

FRUKT

PRESS PLAY

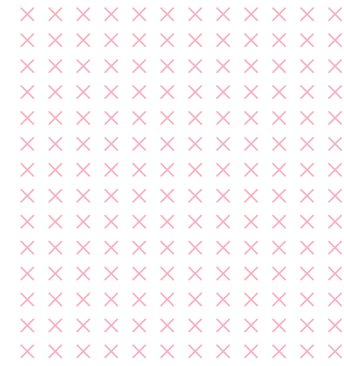
PRODUCT PLACEMENT
The Evolution of Brand Integration
in Entertainment



BRANDS AND THE POWER OF PLACEMENT

With consumers increasingly sidestepping traditional advertising models, Brand Integration offers up a unique opportunity to get to the heart of today's most coveted and talked about entertainment content - as opposed to just making noise in the spaces in between.

FRUKT recently conducted research into the role entertainment plays in the lives of consumers, and when asked about the areas where brands could add the most value, Brand Integration at 56% came out very clearly on top. Looking to delve a little deeper into the 'why' behind this insight, FRUKT spoke to both consumers (in a US and UK focused research study) and key industry experts to unpack the true value of brand integration.



1 WHY BRAND INTEGRATION MATTERS TO CONSUMERS

2 KEY TRENDS IN USA & UK

3 AMPLIFYING YOUR PLACEMENT



1 Why Brand Integration Matters To Consumers

Brand integration is embracing a new wave, as fans increasingly turn on to the value well placed brands and products can bring to the shows and content they love.

It drives relatability

Regardless of the route in, genuine products are in many ways essential for the suspension of disbelief in entertainment content today. Brands are so ingrained into our everyday life that the inclusion of unbranded stand-ins often causes a jarring disconnect for the audience. "People have always been open to seeing brands in entertainment. In fact, it's likely that they expect it. An entertainment property that 'greeked' all brands would look odd and unreal," says Gary Moore, who heads up Global Placement Strategy at Dell. "Brands are a part of everyday life, we run into them everywhere we go. On screen entertainment should be no different". Our study echoes this sentiment, with 58% of consumers saying they relate more personally with the entertainment they watch when they see brands they recognize or already love.

For consumers, seeing recognizable brands creates an immediate sense of personal connection with the entertainment they are consuming. Our survey bears this out, with 70% saying it makes the story seem more realistic and provides them with a stronger sense of connection. Viewers may not be able to directly relate with being an international spy or action hero, but a simple brand integration can act as a conduit that links character to fan, creating a sense of social inclusion and, in turn, enhanced buy-in to the realism of the story.

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It builds character

Authenticity also goes a long way to reinforcing the relatability of characters or celebrities within entertainment content, adding a much-needed sense of realism. The key here is in a placed product or service aligning with the overarching content narrative and character progression, with 69% of consumers preferring it when a product feels like something a character would use/own and adds something to the storyline.

In show character development is crucial to our emotional attachment to a given piece of content, and crafting empathy with the faces and actions we see on screen is essential for sustaining quality entertainment. It also goes beyond the basis of a simple reality check, with viable brands helping to add real color and depth to the story and its protagonists. Brand integration has a vital role to play here,

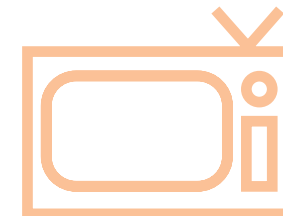
with 63% of consumers stating that Brand Integration makes entertainment better by grounding characters in the real world and developing their personalities.

"In the early days of Product Placement, brands were tentatively placed within environments and active usage or verbal references were rare. Now, we strive for "core integrations" - where the brand/product is clearly visible, referenced when appropriate and at the heart of the action in a credible way."

Katherine Marlow, Senior Creative Manager, ITV AdVentures.

63%

of consumers believe Brand Integration makes entertainment better by grounding characters in the real world and developing their personalities.





It enhances authenticity

With a heightened emphasis on authenticity in entertainment, for brands the question isn't one of whether they have a right to be in the content, as any production that wants to effectively mirror reality has to leverage a certain amount of brand placement. It's more a question of being in the right place, at the right time. Overall, 61% of consumers across the USA and UK that like brands in the entertainment they watch, prefer it if the product has a natural fit with the show. Only 18% want a brand to stand out and be obvious, with 82% preferring to notice a brand without it distracting from the content they love. "Viewers are really savvy and will spot if a brand tries to compete with the action", says Katherine Marlow, Senior Creative Manager at ITV AdVentures. "It's much better if they add to the experience or better still, reward the viewer in some way - respecting the mindset the viewer is in when they're watching the content in the first place".

61%

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Authenticity is critical when it comes to effective on-screen integration, with context and suitability playing a pivotal role in ensuring the brand makes its mark in the most credible way possible. "Great product placements are always organic", says Randall Winston, Executive Producer & Director (Grace and Frankie, Roseanne reboot), highlighting the need for products to be both seamlessly and naturally interwoven into the overall content experience.

"The best placements are the most authentic placements. They should feel natural, part of the environment – not something that is forced. The brand should be something that is appropriate to the scene in question."

Gary Moore, Global Placement Strategy, Dell

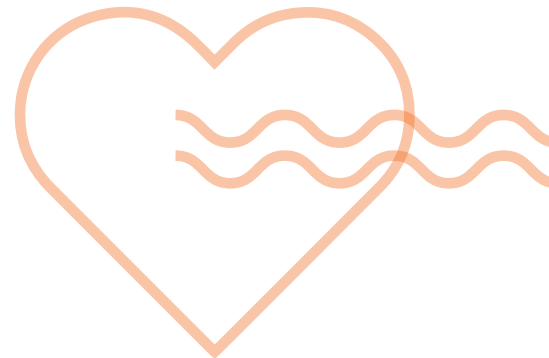


It helps deliver more of the content they love

Brand integration has a crucial role to play as advancing technology and a plethora of 'over the top' players such as Netflix, Hulu, Amazon Prime and hotly anticipated new streaming ventures (Disney), continue to scale up the production value of their content. In fact, 58% of consumers believe Brand Integration makes entertainment better by helping fund the shows they love and enabling them to be more creative, with higher production values. "Product placement will continue to represent an enormously exciting opportunity for brands to sit at the heart of their customers' entertainment and speak on a deeper and more implicit level," says Marlow. "Given the expanding number of devices available, I also think the ways that viewers will be able to engage with Brand Integration will become more immediate and sophisticated".

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Whatever the medium, be it film, TV, music or gaming, being part of the stories that drive and inspire passionate fans is a privileged position and one that can reap vast rewards in terms of reach, awareness and advocacy. The key to making it work is in understanding the various stakeholders across a production, from showrunners, to writers, to prop buyers and set dressers, and their associated priorities, timelines and key deliverables.

"I love it when I have a menu of possible placements to go to the writers' room with during prep, so I can set the table and plant some seeds", says Winston. "Relationships drive the placements as much as anything. Knowing that I can get it done fast. Knowing that we can be partners. Knowing that we can manage the expectation".

This is where experience, connections and an ability to foster a mutually beneficial partnership is crucial. Ultimately you want an agency that doesn't just have its foot in the door, but also its ear to the ground and its pen firmly in the script.

2

Key Trends: USA

Meilani Weiss, SVP of Brand Integration, FRUKT, highlights the growing opportunity of partnerships in OTT content in the US.



This is such an exciting time to be involved in brand integration. Never before has there been such a plethora of content, thanks in large part

to the explosion of OTT content. While still essentially dominated by three platforms — Netflix, Hulu and Amazon — regular announcements of new streaming platforms means more and more programmes seeking to break through, and more brand partnerships as a result.

Streaming services allow A-list writers, producers, and actors to spread their wings and experiment a bit without the pressure of opening weekend box office numbers or the restricted roles of mainstream fare from the major studios, such as Jane Fonda and Lily Tomlin in Netflix's Grace and Frankie, and Matthew Weiner's highly anticipated Amazon series The Romanoffs, his first since his wildly successful Mad Men. It also allows for content creators to strike partnerships directly with brands, giving brands access to projects with strong talent in front of and behind the camera, and with fewer complexities than major studios and networks may encounter in negotiating partnerships.

Thanks to the abundance of OTT content and producers eager to engage in partnerships, brands of all sizes can partake in integration opportunities. We are no longer beholden to the traditional broadcast TV integration model, and thus packaged deals through media buys. We can customize partnerships based on the needs of production and the brand, while targeting audiences who are bingeing on their favorite shows, such as Stranger Things, The Mind of a Chef, Casual and Jessica Jones. We're now in an ideal environment for partnership as content creators and brands themselves have more routes than ever to pursue the initiatives in which they want to invest.

We are no longer beholden to the traditional broadcast TV integration model...and can customize partnerships based on the needs of the production and the brand.

Contact Meilani to explore brand integration opportunities in the US: meilani@wearefrukt.com



3 TRENDS

...to watch in 2018

- ▶ **Interactive viewing apps** – a new choose-your-own adventure app is out for iOS, and is being tested with Steven Soderbergh's "Mosaic" project for HBO. The app enables viewers to watch a show from the different perspective of each main character.
- ▶ **Series life support** – Series cancellations, such as "Good Girls Revolt," are more than ever not really that final. They are finding new homes or becoming un-cancelled by the same network, such as "Timeless" on NBC.
- ▶ **Series extensions** – The novel 'Big Little Lies,' originally intended to be a one-series special on HBO, has been extended and is currently filming their second season. Premium cable especially can continue to experiment with anthologies and limited series that extend beyond their planned end.

Key Trends: UK

Toby Denholm, Head of Brand Integration Europe, FRUKT highlights the growing value exchange between brands and production houses in a rapidly evolving UK marketplace



The UK has established itself emphatically as a global hotspot for film and TV production over the last decade or so.

The likes of Mission Impossible, Avengers,

24: Live Another Day, Game of Thrones, to name just a few, have resided in the UK. Whether that's down to the healthy tax rebate incentive, the highly skilled and globally renowned crew on-hand, or the abundance of diverse locations on offer, what it means is that the UK can now proudly regard itself as a truly global production hub that can live alongside Hollywood.

This has created a jam-packed, year-round production schedule that houses global content properties under the same roof as local iconic shows such as Coronation Street & Casualty and then returning dramas like ITV's Marcella, Sky Atlantic's Fortitude and the BBC's Line of Duty.

Opportunities for brands to be a part of this mix has never been so apparent in the UK. Brand Integration has been slowly maturing in the UK since Ofcom first opened the doors to paid Brand Integration in 2011. What we have seen since then is a greater understanding and acceptance into what the potential has for both the brand; in regards to a deeper level of audience engagement that integration offers, and the producer; in off-setting production costs and generating cash flow to add value to the content output.

We're moving into a new generation of content production and brand marketing that provides a platform for both parties to collaborate on and provide solutions to their objectives.

We're moving into a new generation of content production and brand marketing that provides a platform for collaboration.

Contact Toby to explore brand integration opportunities in Europe:
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3 TRENDS

...to watch in 2018

- **Fruitful Partners** – Following the news of Top Shop's promotional partnership with Netflix & Stranger Things, we'll be keeping an eye on how Netflix, and other streaming giants, explore brand partnerships in the UK and Europe.
- **BBC skewing younger** – Plans announced to launch a new subscription based SVoD service for BBC's vast back catalogue. Elsewhere, a Next Generation committee of under-30s has been assembled to test innovations and generate plans to attract younger viewers.
- **'Paid' progresses** – Long-running soap, Coronation Street has gone bold and big with its recent Costa and Co-op deals. Could 2018 finally be the Tipping Point many have been anticipating since the placement laws were relaxed seven years ago?



3

Amplifying your placement

Whether it's an appearance in a music video or full integration into the narrative of a Hollywood blockbuster, FRUKT can give your brand its big screen moment in a natural and credible way. Here is a sample of some of our recent success stories.

Cisco

FRUKT worked with Cisco to integrate the brand into the feature film, The Martian by organically showing Cisco video conferencing between NASA and JPL in several scenes. We partnered with FOX to also show a scene from the film on the Cisco homepage. In order to drive awareness of the Cisco integration in the film, FRUKT harnessed social media and also utilized Cisco engineers to write blog posts surrounding the Cisco endpoints used on set and in the film.

- Organically integrated Cisco into 4 key scenes in the film with prominent branding
- Approximate global media value of the integration was \$10.7MM
- Over 75MM impressions
- Effectively showcased Cisco video conferencing as the go-to solution to Business Decision Makers and Technology Decision Makers.



McDonald's

McDonald's came to FRUKT asking how they could use entertainment content creators and influencers to positively affect their brand image whilst simultaneously changing customer behavior.

We positioned McDonald's as a valuable partner to protect the brand from unfavorable portrayals. We targeted key industry partners to talk about available resource McDonald's could provide; meeting with executives, reviewing scripts, crafting monthly gift packages and engaging influencers such as Peter Jackson - who lent his support to the 'Lend a Hand to Warm a Heart' campaign.

- High profile visibility in properties such as Kingsman: The Secret Service with Samuel Jackson & Colin Firth, The Good Lie with Reese Witherspoon, Argo with Ben Affleck, | The End of the Tour with Jason Segel and Jesse Eisenberg, The Late Late Show with James Corden, and The Mindy Project with Mindy Kaling
- Sampled McCafé products for Hollywood and TV influencers at properties such as Parks & Recreation, Brooklyn Nine-Nine, Arrow, black-ish, Fresh off the Boat, Curb Your Enthusiasm and many others.
- Targeted and seeded over 200 VIP production contacts as part of the production seeding program.

Royal Caribbean International

FRUKT identified, negotiated, and secured a brand integration partnership with ABC's hit show *Dancing with the Stars*. The integration had the show travel from the ballroom to Anthem of the Seas during her inaugural sailings to set sail on a "show stopping" adventure. Two competing couples joined the sailing to draw inspiration for a new routine set to the ship's West End show, *We Will Rock You*, and experience everything Anthem of the Seas has to offer. The airing of the integration coincided with the ship's launch and aired both via broadcast and the show's digital live stream platform. Also hosted Entertainment Tonight and GMA for coverage.

- Royal Caribbean received over four minutes of exposure in *Dancing with the Stars* in Showstoppers episode, and two minutes of exposure in the season finale.
- Over 35M broadcast impressions, 117M social media impression and 18% increase in follower growth

ROYAL
CARIBBEAN



X.O



Hennessy

LVMH came to FRUKT with the desire to create an entertainment platform for Hennessy X.O, its ultra-premium cognac brand. The program needed to not only create awareness and elevate the brand perception, but also to educate high-value consumers on how to enjoy a cognac like Hennessy X.O.

The multi-channel platform involved integrating X.O into an episode of PBS' series "The Mind of a Chef" which featured pioneering Chef Ludo Lefebvre pairing Hennessy X.O with his signature dessert, Millefeuille. The same month the integration aired on PBS, we hosted a series of "Supper Clubs" at Chef Ludo's restaurants Petit Trois and Trois Mec. The events brought the Hennessy X.O Odyssey to life through special pairings as well as décor and music that adapted with each course/flavor.

- "The Mind of a Chef" also premiered on Netflix and Amazon
- Supper Club events for over 100 influential guests across two-nights
- Estimated social media impressions from integration and influencers at Supper Clubs exceeded 1M



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