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## ‘ADVERTAINMENT’: CAPTIVATING & INFLUENCING CONSUMERS

Advertainment – the integration of typical advertisement values with more direct entertainment qualities to create advertainment properties – content vehicles that more effectively captivate, engage, and influence consumers.



'Advertainment', much more than a concept...

Today's mega-brand marketers now direct their media-buying firms to take the lead and create new advertainment entertainment properties – Web videos, film shorts or feature films, and Internet, Cable or network broadcast TV shows.



Besides TAG HAUER, Kenneth Cole, DSW... who are some 'Advertainment' early adopters?

Burger King, fast foods second largest purveyor of hamburgers, has actively sought Hollywood's buy-in for a low budget (\$5 million) feature film called *Above the King*, a comedy about teens living above a Burger King restaurant. In addition, the company who has spent \$730 million on U.S. advertising since 1974 intends to spend over \$5 million to develop Burger King's mascot character centric video games for Microsoft Xbox and Xbox 360 game consoles.

Burger King's renewed marketing focus helped create greater business value. In December of 2002 private equity partners Goldman Sachs Funds, Texas Pacific Group and Bain Capital Partners bought Burger King from Diageo PLC for \$1.5 billion. Average franchise sales have increased to \$1.1 million from 2002's \$940,000. In May, 2006, owners raised \$425 million by going public at \$17, and shares recently closed at \$16.

**Imagine...**cutting through the media noise with an ad that people want to watch!

**Better yet...**, 'advertainment' content that people want to watch, listen to and interact with!

**SEE  
YOUR  
FUTURE...**

**THROUGH  
EYES  
OF  
YOUR  
CUSTOMERS!**

**- RICHARD D. SMITH**



# How About...

## Branded Media

### 'Advertainment' Networks

Anheuser-Busch leads by digital-media example. With an estimated advertising budget of \$600 million for 2007 Busch is launching its own Web entertainment network called Bud.TV. This seven channel operation with start-up costs of \$30 million has a target audience of 21 to 27 year olds who prefer booze over beer and customized information over mass media.

Busch's objective is to sell more beer. "Consumers have to see it as entertainment, not a commercial generation machine" according to Tony Ponturo, global marketing head.

Bud.TV channels will include:

- Bud Tube: Consumer generated video, with homemade ads for Bud and Bud Light.
- Reality: A live version of 1970's The Dating Game. To originate from restaurants and bars in 25 cities.
- Comedy: Will feature wannabe comics.
- Happy: Content to chat about while drinking a beer.



## Or..., Virtual Reality

### 'Advertainment' TV

Reality TV is moving to the Web. Large companies are creating online contests and interactive games – winners receive grand prizes. AOL.com has "Gold Rush", MSN "Fan Club: Reality Baseball", and user generated content offers programming help to GoFish.com and its "America's Dream Date".

### Or..., Mini 'Advertainment' via TV Shows a.k.a. Product Plugs...

Sitcoms and dramas have become the latest product showcase due to shrinking ad markets, growing production costs, and the perpetual introduction of new TV ad-skipping technologies. Not quite true advertainment because products are no longer props but woven into the storyline and subjects of dialogue. Audience impact, networks are more obvious about show product placements. NBC's newest drama, Friday Night Lights is a recent case in point - football team hangs out at Applebee's, stadium has AT&T billboards, Gatorade on the sidelines, and teammates head to the movies to see Fox's *Eragon*.

**Price for Placement: Source PQ Media, Research firm**

**Total: 2004 \$552.4 million vs. 2005 \$941.2 – % Change +70.5%**

**Drama: 2004 \$126.7 million vs. 2005 \$211.8 – % Change +67.1%**

**Comedy: 2004 \$077.5 million vs. 2005 \$136.8 – % Change +76.4%**

The automobile industry has benefited from strategic product placement in Hollywood for decades. Aston Martin will forever have the tie to James Bond and Magnum PI had his Ferrari and Elvis loved his Cadillac. Season 4 of Nip/Tuck had its surgeons behind the wheel of the newest exotics; the Porsche Carrera Convertible and the Lamborghini Gallardo Spyder. Shows such as 24 will feature Jack Bauer saving the world in a Ford SUV. For the consumer, this has provided a certain level of introduction to the product, but the consumer craves more.

Auto brands have responded with some of the most interactive websites on the Internet, allowing browsers to completely customize their car, price options and select color combinations. The "Gallery" provides high resolution pictures of the car, perfect to download, save as the desktop background and stare at each time you begin and finish your day. "Postcards" allow visitors to send friends snapshots of their latest dream car. "Sounds and Video" are sections loaded with mp3 files of 0-60 acceleration and video clips of the car hugging turns at a racetrack.

When the consumer graduates from the internet and heads to the dealership, the experience is enhanced.



Aston Martin's modern yet elegant showroom has a large plasma screen beside the floor model walking the customer from the manufacturing process, to the hand stitching of the leather interior, to the performance in the street. *Aston Martin, the brand, the car, the image is not just seen, it is felt. The consumer is engaged.*

These are just mere examples of how select industries and companies are modifying their messages and reinventing their advertising approach to deliver stronger, experience based content that will not only reach the consumer, but engage them in the product.

**B**ut there are advertising alternatives, and some might say solutions, **that go beyond the typical marketing mix** of print, radio, television, and internet **and fully exploit the digital media revolution that is upon us.**



And, Don't Forget

**Mobile - Small Screen TV's...**

Is there a sustainable business model future in going from Apple iPods to next generation iPhone?

To early to tell...

Cheers!

