

# Digital product placement creates adverts out of thin air

By Michael Millar Business reporter, BBC News 8 April 2013

**One of the great dilemmas facing the TV and film industry is just how to make money out of a cheapskate audience, who are often not willing to pay for programming or watch adverts.**

Viewers have many more options than just nipping off for a cup of tea during ad breaks these days.

They can record programmes and then skip the adverts - or far too often simply download them illegally.

Banner ads and pop ups online tend to be annoying and are often ignored.

But if you, the viewer, won't watch adverts voluntarily then beleaguered TV, movie and advertising executives need to find a way of taking that choice away.

One emerging technology that could be a solution is digital product placement.

Of course, product placement isn't new; Pontiac would not have sold nearly as many Trans Ams if that had not been David Hasselhoff's crime-fighting car of choice in the 1980s phenomenon, Knight Rider.

Recently Heineken scored a coup by persuading James Bond to choose its beer over a vodka martini in Skyfall.

However, digital placement is fundamentally different in that the product you see on screen was never there in the first place.

Editors can drop whatever they like, wherever they like, into programmes or films during the post-production process.

Places please

Digital placement firm MirriAd has taken advantage of the growing appetite for this service, having just raised £3.6m from investors led by Indian media tycoon Subhash Chandra.

"These are not just logos, they can be video, signage and products, even cars," explains Mark Popkiewicz, the company's chief executive.

"When brands are integrated they are placed in such a way so it is clear to the audience that they were always there and are part of the scene.

"For example beverages are placed as open cans or bottles with glasses containing the beverage alongside - that way they look like they are being consumed.

"The technology is capable of placing or replacing moving objects and even replacing products being handled by actors like mobile phones," he says.

Mr Popkiewicz believes there is a key psychological reason his solution could cheer up impecunious film and advertising executives.

"Early trials show almost double the engagements of traditional campaigns," he says.

"This is because when a consumer watches a show they are not 'defensive' against advertising as they might be with advertising online or commercials on TV - they are in 'receive mode' and are not blocking."

He insists there is no element of subliminal influence, which can be both legally and socially unacceptable, saying the whole point is the images are "present and impactful" to make them work.

Blanket coverage

Being digital, you won't be surprised to hear the process doesn't stop with merely showing you an image.

Car manufacturer Lancia recently ran a campaign to support the launch of its new Ypsilon Methane in Italy.

Viewers of Cerco Casa Disperatamente, a house hunting show, might have noticed the car appearing on signage, PC monitors, and magazines - all of which was added in post production.

But if they also had the dedicated 'Lancia INTERACT TV' app on their smartphone an inaudible soundtrack from the TV would activate the device offering promotions related to the car.

Maurizio Sala, creative director at Bitmama, led the project.

"Recent data shows that the majority of viewers (aged 18-44) use a second screen, either a tablet or smartphone, while watching TV," he says.

"This use is mainly for activities related to the programme, such as voting and purchasing of products, or to social media activities.

"Our aim was to provide the viewer with an integrated two-screen experience to qualify brands through real-time content experience."

Of course these days viewers not only want something for nothing, they increasingly want content tailored to them.

This could mean that if you and your neighbour are watching the same programme, different items might be embedded on the same show to suit your individual tastes.

"In principle this is possible today, but the costs of creating and personalising the adverts would outweigh potential gains in terms of effectiveness," says Adam Fulford, strategy and planning director at digital branding consultancy Rufus Leonard.

"The time will come though when the adverts inserted could be as personalised as a piece of direct mail.

"Whether this adds value for consumers and improves effectiveness remains to be seen and depends entirely on how it is deployed."

Reality bites

A more benign regulatory environment across the world has helped the industry.

One of the latest markets to allow it is the UK, which only deregulated in spring 2011.

MirriAd now operates in 20 markets, with particular interest from those with higher GDP growth, including Brazil and India.

Philip Hughes, associate at the media, brands and technology team at lawyers Lewis Silkin, warns different territories still have very different rules

"Ensuring legal compliance across multiple jurisdictions can be expensive, risky and time-consuming," he says.

"The expense of ensuring compliance may far outweigh the benefit of such activity, so contractually avoiding responsibility and liability for such clearance should be considered."

All of which begs the question: can we trust our eyes any more?

Mr Popkiewicz points out that 'brand integration' is not used in news and current affairs or in children's programming.

He also points out that sitcoms, reality TV, games shows and music videos are, at the end of the day, designed to entertain.

"Entertainment content on TV, like film and online content is produced," he argues.

"It is story-telling and is supported by a range of standard industry processes such as editing and visual effects which create the required visual impact the director requires.

"It is real in so far as the audience is immersed in the content, the brands playing an important part in making the content more real."

Reality, it seems, is all relative.