

## BRANDED ENTERTAINMENT.

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# BRANDED STORYTELLING

With television audiences increasingly in control of their viewing experiences, **James Grant Hay** looks at how branded entertainment conspicuously cuts through the clutter, inviting and engaging tomorrow's digital audiences today.

“Great brand stories stem from the reason a brand exists,” Alain Thys wrote recently in his Future Lab blog ‘The Ten Truths of Branded Storytelling’. By the time James Dyson entered the US market in 2002, with his ingenious cyclonic bag-less vacuum cleaner, his invention had undergone 5127 prototypes before he could make it work. Today, the \$1 billion UK-based Dyson Appliances centres all of its brand communication strategies on one single brand identity – better living through better engineering. Dyson had found a way to make his vacuum cleaner work, but he had also uncovered in the process his brand’s ‘unique story proposition’. In the digital age, developing a powerful brand story, which resonates with audiences globally, will become one of the key success factors of branded entertainment.

Years ago, I attended Robert McKee’s legendary Story Seminar in Melbourne. The course teaches you the ‘principles’ involved in the art and craft of screenwriting and story design, and proved to me that the essence of a great story is forever unchanging and universal. Whether on the big screen, television, stage, in novels, or all other creative work, everything serves in the shadow of classic story design.

As a concept, storytelling has won a decisive foothold in the debate on how brands of the future will be shaped. Nowadays, most marketers aim to cover as many new unfolding story touch points as possible with a consistent marketing message. If you happened to read Interbrand’s recent global

ranking of the 100 most valuable brands in the world, you would have noted that the best brands are those whose brand positioning and ethos permeate the consumers’ world. Interbrand’s second principle of ‘demand creation’ also explained why some brands, such as Nintendo’s Wii, are proving to be more conspicuous in the market than others, by “making sure that a brand’s messages receive a warm, favourable and engaged welcome from its audience so that they’re acted upon”.

Branded entertainment does just that, albeit on several levels. Firstly, the entertainment industry has developed program attributes to create productions that invite, engage and retain an audience. Branded entertainment’s earliest roots date back to the pioneering days of US television in the 1950s when Proctor & Gamble (P&G) created an entire genre of programming around ‘soap operas’. P&G funded production of soaps such as *The Guiding Light* and *As the World Turns* for its Tide and Crest brands. BP Pick-A-Box is perhaps the best-known Australian example of its kind to grace our screens in the 1950s.

For marketers, these formats not only create the opportunity to build an audience, but also allow advertisers to communicate a more complex message than would otherwise traditionally be offered. The trend towards branded entertainment is now being driven by an increasingly fragmented media landscape, wherein the consumer has such a wide variety of available media to choose from that marketers must find new ways of communicating with their target audience.

To achieve the same level of cut-through

as 10 years ago, marketers will need to do much more than the traditional advertising approach in the future. This is now being reflected in network ad packages locally, with an expanded cross-platform inventory to meet the demands of television advertisers to include brand integration components in program line-ups. Seven’s ad inventory for example now includes TV spots, print (Pacific Magazines), online (Yahoo!7) and off-deck (mobile) packages.

The strategy also accounts for the resurgent growth in paid product placements driven by cross-media promotions. As traditional advertising methods flounder, product placement has emerged from a no-marketing tactic just a few years ago to a key marketing strategy worldwide.

According to PricewaterhouseCoopers Global Entertainment and Media Outlook 2007-2011 report, spending on convergent platforms (convergence of the home computer, wireless and television) will exceed 50 percent of global entertainment and media spending by 2011. By far and away, the “internet will remain the fastest-growing advertising medium, with a projected 18.3 percent compound annual increase to \$73 billion in 2011,” the report said. By contrast, Australian Entertainment and Media sector is predicted to grow at a compounded annual growth rate (CAGR) of five percent to \$28 billion by 2011, with ad revenue expected to grow at a slower rate than consumer spending. Between 2007 and 2011, it’s forecast advertising will grow from \$10.7 billion to \$13.5 billion, at 4.8 percent CAGR, with the internet enjoying double-digit growth. You will recall that the online advertising sector topped \$1 billion in Australia last year, outstripping traditional media by a factor of 1.5.

The transformation of the internet from a pure response platform to an interactive brand medium will do more to attract and secure larger branded entertainment budgets. One of the driving forces behind the growth of online branded content is the consumer demand for internet-delivered video. With the rise of both professional user-generated video content online, the internet is shaping up to be one of the most dynamic playgrounds for the production of branded entertainment.

With appointment television in decline, the internet is fundamentally changing the way programmers distribute content and consumers engage with media. As a result, video and TV distribution is transforming from a centrally controlled and programmed broadcast system to a new model that is demand-driven, multi-device, and organised around viewer control and participation. This model is likely to be the most significant change

the media landscape since the mass adoption of television.

Earlier this year, the UK's Institute of Practitioners in Advertising released a report that starkly outlined the challenges marketers faced in a world where consumers (particularly the 16 to 25 age group) were increasingly creating their own media content on sites such as Facebook and YouTube.

"Already, consumers are creating their own forms of advertising, free of commercial imperative, in the form of social networking sites," the report said, adding, "media owners are bypassing agencies to develop advertiser-funded content through their own creative departments." One of the central themes of branded entertainment is the collaboration between advertisers and content producers.

That's the scenario that will play out in the next few episodes of the popular WebTV serial, *LonelyGirl15*, which has been experimenting with product placement as a way to fund the series. The show became a web sensation last year, after episodes were posted on YouTube. The success continued even after it was revealed that the homespun videos were actually a scripted series created by three friends, starring 20-year-old New Zealand actress Jessica Lee Rose. The creators of the show, Greg Goodfried and Miles Beckett, have posted more than 200 episodes since launching late last year and recently signed a deal with Johnson & Johnson's skin, hair and cosmetic line brand Neutrogena to star as a branded character in the upcoming new episodes.

Prom Queen, another teen web series, which just happens to be backed by former Disney chief Michael Eisner, is also playing to great web appeal amongst young female audiences. Both Fiji Water and Victoria's Secret Pink apparel sponsor the show.

Here in our own backyard, Toyota has made the leap by sponsoring the first branded content online interactive web drama series, *PS Trixi* from Yahoo!7. The groundbreaking 12-week drama, which launched on 28 August last year, stars new Australian actress Erin Swann as Trixi, a freewire local radio DJ in her 20s. A cross between an online game and a television drama series, the *PS Trixi* story unfolds as the audience works to unravel the mysterious disappearance of Trixi's sister, Max, using a range of interactive content including streamed video segments, podcasts, webcams, emails, blogs and specially created websites. Toyota has taken the opportunity to become the drama's exclusive sponsor and their brand is integrated into the storyline as a result.

As fans follow the plot and become involved with the story by solving clues, interacting with each other and completing various



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online tasks, viewers accumulate points, which can then be exchanged for a 'key'. Each key represents an opportunity to win a Toyota Yaris ("Australia's number one small car") – acting as a reward for the most enthusiastic of audiences and enhancing Toyota's association with the new online drama.

Penned by acclaimed Australian writers Deborah Cox (*SeaChange*) and Marissa Cooke (*Fat Cow Motel*) and produced by Hoodlum Interactive, the series also cleverly integrates a number of Yahoo!7's online properties as platform provider, giving fans access to parts of the storyline and clues via a number of different Yahoo!7 products. The series is a great example of what viewer interaction and participation can achieve.

As consumers begin to take control of their media viewing habits, a seamless story integration experience across platforms and devices will need to be high on marketing agendas. The introduction of the Digital Video Recorder (DVR), Internet Protocol TV, Video-on-Demand, video iPods, mobile and wireless technology, as well as advancements in digital home media software, are enabling consumers to personalise their media viewing habits like never before. The arrival of TiVo in Australia through Seven and the support of an open-access Electronic Program Guide (EPG) by Free TV Australia is seen by many

to be the clearest indication yet of a paradigm shift in future-proofing a new business ad network model.

In the DVR age, the ability to fast forward or remove ads, record and/or time shift television programs to mass storage will gradually undermine the scheduling power of networks in the years to come and with it the value of the 30-second spot commercial. Currently, DVRs are found in about 328,000 of Australia's 7.8 million homes. That number includes the 200,000 subscribers to pay TV operator's Foxtel iQ DVR. In the US, DVRs have roughly a 23 percent household penetration and in those homes 50 percent of all viewing is time shifted – that is to say, recorded and then viewed at a time later than the initial programming schedule. In a recent CBS news survey, about 90 percent of Americans who own a DVR say they fast-forward some or all commercials.

However disruptive a threat this technology may appear to pose, any residual loss of value will be offset by an enhanced advertising opportunity within the Electronic Program Guide (EPG), the navigation menu soon to be found on most DVR devices. EPGs will become more important as the content choice of consumers expands. TiVo in Australia for example, will offer broadband internet capabilities for accessing web content on platforms such as YouTube, as well as movies on demand. IceTV in Australia already offers a similar service, as will Foxtel by-broadband. This personalised view of the content world presents valuable advertising real estate and television commerce potential for branded content. Moreover, the ability of viewers to personalise individual programs to their choices will also spur an increase in targeted branded content.

While the penetration of DVRs in Australia has been delayed, marketers and advertisers must not underestimate the more readily available software solutions of Microsoft's Windows XP Media Centre (MCE), which when equipped with a compatible digital PC-TV tuner card can receive and record digital free to air television while skipping advertisements. Recent advancements in Windows 2.0 technology solutions, such as clickable video hyperlink (VHL) and the rise of the online ad exchange marketplace are creating a third front for consumers and video.

Like any good story it is the narrative that communicates the underlying brand philosophy, which engages and inspires consumers to use and stay loyal to our brands. A great story sparks our imagination, challenges us to think, and resonates with our collective conscience. After all, says Thys, "the brands that win tomorrow are those whose customers tell the best stories." **M**