. Brands provide a symbolic shorthand which consumers understand and which directors and actors can use. The notion that branded items are merely scene props underplays the active dramatic role they can and do play in TV drama. Brands are not static but dynamic elements of the script or scene. Regulation should not assume that mechanistic principles can be applied.

Research has shown consistently that viewers state that they prefer product placement to 'spot' or 'interruptive' advertising provided that it does not impair the creative integrity of the entertainment. Indeed, the visibility of brands is often necessary to that creative integrity as essential verisimilitude. Viewers will be the judges of whether integrity has been lost- there are countless internet blogs expressing derision when a new movie has sold out to brands, but it is the viewers' decision whether to watch the movie anyway. Viewers have faculties of critical judgement, and they have alternative sources of information and entertainment. Regulation should take this into account.

#### **Commercial issues**

The estimates of the potential revenues accruing from product placement are mostly based on static notions of the practice. To be more precise, they assume that TV is just TV. It isn't. Increasing numbers of TV shows, and clips of shows, are viewed over the internet. This has two implications. One is that TV audiences can reach scores or hundreds of millions. Fees for products placed in the clip or show, stepped according to viewing numbers, are one way for

TV rights owners to monetise this exposure. What is more, it may well be that we access all our media content on a TV-sized PC within the next decade. It is currently possible to view TV content on some mobile phones. The digital technology which makes it possible to purchase any item in a scene with one mouse click comes into its own in a converged media environment, and could conceivably act as the basis of new media finding models.

Not only do estimates of revenue for product placement ignore the rapidly changing media infrastructure and changes in media funding models- they also under-play the extent to which the current situation in the UK distorts product placement pricing. Currently, a relatively small number of well-established product placement agencies in the UK supplies 'free props' to TV shows. Brands pay a retainer to the agency which then uses its relationships with prop buyers and TV producers to get their clients' brands into the scene. This typically generates many seconds of TV exposure across the year at a much lower cost to the client of the equivalent spot advertising. This is good business for the agencies and the brands, and an area that is exploited by imported (mainly US) shows which can sell placements to local clients in the knowledge that exposure in the UK is free to them. The UK TV companies get the props, but not the revenue. A proper market would increase both supply and demand for placements. Since the market conditions will change, accurate estimates of revenue are impossible.

One implication of the use of the internet for TV viewing and the longer term move toward media convergence is that it would be anomalous if the BBC were to be prevented from earning revenue streams from product placement.

### **Regulation of product placement**

The consultation document deals with many specific contexts for possible product placement regulation. Regulation should be as simple as possible. The principle of editorial integrity cannot be preserved within an over-prescriptive regulatory framework. An Ofcom sub-committee, independent and guided broadly by the AVMS principles, ought to be allowed to exercise case by case judgment on placement issues within a regulatory principle that invests the TV producers and director with the authority to decide on their own arrangements for placed brands. There ought to be some clearly demarcated exceptions for, say, drugs, guns, or other items subject to controls on conventional advertising such as alcohol, cigarettes and perhaps HFSS foods.

It is important to remember that TV is only one part of a person's mediated experience, and a relatively small part in the case of young people, therefore it makes little sense as a public policy principle to limit placements of a category of product in particular TV genres or timeslots unless it can also be limited in all content and on all other media.

#### *'Undue prominence'*

The notion of undue prominence has to be understood in the context of the genre and plot. It cannot be decontextualised and applied in a mechanistic way. Neither should the editorial independence be gainsaid by administrators deciding whether a particular shot is unduly prominent- it is for the director to decide on how shots ought to be framed or scripts edited,

and there are clearly times when it is dramatically coherent for branded items to feature very prominently in the scene or script. Prominence is really not the point- Morse's Jaguar and The Saint's Volvo were integral to the characterisation. Why force the director to stick masking tape over the badge to preserve an administrator's idea of programme integrity?

Dramatic salience might be a better term than undue prominence.

There is no evidence that absurdly contrived placements like those seen in some Bollywood movies are effective. There is some evidence that the brands exposed prominently may be recalled more easily shortly after viewing, but this recall does not necessarily translate to increased sales or improved brand image. There is evidence that the most effective placements are those that are not noticed at all but arose incidentally in the plot or scene. Clark Gable famously removed his shirt in a movie and decimated the vest market because he wasn't wearing one. Hershey's chocolate confection Reese's Pieces were estimated to have sold an additional 600% after a brief mention in the movie ET.

The suggestive force of placement lies in its subtlety, or what some viewers express as its 'subliminal' suggestive power, and people who argue against allowing product placement are having it both ways when they suggest that it undermines the distinction between editorial and advertising and also impairs programme quality. Agency practitioners know very well that placements work best if they are not noticed by the viewer. It is a misconception to assume that absurdly contrived brand placements will dominate TV shows if placement is allowed. On the contrary, the practice of effective product placement ought to become more formalised and understood. The plot and characterisation should always drive the presence of the brand.

### *Signalling product placements*

If there are clumsy or intrusive announcements that brands in a show are there by commercial arrangement this will deter brands from entering into agreements and irritate the viewer. At the most there ought to be a line in the credits for paid-for brands. This contradicts a conclusion we came to in one paper (below) on product placement ethics. I personally am now of the view that most viewers hold a sceptical default assumption that brands present in TV content, whether Fox News, the BBC, or X Factor, are there by design. This is in fact inaccurate since most brands, even on US TV, are simply there because the director needed a prop or the scriptwriter needed a reference, and there was an assumption that the brand owners wouldn't object to a free plug. Heavy-handed (or unduly prominent) announcements would be irrelevant to most viewers.

### **Placements in programme genres**

News, documentary, religious, sports, consumer or children's programmes would seem on the face of it to be genres with little editorial need for product placements. But products, brands and services do feature very often in all these genres. The question then becomes why should a programme maker not be allowed to earn revenue from a brand owner if the brand's

presence occurred incidentally? It is well known that PR and media agencies try to engineer coverage for their brand clients in current affairs, news or indeed any other kind of media content. Where they succeed, there is a huge potential benefit which comes free of charge. And there ought to be some provision to allow for innovation. I understand that some children's cartoon shows are given free of charge to the channels because they are created as product placement vehicles for the action figures. Sports programming is of course full of brands through sponsorship agreements, without which neither the sport nor the coverage could occur. Why not allow programme makers to charge more after production for incidents where a brand achieves particularly favourable exposure?

### **Research and comment on television product placement**

Hackley, C., Tiwsakul, R., Preuss, L. (2008) 'An Ethical Evaluation of Product Placement-A Deceptive Practice?' (2008) Business Ethics- A European Review Vol 17, No 2 (April) pp.109-120.

Tiwsakul, R. and Hackley, C. (2006) 'Young Thai and UK Consumers' Experiences of Television Product Placement- Engagement, Resistance and Objectification', in Craig-Lees, M., Gregory, G. and Davis, T. (Eds) Borderless Consumption: Asia Pacific Advances in Consumer Research Volume 7, pp.371-376 ISBN 0-915552-58-2 with lead author R.Tiwsakul.

Hackley, C. and Tiwsakul, R. (2006) 'Entertainment Marketing and Experiential Consumption' (2006) Journal of Marketing Communications, Vol. 12 No. 1 pp. 63-75.

Tiwsakul, R., Hackley, C. and Szmigin, I. (2005) 'Explicit, non-integrated product placement in British television programmes' (2005) International Journal of Advertising Vol. 24/1, pp. 95-111.

### **Web articles**

[http://www.utalkmarketing.com/Pages/Article.aspx?ArticleID=15282&Title=What product placement changes mean to marketers](http://www.utalkmarketing.com/Pages/Article.aspx?ArticleID=15282&Title=What_product_placement_changes_mean_to_marketers)

[http://www.utalkmarketing.com/Pages/Article.aspx?ArticleID=13378&Title=Is Andy Burnham Right to Ban Product Placement On UK Television?](http://www.utalkmarketing.com/Pages/Article.aspx?ArticleID=13378&Title=Is_Andy_Burnham_Right_to_Ban_Product_Placement_On_UK_Television?)

### **Media interviews on product placement policy**

Live interviews on UK product placement regulation, BBC Radio 4 'You and Yours', February 16<sup>th</sup> 2009, 12.30 pm. (available at

[http://www.bbc.co.uk/radio4/youandyours/items/01/2009\\_07\\_mon.shtml](http://www.bbc.co.uk/radio4/youandyours/items/01/2009_07_mon.shtml)

and 7<sup>th</sup> November 2008 (at

[http://www.bbc.co.uk/radio4/youandyours/items/06/2008\\_45\\_fri.shtml](http://www.bbc.co.uk/radio4/youandyours/items/06/2008_45_fri.shtml)

