Branded Entertainment Reshapes Media Ecosystem

By Cynthia B. Meyers

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Cynthia B. Meyers recently attended the 2014 Media Summit NYC conference as a Carsey-Wolf Research Fellow to learn more about how advertisers are using "branded entertainment" to sell products. She incorporated that experience into the following publication, a critical essay that also draws from current research on the integration of advertising and entertainment content.

Brand-produced content seems to be everywhere these days. Rather than interrupt programs with commercials, advertisers ("brands") seek to integrate their messages into the entertainment itself. The energy drink Red Bull produces popular videos about high risk sporting events. A Hulu series, 4 to 9ers, centers on the fast food chain Subway. AT&T's teen reality series *@summerbreak* promotes cell phone usage. Restaurant chain Chipotle's series *Farmed and Dangerous* satirizes industrial food production. Brands are also experimenting with short films (Prada) and feature-length films (The Lego Movie). This expanding field has its own trade association, which promotes the integration of advertising, brands, and content.

Branded entertainment is an increasingly important element in the evolving media "ecosystem" that will affect entertainment supply chains and help shape new cultural forms. To develop a critical and nuanced understanding of the diverse phenomena currently covered by the vague term "branded entertainment," these are a few things to know.

1. "Branded entertainment" can be defined either broadly or narrowly; the role of brands in entertainment also varies widely.
2. Branded entertainment has a long history.
3. Today's resurgence of branded entertainment is one way that advertisers are responding to connected viewing trends.
4. Branded entertainment complicates traditional media metrics, goals, and institutional relationships.
5. The advertising and entertainment industries will likely evolve new production modes, distribution platforms, and formats to serve brands' needs.

1. "Branded entertainment" can be defined either broadly or narrowly; the role of brands in entertainment also varies widely.

Broadly speaking, the strategies for integrating advertising into other forms of content are often referred to as "content marketing" and "branded content"—that is, employing "content" to be associated with a brand. David Lang, the Chief Content Officer at the media agency MindShare, defines "content" as “consumer-focused,” unlike “advertising,” which is “brand focused,” that is, designed for selling. Content marketing and branded content, then, are designed to please audiences while accomplishing brand objectives.

Some forms of branded content are particular to journalism or nonfiction. “Native advertising,” designed to mimic the surrounding publisher’s nonfiction editorial content, increasingly appears on news and information sites (as in The Economist’s collaboration with GE). Informational branded content can include blogs, recipes, news, and documentary videos. Some advertisers are creating “newsrooms” and their own “brand journalism” as in “GE Reports.”

Other forms include branded content videos that don’t push a product but instead build brand image; for example, IBM’s “A Boy and His Atom,” Dove’s “Real Beauty Sketches,” Jean-Claude Van Damme’s gymnastic split between Volvo trucks, and Caterpillar’s giant machines playing a Jenga game. *Variety* has labeled some of these efforts “branded entertainment” because they are longer than typical commercials, or they feature celebrities.

Project "Subway"

Others restrict the term “branded entertainment” to traditional narrative forms, such as films, scripted series, and unscripted series that are specifically designed “to drive brand engagement and sales.” In this narrower conception, advertisers use multiple strategies in collaboration with producers. Product placement and “brand integration” may involve merely showing products on sets or centering plot lines around brands, as when *Project Runway* contestants made garments from Subway materials. Cast commercials, in a kind of reversal of product placement, bring a program’s performers into an advertisement so as to keep the audience's attention during the commercial interruption.

“Sponsorship” may allow brands that pay for content some control over it, as in General Mills’ sponsorship of Marlo Thomas’ web program. Full sponsorship may give a brand full content ownership (of its “IP” or intellectual property); however, concerned that audiences might resist overt sponsorship, many brands underplay their controlling role. Some advertisers, such as Toyota, prefer the term “brand partnership” to imply a collaboration of equals in the brand/producer relationship. Other advertisers sponsor "affinity content" in which the brand does not appear but the content fits the "brand image," as in Red Bull's Stratos Jump. Ford, for example, hopes to achieve a "halo effect" by its association with content such as "This Built America."

2. Branded entertainment has a long history.

Long before electronic media, patent medicine makers sold their tonics with traveling musical entertainers; these "medicine shows" attracted audiences and baited the hook for the sales pitch.

Maxwell House Coffee on Show Boat

In the 1920s-30s US commercial radio evolved into a sponsored medium when broadcasters sought to impose the cost of programming onto advertisers. Brand sponsorship at first was evident only in program titles (e.g., *Eveready Hour*) but radio rapidly evolved into a fully advertiser-controlled entertainment platform. Advertising agencies, such as J. Walter Thompson, conceived, produced, scripted, and cast programs such as *Kraft*

Music Hall for their clients. Ad agencies oversaw the integration of advertising into entertainment through product placements, cast commercials (as performers sipped Maxwell House coffee during *Show Boat*), and brand-appropriate programming (e.g., soap operas for selling soap to housewives).

Like brands today seeking a "halo effect," many radio sponsors sought to build "good will" among audiences rather than sell products; for example, Du Pont sponsored the BBDO-produced *Cavalcade of America*, a docudrama about American technological innovation, in order to polish its tarnished corporate image. Single sponsorship, or the control of a program by one advertiser, declined only in the late 1950s and early 1960s when high television production costs, combined with advertisers' need for more flexibility in reaching audiences across the broadcast schedule, resulted in the separation of advertising from program production.

Although audiences can now distinguish between programs and commercials as easily as they can between magazine editorial content and advertising pages, the content of *all* commercial media has always been determined by the needs of advertisers to reach audiences attracted to that content. TV networks are not in the business of providing programs to audiences; they deliver audiences to advertisers by selecting the programs that produce the audiences advertisers are targeting (e.g., 18-34 year olds). Branded entertainment and the increase in direct advertiser influence over program content, then, is actually a return to rather than a break from past practices.

3. Today's resurgence of branded entertainment is one way

advertisers are responding to connected viewing trends.

Nonlinear digital media, which allow audiences to watch when and where they want, have disrupted brands' access to audiences attached to content provided in time-limited linear feeds. Not only are audiences more mobile, so too is content, thus making it harder for advertisers to capture mass attention in a fragmented marketplace. Mobile devices also have undermined banner ads and cookies. Brands can no longer rely on "pushing" advertising onto audiences, forcing exposure as the "price" for content (as in "pre-roll" ads before online videos). Furthermore, as Joan Gillman from Time Warner Cable explains, brands are frustrated that emerging content distributors, such as iTunes, Netflix, and Amazon, do not rely on advertising to subsidize their content offerings and therefore offer fewer opportunities to spread brand messages.

Whereas on scheduled linear television audiences must tolerate forced exposure to commercials between program scenes, some observers, such as Abby Marks at OgilvyEntertainment, argue those interruptions may be "detrimental" to the brand. As Jonathan Carson from Vevo explains, interruptive commercials may seem "inorganic" and thus "inauthentic." Instead brands should try to "pull" audiences in to their messages by enticing them with content, as Andrea Redniss, Chief Activation Officer of Media Storm, claims Chipotle's long form video *Scarecrow* and Dove's *Real Beauty* videos do. Although older audiences may be habituated to interruptive ads, many advertisers believe that younger audiences ("millennials") must be reached in new ways.

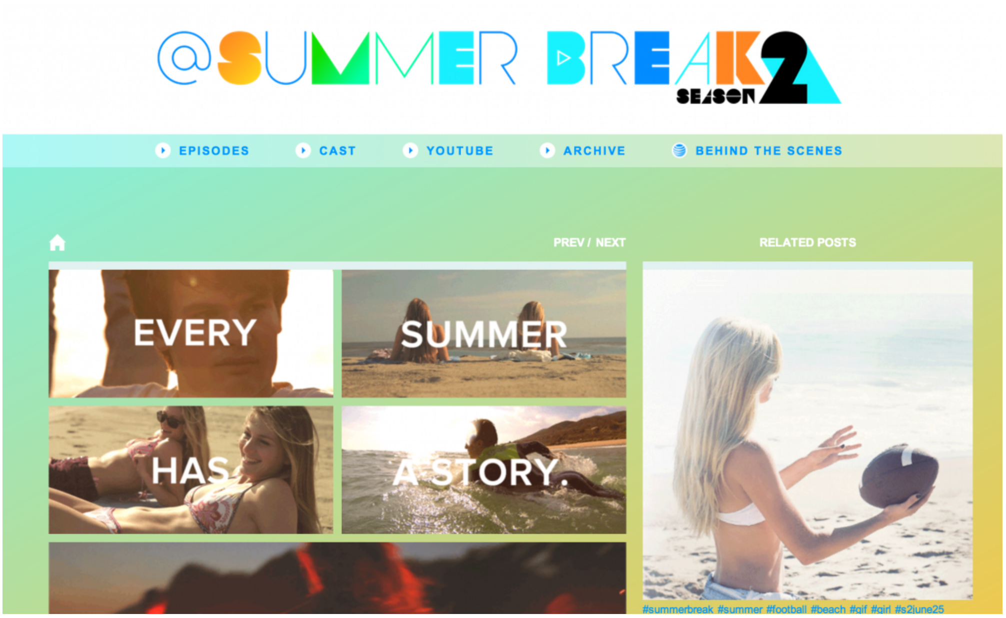
Traditionally, advertisers have paid media entities to carry their advertising: this is known in the industry as "paid media." But now advertisers can also reach audiences directly through their own platforms, called "owned media," such as Mountain Dew's Green Label music and culture blog. Additionally, advertisers seek to "earn" audience attention by "seeding" content on social media platforms such as Facebook, YouTube, Twitter, and Pinterest. Advertisers who attract audiences on social media (without having paid for the media space) usually refer to those "views," "likes," and "shares" as "earned media," as when Red Bull "earned" 8 million YouTube views for Felix Baumgartner's jump from space. Through "earned media," advertisers can both spare themselves traditional "paid media" costs and avoid alienating audiences bothered by interruptive ads.

Advertising agencies (like Ogilvy and JWT) and their sibling media agencies (Universal McCann) have been quick to establish branded entertainment divisions to serve their clients. Mike Wiese, Director of Branded Entertainment at JWT, explains that agencies must begin to think more like Hollywood studios: "Produce a story that resonates with consumers and creates an emotional connection to the brand. Work with premium talent and production partners that will reach the desired audience. Distribute the content via paid, earned and owned media, integrating the story and character into traditional marketing. And build programs that extend the story through merchandise and technology."

4. Branded entertainment complicates traditional media metrics, goals, and institutional relationships.

Traditionally advertisers measured effectiveness by reach and frequency (how many people are exposed to a message how many times), sales figures, and surveys of brand awareness. Exposure is measured by the number of issues sold, by the number of viewers counted by Nielsen, or by the number of unique IP addresses that visit a web site. Advertisers had always assumed that increased exposure translates into increased effectiveness, but branded entertainment does not exist as standardized measureable units like 30-second commercials and its effects are difficult to quantify. Still, advertisers are reluctant to give up this basic metric because the prices are negotiated on the basis of exposure levels (the larger the audience, the higher the price of ad space).

Instead of amassing large audiences for forced ad exposures, branded entertainment proponents urge advertisers to consider it as a tool for "engagement." They advocate immersive experiences that "pull in" audiences and can be distributed on multiple platforms that allow sharing. For example, content from AT&T's *@summerbreak*, which concerns high school graduates during the summer before college, appears on YouTube, Tumblr, and Twitter. According to Teddy Lynn, formerly Content Director at BBDO, *@summerbreak* is not "pushed" or advertised on television networks like MTV but instead is promoted by social media "influencers," who "pull in" their teen followers by distributing clips, interviews, and sample content on their social media feeds.



Measuring "engagement" without counting "exposures" is difficult. What should count? Number of views? Completion rates (how many viewers watch entire video)? Number or quality of comments? Retweets? Shares? Click-through rates to brand site? Sales? AT&T is not expecting *@summerbreak* to sell phones but is hoping the program encourages teens to use more AT&T cell services. Engagement, then, may be a measurement resistant process; some, like Andy Marks at Matter Inc. and Robert David at Ogilvy define engagement as just a "conversation" between brand and audience.

As in the radio era, today some question the effectiveness of branded entertainment. "Should brands spend millions to underwrite other people's content?," asks one analyst. Are advertisers who aim for a "halo effect" simply hoping for too much? In the past, advertisers assumed strong media effects and so based their sponsorship decisions on the belief that "sponsor identification" with entertainment would produce grateful audiences wanting to buy their products. Today, advertisers make no such assumptions when faced with a mobile and distracted audience.

Taking control of content, however, presents advertisers with a dilemma. If their control is too overt, brands risk audiences dismissing the content as "only an ad." If the brand is underplayed, as in Accura's sponsorship of Jerry Seinfeld's web series, the brand risks not being associated at all. Some brands prefer to be "partners" or "underwriters" of content producers to give an impression of editorial integrity and creative independence. Some producers, such as Dan Goodman at Believe Entertainment, prefer to integrate brands at a late stage in the process to preserve that sense of authorial integrity, while the producers of *Emma Approved* have included advertisers at the outset to create a more "organic" integration. Finding an appropriate balance challenges advertisers who seek "authenticity" and who also worry that their involvement is exactly what undermines such authenticity.

Branded entertainment presents other issues for advertisers. When collaborating with content producers and star talent, which entities should own the content and in what proportions? Should brands allow producers to retain syndication and other sales rights? The use of social media platforms that are "free" to audiences and content producers raises pressing questions about how stakeholders divide up costs and revenues: who should pay whom for access to what and whom? Should audiences pay for content or should advertisers pay for access to audiences? What about the role of star talent? Celebrity association, a long established advertising strategy, can backfire when a star misbehaves, or become impracticable when he or she demands too much control. If creating authentic content requires talent autonomy, brands must be especially careful when choosing talent. These challenges make it likely that branded entertainment, narrowly defined, will not fully replace traditional stand-alone advertising.

5. The advertising and entertainment industries will likely evolve new modes of production, distribution platforms, and formats to serve advertisers' needs.

Companies specializing in branded entertainment production are arising in nearly all sectors of the advertising, media, and entertainment industries. They include traditional television producers (Chernin Entertainment), creative advertising agencies (OgilvyEntertainment), media agencies (IPG MediaBrands), specialty advertising agencies (Brand Arc and 72andSunny), digital production companies (R/GA), digital imagery agencies (Corbis Entertainment), television network divisions, talent agencies (CAA), and production companies founded by star talent like Liev Schreiber (Van's General Store) and former network executives (Electus and Astronauts Wanted). Advertisers themselves are creating in-house production departments. The entertainment supply chain, then, is becoming more complex.

Traditional mediators between producers and audiences, such as TV networks, are becoming "disintermediated"; that is, producers may no longer need network gatekeepers for distribution because of alternative distributors like YouTube multi-channel networks (MCNs). Meanwhile, TV networks are trying to maintain their role by producing programs with integrated brands and by matching programs with brands, as when ABC created cast commercials for Target stores with performers from *Modern Family* and *The Middle*. Advertising agencies, also worried about being left out, hope to be "brand stewards" and oversee their clients' branded entertainment ventures and perhaps, according to Doug Scott of Ogilvy Entertainment, even begin to share in the ownership of the content.

Traditional entertainment strategies are being similarly reconsidered. The half-hour sitcom, designed and structured for commercial interruptions, is now competing for audience attention with such new formats as the six-second Vine video: as Vine producers become major social media stars, brands are rapidly recruiting them. Branded entertainment, then, may become a more significant force in emerging formats and genres than in legacy formats, where audience resistance to overt product placements and sponsorship may persist.

At this stage, it is unclear who will emerge as winners in the branded entertainment industry. While many legacy media entities may be struggling to maintain dominance, the rise of branded entertainment also may be providing new opportunities for content producers. No longer dependent on traditional gatekeepers, some content producers are profiting from direct relationships with brands, keeping a larger share of revenue for themselves and, if some are to be believed, enjoying more creative freedom. This may expand the market for content, build new audiences, and further disrupt legacy media supply chains.

Appealing to audiences is difficult; the failure rate in the entertainment industry has always ranged from 50% to 90%, so brands' interest in financing entertainment could eventually wane. However, the resurgence of branded entertainment is stimulating experimentation in business models, modes of production, advertising strategies, content forms, and distribution methods—and, as in all forms of culture, some will be for the better and some for the worse.