Branded entertainment-deal with it!

By Chris Moerdyk.

For some time now there have been rumblings from big brand advertisers that the television commercial paradigm needs to be shifted.

The assumption that mainstream advertising on the box is going to continue in the form of regular commercial breaks during programming is becoming more and more tenuous as viewer research increasingly shows that the majority of television viewers simply do not watch ads any more.

And even if this were not the case, the mere fact that television viewership is inexorably heading toward video on demand, it is not difficult to visualise a future in which television audiences simply eliminate commercial breaks and with them the stereotypical advertising form that has been so popular for the past half century.

Although it might be hard for some to believe, the ubiquitous 30 second commercial and even those one and a half minute blockbusters that have been the highlight of the Cannes, London International and Loerie Awards for so long, are not only a dying breed, but on the verge of extinction.

Given the rampant media inflation and rocketing production costs of the past decade, marketing and particularly its advertising component has become a big item in company budgets. And more and more boards of directors are calling for the far higher degree of measurement and proof of return on investment.

All of which adds impetus to the demise of big production ad campaigns aimed more at awards, peripheral PR value and the support of corporate egos than sales. Such as the Budweiser “was-sup” campaign that won top honours at Cannes and other ad awards events worldwide and then was found to have caused not only a drop-off in sales but a significant loss of market share.

But is there any light at the end of the tunnel for broadcasters who are going to need to replace revenue-generating commercial breaks with something equally sustaining? Or, for those myriad ad agencies and production companies whose very existence today depends on producing and placing traditional television advertising.

Well, there is a lot of proof that things are already happening.

Stanley Edwards, a partner in Platypus productions, is probably one of South Africa’s leading futurists when it comes to “brand advertising on TV. Certainly he has done a huge amount of homework and has become sufficiently convinced about what he describes as “branded content” replacing stereotype commercial breaks, that his company focus has shifted to meet this new demand.

Branded television, says Edwards, is a concept that uses the idea of choice at its foundation. It fits into the new “attractive” model of advertising that will come into play when people use their ability to avoid adverts that interrupt their viewing.

“It's up to marketers to provide marketing content that consumers can use, that's entertaining, engaging and that weaves in a brand message unobtrusively. Marketers can no longer be asked to accept the idea of choice at its foundation. It fits into the new “attractive” model of advertising that will come into play when people use their ability to avoid adverts that interrupt their viewing.

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Not only does the title of the show mirror Kahlua’s advertising slogan, “Kahlua, the everyday exotic,” but the programme’s premise of re-creating exotic travel experiences for friends and family back home is in line with Kahlua’s brand messaging of creating everyday exotic experiences in in-home entertaining.

To top it all off, the Kahlua brand also makes a few appearances in each episode.

Edwards gave another example, this time Budweiser. They have simply launched their own web-based television channel called BudTV, spending more than $30 million at start up which is being redirected from the budget for cable and late-night TV ads.

At the moment, adds Edwards, this is possible because of their size but the idea is becoming more of a reality for smaller players. Technology like the Internet, video iPods, Portable Media Players and TV-enabled mobile phones are becoming increasingly common-place, making the idea of branded entertainment a reality and more feasible. Edwards envisions a time when broadcasters will work with production houses and their clients to the benefit of everyone involved, including the consumers and viewers.

Edwards warns however, that all the players in the industry will have to come to terms with the fact that to have any kind of impact, adverts have to carry something useful for the consumer or be screened out.

“We think that, contrary to how it first appears -i.e. ads don’t get watched therefore companies don’t pay for advertising space therefore broadcasters can’t buy good content therefore companies are even less inclined to buy advertising space etc. it actually offers an opportunity for broadcasters to redefine their role and at the

The coffee liqueur has created, produced and maintained full ownership of its own TV show, allowing it to control how its product and brand messages are portrayed.

TV
In the UK it seems as if the revolution has begun in earnest. Elisabeth Murdoch, CEO and chairman of Shine, one of the UK’s top 20 independent TV production companies, says that future growth in advertising “will come from how advertisers adapt to new opportunities and consumer behaviour.”

Sir Alan Sugar, Chairman of Amstrad puts it more bluntly: “Digital devices make it easier than ever to programme out ads, and what kind of brain-dead viewer is going to sit there solemnly watching them if they have the option of jumping? So in my view, advertising has had it, on television.”

Sugar said commercial channels would have to lobby regulators to allow product placement, and look to other new revenues to supplement those lost from PVR viewing. Viewers would still watch advertising-funding programming, so long as the shows were good enough.

“Advertisers and broadcasters must learn to be cleverer, and to persuade the regulators that sponsorship and product placement are in the long run essential for the survival of television as we know it.”

Sugar warned: “Whatever the solution, my personal opinion is that the days of adverts on TV are numbered. If television cannot supply advertisers with the means to promote their products, they will spend their money elsewhere.”

Simon Woodroffe, founder of Yo! Sushi, the wildly successful restaurant chain in the UK and someone who is featured in many TV programmes says, “TV is about to come of age. Here at the start of the 21st century, we are just reaching the point where television bursts its shackles and sets us all free. No longer will we sit passively on the sofa, with nothing better to do than watch darts. We will snatch television from the grasp of the broadcasters and make it our own.”

An example of this said Edwards was when BMW rose to the challenge in 2001 and commissioned Guy Ritchie of Lock, Stock and Two Smoking Barrels fame to make 16 short films.

“This ingenious strategy employed a new model of advertising. Instead of having their favourite programme interrupted by yet another advert, people could choose to watch a short film that they felt actually offered them value. BMW came out smiling in more ways than one. “People who saw the films were in an empowered frame of mind. This created the potential for a positive response to the advertiser’s message. Also, BMW were considered at the cutting edge of advertising even if viewers didn’t think it through consciously. This is just the kind of connection marketers need to make,” said Edwards.

Simon Woodroffe put it all in a nutshell: “At some level we are all begging to be advertised to, because we enjoy finding products that define us as well as goods and services that make us part of a particular club. The brands we are drawn to can become part of the programmes we are attracted to, not in a cynical way but so that integration carries with it a sense of integrity.”