

What is product placement and why should I care?

Let's talk about the partnership type that raked in a whopping \$20.6bn globally in 2019 (according to [PQ Media](#)). And the very same partnership type that sees around 49% of Americans take action (according to [TechCrunch](#))

That's right, product placement is a fast-growing marketing technique that has a proven record for getting results. Here, we'll take a look at what it is, why it works and who's doing it well.

First things first: What *is* product placement?

Product placement, also known as 'embedded marketing,' is when a brand or product is incorporated into another work as a deliberate form of promotion. This is often very subtle, to the point where the audience may not even consciously notice it.

Product placement is particularly common in TV and film. In fact, 75% of broadcast-network shows feature placements of some kind. Plus, TV attracts nearly 71.4% of all paid product placements (as reported by [Priceconomics](#)).

So, you'll have seen a ton of product placement examples over the years. Let's think...

- A bottle of Coca-Cola in Ted's fridge during *How I Met Your Mother*
- Mr Potato Head and Etch-A-Sketch in *Toy Story*
- Hershey's Reese's Pieces making an appearance during *E.T.*
- Tom Cruise's Ray-Bans in *Risky Business*
- Carrie Bradshaw's Manolo Blahnik shoes in *Sex in the City*

Plus, although you might not have noticed it, you'll have probably come across product placement in many other walks of life – in pop music, in video games, on social media and more.

But what's the purpose of product placement?

You might be wondering: 'what's the point in product placement if the audience often doesn't even notice it?' Well, in some ways, this is what makes product placement all the more powerful.

By subtly associating itself with a well-loved piece of entertainment, a brand can:

- Increase brand awareness
- Positively change brand perception
- Influence audience behaviour

Just think about it: have you ever watched a TV show where the characters are eating pizza and thought 'I really fancy a pizza right now'. Or watched *Sex in the City* and thought 'I really love Carrie Bradshaw's shoes!' That's the power of product placement!

Now compare this to a traditional advertising campaign: 66% of all TV viewers mute, skip, or 'tune out' during ad breaks according to [Bloomberg](#), while 78% of marketers believe that traditional TV advertising has become less effective.

By integrating an ad within a piece of entertainment itself, brands can make sure that their product is seen and avoid any negative connotations that come with traditional advertising. So, it sounds like a pretty done deal, right?

How does product placement work?

Usually, the primary brand will pay an upfront cost for a product placement opportunity. In this way, it works similarly to traditional advertising models.

However, the collaboration has to go a little deeper in product placement. After all, when a brand pays for a traditional ad, they usually have full creative control. On the other hand, when it comes to product placement in TV, film and other similar media outlets, the brand has to work with the channel or creators to make sure its product is portrayed in the right way. Both the brand and the creators need to be happy with the end result!

Brands who want to pay for a product placement opportunity on TV or film will usually be able to choose from a variety of options:

- **Background placement:** The product can be seen in the background of a shot.
- **Visible foreground placement:** The product is seen in the foreground of a shot, drawing more attention to it.
- **Direct mention or usage:** A cookery show might endorse the product or a character in a TV programme might use or mention it.
- **Inclusion in the plot:** The plot might be geared around a product, like in the 2017 *Power Rangers* movie where a scene takes place in a Krispy Kreme doughnut shop.

While the first couple of options are standard in product placement, the latter two are more commonly referred to as 'product integration'. This is because rather than just being placed in sight, these options require the product to be written (or integrated!) into the script.

Some businesses may prefer to publicise their brand as opposed to a specific product, for example by displaying their logo. This is known as 'brand placement' or 'brand integration.'

Interestingly, although the average duration of product placement on camera is 6.2 seconds, 68% of product placements last for 5 seconds or less (according to [Cooking Styles of the Rich and Famous](#)).

As you can imagine, this short duration leaves room for multiple placements within the same piece of work. Take *Superman: Man of Steel* as an example. According to [AdAge](#), it bagged more than \$160 million in product placement promotions, with brands including Hershey's, Kellogg's and Nokia all claiming product tie-ins with the blockbuster movie release.

How effective is product placement?

Want the quick answer? Very!

if you're interested in the longer spiel, check out these stats.

- Placements in TV shows can increase brand awareness by up to 20% ([Priceconomics](#)).
- That figure could be 43% when a product placement is on an emotionally engaging program rather than a film that could be described as 'eye candy' ([Cooking Styles of the Rich and Famous](#))
- 57.5% of TV viewers recognised a brand in a placement when the brand was also advertised during the show ([The Journal of Management and Marketing Research](#)).
- 60% of moviegoers feel more positive about brands that they recognise from a product placement spot ([Cooking Styles of the Rich and Famous](#)).
- 52% of North Americans trust product placement ads ([Statista](#)).

Impressive, right? But if that doesn't convince you, these amazing product placement examples ought to do the trick.

1. Hershey's Reese's Pieces & *E.T.*

When *E.T.* became one of the highest-grossing films of all time, Hershey's profits went up 65% in one year according to [Hollywood Branded](#).

EMBED: <https://www.youtube.com/watch?v=AfAzUAxWELU>

2. Etch-A-Sketch & *Toy Story*

[Forbes](#) reports that Etch-A-Sketch sales went up by 4,000% after it was included in *Toy Story*. At the same time, Mr Potato Head sales increased by 800%.

EMBED: <https://www.youtube.com/watch?v=ZqXj3l55Jgg>

3. Ray-Ban's Wayfarers & *Risky Business*

According to [CBC](#), sales of Wayfarers had fallen to just 18,000 pairs by the 80s and Ray-Ban was about to drop them from the product line. But after Tom Cruise wore them in *Risky Business*, sales jumped to 360,000 pairs and kept growing.

EMBED: <https://www.youtube.com/watch?v=pmJSnyJuKG4>

Product placement and influencers

With the rise of social media influencers, product placement has found a new vibrant and inclusive home.

Product placement slots on popular movies and TV shows tend to go to brands that can afford to fork out large sums of money for them. Wondering quite how much? Well, Heineken's US division reportedly paid \$45 million for a product placement in 2012's *Skyfall* (or so says [Priceconomics](#)). Yep, it's a lot.

Although less prominent spots in less high-profile movies and TV shows will go for less, they're still likely to be out of the majority of SMEs' budgets.

On the other hand, social media product placement opportunities come in all shapes, sizes and price ranges and are relied upon by small businesses and large corporations alike. These opportunities typically take the form of social media influencers who'll happily share a brand's products with their audiences in return for a fee (or sometimes even in return for a free product).

In the same way as a TV show or movie, product placement on social media can be very subtle or much more overt. An influencer might stage a photo of the product itself. Or, they may simply get snapped out and about in a branded hoodie or sipping a certain milkshake.

However, the world of product placement and influencers can be a little more complex than longer-standing channels as there are a number of overlaps with other partnership types. For example, many influencers are affiliate marketers who work on commission (read our [beginner's guide to affiliate marketing](#) to find out more).

Plus, the line between influencer marketing and sponsorship can be very blurred, especially when you look at the part that celebrities and sports personalities have to play.

As a Nike sponsee, Nadal wears Nike gear to play major tennis tournaments. This has an effect that's pretty much identical to product placement, especially when you consider the fact that many of his games are broadcast on TV (see our [sponsorship marketing guide](#) for more). At the same time, the Nike tick makes its way into at least half of his Instagram photos. So, where exactly would you draw the line?

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As you can see, the world of product placement is full of exciting possibilities for brands both big and small.

But as you can also see, this landscape isn't black and white anymore (if it ever was!) and there are tons of overlaps and crossovers with other partnership types. That's what makes the world of partnerships so fantastically exciting and varied! Ultimately, it's all about forming unique collaborations that achieve *your* business goals (as well as your partner's).

Check out our piece on the [14 types of partnership](#) to see where product placement fits into the larger picture. And make sure to [sign up](#) with Breezy to find strategic partners who can make your business dreams come true – whether that's through product placement or any other weird and wonderful partnership you can concoct. Enjoy!