



James Bond's BMW and Other Product Placements: New, Racier Ways to Advertise

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The 30-second television spot, once the mainstay of mass marketing, is waning in influence as new technology, including the Internet, cable television and TiVo, fractures the viewing audience. Consequently, advertisers are turning to alternative forms of promotion to reach consumers, according to Wharton faculty and advertising executives.



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Direct advertising on the Internet and through the mail, in-store merchandising programs, product placement in entertainment programs, and sponsorships of sports and cultural events are just some of the ways marketers are now telling their story. "The trend is away from mass advertising - television advertising in particular - and toward what I call more non-traditional or alternate forms of advertising, some of which are quite old-fashioned," says Wharton marketing professor [Patricia Williams](#).

Oprah Winfrey's Pontiac give-away - a reference to Winfrey's decision on Sept. 13 to bestow a free car on all 276 members of her studio audience - and an episode of *The Apprentice* that revolved around creating an advertisement for Pepsi Edge are just two examples, she notes.

Williams says the lines between advertising and entertainment are blurring as marketers attempt to build an emotional bond with consumers. "If I can get you to engage with my product - in content you find compelling, humorous, interesting or relevant - in a way that I can't with a 30-second ad, then I as a marketer can sponge off that relevance, insert myself into that relationship and hopefully forge my own relationship with you on a deeper level."

One way to do that is with product placement in entertainment, which Williams says can be effective as long as it is not overdone. "Increasingly you see movie studios and video game manufacturers going directly to marketers and ad agencies saying, 'Let us be a part of your communications strategy.' It adds some realism in addition to providing funding opportunities. I think it's a win-win situation for people in entertainment and marketing as long as they don't cross the line."

According to Williams, the James Bond film *Golden Eye* was effective in promoting the BMW Z3, but a later Bond film, *Die Another Day* - featuring a host of official brand-name products including vodka, a watch and make-up - was dubbed "License to Shill" by critics. "If it becomes a cheap sales tactic, then the consumer will respond as if it were a cheap sales tactic," says Williams.

It's difficult to calculate the return on investment for these forms of non-traditional advertising, and as a result, marketers may be giving them more credit than they deserve, adds Williams. "What I see a lot of times is a willingness to let those metrics go for nontraditional forms of media because the [ads] are cool and they seem to be working."

New "Apollo" Launch

Indeed, accountability is difficult to achieve, despite constant attempts to measure an advertisement's effectiveness. Many advertisers can sympathize with John Wanamaker, the 19th century department store pioneer, who lamented that half his advertising worked; he just didn't know which half.

To better understand the return on investment for traditional radio and television advertising, the nation's biggest mass-marketer, Procter & Gamble, is promoting a landmark joint venture between Arbitron Inc. and VNU, the Dutch owner of Nielsen Media Research, says Wharton marketing professor [David Reibstein](#).

Code named "Apollo," the program will use portable meters to detect the audio messages a participant receives during the day. The meter will then be placed into a docking device overnight where all those messages will be played and logged. Consumers participating in the project will also record all their purchases, allowing analysts to determine how much correlation there is between media messages and individual buying habits.

Reibstein says such information would be a breakthrough because it tracks individual patterns. Advertisers currently can only know the overall demographics of a television or print audience and the overall demographics of purchasers, but not whether buyers respond to specific advertising. "The whole belief is that traditional media is not working as well as it was," Reibstein notes.

Television is under siege from a variety of fronts, he adds. First, many people are able to ignore advertisements by videotaping programs and fast-forwarding through commercials. TiVo has only made that easier. Also, more people are multi-tasking - for example, watching television while working on a computer so they pay less attention to advertisements. Another threat is that young people spend more time on the computer than watching television compared to older generations. Finally, the rise of cable television has splintered the television audience, thereby weakening advertisers' reach with a single commercial.

Concern over the effectiveness of television advertising has reached the tipping point, Reibstein suggests. "There will be some people who - correctly - will say, 'Let's not panic. The sky has not fallen down.' The answer is they are right; it hasn't. But all the signs are there that this is the beginning of a time when we will have to do things a lot differently than before."

At the same time, with the exception of technology products, many brand categories, from automobiles to laundry soap, have matured, according to Gerard Smith, global planning director in the New York office of the French-owned agency Publicis Worldwide. "To get any result you can't rely just on growth by virtue of expansion. It's a battle for market share, which means you have to be a bit more aggressive."

Meanwhile, he adds, the consuming public, too, has matured since the days when television ruled marketing. "You have to be a lot smarter when you go to market; that has led to client pressure to be more inventive in communicating with the consumer."

Wharton marketing professor [David Schmittlein](#) suggests that the rise of alternative advertising methods is blurring the entire notion of advertising. "Where does the message stop and where does the medium in which the message appears begin?" he asks. "Take *The Lion King*. Is it a play? Is it a set of dolls? What the heck is it? The distinction between a product and the place where the product is promoted is quite fuzzy and that's going to continue."

Schmittlein notes that Internet advertising is changing from a billboard model to a sponsorship model. "In its most effective forms it looks more like cosponsoring things that people want to learn about and get involved in rather than a pop-up ad."

The changing nature of advertising is also leading to change at agencies, Schmittlein points out, adding that the growth areas within ad agencies are in merchandising, branding, sponsorships and product placement. "Increasingly these are the areas not only where advertisers spend money, but where the strategy of the entire communications program is driven. That strategy used to be driven by the 30-second commercial."

As advertising agencies have merged into huge global operations to provide economies in many types of marketing, the creative end that develops television advertisements is now being outsourced to independent shops, the same way that agencies have already farmed out television production work. The largest agencies, Schmittlein says, have several creative companies in their fold so clients can still hire and fire those teams without having to dismantle all of their promotion and marketing relationships.

Yet while diminishing in importance, the 30-second television spot still has a role to play if advertisers want to reach a large audience quickly, Schmittlein maintains. However, he notes, "total share captured by all three networks at any one time is declining steadily and over the past 15 years, quite precipitously. If your goal is to cover 65-75% of America ... it has become harder to do than 20 years ago. Television still has a place, but if it loses that capability there is going to be increasing price pressure on television programming."

Lessons of Direct Marketing

Meanwhile, Wharton marketing professor [Peter Fader](#) says traditional advertisers are beginning to take some cues from direct marketers and build alternative channels through mailings and catalogs. "In the old days you would put an ad on *I Love Lucy* or do a junk mail campaign to target individual users. It was a clear split between advertising and direct marketing. Today the lines are blurred."

For example, he says, television advertisers can attach different 800-numbers to ads to see which receive a better response. "It is tempting for direct marketers to say, 'We win.' But hopefully they have enough humility to say there is room for both. There are ways to use direct marketing tactics to get instant responses, but also to build a brand."

Even Internet marketers, such as Amazon, have taken to using direct marketing techniques, including mailing catalogs to homes, says Fader. "They are finding out through trial and error that they need to acknowledge direct marketing, which includes ... the kind of tactics and accountability they derided for many years."

Jon Roska, chief executive of Roska Direct, an advertising firm in Montgomeryville, Pa., says marketers need to constantly refine their audience, rather than rely on blasting their message to as many people as possible in a 30-second television ad.

For example, a television ad selling a product for dogs is wasted on all the people who do not own a dog. "Everything has a finite target audience," he says. "The trick is to define that audience, own it and not waste a penny of your ad dollars outside of that market."

New technology is helping marketers in many ways, Roska adds. He points to POD, or the print-on-demand system, that allows marketers to feed database information directly into a printing press to customize mailings. "The piece that comes off the press for Mary Sue in Tennessee has a picture of something in Tennessee that speaks to her and her needs. The next piece is targeted to John Smith in Rome, N.Y. and looks totally different ... Instead of mass printing of one message," says Roska, "we are now capable of customizing the message to the recipient."

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