Branded Entertainment in Sport

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Branded entertainment, also known as brand integration, product placement, product integration or strategic entertainment, is the strategy "du jour" for marketers and advertisers who wish to complement traditional forms of advertising in movies, television, radio, print media, video games, sporting events, and even mobile phones. Branded entertainment is essentially product placement on a grander scale that allows the advertiser more control over the entertainment product and greater opportunities for branding. Sports-related brand integration is appearing in a greater variety of venues, including endorsements and event sponsorships, co-promotions with service providers and entertainment companies, as well as the insertion of sports footage and/or sports-related props into television and movies (Masters, 2006). The level of sophistication and complexity for these deals has grown considerably since the day when Reese's Pieces candy was featured in the 1982 film "E.T.: the Extra-Terrestrial" (Bronstad, 2006).

Branded entertainment has penetrated every form of media. For example, in print, The Sporting News promoted Talladega Nights by packaging a single issue in a fake cover showing Ricky Bobby (Will Ferrell's character) along with publishing a column written by Ricky Bobby (Masters, 2006). On the Internet the NBA partnered with Paramount Pictures to promote the release of Mission Impossible III by having it as the exclusive advertiser on NBA.com the day the movie opened. The movie was also heavily promoted on NBA TV Broadband distributed to wireless devices (Masters, 2006).

The rise of brand integration and product placement in television and other media are due to a variety of factors. The rise of "reality shows" in television that have no scripts and focus on "real world" situations are very conducive to the branded entertainment concept. At its most benign, there is passive product placement, such as ESPN's Eco-Challenge-style reality competition, "Primal Quest", where competitors drink Gatorade during the event and teams use Nissan trucks for transportation, or the display of the Coca Cola marks in the American Idol program or the American Eagle apparel worn by members of the cast of The Real World. However, the concerns regarding branded entertainment most often arise when the product is integrated into the "storyline" of a program (Urbach, Garbus & Johnston, 2004). It was no accident that contestants in The Apprentice reality television show designed the marketing brochures for a new model of Pontiac car (Bronstad, 2006). The rationale for obliterating the line between content and advertising is, in part, related to the paradigm shift in the television industry in which digital video recorders and TiVo have eliminated the need for viewers to watch commercials. The increasing presence of the Internet and its information and entertainment options has also provided challenges for the television industry. Therefore, branded entertainment is one way to combat ad skipping by consumers. If the advertising and the content become a seamless whole, there is no mechanism for a consumer to "opt out" of the commercial messages (Kohler, 2006).

Of course, television is not the only high-profile opportunity for branded entertainment. Movies provide an excellent vehicle as illustrated by the 2006 comedy "Talladega Nights: The Ballad of Ricky Bobby" from Sony Corporation. This film, which stars Will Ferrell as a NASCAR race driver, is "one of the most in-your-face efforts ever to cross-promote consumer brands within a movie" (Kelly & Steinberg, 2006, p. A9). Octagon senior vice president Larry Vincent called it "one of the most pervasive product placements we've seen in some time" (Smith, 2006, p. 1). Before production of the film, NASCAR was given the opportunity to identify potential promotional opportunities in every page of the script. Then NASCAR gave its top sponsors the opportunity to engage in product placement for the film. The result is that there were 10 promotional partners, whose brands are prominently displayed in the film, including Wonder Bread, Goodyear, Powerade, Perrier, Sprint and Unilever. Since NASCAR has so fully embraced advertising in real life, Talladega Nights became an ideal forum for branded entertainment to this unprecedented degree (Kelly & Steinberg, 2006).

While brand integration and product placement are part of a growing trend in sport and entertainment marketing, this practice has not been without its critics and has resulted in challenges to the use of product placement and the FCC sponsorship identification rules. On September 30, 2003, Commercial Alert (CA) filed a 17 page request for investigation of product placement on television with the Federal Trade Commission (FTC). CA requested the investigation of product placement, and specifically the failure to disclose embedded advertising, under the FTC's authority to regulate "unfair and deceptive acts and practices affecting commerce" under 15 U.S.C. 45(a)(1) (CA Request, 2003, p. 1). CA asserted that the practice of product placement has become so integrated with the program plots that the line between programming and advertisements has become increasingly blurred. In responding to Consumer Alert's request, the FTC acknowledged that there may be cases in which the
"line between advertising and programming may be blurred". However, the FTC stated that it believed that the current statutory and regulatory framework was adequate to deal with challenges when consumer injury actually occurred (pp. 5-6). The FTC, therefore, declined to add new disclosure requirements dealing with product placement.

Consumer Alert also filed a complaint with the FCC seeking disclosure requirements for product placement under the authority vested in the FCC. In this case, CA requested disclosure pursuant to Section 317 of the Communications Act (47 U.S.C. 317(a)(1) which requires disclosure of sponsored broadcast materials. CA asserted that the FCC has consistently upheld sponsorship identification requirements. Further CA cited to FCC statements that provided that advertisers would have an unfair advantage over listeners if the listeners could not differentiate between the program and the commercial messages (CA Complaint, 2003). To date, there has been no official response by the FCC.

Another worry with brand integration and product placement involves the blurring of editorial and advertising content, raising First Amendment concerns. The First Amendment does not protect commercial speech to the same extent as non-commercial speech. Magazine publishers have been the subject of scrutiny for not making clear the differences in editorial and advertising content. The courts still struggle with where to draw the line to identify commercial speech. The U.S. Supreme Court had an opportunity to address this issue when it agreed to hear the Kasky case but the matter was dismissed. Into this muddled environment we have inserted branded entertainment, which if done well and congruently with creative content becomes seamless with the programming. To what degree therefore do we have commercial speech and to what degree noncommercial? This blurring of the line between advertising and content raises some very interesting questions, for both sport marketers and their corporate counsel. Implications for sport marketing practice in this complex legal environment will be discussed.