Chapter 3
Branded Entertainment: How Advertisers and Networks Are Working Together to Reach Consumers in the New Media Environment

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Introduction

The media landscape is evolving and viewers are now able to access video content on-line, time-shifted using DVR devices and on mobile platforms as well as on traditional linear television. In light of this new era of technology, advertisers and networks are working together to develop the best ways to reach their consumers through these diversified viewing modes. Additionally, advertisers are charged with delivering brand objectives with tightened budgets. As advertisers seek new ways to break through to television viewers, the marketplace is moving beyond traditional advertising spots into innovative ways of sending an advertising message to the audience.

The concern that video viewers are not watching as much branded messaging is in part fueled by the penetration of DVRs in the US which is now 25% of US Households. Homes that acquire a DVR are likely to view more of non-prime dayparts and watch more cable programming but time-shift more broadcast prime television. Top-rated programs are typically the most time-shifted with the exception of live sports. There is concern that viewers who use a DVR are exposed to fewer ads and research confirms that recall of ads among persons who watch using a DVR is one-third less than among those who do not (Nielsen IAG, 2008). As the penetration of DVR increases, the opportunity for ad-skipping increases; therefore, advertisers are putting greater focus on integrating their brands directly into the entertainment vehicle.

Inserting advertising messaging directly into a program is not new. One type of in-program advertising messaging that has a long history is sponsorships. In the early days of television in the 1950s, many programs were solely sponsored by one advertiser. Radio programs were sponsored by advertisers as early as the 1930s. Sponsorships continue to be an important part of the advertising landscape and have evolved into a broader approach that is often referred to as branded entertainment.

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G. Einav (ed.), *Transitioned Media*, The Economics of Information, Communication and Entertainment, DOI 10.1007/978-1-4419-6099-3_3,

Through traditional TV ratings, there is information about the number of people viewing the program while a brand is present. To understand what different types of branding are occurring in-program and how viewers are impacted by those brand integrations, Nielsen IAG developed a syndicated measurement service.

Nielsen IAG Measurement

Nielsen IAG measures the impact of traditional advertising and new and emerging branded entertainment to understand how well advertising messaging is breaking through to viewers in all video environments. Nielsen IAG is tracking and measuring all of these formats to provide advertiser and media clients with insights into which initiatives are driving brand objectives.

The most frequent type of branded entertainment used is in-program placements or integrations (also referred to as IPP). In-program placements are taking on a greater importance in communicating advertiser benefits because of the concern that commercial pods are being avoided. A more recent and creative deployment of branded entertainment takes the form of Vignettes or, as Nielsen IAG coined, Hybrid Ads. A hybrid ad is branded entertainment that occurs during ad pods. Although they reside in commercial pods, unlike traditional ads they contain entertainment content that is typically relevant to the viewer of the program or network where it is shown and supplement the traditional commercial brand message. The goal is to keep the viewers more engaged during the commercial pod by creating branded content that is relevant to them. In addition, sponsorships and limited commercial interruptions are re-gaining popularity though this is not discussed further in this chapter.

In-Program Placements (IPP)

Nielsen IAG measures in-program placements for a brand or product that is shown and/or mentioned during the program or is a sponsor. Nielsen IAG measures the vast majority of in-program brand appearances during primetime television and sports, regardless of whether they were paid. This includes placements sold by networks, sold by producers, brands accepted to offset production costs (e.g., vehicles), brands introduced into a plot or scene by writers, set dressers or prop-masters, brands incidentally appearing in the scene (e.g., a reality show contestant's personal apparel). Occurrences are measured if at least 50% of the brand name (or iconic logo) is visible, or if an unbranded visual exposure is accompanied by a brand name mention. Occurrences include physical appearances of the product in the program as well as on-screen graphics containing the brand or logo. Occurrences that are exclusively audio in nature are only measured when there are either multiple mentions of the brand, adjacent TV advertising for the brand, or if the advertiser has purchased measurement. Occurrences are not measured if they fall into a specified set of categories for exclusion (e.g., announcer billboards and brand-dense shots, a.k.a.

Table 3.1 Attributes of in-program placements

Mentioned, shown, both
Number of segments
Embedment (more than one embedded within same episode)
Multi-type (different types within same episode)
Visual duration
Number of mentions
Brand/logo visibility
Product clarity
Physical contact
Character involvement
Product usage
Prizing
On-screen super
Presentation sponsorship
Commercial-free/limited interruption sponsorship

the "refrigerator rule"), discontinued products, brands that are proprietary eponyms (like "Xerox", etc.). In order to understand what attributes of in-program placements drive performance, a number of different characteristics of each placement are coded as shown in Table 3.1.

Hybrid Ads

Because hybrid ads occur during commercial pods, they are easier to identify and classify than in-program placements. The simple rule is that all hybrid ads that are at least 5 s long are measured. Several different types of hybrids have been identified since their emergence in 2007. These include Microseries, Program Tie-Ins, and Network Tie-Ins. Microseries have a storyline that airs across several spots. These are sometimes shown throughout one program but are more often shown sequentially each week throughout a series or for consecutive days at the same time. A program tie-in hybrid is branded content that extends or is related to the program in which it airs. A network tie-in hybrid is similar to a program tie-in except that the content is not specific to a certain program but is more generally related to the network. Program tie-in hybrids are more common in specialty networks such as FOOD where, for example, a tip about making a certain dish which highlights a particularly brand or product may be relevant to the viewers of most of the programs on the network. Program tie-ins, because they are aligned to a particular program, are most successful when they are aired during the associated program and not in other programs on the same network. Program and network tie-in hybrids can also include call to actions such as directing viewers to additional-related content available on-line or inviting viewers to enter a sweepstakes or other associated activity, either on-line or by telephone.

Measurement Methodology

Nielsen IAG is a syndicated service that measures viewer response to TV programming in a nationally representative opt-in online panel. Each day, Nielsen IAG surveys viewers of national television programs about what they watched the prior day. Currently, Nielsen IAG measures in-program placements on ABC, CBS, CW, FOX, A&E, BRAVO, DSC, ESPN, FX, LIFE, TBS, TLC, TNT, USA, and VH1. Hybrid ads are measured on those networks as well as on FOOD, HISTORY, HGTV, MTV, NAN, SCIFI (now SYFY), and SPEED. The surveys are designed to focus on the viewer's recall of the program content as well as the traditional and alternative advertising used in the program. For in-program placements, viewers are asked a series of questions: Was the viewer paying attention at the time of the placement? If so, did the viewer recognize the placement from the specific advertiser? For those who knew the placement was from an advertiser, did the viewer feel the placement fit seamlessly into the program? How much did it change their opinion of the brand? A similar series of questions is asked about the hybrid and traditional advertisements.

The data included in this paper are aggregated results for the 2008–2009 broadcast season. Data were gathered from approximately 5,000 panelists per day, edited for outliers and weighted daily on Age, Gender, Income, Region, and Race. The results are presented in two sections: Activity and Trends and Performance Impact. Activity and trends describes the landscape of branded entertainment; what are the different types observed, how are they changing over time, what are the differences by program genre and how do cable and broadcast differ. Performance Impact describes how viewers recall and react to the branded elements and explores what attributes of branded integrations drive performance.

Branded Entertainment Activity and Trends

During the 2008–2009 broadcast season, there continued to be a growth in the number of in-program placements. As shown in Table 3.2, NBC has the highest number of in-program placement occurrences on broadcast television – double that of ABC and the CW. Among cable networks, BRAVO and TLC far outpace their competitors in the breadth of occurrences.

With far fewer repeats on their schedules, broadcast networks air the majority of branded integrations only once. Conversely, on cable, programs repeat more often than on broadcast. Therefore, the average integration will be repeated on cable four times as seen in Fig. 3.1.

The number of in-program placements varies by the genre type of the programs. On broadcast, Reality and Drama programs have the highest number of occurrences in total. Furthermore, the reality genre has the most placements per episode (see Table 3.3). ABC's Extreme Makeover Home Edition tops the broadcast list as the program with the greatest number of placements per episode.

Versus the prior season for the same time period on broadcast, Reality programming has greatly increased the number of placements per episode as seen in Fig. 3.2.

Table 3.2 Network in-program placement activity – original airings

IPP activity – broadcast			
Network	Number of brands	Number of placements	Number of occurrences
ABC	298	676	899
CBS	375	1,004	1,297
CW	283	696	857
FOX	261	763	1,164
NBC	454	1,354	1,953
Broadcast total	*1,236**	*4,493*	*6,170*
IPP activity – cable			
Network	Number of brands	Number of placements	Number of occurrences
A&E	200	502	589
BRAVO	496	1,353	1,674
DSC	244	401	532
FX	45	86	100
LIFE	46	122	149
TBS	45	64	70
TLC	514	1,055	1,274
TNT	71	187	233
USA	148	428	537
VH1	12	18	27
Cable total	*1,365**	*4,216*	*5,185*

Source: Nielsen IAG In-Program Performance Data, 9.22.08-3.31.09; P13+Limited to Primetime Non-Sports Programming, Original Airings only.
*Total unique brands across all networks.

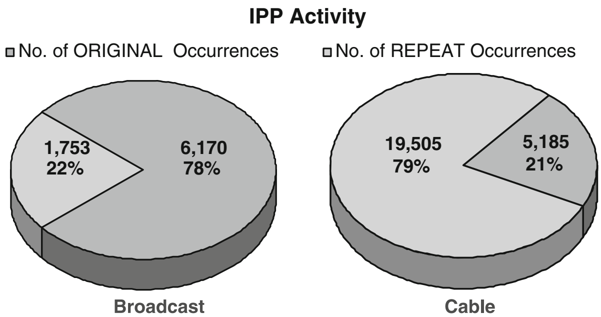

Fig. 3.1 Network in-program placement activity – original and repeat airings broadcast v. cable. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, All Airings

This abundance of in-program placements in Reality programming is driven by a number of factors. Reality programs lend themselves well to product integrations. For instance, competition reality shows often include prizing, providing a perfect

Table 3.3 Broadcast in-program placements by show genres

IPP activity – broadcast

Show genre	Number of brands	Number of placements	Number of occurrences	Brand density	Placement density
Animation	37	49	67	1.2	1.6
Awards/pageants/parades	85	109	148	5.3	6.8
Drama/adventure	532	1,977	2,499	0.9	3.3
Game show	60	79	87	3.2	4.2
Reality/documentary/ent.doc	640	1,927	2,956	2.6	7.9
Situation comedy	156	283	336	1.1	2.0
Broadcast total	*1,236**	*4,493*	*6,170*	*1.2*	*4.2*

Source: Nielsen IAG In-Program Performance Data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only.
Note: Placement density = average number of unique placements per episode; Brand density = average number of unique brands per episode.
*Total unique brands across all show genres.

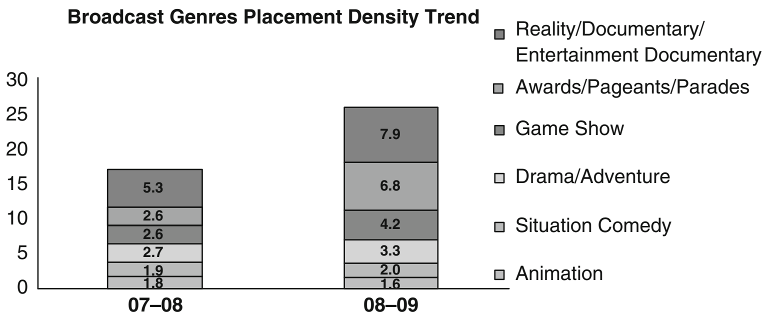

Fig. 3.2 Average number of unique broadcast placements per episode. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only. Note: Placement density = average number of unique placements per episode

opportunity to integrate a product or brand. Professional actors in scripted programs may be less willing to include a brand in their scene than their amateur counterparts in Reality programming. Furthermore, writers of scripted programs such as dramas may be more sensitive to how products are integrated into their scripts so that they do not distract from the story line.

With less original drama and comedy programming in total, the cable in-program placement landscape is dominated by the reality genre, which accounts for almost 80% of occurrences as seen in Table 3.4. Top Chef on BRAVO is the leader in number of placement occurrences in cable.

In cable, Reality is by far the most prevalent genre with in-program placements and continues to increase the number of placements per episode. However, wrestling

Table 3.4 Cable in-program placements by show genres

IPP activity – cable

Show genre	Number of brands	Number of placements	Number of occurrences	Brand density	Placement density
Awards/pageants/parades	52	93	148	2.6	4.7
Drama/adventure	178	524	624	1.4	4.3
Reality/documentary/ent.doc	1, 194	3, 264	3, 973	2.6	7.0
Situation comedy	40	83	101	1.0	2.0
Talk/variety	18	37	54	1.0	2.1
Wrestling	65	215	285	2.3	7.7
Cable total	1, 365*	4, 213	5, 185	2.0	6.0

Source: Nielsen IAG In-Program Performance Data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only.
Note: Placement density = average number of unique placements per episode; Brand density = average number of unique brands per episode.
*Total unique brands across all show genres.

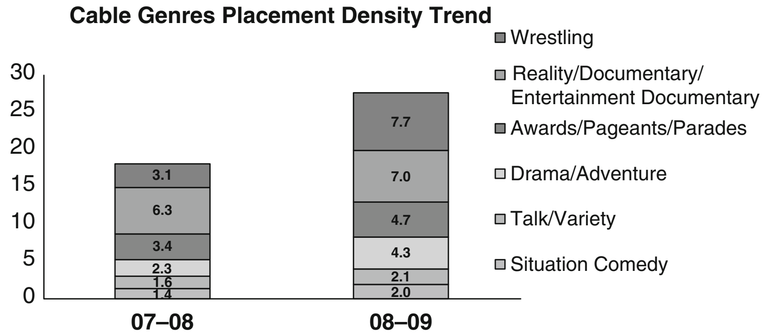

Fig. 3.3 Average number of unique cable placements per episode. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only. Note: Placement density = average number of unique placements per episode

programming shows the greatest gain in placement density, beating Reality for the most densely integrated genre as illustrated in Fig. 3.3.

Overall, networks are giving advertisers more opportunity to place products in their programming. Although the average number of in-program placements on broadcast is fewer than on cable, the placement density per episode has increased on both broadcast and cable over the prior season as seen in Fig. 3.4.

Interestingly, drama has shown the highest increase in activity year over year in general (see Fig. 3.5). Perhaps this is a sign that writers and producers of scripted programs are gaining comfort with integrating brands into their stories or an indication that the financial benefit of getting advertisers to pay for integrations outweighs any concern.

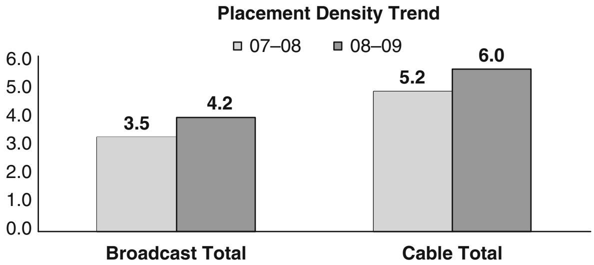

Fig. 3.4 Trend of average number of unique placements per episode. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only. Note: Placement density = average number of unique placements per episode

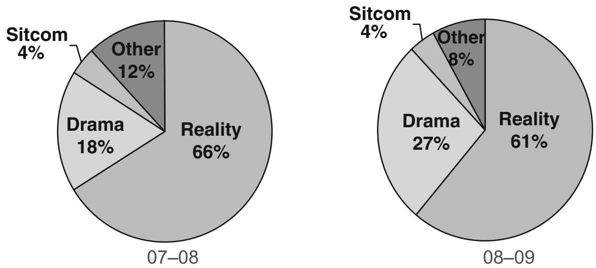

Fig. 3.5 In-program placement genre activity trends broadcast and cable combined. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only

Branded Entertainment Performance Impact

Nielsen IAG asks respondents a force-choice response question to determine whether they recall the section of the program where a brand was present. If they recall that correctly, they are asked to recall which brand among four choices. They are then asked questions to understand how well they feel that the brand fits into the program. Respondents are given a scaled response choice of: Natural and Seamless, Somewhat Natural, Neither Natural nor Forced, Somewhat Forced or Forced, and Awkward. They are also asked whether seeing and/or hearing the brand in the program influences their opinion of the brand on the following response scale: Greatly improved my opinion, Somewhat improved my opinion, Neither improved nor lowered my opinion, Somewhat lowered my opinion, or Greatly lowered my opinion.

There are a number of key factors that consistently drive strong performance of placements and hybrid ads. On broadcast, more than half of brand occurrences appeared in multiple segments or were used in multiple ways during the 2007–2008 season; cable was not far behind at about half of all brand occurrences. Brands that appear in multiple segments or in multiple contexts within a program episode

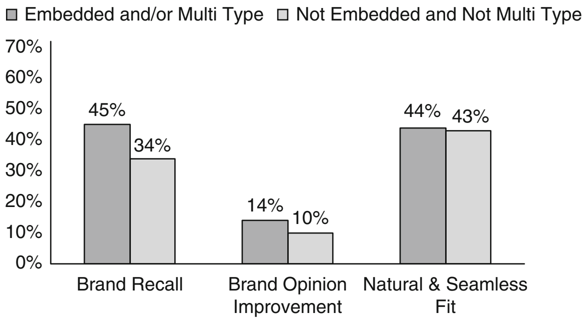

Fig. 3.6 Broadcast multiple/embedded in-program placement impact on performance. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only

generate higher rates of Brand Recall and positive Brand Opinion than those that occur only once as shown in Fig. 3.6.

Integrations in cable programs have the same trend, but the impact is even stronger. The perception of fit of the in-program placement, however, does not appear to be driven by this factor (see Fig. 3.7).

In-program placement performance increases when there is an ad or hybrid ad for the same brand in the same airing of the program. For broadcast, there is a 26% increase in Brand Recall for the placement and a 45% increase in Brand Opinion when there is also a traditional ad during the same airing of the program. If there is a hybrid ad for a particular brand as well as an in-program placement, the performance of the placement improves dramatically, up 46% for Brand Recall and 58% improvement for Brand Opinion.

The same is true for cable. The performance of an in-program placement for both Brand Rrecall and Brand Opinion improves when there are also ads (23 and 17% increase, respectively) or hybrids (19 and 21% increase, respectively) during the same program. These increases are more than what would be expected from frequency effects. By using different commercial vehicles like traditional ads, hybrid ads, and in-program placements in some combination, a synergy is created that provides lift to the performance of each element.

Unfortunately, over the past season a product placement that occurred with a traditional ad or a hybrid ad during the same program was infrequent. As Fig. 3.8 illustrates, over 85% of placements do not have an ad or hybrid ad appearing in the

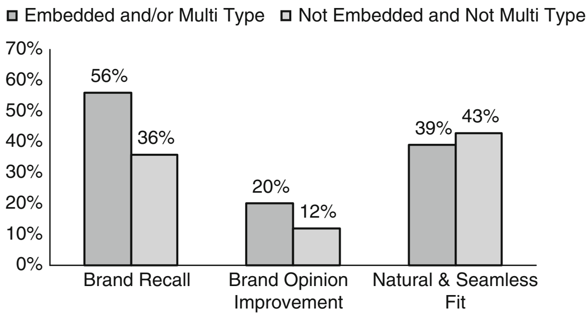

Fig. 3.7 Cable multiple/embedded in-program placement impact on performance. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only

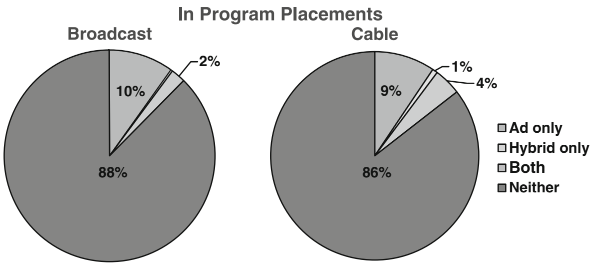

Fig. 3.8 Percent of in-program placements that have ad or hybrid in same program. Source: Nielsen IAG in-program performance data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, All Airings

same program. Given the finding that the presence of a traditional ad or a hybrid ad helps boost the performance of a placement, this is an area that offers a lot of room for growth.

In contrast, there are many fewer hybrid occurrences in total than there are in-program placements (nearly 10 times more in-program placements than hybrid ads) but more than half of hybrids have ads or placements for the same brand occurring in the same airing of the program as shown in Fig. 3.9. The performance of the hybrid ad benefits greatly from being paired with either a traditional ad or an in-program placement.

It is very unusual for products to experience negative perception in terms of Fit or Brand Opinion through integration. On average, only 2% of the integrations measured in a year greatly or somewhat lowered opinion of the brand. Thirty-six percent of in-program placements are perceived as greatly or somewhat improving the opinion of the brand. The remaining 62% majority are seen as not having a negative or positive impact. Forty-one percent of placements are seen to fit naturally and seamlessly while only 2% are seen as either somewhat forced and awkward or forced and awkward. Fifty-seven percent see the fit as neutral. These findings are fairly stable over time. While Brand Recall has increased incrementally over time, Brand

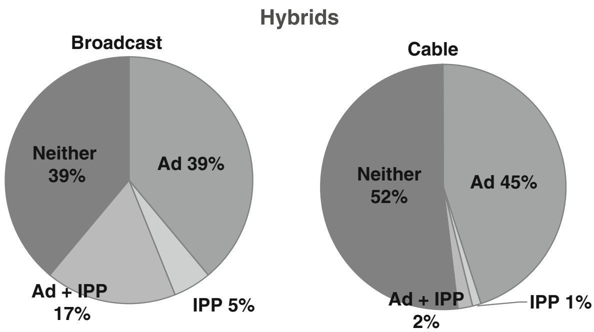

Fig. 3.9 Percent of hybrids that have ad or in-program placement in same program. Source: Nielsen IAG, September 24, 2007–May 31, 2008; P13+; Limited to Prime, Non-sports Programming, Original Airings only

Opinion Improvement has remained broadly consistent. Negative perceptions have always been negligible (see Fig. 3.10).

Perception of Natural and Seamless Fit, which had been on a downward trend, appears to have stabilized in recent quarters and it has always been rare for a placement to be considered Forced and Awkward as shown in Fig. 3.11.

In-program placements that are both mentioned and shown are better recalled and have higher Brand Opinion as seen in Table 3.5. The visual length of a placement has an effect on brands that were shown only, such that Brand Recall increases from 35 to 48% on average with increasing exposure length. Whereas increased time on screen does not appear to materially impact Brand Recall or Brand Opinion for

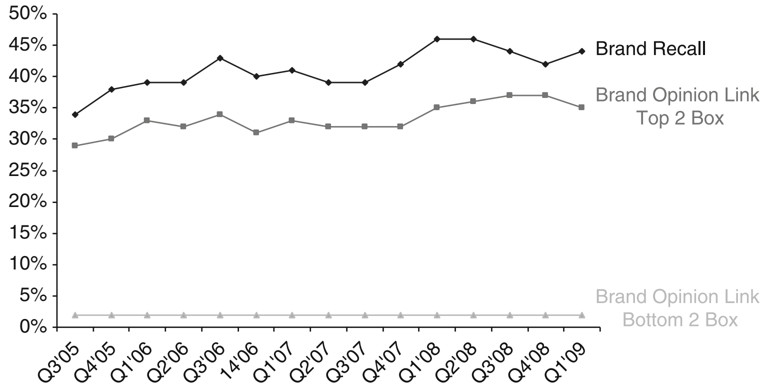

Fig. 3.10 In-program placement brand opinion trend. Source: Nielsen IAG in-program placement data, 9.24.05–3.31.09; P13+; Broadcast and Cable, Non-sports, All Airings. Note: Brand Opinion Link is Brand Opinion among those who recall the Brand, *Top 2 box* is Greatly or Somewhat Improved Opinion, *Bottom 2 Box* is Greatly or Somewhat Lowered Opinion

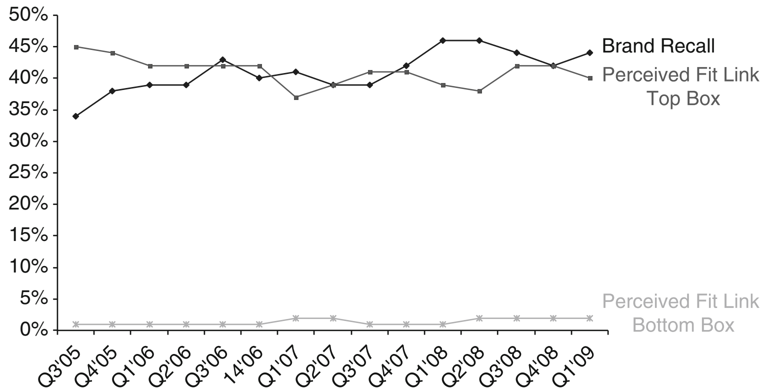

Fig. 3.11 In-program placement perceived fit trend. Source: Nielsen IAG in-program placement data, 9.24.05–3.31.09; P13+; Broadcast and Cable, Non-sports, All Airings. Note: Perceived Fit Link is Perceived Fit among those who recall the Brand, *Top Box* is Natural and Seamless, *Bottom Box* is Forced and Awkward

Table 3.5 Impact of mention, shown and duration on in-program placement

Conveyance	Visual duration	Number of placements	Number of occurrences	Brand recall (%)	Brand opinion improvement (%)	Brand opinion improvement link (%)	**Natural and seamless fit (%)**
Mentioned and Shown	1–29 s	1,327	1,702	53	16	31	43
	30–59 s	198	296	53	18	35	43
	1–1:59 min	126	215	53	18	34	44
	2+ min	194	419	53	18	34	44
Shown (not mentioned)	1–29 s	5,608	6,382	35	10	30	43
	30–59	638	1,008	38	11	30	45
	1–1:59 min	371	701	41	12	30	45
	2+ min	247	632	48	14	29	42

Source: Nielsen IAG In-Program Performance Data, 9.22.08–3.31.09; P13+; Limited to Primetime Non-Sports Programming, Original Airings only.

placements that have both a visual and verbal component. Mentioning and showing a brand for a shorter period of time is perhaps a more cost-effective method of impacting in-program placement performance.

Conclusion

As Advertisers look for the best methods to reach their consumers in new media environments, they have adopted a number of different and successful techniques. They have increased their focus on targeting across all media while looking for ways to advertise to consumers where reach is optimized. Evidence of this is the increasing spread of advertising dollars across media vehicles, including broadcast and cable TV, the Internet and the small but growing mobile, and video-on-demand platforms. They look to engagement metrics to drive effectiveness as seen in recent upfront deals where networks give advertisers guarantees on Program Engagement as well as traditional reach metrics (Wall Street Journal, 2006). They look for the relevancy and media "Fit" with the brand and they use branded entertainment in the form of in-program placements and hybrid ads in order to improve their ability to connect with viewers.

Branded entertainment can be a powerful method of reaching consumers that increases brand recall and messaging as well as brand opinion. To better accomplish the task of reaching the consumer, advertisers can combine multiple advertising methods in the same program by coupling a traditional ad with either an in-program placement or a hybrid ad. The combined effect is greater than the sum of the individual parts, thereby making it a smart strategy for marketing brands cost-effectively. Advertisers should consider season-long program partnerships because brand gets positive association with the show and regular viewers have the brand's name and image reinforced. The positive effect of multiple brand exposures per episode can be achieved with varying the type of placement occurrence in the program episode. Finally, advertisers for now at least need not be fearful of viewer backlash because the data consistently show that negative perceptions are rare. Today's audience appears to be very comfortable with branded integrations, especially when a programming environment provides a suitable and relevant content to include advertisers' brands. And while advertisers can ensure that their message is not missed by integrating their brand into the program itself, creating relevant branded content in the form of hybrid ads can increase the likelihood that the viewers will not skip the commercial pods.

Acknowledgments The author thanks Darren Moore for his work analyzing the data and creating the tables and figures.

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