

Product Placement

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There is a new set of buzz words sweeping the media and advertising industry: paid media, earned media and owned media. As digital media become more and more widespread encouraging consumers to interact and create their own content the traditional media model of paid for advertising of 'stimulus and response' is now a thing of the past.

Increasingly marketers are using this simple model: paid, earned and owned media to build different advertising platforms and different methods of communicating and interacting with their customers.

Paid Media

Paid media is simple enough. A marketer pays a media vendor to buy a fixed time or space slot on a particular medium or channel in the hope of reaching potential customers. For example a typical 30 sec spot in the CCTV1 news tonight. Marketers hope to leverage the audiences attracted to specific channels and programmes.

Despite all the hype surrounding digital and new media technology – paid media still takes the largest share of marketers advertising \$\$'s and will continue to do so for many years to come.

Buying mass media is still the fastest and most cost efficient way to reach mass audiences and build mass brands - but as advertising rates continue to rise and as clutter becomes a real issue relying only on paid for advertising is no longer the most effective strategy for many marketers.

Earned Media

There is an old saying 'you cannot buy love – but you can earn it!' And so it is with getting the consumer to trust and love your brand. Paid advertising can only do so much, you can control each second of what you say in your 30 sec spot, you can

control when and where it goes out but you cannot control that your customers will actually pay full attention and you definitely cannot control they will engage and react the way you want them to.

Earned media is when the consumer becomes the channel creating positive word of mouth, creating buzz and advocating your brand.

Earned media is not really a new concept evolving from the world of PR but the explosive growth in social networking sites means earned media has moved into the mainstream.

Earning consumers trust and love is a lot harder than master than buying paid media. Marketers need to learn how to reach out to their customers and above all listen to what they say. Earned media sits alongside paid media – consumer engagement and consumer advocacy is nearly always the result of a well executed and rewarding paid media campaign.

Owned Media – Product Placement

Owned media has really taken off in the last couple of years and is one of the fastest growing media categories. Often called product placement or ‘embedded marketing’ or ‘branded entertainment’.

Product placement really started in the movies but has moved into mainstream media planning especially TV and on-line over the last year or so. Marketers pay for their brand to be seamlessly integrated into the production stage of TV shows, gaming, web content, blogs and other forms of entertainment.

Marketers retain control over the context of where and how their brand appears and to some extent own the channel of communication. Most importantly the environment within the programme content is ad free this can create a stronger emotional engagement with consumers and allow marketers to reach consumers in a relevant and complimentary environment.

Examples of Product Placement

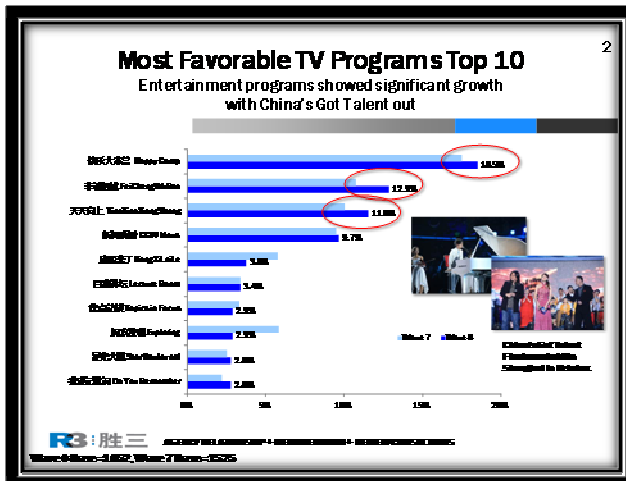
Brand	Content	Media	Time
Brand Tailormade TV Drama/Online drama/Movie 定制电视剧/网络剧/电影			
Master Kong Green Tea	Hip-hop quartet 嘻哈四重奏	Youku	2009
Unilever Clear	Impeccable 无懈可击	Jiangsu STV	2010
P&G Rejoice	Love your hair 丝丝心动	Hunan STV	2010
chevrolet Cruze	11 Degree Youth 11度青春	Youku	2010
Master Kong Jasmine Tea	Astrological Story 清蜜星体验	Tudou	2010
Samsung, Sina Weibo	Four nights legends 4夜奇谭	Sina Video	2010
Product Placement In TV Drama 品牌电视剧植入			
Unilever Dove	Ugly Betty 丑女无敌	Hunan STV	2009
Maxwell House	Go lala Go! (TV drama) 杜拉拉升职记 (电视剧)	Beijing STV	2010
Product Placement In Movie 品牌电影植入			
Mengniu, Camay, Benz	Sophie's Revenge 非常完美	Movie	2009.6
Nokia, Lenovo, Lipton, Zhaopin.com	Go Lala Go! 杜拉拉升职记 (电影)	Movie	2010.4
Metersbonwe	Transformers II 变形金刚2	Movie	2009.7
TV Program Sponsorship 电视节目赞助			
Sprite	Great Master and Brilliant Disciples 名师高徒	Jiangsu STV	2009/2010
Pepsi	Music that Tops the World 盖世群音	Zhengjiang STV	2009
Mengniu	Mengniu Music Billboard 音乐风云榜	Beijing STV	More than 10yrs
China Unicom	Hua Er Duo Duo Singing Contest Show 花儿朵朵	Qinghai STV	2010
Coca-Cola	Shuang Food across the Country 爽食赢天下	Zhengjiang STV	2010
Head & Shoulders	China Talents Show 中国达人秀	Dragon TV	2010/2011
BBK, Yili, Aokang, Midea	FeiChengWuRao 非诚勿扰	Jiangsu STV	2010
BBK	Happy Girl 快乐女声	Hunan STV	2010
OPPO	Happy Camp 快乐大本营	Hunan STV	2010
Branded Content in SNS Apps 社交网站游戏植入			
Yili	Farm Game 开心牧场	Kaixin001	2009
COFCO Lohas	Farm Game 开心牧场	Kaixin001	2009
KFC	Summer Drink Game 夏日畅饮	Renren, Kaixin001, Q-Zone	2009

Product Placement Opportunities for Marketers

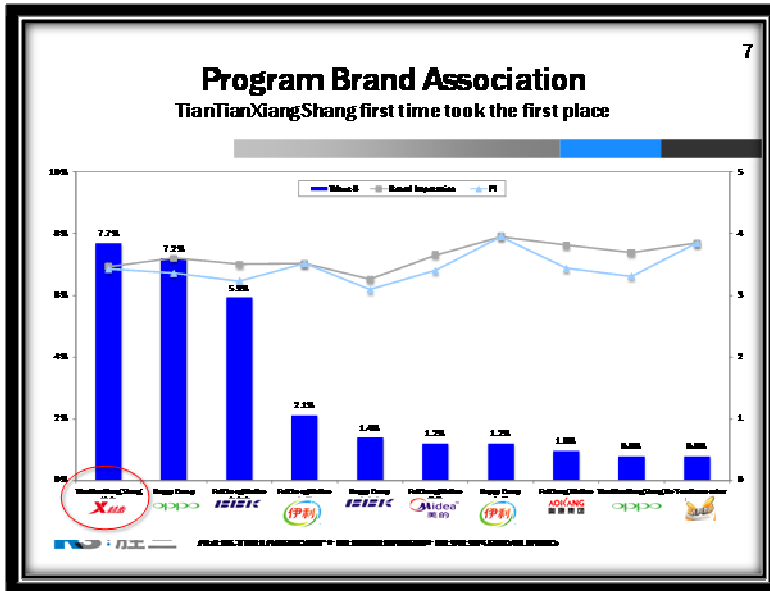
R3's unique En-Spire consumer engagement research is proving a valuable resource for China's leading marketers allowing them to identify product placement opportunities and track their engagement with consumers.

Top Programmes - each Wave we track consumers' favourite most enjoyable

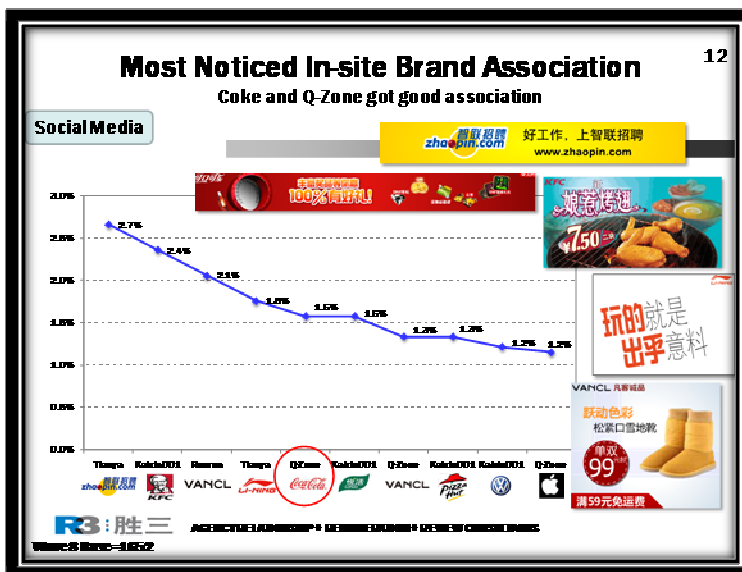
Tv programmes to identify which programme opportunities engage most with consumers



Strong brand association with top programmes



Digital branded product placement



Consumer Response

As our En-Spire research shows owned media can create a much stronger sense of consumer engagement linking a brand to it's core communication.

The traditional paid model is not finished – it is still very much alive but can be complemented by a combination of earned and owned media platforms.

5 Steps when considering product placement;

1. Keep it simple. A simple approach will be easier to execute and easier to control.

2. Keep it relevant. Paid advertising is 'disruptive' it need to shout loud to attract the consumer's attention in a crowded environment. Product placement should be complimentary – it should seem natural to see your product and brand 'at home' in the right entertainment programme.

3. Have something to say. Keep things fresh otherwise your brand will merge with the wallpaper.

4. Think long term. Product placement is a long term strategy, it takes time to get the programming and content right and to make it relevant.

5. Measure and track what you do. Product placement is just like any other form of marketing expenditure. It needs to be tracked and evaluated using metrics like – (no apologies for our won product placement) – R3's En-Spire research.