Chapter

9

PROPERTIES AND EVENTS

(Also see "Tie-ins," Chapter 11)

INTRODUCTION: MAKING THE RENT-OR-BUY DECISION

As explained in the following chapter, properties are audience-gathering activities around which sales promotion activities can be developed. Generally, when the marketer thinks about properties, he or she is thinking about taking advantage of the interest or attention the activity is generating among consumers as a method of building sales or enthusiasm for his or her product or service. Thus, in the strictest sense of the word, any promotion that relies on a *property* is relying on borrowed interest. That's not bad, but the promotion manager must recognize the audience came to the property not to learn about the marketer's brand or even the product category. Instead, they came because they were interested in the activity or event or the people associated with the property, whether the National Football League, the Olympics, a Rolling Stones concert, or Willie Nelson for Farm-Aid. The product or service the marketer is promoting through the property is generally a by-product of the event, not the main event. This is not to say that borrowed interest is bad, but the promotion manager needs to remember that in developing plans and programs that will help sell more stuff.

As the title of this introduction suggests, the key ingredient in developing an effective property promotional program is whether you will own the property or simply rent it for a certain period. For example, the term *soap opera* emerged from the early days of radio and television. It came from the fact that several soap and detergent manufacturers, such as Procter & Gamble, actually developed and produced the daytime dramas as a way to promote their products. They "owned" the dramatic series, which gave them exclusive rights to promote their products on the show and to use the personalities that emerged from the series to further promote their products. Today we see this same type of "ownership" in such activities as soccer clubs, basketball teams, and the like.

Alternatively, many organizations choose to rent participation in a property for a certain period. They become official sponsors of the Olympics, the World Wrestling Federation, various golf tournaments, charities, and other activities by way of agreements whereby the marketer agrees to pay a fee to have the brand or the organization represented as part of the property.

Obviously, the decision for the promotion manager is whether to rent or to buy the property. That decision is generally one that has major financial implications for the organization. Thus, the use of properties is not some spur-of-the-moment decision and shouldn't be treated as such.

The key strategic determinant in any use of properties is the audience the activity generates and for which it has appeal. In truth, participation in a property is not unlike the selection of traditional advertising media. If there is no audience match between the property and the brand or organization, the sheer size of the audience generated is of no matter. For example, in some recent analyses we conducted for a marketing organization, we found that rather than helping build the brand, the association with the property actually hurt sales. The target audience for the marketer's brand simply ignored the sponsored property. In some instances, we found the brand's involvement with the property was actually a deterrent to continued use of the brand. So the key element is to know enough about your target market and the property's audience and reputation to make sure there is a fit.

Although properties clearly can build sales for an organization, they too have a life cycle. Something that is highly desirable today may fade quickly in the face of new audience interests or changing consumer whims. Entertainment personalities are notoriously risky, as Chrysler recently learned from its association with Celine Dion, and Hertz learned several years ago with its use of O. J. Simpson. So properties can boom the product or service as well as bust it. And the problem is that it's very difficult to predict what will likely happen in the future.

Clearly, the more established the property, the higher the cost of participation but also the lower the risk.

Another factor that must be considered is the potential for piracy, or what is now called *"guerrilla marketing."* This is simply a term for marketing activities that play off the value of the property, but the marketers are not authorized to do so nor do they pay the fees required of legitimate sponsors or participants. It can be most disconcerting to spend substantial time and money developing an agreement with a property owner for participation with the assumption you will have exclusive rights to the property, only to see a competitor skirt the law in some way or other and benefit from an implied association.

The use of properties can often be a huge success, as evidenced by Budweiser's continuing participation in the Super Bowl. In fact, Bud and the Super Bowl have become almost synonymous. Consumers actually look forward to the next set of Budweiser commercials they know they will see in that venue. This ongoing association demonstrates the key point of any property evaluation. The Super Bowl audience matches the audience Budweiser wants to reach. That's when the real value of a property shows through. And in cases like this, whether you rent or buy makes little difference because the property really does help you sell more stuff. —Don E. Schultz

OVERVIEW

Put Elvis, Marilyn, or the latest teen throb on a drinking cup and it becomes a sought-after collectible, outshining your competitor's common cup. In fact, the whole sales chain will take notice. Licensed properties deliver the excitement and recognition your product or program may otherwise lack. But careful, they aren't foolproof and even award winners have been profit losers.

DEFINITION

Licensed properties are celebrities, events, leagues, entertainment packages, and the like that have their own intrinsic value, identity, *and* rights to their likenesses, which can be sold to marketers. The costs vary by the marketer's ambitions—from simple refund offers on video releases to creating character likenesses and selling them with happy meals.

COMMON LICENSING AND EVENT OBJECTIVES BY TACTIC

(Also see itemized tactics below.)

TACTIC	OBJECTIVES (Beyond Purchase)
Product placement in TV or movie	Exposure with TV/movie topspin; implied product popularity
Product affiliation	Add visibility, recognition, and possibly more legitimacy to product
Licensed premium offer	Increase/enhance product visibility, image, and demand; exclusivity
Licensed product value	Leverage existing licensed product to increase/enhance visibility, image, and demand; exclusivity
Event tickets	Leverage event/movie popularity with motivational ticket offer to consumers as well as to the trade, distributors, and other key people
Event extensions	Structure custom program to achieve unique business needs with additional topspin of event/property affiliation
Event events	Awareness and interaction during event through on-site program

ITEMIZED TACTICS

98. PRODUCT PLACEMENT

Definition Product placed as prop in a TV or movie scene for a fee

Advantages
- Exposure to large audience in entertaining setting
- Implied product popularity
- Popular platform for a timely consumer promotion
- Exciting vehicle to motivate salesforce and the trade
- Publicity opportunities
- Can be relatively inexpensive

Disadvantages
- Impact dependent on prominence, no distractions, and observant audience
- Some say without actor interaction, virtually no product recall
- Individual scenes typically quickly forgotten
- Can be expensive, sometimes requiring payment for entire scene production
- Dependent on show's success
- Promotional timing subject to revised release dates

99. PRODUCT AFFILIATION

Definition Licensed property appears on packaging
Examples: Flintstones Vitamins; Wheaties

Advantages
- Instantly lends recognition, enjoyable image, and appeal
- Implies product quality
- Can target to select market: children, teens, sports, etc.
- Product stands out from competition
- Encourages sales, distribution, and retailer support, particularly with coordinated incentives—autographs, appearances, tickets, etc.
- Package may be considered collectible, increasing value and demand
- Opportunity for hype, including the licenser's marketing

Disadvantages
- New packaging costs and operations

- Property may detract from brand's own identity
- Royalty adds to cost, leaving product less price competitive
- Licenser may require significant up-front manufacturing run plus royalty payment
- League may require inclusion of all teams
- Property's popularity is unknown at onset
- Trends can change during long lead time
- Competitors may engage in "property popularity contests"

100. LICENSED PREMIUM OFFER

Definition

Marketer offers exclusive licensed item with purchase of product—free or self-liquidated—often in collectible series

Examples: Fast-food "movie toys"; mail-in for character cup; free-with-purchase athlete poster

Advantages

- Added awareness, excitement appeal, and demand
- Self-liquidation offsets costs
- Lends property's image and allure to product
- Exclusivity makes retailer a destination, increasing share
- Collector appeal increases value, demand, repeat visit/purchase
- Collectible series generates repeat purchases
- Can target select market
- Added publicity through licenser's marketing

Disadvantages

- Fees, design, mold making, manufacturing, and shipping represent enormous up-front costs reliant on property's ultimate popularity
- Must consider food-safe inks, child choke tests, and other liabilities
- See "Product Affiliation" above

101. LICENSED PRODUCT VALUE

Definition

Marketer offers value on existing licensed property, such as a DVD title mail-in rebate

Advantages

- Popular, high-value consumer offer at relatively low cost

- Lends instant visibility and appeal to product
- Existing product (DVD) already has known ratings, unlike new release
- Existing premium does not require costs, operations, and risk of a custom premium
- DVD, CD, toy rebates, etc., are turnkey programs with historical results
- Can target select market
- Mail-in offers enjoy slippage economies (see Chapter 4, page 106)
- May enjoy added publicity from licenser's marketing

Disadvantages

- Common promotional tactic has less impact than other property tactics; me-too tactic
- Consumers may have already purchased nonexclusive item
- Mail-in offer less immediate and compelling than instant reward
- Requires redemption resources and expense (see Chapter 4, "Rebates/Refunds," page 109)

102. EVENT TICKETS

Definition

Marketer utilizes limited sponsorship involvement to give away event tickets as promotional rewards

Advantages

- Relatively inexpensive way to affiliate with a popular event
- May utilize property's name without expensive sponsorship fees (but not always)
- Flexibility—in-packs, handout perks, radio winners, redeem at gate, etc.
- Relatively easy execution
- Opportunity to "bond" key associates at event

Disadvantages

- Tickets may be full cost
- May require release of liability
- Weather considerations
- Does not grant right to property's images and trademarks (can't say *Super Bowl* without rights)
- May be lower visibility, value, and impact than other event tactics
- Limited to region—less economical than national program
- Future team performance or movie popularity unknown

103. EVENT EXTENSIONS

Definition

Marketer springboards off existing event to create its own event tactic
Examples: Match event scores and win; spot product on TV show and win; sit in the Formula One car at Acme store; visit Acme's tent for Mr. Hero's autograph

Advantages

- Custom program tailored to business needs while leveraging property's popularity
- Allows grassroots extensions of national program
- Adds the brand's own topspin and image-building tactics
- Can create a treasure chest of tactical extensions so that each retailer has an exclusive promotion—a football premium for one, football cards for another, Super Bowl ticket, etc.
- Above advantages can saturate sponsor affiliation with the property

Disadvantages

- Substantial cost of property rights, exclusivity, and local execution
- Additional negotiation and coordination with property
- May require specialized expertise and resources
- Risk—reliant on ultimate popularity of property and tactic
- Subject to shifting release date, weather, competing events, etc.
- Effort—and planning—intensive

104. EVENT EVENTS

Definition

Marketer creates its own event within the event, such as tying into a festival with an entertainment stage, relief tent, autograph signing, etc.

Advantages

- Immediate, interactive link to the event and its excitement
- "Meet the market" opportunity
- Numerous opportunities with captive audience
- Brand can put on a personal face and share attendees' enjoyment
- Can bond key associates at event
- Opportunity to sell in consumer promotion through invitations
- PR opportunities

Disadvantages

- Planning-, labor-, and cost-intensive
- Extensive coordination with event promoters
- Susceptible to such unforeseen circumstances as weather, accidents, performer illness, etc., so have backup plans and insurance coverage
- Expensive cost per exposure compared to national events

EVENTS

Events reach right into the community, from professional sports to grass-roots festivals. The most crucial task is finding the right event from over 40,000 choices. Or you can create your own event. As always, start out by defining your objectives, then reviewing the possibilities. Some objectives to consider:

- Creating a more exciting presence
- Changing or enhancing your image
- Increasing the market's scope (e.g., children *plus* tweens)
- Publicity
- Lending credibility to the product ("Must be a good deodorant if a wrestler uses it!")
- Flexible foundation to launch diverse promotions under one umbrella
- Leveraging property's popularity for store traffic and tie-ins—with community presence
- Motivating trade, distribution, salesforce, etc. (hospitality events, incentives, celebrity visits, event-branded merchandise, perks, etc.)
- Bringing corporate image to the community level
- Prominent signage like stadium banners appearing on national TV
- Product sampling or demonstrations
- New regional distribution launch—awareness, traffic, distribution
- New product introduction—awareness (both trade and consumer)
- Product sales
- Trial—sampling handout
- Trial—experience product
- Literature distribution
- Launch diverse promotions under one umbrella and platform
- Retailer tie-ins—from parking-lot events to inclusion at your event
- Client/customer relationship building

- Sales and/or sales commitments (contracts)
- Lead generation
- Community goodwill—cause tie-in
- Countercompetitive activities
- Research
- Recruitment
- Additional revenues—refreshments, space rental, program advertising, etc.
- See "What Are 'Results'?" on page 255

The Schmooze Factor

If it isn't what you know but who you know, use your event to meet and greet key prospects. Give them the red carpet treatment, so they'll not only attend the event but also enjoy your company and appreciate your message. Have next steps in mind—from a company tour to a golf outing. Consider providing transportation—with refreshments—so it's a no-brainer to attend. Get on their calendar early—weeks in advance—and continue to send reminders as the event approaches.

WHAT CAN YOU DO AT AN EVENT?

Consider the following items the event itself might offer and you might tie in with:

- Signage (Place signs where photographers aim.)
- Sampling booths
- Preevent festivities
- Celebrity appearances
- Hospitality tents
- Entertainment
- VIP suites
- Autograph/photo sessions
- Premiums, novelties, souvenirs
- Programs—articles and advertising
- Exhibit items—Batmobile, future home, etc.

Insight

"All politics is local." (Former Senator Tip O'Neil)

People tend to think of national events as one big ad buy by the sponsor. But smaller, local events project the impression that the sponsor is involved with the community.

- Grandstanding—hot air balloon, clowns, sky divers, etc.
- Event awareness—newsletters, billboards, radio station ads and interviews, direct mailings, etc.
- Sponsor's mailing list; enthusiast organizations
- Publicity—event's plans and how to tie in
- Communication and preexisting creative—will there be a logo, posters, and the like? Can you use them?

DEFINE YOUR DEFINITIONS

Category exclusivity. What does *category* mean? Two competitors (like beers) can both be NFL sponsors—one for the regular season, one for the playoffs. And a regional beer can secure stadium rights so its cups and banners appear on TV. Soft drinks, sports drinks, carbonated juices, and noncarbonated juices may be different categories, as are fast-food and family restaurants. Some distinguish processed meat (bologna), fresh meat (branded frozen chicken), and prepared meat (TV dinners). Clearly define the terms of exclusivity in writing, and make sure the licenser lists any similar products it has lined up. Also, include the consequences of a breach of this understanding, such as voiding the agreement.

Percentage of sales. Because the licensor receives a commission on your sales, it wants to define sales in gross terms—invoiced before deductions. You want to factor in all credits, such as an 8 percent early payment discount, 2 percent advertising allowance, damaged goods allowances, 5 percent uncollected accounts, etc.

No guerrillas. Make sure your contract accounts for competitor ambushes. One proud soft drink executive, busing his business contacts to the Super Bowl, was horrified to find the bus line was sponsored and decorated by the competitor. What about the stadium?

> **Insight**
>
> Halloween may be a spirited holiday up North, but in some regions it's devil worship. Have an alternative.

Lock in next year. Structure the contract so that you at least have first right of refusal. If your competitor offers a higher bid next year, you maintain your sponsorship by matching that bid. That way you test the

Insight

Star power can backfire if your celebrity spokesperson is suddenly involved in a scandal. Read the celeb publications for advance warning signs.

event's success and lock out your competitors (though it leaves the price open).

BUDGETS AND BARTERING

- Ballpark: Sponsorships often run 4 percent of a company's total marketing budget, although some may reach 10 percent.
- Build research into your budget.
- Check the event's historical attendance numbers, and also try to verify them with actual gate receipt numbers.
- Research communication vehicles at the event—signs, booths, programs, etc.
- Remember, a brand also brings value to an event. Tally up your contributions, such as your consumer base, advertising, on-pack announcements, and retail signage. Assign a dollar value and exposure number. (See "Assigning Point-of-Sale Values" in Chapter 7, page 205.) Leverage those numbers in your negotiations to get some extras from the event manager, such as personal appearances, free posters, or more VIP seating.
- You might also "trade out" your merchandise or services, saving the event money. What's more, the products you offer will get visibility at the event.

CHECKLIST

The following checklist is reprinted courtesy of *Special Events* magazine, a Primedia publication.

_____ Facility—Indoor
    _____ Usable square footage
    _____ Loading dock location and hours
    _____ Lighting controls/power availability/supplemental power
_____ Facility—Outdoor
    _____ Water source
    _____ Power supply
    _____ Tent types and sizes

_____ Security
  _____ Armed/unarmed
  _____ Plainclothes/uniformed
  _____ Checkpoints/roaming numbers
  _____ Alcoholic beverages
_____ Parking
  _____ For staff, rigs, trailers
  _____ For guests
  _____ Traffic pattern
_____ Transportation
  _____ Type and number of vehicles
  _____ Driver instructions/routes
  _____ Signage
_____ Restaurant facilities
  _____ Permanent or convenience
  _____ Location and number
  _____ Supplies
_____ Lighting for load in/load out
  _____ Existing or temporary
  _____ Location
  _____ Power needed
_____ Emergency risk management
  _____ First aid/EMS/fire marshal on-site
  _____ Fire extinguishers—type, quantity; chain of command
  _____ Flame-resistant materials only
_____ Permits and licenses
  _____ Off-premise beverage license
  _____ Sound permits/special effects permits
  _____ Parking permits
_____ Insurance
  _____ Liability
  _____ Workers' compensation
  _____ Liquor liability
_____ Overall power requirements
  _____ Functional/decorative lighting
  _____ Caterer requirements—oven, coffeemaker, etc.
  _____ Entertainment

- ____ Equipment list—rentals and purchases
  - ____ Tables/chairs
  - ____ Stage—type, size, height
  - ____ Tenting—type, size, color
  - ____ Miscellaneous
- ____ Decor
  - ____ Entrance
  - ____ Ceiling
  - ____ Stage
- ____ Site plan
  - ____ Conceptual
  - ____ Blueprint of tables, staging, etc.
  - ____ Blueprint of lighting and technical plan
- ____ Audiovisual
  - ____ Sound requirements
  - ____ Screens—type of projection, size, quantities
  - ____ Lighting—functional/ambient
- ____ Entertainment
  - ____ Dressing rooms for talent
  - ____ Performance schedule
  - ____ Hair/makeup/costuming requirements
- ____ Food and beverage
  - ____ Guest ratio for buffets and bars
  - ____ Walk-up bars or cocktail service
  - ____ Define traffic flow
- ____ Staff
  - ____ Host/hostesses
  - ____ Directions
  - ____ Registration
- ____ Signage
  - ____ Registration signs
  - ____ No smoking
  - ____ Restrooms
- ____ Special services
  - ____ Special trash pickup
  - ____ List operators
  - ____ Disabled needs
- ____ Contingency plan
  - ____ Rain/flooding

____ Loss of power
____ Speaker/emcee/entertainer cancels

And a few more items:

Site selection. Visit the site during another event to study traffic flow, noise, heat/air, lighting, nearby services, electrical access, and so on. Find where your competition will be and any exhibitors you may partner with. If the event is outdoors, check for underground and overhead utilities and any underground hazards if you have a tent with stakes.

Visitor profiles. Find the average profile of event attendees as it relates to your business.

Photographer. Give your photographer clear directions (with a checklist and schedule) about who and what to photograph and where they're located, targeted events, and so on. Provide a "must-have" and "would-like-to-have" list. Tell how you plan to use the photos so the photographer brings the appropriate camera—newsletters require one, posters require another. *Important:* A photographer typically retains all rights to photos, charging for additional usage. Negotiate a buyout to own your photos with documentation that transfers all rights to you. You can also compromise with partial buyout agreements.

Food. How to feed the staff and the cost?

Music and music licensing. Public performance of copyrighted music is subject to licensing under U.S. copyright law. Fees go to the American Society of Composers, Authors and Publishers (ASCAP); Broadcast Music, Inc. (BMI), and/or SESAC (once known as the Society for European Stage Authors and Composers). You may pay only one, but if you use several tunes, they'll overlap. As a guideline, for conventions BMI charges 5 cents per attendee, whether it's live or recorded. For individual events ASCAP charges a $70 minimum fee or 6 cents per attendee for recorded music. Live music fees depend on the number of people—$35 for fewer than 250, for example (plus the performers). Corporations can also buy a one-time, per-event license or a monthly or yearly blanket license that covers all music used. The music industry polices events, so work with a music management company—then it's that company's responsibility. Also consider Muzak or AEI Music, which provides musical programs to nonadmission functions like restaurants and hotels.

Event materials—planners/providers. An outside firm can provide décor, food, dinnerware, lamps, seating, and the like. These are typically charged one of two ways: (1) a flat fee for the items, which are marked up; (2) the items at cost and service charges on an hourly, daily, or percentage basis. Either may be the better deal, but the second may provide a more accurate reading of what quality to expect. For example, in scenario (1) you may expect a $100 punch bowl, when its actual cost is $75. In scenario (2) you're told up front the bowl costs $75 and you're paying $00 for the service to provide it.

Crashers and credentials. Count on the competition showing up and filling their bags with literature. Try to control literature distribution with a policy for who qualifies to receive it. When in doubt, use the fallback answer: "Give me your card, and I'll send you something." Consider a security system to keep out competitors and off-the-street people. If you have a celebrity coming, consider a high-profile security force and provide security clearance guidelines. Find out how they prevent imposters and counterfeiters. Also, find out how to correctly identify legitimate security people.

Prepare the troops. The true essence of an event is *people*—one-on-one, face-to-face. Your associates will meet your trade customers, consumers, distributor reps, field people, new prospects, vendors, even the press. Give everyone a prep sheet or kit. You might have a laminated pocket miniversion. In the larger sheet or kit include:

- A one-sentence description of your company or product for when the visitor asks: "What does your company do?"
- An event cheat sheet—what's happening, where, and when, including food and restrooms
- A top-line of what you want attendees to walk away knowing about your company, like your new product launch, your community activities, your retailer network, the 800 number, and Web site
- A comprehensive information kit available for key visitors—including the press—and let your associates know where to find it

Safekeeping. Ask the facility where to put valuables and valuable items you need frequent access to.

EVENT PROMOTION EXTENSIONS

Events offer numerous promotional opportunities. Divvy up different programs to different retail partners—radio ticket giveaways for one; celebrity appearances for another; licensed premiums for yet another; commemorative pins with another partner, and so on. Of course, explore these opportunities *before* you sign a sponsorship contract that might limit them.

LOWER-COST ALTERNATIVES

You don't have to be an official sponsor, but it has many merits, such as using the event's name and logo, access to functions and celebrities, exclusivity, and more. A less expensive option may be providing your product as an official supplier, which implies the event's celebrities eat your bread, wear your apparel, or use your soap—"The Official Widget of the Acme Games."

Licensed properties begin shopping for sponsors with a list of categories and prospects. You might approach the sponsorship like a standby airline passenger, waiting for discounting because the slot isn't being filled.

You can get high-impact visibility and customer interaction by simply sampling at an event. You'll reach the same enthusiasts. Research has shown that 70 percent of consumers who receive a sample at an event will use it, and 30 percent of those who receive a cents-off coupon will redeem it. That beats FSI and direct mail redemption.

Consider "ambush" opportunities—"Everyone who brings in an Acme ticket stub saves 10%," or purchase signs near the event like on the transit, billboards, or even at the facility itself.

WHAT ARE "RESULTS"?

You can quantify some results—exposures; samples distributed; incentive program results. But how do you quantify image building?

One corporation boils event results down to three areas: brand impact, business impact, and employee impact. It measures increased awareness—as with advertising. It measures increased revenues plus how many business relationships were initiated, tallying sales contacts and new product inquires. Last, the corporation researches how the event affects employees' perception of the company.

Here are some criteria you may use to evaluate your event, beyond good feelings and image building:

- Sales
- Contracts/order commitments/distribution gains
- Contacts/leads made

Insight

Sometimes the trade buyer and the consumer are at odds. Grocery store meat buyers are often male and enjoy professional football—which is not a female consumer's first love. And if you don't satisfy the meat buyer's promotional preferences, you may not reach the consumer.

- Key prospect attendance
- Key prospect dialogs
- Retailer participation (set goals)
- Vendor participation (set goals)
- Partner participation
- Additional revenues, such as refreshment sales, vendor advertising, third-party booth space sales, third-party advertising, etc.
- Postevent traffic/sales increases
- Head count
- Samples delivered
- Literature distribution
- Research results
- Press coverage

MOVIES, MUSIC, CELEBRITIES, CARTOON CHARACTERS

In 1934, Clark Gable removed his shirt and exposed a bare chest in *It Happened One Night*. T-shirt sales nose-dived. Luckily for manufacturers, in 1951 Marlon Brando wore a skin-tight T-shirt in *A Streetcar Named Desire*. Of course, in the 1960s the Beatles did wonders for the hair-dryer business. Movies, music, and celebrities can turn trends 180 degrees overnight.

What's in It for Licensors?

Generally, for a licensed name the licensor wants 10 percent of merchandise sales, including an advance, whether you ultimately sell that amount or not. If the item is free-with-purchase, it may be 10 percent of the item's retail value (a big slice of your margin). Licensors may be flexible, based on how big a sale they foresee; 5 percent of a million dollars beats 10 percent of $25,000. They also consider how much the promotion's support budget is. You will probably commit to a minimum merchandise quantity/fee, possibly due up front and depending on whether the items sell.

Licensors strictly limit creative usage of logos, images, and characters and will provide guidelines. You'll probably be required to meet specified quality standards, including child safety precautions.

Professional sports leagues may require a premium version for every team—a T-shirt with each different team's name for each different geographical market. However, you may negotiate with an individual professional team rather than with its national franchise association. At a minimum, get *category* exclusivity to lock out competitors. (Caution: See "Define Your Definitions—Category exclusivity" above.)

For Hollywood impact and low risk, consider the familiar video release rebate tie-in. You can offer consumers a $5 savings on a popular video that may ultimately redeem at only 1 percent. (See discussion of slippage in Chapter 4, page 106.) You generally have no commitment other than the rebate fulfillment (an open liability). And you get to feature the video packaging (and star) in your point of sale and advertising.

Risky Business

There are over 300 movie releases a year coming from the top studios. Can you name ten? And a lot more music CDs are released each year doomed by tight programming. Most TV pilots nose-dive. Even with star power, new properties are risky.

Product Placement versus Product Involvement

Some industry veterans contend that simply placing a product in a scene often has no impact on recognition—it needs interaction with the actor. A verbal product mention can achieve recognition scores in the 50 to 75 percent range. If an actor simply drinks from the cola can, recognition can be 40 to 60 percent, even higher with each sip.

Product Placement Companies

These liaisons between film studios and corporations continuously strive to get products placed in film scenes that match the marketer's target. Their monthly retainers average $6,000 plus the donated product. Depending on the scene, the product's prominence, and the movie's potential, you may be asked to help fund the scene. Following are tips for directing your star product's scene:

- Get category exclusivity.
- Define inappropriate scene subjects and actions and request separation from those areas.
- Get guaranteed prominence. Don't be a background prop.
- Beyond placement, go for verbal mention and usage. Again, you may pay more, but you'll definitely get noticed.
- Be tasteful, not so brazen it turns viewers off to this obvious ruse.
- Don't tie with a property that dilutes the market with similar partner offers, even if they aren't competitive.
- If your product is being filmed, have a consultant on the set.
- Have a food stylist or other specialist on the set to put your product in the best light.
- If the movie or program is already filmed, make sure there's no competition in any scene—have it digitally concealed or removed.
- Animated or action hero films work best with premium offers and can provide a collectible series.
- Launch your promotion two weeks before the film opens—at the peak of hype.

Bartering with advertising and promotion. Negotiate your promotion's advertising and POS impressions for movie placement. You may also help underwrite the set's cost for some control over the lighting—Apple, for example, wasn't charged for its laptop's feature appearance with Sandra Bullock in *The Net*. Apple spent only about $5,000 total for the promotion, because part of the deal was donating a $2,000 Powerbook as a grand prize in a national Moviefone-sponsored sweepstakes (in turn, getting more product exposure). Apple also threw in a few dozen eWorld T-shirts as part of a *USA Today*/CNN cross-promotion and provided laptops at screenings where moviegoers could log on to the Internet.

Release dates are open. Even though movie studios try to release their film on schedule, they still may have to change that date at the last second, often because of competitive release dates. Always have a backup plan and the ability to sell it in to the field that's expecting a movie promotion.

Be careful with celebrity impersonators. If you use a celebrity impersonator to endorse your product, you're probably in for trouble, even if your intent is tongue in cheek. Use a clear disclaimer that this is an impersonator and seek an attorney's advice.

Be careful with characters. Licensors strictly limit creative usage of images and characters. For example, animated cartoon companies may let you use its characters only as drawn and posed in its guidebooks. You'll also find strict regulations governing colors, sizes, logo placement, and more.

Two-year time line. Here's a rough time line for a movie tie-in.

Time to Release Date	Activities
Two years	• Script available • Prospective marketers' review • Studio rewrites • Marketers begin initial negotiation
Eighteen months	• Staffing and casting • Product placement considerations • Marketers continue negotiating
One year	• Shooting begins • Release date set • License and manufacturer's merchandise designs begin • Trailer and logos produced • Initial merchandise artwork approvals • Point-of-sale development begins
Six months	• Studio approves point-of-purchase designs • Production ends • Marketer sell-in to trade/stores • Begin video release licensing and manufacturing process • POP to stores • Licensed merchandise in market • Video release tie-ins negotiated • Studio publicity/advertising • Marketer's TV/print ads • Marketer's FSI drops • Coordinate trade elements for video release

Do you really want your 15 minutes of fame? Some brands thrive on their own unique, even quirky, identity. If your brand has a respectable image and limited budget, you may want to focus on the long-term goal of making the brand the hero rather than focusing on the short-term, expensive, "borrowed interest" approach.