



Product Placement

About the Content

- Internationally published and world-renowned photographer Leo Marshall.
- Targeted demographic towards “wedding” market.
- Professional crew and cast.
- Ultra low budget of \$30k
- Small payroll plus deferred compensation.
- On-site distribution and applicable formats.

Creative Team

- Writer/Director/Producer Davinci Barcelo
- Sound Engineer Doppler Studios
- Director of Photography Leo Marshall
- Post Production Examine Media

Proposal

- Feature shot on film in select act.
- License on footage for internal usage.
- Mention in press release/ media material.
- Copy of full commercial and storyboard autographed by crew.
- Invest 16.75% and save 83.25%

Definitions

- Product Integration – is when a company funds a program and in return their product is integrated into a production. “Product integration is a subset of client-supplied programming, ranging from photography to filmed commercials.
- Product Placement- is the practice of intentionally placing a specific brand or product as a prop into filmed entertainment. Product placements very rarely happen by accident. Usually they are the result of an agreement or exchange between corporate America and the entertainment industry. These agreements are designed to be beneficial to both parties.

There are three basic types of product placement:

1. Visual – a visual placement occurs when a product, service, or logo can simply be observed.
2. Spoken – a spoken placement occurs when the product, service, or corporation is mentioned in the presentation.
3. Usage – a usage placement occurs when an on-screen personality interacts or handles the product, service, or corporation. A usage placement often involves a visual element.



Benefits

- Build Brand and Product Awareness – “We know that there is an engagement level that drives sales,” says Stacy Jones, CEO of El Segundo, California-based entertainment marketing agency Hollywood Branded Inc. The agency conducted a focus group and survey, which found that consumers are 43% more likely to purchase clothing products worn and used by their favorite celebrities. “It’s important for these brands to have word-of-mouth appeal to keep them aspirational,” Jones says.
- Soft-Sell through Positive Association – When product placement is done seamlessly products are shown in natural and believable situations. A product that is placed consistently with its image will reinforce that image with consumers and will build product credibility. The value of the character is reflected on the brand and vice versa. The entertainment industry benefits from product placement because they are seeking real products to help add realism to its productions.
- Strengthen Brand Loyalty from Current Users – Consumers who see a product or logo in a movie or television program that they have purchased are positively reinforced. “Research shows that consumers want to identify with the characters they watch on television and that seeing real products helps them to do that” (Knight Ridder/Tribune News Service, March 1, 1995).
- Creates Opportunity for Advertisers to be noticed in a Cluttered Media Environment – Intelligent consumers have learned to engage in selective perception. Consumers shut out specific images, especially those with an explicit headline marked ‘advertisement’. Associating a product with entertainment allows it to rise above the clutter.
- Product Placement Creates Reach and Frequency – Filmed content such as commercials reach millions of consumers and have a life long after its initial run time. Put an ad in a movie, and your logo is out there for all time,” points out Hollywood product placement expert Norm Marshall.
- Create Indirect Celebrity Endorsement – The cost of celebrity endorsements is usually very high and may celebrities don’t participate in such activities. However, product exposures link brands to celebrities, in effect creating a celebrity endorsement.
- Product placement creates a captive audience.
- Product placement allows advertisers to target a specific demographic or psychographic by placing in a specific film or program that caters to a particular group.
- Product Placement Can Subsidize Traditional Advertising – Some companies only advertise on television during certain periods (i.e. the quarter before Christmas) but utilize product placement year ‘round to create product awareness.
- A Positive Placement Can Cause a Sales Surge – After the release of “The Firm” in 1993 where the beer Red Stripe was prominently featured sales in the U.S. increased by more than 50%, and the company owners sold a majority stake in the brewery for \$62 million to Guinness Brewing Worldwide.



- Product Placement is an Inexpensive Marketing Strategy – “A few seconds of exposure on a popular drama or comedy series can be worth as much as \$500,000, based on the cost of a 30-second commercial” (PR Week May 27, 2002).

Cost

- The production value of the current project is \$30,000.00 based on equipment used, crew labor, created content and fulfillment. Project contributors via product placements may obtain licensed rights to work product and materials. Sponsor(s) surrender license rights as well as their product placement to project contributors. In other words, project contributors with product placements take precedence to sponsored materials.
- Tie-ins and co-promotions also supplement production budgets for the film and help create awareness.
 1. Placement for a featured position is 16.75% of production, equaling \$5,025 plus tax.
 2. Talent cost, to be determined.
 3. All placements are negotiable.
 - Product Placement Agency Retainers/Fees – According to Jay May from Feature This, companies can expect to pay annual retainers of \$5,000 - \$150,000 to product placement agencies. These fees are omitted by contracting direct.
 - Cost Examples –
 1. Image consultant Sam Christensen sites a recent example where Glad supplied paper products in exchange for the placement of a new paper cup in a film. Glad provided all the paper products for the movie, for craft service, including paper towels, trash bags, etc. It saved the production company thousands.
 2. Steven Spielberg’s film “Minority Report” reportedly received \$25,000,000 in product placement revenues. That’s about one-quarter of its production budget.
 - Product Tie-in Example
 1. Tommy Hilfiger promoted its jeans line in tandem with Miramax’s “The Faculty,” combining the movie’s \$10 million - \$15 million media budget with the jeans \$15 million promotional outlay.



Procedures

- Companies can go directly to a production company to place a product or vice versa.
- An advertising agency can contact a production company for a client or can outsource to a product placement agency.
- Companies can utilize a product placement agency to find placements in feature films or television programs for their product, service, or logo.
 1. Agreed to all applicable “trust” forms.
 2. Make a 50% refundable deposit to the appropriate party.
 3. Review preproduction documents such as storyboard and treatment.
 4. Submit term sheet to convert deposit to payment.
 5. Payments are non refundable.
 6. Second payment due at production. See calendar.
 7. All termed content distributed.

The product placement entity here by referred to as the “Project Contributor” agrees to surrender or obtain licenses rights to content produced featuring said materials. Final cost such as talent and other may be finalized via invoice. The usage of this document is to secure the project position.

Project Contributor

Date

Project Client/ Customer

Date

Note: CAA reserves the right to modify procedures without notice.



Examples of Product Placements

Appendix

I – Pictures of Examples of Product Placements

II – ERMA rating of Top Agencies



Tiffany & Co., “Golden Globes” (2011 - 2016) – Tiffany & Co has taken advantage of a market where celebrities set trends and steer buying behaviors by spreading the word that sporting its high-end jewels at the Annual Golden Globe Awards.

(<http://press.tiffany.com>)



Vera Wang., “Product-Placement Roundup” (May 2008) - *The Sex and the City* television series made Manolo Blahnik and Jimmy Choo household names.

(<http://vanityfair.com>)



E.R.M.A. Rated Best Product Placement Agencies

*The following are agencies and ratings based on price and services

Company	Price	Service	Industry Rating
Feature This	*	*****	*****
PrimeTime Mktg.	*	****	****
Catalyst Group	***	****	***
Creative Entertainment	*****	***	**
Aim Promotions	***	****	***
UPP	*****	***	*
Baldoni	*****	****	**
Hero Placement	***	***	***
Vista Group	***	***	***

*This rating was based on speaking with 100 crew members (props/directors/sets/producers) and major studios (ERMA official website).