



# Branded Entertainment: A New Production Financing Paradigm

White Paper 3: The Future of Branded Entertainment

By Duopoly

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### **Note:**

This paper has been prepared with the input of many branded entertainment and media industry leaders, listed in Appendix A. The authors thank these individuals for their contribution to this study.

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# Introduction

## a. Scope of the Study

In White Paper 1, we presented the current landscape for the fast-growing branded entertainment sector, largely drawing from US market experience. In White Paper 2, we examined the Canadian market and found branded entertainment at a more nascent stage. That said, several great examples of Canadian branded entertainment from traditional producers and creative agencies are breaking the mould and pointing the way to a promising new sector of creation and potential financing of Canadian content.

In this paper, *The Future of Branded Entertainment*, we return to the global marketplace and explore the 'blue sky' potential of branded entertainment. Through interviews with thought-leaders in the branded entertainment space, we asked the questions, What does the future look like? Where is branded entertainment headed? And, as in previous White Papers, we examine the observed trends through a presentation of outstanding case studies. This final White Paper on Branded Entertainment seeks to tease out the big innovators and trends to help producers begin to develop strategies for participating in this new marketplace.



Note: Link to White Paper 1: <http://cmpa.ca/sites/default/files/documents/industry-information/studies/Branded%20Entertainment%20White%20Paper%201%20Nov3.pdf>

Link to White Paper 2: <http://cmpa.ca/sites/default/files/documents/industry-information/studies/Branded%20Entertainment%20White%20Paper%202%202014Feb.pdf>

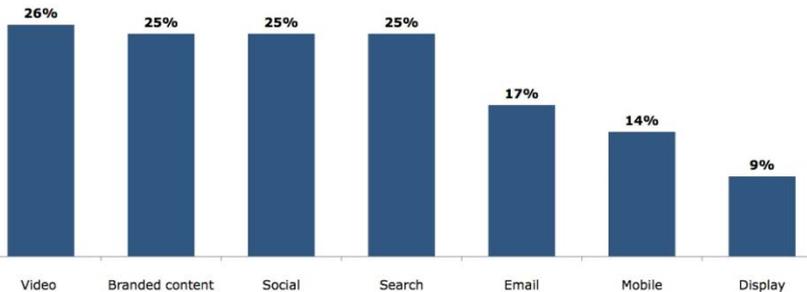
# Where is the Market Going? Follow the Money.

Spending patterns are always a good indication of a market's direction. The allocation of brands' dollars shows a steady march toward integrated marketing programs (video and native content which is editorial paid for by advertisers) and away from traditional display advertising.

## Online Tactics' Effectiveness in Achieving Branding Objectives

% of brands, indicating tactic to be "most important/critical"

May 2013



According to a Custom Content Council survey, spending on branded content was estimated at 37% of marketers' ad budgets in 2013. In the same survey, 73% percent of respondents said that branded content is better than magazine ads, 63% percent preferred it to TV advertising, 62% favoured it over direct mail, and 59% said it trumps public relations. The survey focused on North American spending by mid and large-cap companies.

With so much money moving in the direction of branded content, some power shifts are inevitable. Firstly, this seems to be pretty good news for print publishers, who have generally been on the losing side of the shift to digital. Much of the editorial paid by advertisers, so-called "native content", is print — and brands have been looking to publishers both to create and to place this content.

Many of the online publishers (examples include *Forbes*, *Fast Company*, *Huffington Post*) are now enlisted by brands to create blog posts, articles and other editorial which may pertain to an issue of interest to the brand. The Custom Content Council survey showed a 29% spending increase on publications; with a nearly 14% rise in electronic media. Video platforms, like YouTube, are also a crucial part of brands' distribution plans, as are multi-media outlets like BuzzFeed and Mashable.

On the flip side, traditional ad agencies are being challenged as brands take more content creation and placement in-house. Agencies are responding by experimenting with new business models; where they become partners in projects rather than arm's-length service providers.

Sources:

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<http://www.customcontentcouncil.com/news/2013-spending-study-reveals-branded-content-spend-new-high>

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# What Does the Future Look Like?

*We are entering a world where digital innovation is merging with traditional marketing fundamentals to create new approaches, new brand leaders, and new models for success. – Forrester Research*

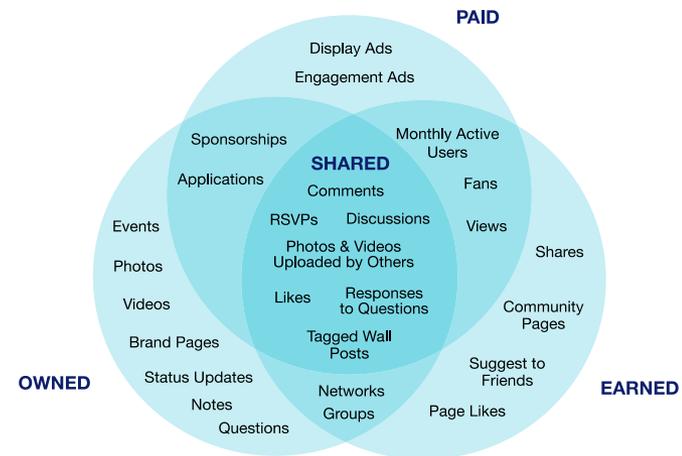
As we examine the branded entertainment sector, the themes that recur are convergence, the blurring of lines between brand marketing and storytelling, increased use of video, and finally, a shift in emphasis to experiential, authentic content.

**It's all about convergence:** Although often over-used, “convergence” really is the key word in considering the future of branded entertainment. It applies several ways. Traditional media are not just creating digital add-ons; they are fully integrating all platforms into a coherent plan. The various players in the value chain — producers, distribution outlets, agencies, publicists and brands — are now sitting at the same table. For their part, consumers are increasingly agnostic about how they receive their content. Simply put, one screen is as good as another. Younger consumers, in particular, digest content via several screens at once, engaging their friends while watching linear programming.



**Blurring lines:** The distinction between the brand and the story is fading fast, with the brands being fully integrated into the narrative. For example, the Canadian airline WestJet made itself part of an archetypical story. It fulfilled Christmas wishes for 250 unsuspecting passengers: having a Santa hear their gift lists as they boarded their flight, then delivering those very gifts in baggage claim upon arrival. The companion video was one of the most popular of the 2013 holiday season.

Distinctions are blurring in every facet of the business. Marketers once saw clear distinctions between Owned, Paid and Earned media. With brands becoming publishers, networks mastering social networks and agencies creating “native posts,” who can tell the difference anymore? According to Rebecca Lieb, analyst at Altimeter Group, “content must travel between earned, owned and paid media—and across platforms. It needs to have a consistent message, so it feels the same on NBC as on Facebook.”



On the business side, there is intense jockeying for economic position as the boundaries fade. Once upon a time, producers pitched programming, networks commissioned them, advertisers paid and agencies bought time for the ads they created for brand clients. With everyone now doing a little bit of everything, the financial pie is being sliced differently, creating uncertainty over how to make a living in this converged business. By and large, the brands seem in the strongest position. They've always funded programming; now they are taking a far more active position in its creation, ownership and distribution.

Sources: <http://www.forbes.com/sites/davidcooperstein/2012/12/18/is-2013-the-year-we-welcome-post-digital-marketing-ivote-yes/>, <http://elyrosenstock.com/blog/wp-content/uploads/2012/05/>

# What Does the Future Look Like?

*Marketers will become the entertainment platforms. We are just at the beginning of turning a very large ship around. The interruptive model for advertising is not working – 90% of people click on the ‘skip ad’ option when it is offered. Therefore, marketers need to become the entertainment and stop interrupting it.*

— Brett Heard, President, Fresh Baked Entertainment

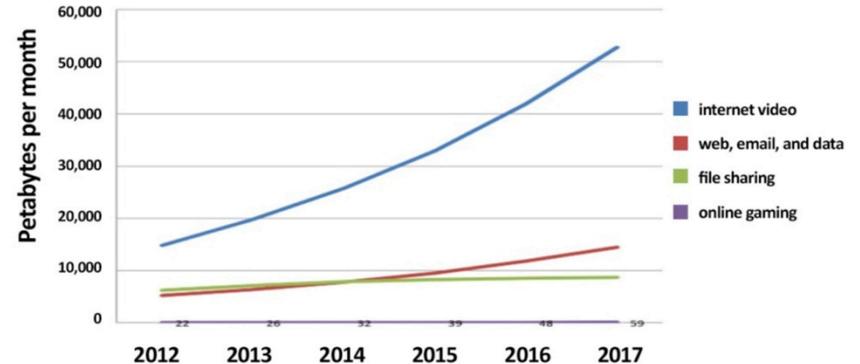
**Blurring lines:** Though it is currently print-driven, native advertising is pointing to a clear direction in branded content. At heart, consumers do not seem to mind that content is generated by a brand, as long as it is interesting. A recent *Forbes* study showed that consumers looking at pages with branded content were 41% more likely to express an intent to buy versus those who saw a regular Web page and those who saw branded content were 28% more likely to have a favourable view of the brand.

**Video everywhere:** We also know that video is the fastest-growing segment of online media consumption, with no end in sight. Marrying these two trends leads to the conclusion that progressively more native content will be delivered by video. This is supported by the *Forbes* survey, where 23% of marketing executives pointed to native video as a top media distribution tactic.

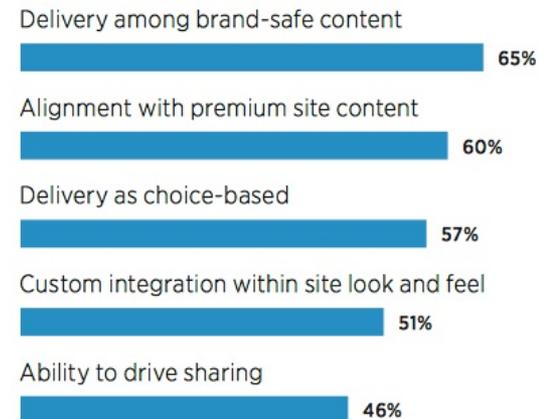
The key issue for producers of native content to understand is that whatever the content, it should be seamlessly integrated into its surrounding environment, so that it is not “disruptive.” If the content is “on point,” then consumers will be more likely to consume it and then share it organically.

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[http://www.forbes.com/forbesinsights/going\\_native/](http://www.forbes.com/forbesinsights/going_native/)

## Global Consumer Internet Growth by Subsegment



## MOST VALUABLE ATTRIBUTES OF ONLINE VIDEO



# What's the Future Look Like?

*Branded entertainment is experiential. Just watching passively is not enough. Consumers need a wider experience: active, sharing, contributing.* -- Richard Jean-Baptiste, President of Jimmy Lee

**Creating experiences:** All of the experts interviewed in this paper point to the value of brand-created experiences as one of the most effective tactics for building consumer engagement. Honda has been adept at connecting with its loyal customers through its “Honda Loves You Back” social media strategy — by rewarding them with perks like sports tickets, massages and food giveaways.

Once the Honda Facebook page reached 1 million followers, the company began posting photos from fans’ Facebook pages, searching for particularly unique stories. They soon discovered Joe, a Maine owner who was approaching 1 million miles on his 1990 Honda Accord. Working with RPA, its Los Angeles-based ad agency, Honda devised a native video campaign to introduce Joe to the Honda community — with a unique twist. RPA posted its first video, “Meet Million Mile Joe,” on Honda’s Facebook and YouTube pages, allowing fans to track his progress and encourage him along the way. The second video captured a great surprise for Joe: a hometown parade in his honor, culminating with a gift of a new Accord. News stations across the country began carrying the story that night.



According to Mark Tripp at RPA, the videos have generated more than 600K views, but — more to the point — “within a week, this low budget social media campaign garnered over 44 million unique impressions in earned media.”



#hondalovesyouback

Honda refined the idea with “Best Gig Ever,” featuring struggling indie band *Monsters Calling Home*. The band, on a typical shoestring, had produced a YouTube video shot in their Hondas. The company discovered the video, contacted the band, and asked them to play a gig for company executives. When the band showed up, they discovered the “executives” were detained, and wouldn’t be able to see the band. Instead, they were booked on the Jimmy Kimmel show, as the musical act for that very evening and their video has been viewed over 1.4 million times on Youtube.

In spite of the obvious promotional ‘stunt’ in this branded content example, the spirit and surprise of the band in response to Honda’s gesture were genuine. This authenticity, the unique experience or event, combined with the video generated significant audience reach and engagement.

Sources: <http://vimeo.com/43933729>, [http://www.forbes.com/forbesinsights/going\\_native/](http://www.forbes.com/forbesinsights/going_native/)

## Case Study: Intel Inside Social Film Project

**Description:** In the early '90's Intel tackled the challenge of public awareness obscurity by creating the global 'Intel Inside' marketing campaign. The campaign taught millions of tech-illiterate consumers the value of Intel quality inside their computer purchases. Supporting a decade of 'Intel Inside', the brand then embarked on another entirely innovative marketing approach through a social film project. Created for Intel & Toshiba by a relatively small agency Pereira & O'Dell, *The Inside Experience* was a thriller where a young woman named Christina is trapped in a dark room with nothing more than an Intel/Toshiba laptop. Over the course of the campaign, Christina works with her friends and followers via social networking to help gather clues to eventually escape. The second film in the series called *The Beauty Inside* is about a guy named Alex who wakes up every day as a different person. He is always the same person on the inside but on the outside he is somebody else. Through social channels, Intel and Toshiba invited the audience to play the lead role of Alex by auditioning online.



The final installment of the series is *The Power Inside*, a sci-fi comedy that tells the story of the invasion of an alien species called Uricks that are disguised as moustaches (or unibrows). They look like facial hair and attach to your upper lip or eyebrows to control your mind. Audience members were invited to upload videos of themselves shaving off their moustaches and the film was broken up into six episodes interspersed with interactive storytelling that unfolds on the main character's Facebook.

Each of the three 'Intel Inside' film was produced for less than \$10 million, 6 to 8-minute episodes for a total of about 50 minutes running time, but employing professional directors and some known cast. Facebook was the primary platform for delivery.

**Genesis of the Project:** According to Billie Goldman of Intel, the company wanted to make a connection with consumers in the 18-34 age bracket and they wanted to do this by delivering an unexpected experience that exceeded their target market's expectations. Intel went to smaller creative agencies outside their usual relationships looking for something fresh and new. Ultimately, Pereira & O'Dell came up with the winning campaign.

**Impact:** The results of the social film projects speak for themselves, building impact over time.

### ***The Power Inside (2013):***

- Over 74 Million views worldwide
- Average viewer Age 23.1 years old; 51% male / 49% female
- 8 weeks on the Ad Age Top 10 Viral Video Chart
- Press coverage of 525 articles worldwide
- 12% increase in brand preference
- 11.9% increase in purchase consideration
- Sold out of the units Best Buy took because of the campaign.

## Case Study: Intel Inside Social Film Project



### ***The Beauty Inside (2012):***

6<sup>th</sup> most watched advertising of 2012 (online)

70M+ views worldwide

Average viewer Age 23.4 years old; 58% female/42% male

On Ad Age Top 10 Viral Video Chart 10 weeks in a row

94K+ Facebook likes

14M+ interactions

8K+ Twitter followers

300+ articles in the press worldwide

Won over 25 awards including an Emmy and 11 Lions at Cannes

### ***The Inside Experience (2011):***

50M+ views worldwide

Average view age 23.3 years old

Ad Age Viral Video Chart 2 weeks in a row

53K Facebook likes

7M+ interactions

4K Twitter followers

163 original articles in the US

Won 23 awards (including Effie & Webby)

Increase of double digits in brand familiarity

### **What's Next?**

Even with all the success measures of the Intel social film projects, the company's management still struggle to find the budgets internally for such ambitious branded entertainment campaigns. In fact, many experts interviewed in this study point to the constant need to 'evangelize' the impact of branded entertainment. That said, the increasing pressure on brands to be transparent and the power of social media to communicate a brand's beliefs are two reasons why the future of branded entertainment is rosy.

Source: Interview with Billie Goldman, Intel.

## Case Study: Intel-VICE Creators Project

**Description:** The Creators Project is a major branded entertainment property underwritten by Intel and delivered by VICE and is a leading example of affinity marketing. It celebrates artists, across multiple disciplines, who are using technology in innovative ways to push the boundaries of creative expression – and it celebrates Intel’s brand value proposition as an innovator. So far, it has showcased more than 500 artists from around the world. The heart of the project is a slate of original documentaries on innovative artists in music, film, art, design, fashion and gaming. The Creators Project also features a slate of original artwork commissions, a music video series, tech-focused tutorials, global events — and collaborations between Intel Labs and high-profile artists within the program.

**Genesis of the Project:** As an “ingredient brand,” Intel is always working to maintain awareness, particularly in the global youth market which wields the strongest influence over household technology purchasing decisions. For its part, VICE, a global youth media company with bureaus in over 30 countries, helped devise an integrated project which now includes a dedicated media channel, original videos, experiential events, mobile applications, partnerships with leading museums, a dedicated YouTube channel — and an arts production studio activated in the USA, UK, France, Brazil, China and South Korea.

**Impact:** Since its launch, The Creators Project has generated more than 250 million video views and more than 50 million unique visitors. Related events have attracted more than 720,000 attendees overall. Among the many notable features of the integrative approach is the experiential element. The Creators Project has staged live events in Brooklyn, San Francisco, Sao Paulo, Seoul, Paris and Beijing. According to *brandchannel* “it was clear from the lines of attractive, upscale hipsters waiting patiently for wristbands that Vice... has more than enough credibility to curate a crowd. For the San Francisco



event, *Silicon Valley Watcher* reported that 45,000 people joined a lottery for 10,000 free (concert) tickets and won critical acclaim from hundreds of international news outlets.

**What’s next?** The Creators Project seems to be affecting both the internal and external perceptions of Intel. “The young people in focus groups no longer see Intel as the old guy in the corner,” the *Forbes* profile notes. “And perhaps most interesting, the Project has begun to change Intel culture, as Intel engineers collaborate with artists and musicians around user interfaces and computing.”

According to Spencer Baim, Chief Strategy Officer at VICE, “Authenticity is critical for this generation” (the millennials) and as a result, VICE produces non-fiction content that supports this value in verticals that touch on each passion point of youth (music, fashion, technology, etc.)

Author Neil Howe noted, about GenX, “if too many people liked something it wasn’t cool.” Millennials, on the other hand, “have no problem with mass marketing,” respond strongly to shared experience, and are “very comfortable with a very smooth brand that has minimal turmoil.”

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<http://www.brandchannel.com/home/post/2011/10/17/Behind-Vice-and-Intels-Creators-Project-Partnership.aspx>  
[http://www.siliconvalleywatcher.com/mt/archives/2012/04/intels\\_ambitiou.php](http://www.siliconvalleywatcher.com/mt/archives/2012/04/intels_ambitiou.php)

## Case Study: GE FOCUS FORWARD Short Films Big Ideas

**Description:** GE FOCUS FORWARD is another example of affinity marketing where the brand underwrites an initiative which reinforces the brand's core value proposition through the creation of content which does not promote its products. This partnership between GE and New York-based cinelan, GE FOCUS FORWARD commissioned 30 3-minute films from some of the world's most celebrated documentary filmmakers including Alex Gibney, Steve James, Jessica Yu, Morgan Spurlock, Stanley Nelson, Albert Maysles and Leslie Iwerks. The filmmakers were charged with the task of making a film about an innovator or a world-changing idea – and while this dovetails with GE's brand message as an innovative company helping to make the world a better place, that was the extent of its editorial input. (The filmmakers retained ownership of their films.) In addition, the same challenge was offered up to filmmakers internationally in an open competition which attracted submissions from 69 countries. Winners received cash prizes totaling \$200,000 and were recognized at the 2013 Sundance Film Festival.

**Launch:** The films premiered in 2012 and 2013 at film festivals around the world as well as online ([focusforwardfilms.com](http://focusforwardfilms.com)). Each film was launched online via Vimeo for simultaneous activation day-and-date with its world premiere at an international film festival. The films have also been syndicated across a variety of theatrical, TV, VOD platforms.

**Genesis of the Project:** The cinelan founders, among them Morgan Spurlock, were early entrants in bringing short form documentary films to the Internet. They developed the FOCUS FORWARD project directly with GE and persuaded the brand to commit many millions of dollars to the project.

**Impact:** Each short film received a world premiere screening at a major international film festival beginning at Sundance 2012, then Berlinale Talent Campus, Tribeca, Los Angeles Film Festival, Melbourne International Film Festival, Busan International Film

Festival (South Korea), Mostra in Sao Paulo, Brazil, International Documentary Festival of Amsterdam, Guangzhou International Documentary Festival, Dubai International Film Festival and then coming full circle to Sundance 2013. The films have been viewed in 150 countries and screened to audiences on all seven continents. They have attracted over 2 billion media impressions and 30 million shares – not to mention multiple awards in 2013 (Tribeca Disruptive Innovation, My Hero Media, Clio for Branded Entertainment) and Webby nominations.

**What's Next?** According to the producers at cinelan, the GE FOCUS FORWARD project is a best-in-class example of affinity marketing rather than branded entertainment – editorially independent and authentic and yet linked to GE's message in a non-intrusive fashion. The project combined live event appearances, social media, original video content and multiple release platforms all of which were coordinated around the globe over a two-year period and are ongoing today.

In terms of the future of branded entertainment, GE FOCUS FORWARD points to a brand-as-publisher or studio model, away from a pure ROI seasonal marketing campaign. This kind of innovation may be easier for big global brands with budgets aimed at building broad public awareness. However, in the case of this project, working with a team schooled in independent filmmaking, rather than a large agency, GE certainly was able to leverage significant bang for their buck.



Source: Interviews with Karol Martesko, David Laks, cinelan.

## Case Study: Leap Year

**Description:** In this case study, the brand creates content about its target market as a way of connecting with its potential customer. *Leap Year* is a web series that follows the entrepreneurial (mis)adventures of five recently fired co-workers who conceive a new company and band together to compete for \$500,000 in startup capital from a mystery investor. It was created and executive produced by Wilson Cleveland and CJP Digital (whose other branded credits include *The Temp Life*, *The Webventures of Justin and Alden*, *Suite 7*, and *Bestsellers*.) The series is underwritten by Hiscox, a Bermuda-based, publicly-traded insurance company focused on niche insurance products (like art collections.) Hiscox has started to offer small business insurance in the US and wanted something unusual to reach the market of emerging entrepreneurs.

The series features guest spots from actors popular with the target market, including Eliza Dushku (*Dollhouse*, *Buffy the Vampire Slayer*) and Craig Bierko (*Boston Legal*); as well as cameos by well-known entrepreneurs including David Tisch from TechStars and Alexis Ohanian, Founder of Reddit.

**Launch:** Season One debuted in June, 2012, on Hulu. The series was renewed for a second season, launching in the summer of 2013, on Hulu, Mashable and other platforms. Season Two episodes are longer-form, 22 minutes each, versus 7-10 minutes each in the first season.

**Genesis of the Project:** According to Cleveland, "Hiscox was looking for a means to raise awareness among entrepreneurs for their small business insurance offerings. Rather than replicate what other larger players like AMEX had already done to attract the same audience, we proposed making a scripted show about the audience they were hoping to attract."

**Impact:** The series attracted over 5 million views in the first season, and met all of its marketing objectives. According to Hunter Hoffmann,



LEAP  
YEAR

HISCOX

Head of Communications for Hiscox, "The series helped drive awareness of Hiscox in the US market from 0 to 10% in less than a year and the related spend was only 3% of our 2011 marketing budget. We increased our social media followers by 1,300% to over 40,000 active followers — and Hiscox mentions on social media have increased by 2,300% since the series started."

**What's next?** *Leap Year* creator Cleveland points to a growing trend where brands assume the dual role of producers and distributor. So, for example, a smartphone manufacturer will look to producing a series featuring their products available by apps specific to their own handsets or devices. But, rather than product placement, brands will look to be a natural part of the narrative.

Financing will be reasonably flexible, depending on the brand's role in conceiving the property. Wilson elaborated: "If you're making a show specifically for a single brand, it's the brand's responsibility to pay for production, marketing, etc. In those cases, the brand will typically retain ownership. In other cases, the studio or creator will retain IP ownership and either sell integration opportunities or license the format to other distributors or brands. An example of that is a show like *Fashion Star* where Electus owned the property and sold integrations to Saks, Macy's, H&M and Express."

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<http://www.businessinsurance.com/article/20120229/NEWS04/120229885>  
<http://www.hollywoodreporter.com/live-feed/leap-year-web-series-renewed-2959501>  
Interview with Wilson Cleveland

## Case Study: *Dumb Ways to Die*

**Description:** How do you make Public Service Announcements cool? In Australia, the issue of train accidents involving young people is a serious problem. But young people don't listen to safety announcements. Metro Trains teamed with McCann Melbourne on an entirely unconventional approach. It composed a catchy pop tune, created a music video, and attributed it to an artist that didn't exist: Tangerine Kitty.

McCann uploaded the video onto YouTube and the song onto iTunes. Within a week it had been viewed 20 million times and covered on every news service in Australia. Within a month, it captured the world's attention and made it into Google's 2012 Zeitgeist, the annual list of most searched subjects on Google. The video has since exceeded 67 million YouTube views.

**Launch:** The video launched in 2012. Related products followed well into 2013. For example, once the video started to slow, McCann released the *Dumb Ways to Die* game and it quickly became the second ranked free app in more than 20 countries, including Australia, the US and the U.K. The app has been downloaded over 18 million times.

**Genesis of the Project:** In this instance, the creative agency persuaded the client to create entertainment rather than advertising – or a traditional PSA.

**Impact:** According to McCann Melbourne Executive Creative Director John Mescall, "The video went nuts from Day One, but then had a really long tail: Even 10 months after it launched, it still appears in the top 20 most-shared global ads on the weekly charts." According to *AdAge*, the campaign earned an equivalent of \$60 million in media impressions, reached 46% of the target audience in a month and resulted in a 20% reduction in annual rail-related accidents. The campaign is also the most shared PSA in history with over 3 million Facebook shares. One hundred and fifty-five days after launch, the campaign was still being shared on Twitter, Facebook and Instagram more than 2,500 times every day.



**What's next?** *Dumb Ways to Die* represents complete, multi-platform integration and points the way toward future best practices for branded content. This project included a song, video, app, posters, textbook and — of course — social media. And according to the agency, the plan is to develop game assets and continue extending the franchise. For thought-leaders in the branded entertainment space, creating long-lasting entertainment franchises, rather than one-off marketing campaigns, should be the ultimate goal for creators working with brands.

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## Case Study: LED 50th Anniversary. GE Native Content.

**Description:** While our primary focus in this paper is on video-driven branded entertainment properties, it is important for producers to understand that video can also play an important supporting role in other forms of content marketing.

To note the 50th anniversary of the now-ubiquitous light bulb — and to reinforce its position as a technological leader — GE and its agency, Group SJR, produced a profile of Nick Holonyak, inventor of the LED.



YouTube was the primary video distribution platform; which was supplemented by print material and image galleries circulated to both business and consumer media.

**Launch Date:** late 2012

**Genesis of the Project:** New York-based group SJR, a unit of advertising giant WPP, specializes in native content. With its largely business-to-business focus, SJR believes “custom content creation—original, daily and owned— has the power to authentically build brands, explain complex issues and, most importantly, connect in real-time with the influencers, media and consumers who matter most,” according to SJR Partner Mitch Stoller.

**Impact:** Although the YouTube video was the cornerstone media asset in the campaign, the roughly 140,000 YouTube views themselves were a small part of the overall impact. The story was picked up widely on outlets like Fast Company, Wired, Gizmodo and Reddit. Sharing on social platforms like Twitter and LinkedIn also contributed substantially to the overall reach. SJR estimates at least 8 million total impressions.



**What's next?** Stoller notes that video will have an increasingly important role to play in native content, particularly in consumer-facing campaigns. Still, in many cases it must complement text-driven efforts, as the latter requires less lead time. Stoller adds, “it’s harder to create compelling video than print, so you have to pick your spots.” As for native content in general, Stoller believes increasingly precise analytics is a key to future success. “It’s an evolving combination of web analytics, key word analysis, following consumers path and custom tools which track actual customer behavior. In the end, it’s about delivering measurable ROI.”

Source: Group SJR, interview with Mitch Stoller

## Case Study: *TXTBOOKS*

**Description:** For all its growth and increasing importance, branded entertainment is often criticized for being more about selling things than telling stories. While the two are not at all incompatible, as we have seen, there are some notable cases where branded content can serve a larger social purpose.

SMART, a telephone service provider in the Philippines, teamed with advertising agency DM9JaymeSyfu (DM9) to condense textbooks onto the SIM cards of old analog “feature phones,” enabling many children to have easy access to educational materials.

**Launch Date:** 2013

**Genesis of the Project:** In developed countries, tablets and e-readers have become common alternatives to textbooks. In the Philippines, however, the most rudimentary electronic devices cost more than most families make in a month. Even the youngest children often have to carry over 20 pounds of books to school, leaving them exhausted before daily classes even begin.

Most families do have old analog phones. Though antiquated, they can display text messages. Consequently, over six months, SMART and DM9 collaborated with textbook authors and publishers to convert official school texts into 160-character messages. These were then programmed into the inboxes of thousands of inactive surplus SIM cards which were then repackaged into new Smart *TXTBKs*.

**Impact:** According to SMART, for those schools it provided Smart *TXTBKs*, school attendance increased to 95% and average test performance hit 90% and school bags weighed in 50% lighter. The campaign also resulted in the first-ever Grand Prix for the Philippines and SMART at the Cannes Lions International Festival of Creativity. For SMART, this campaign was an effective example of affinity marketing where the values of the brand as a positive contributor at the community level was clearly demonstrated.



**What's next?** Merlee Jayme, Partner and Chief Creative Officer at DM9JaymeSyfu, says the next step is to present this to the Department of Education to make this available to more schools nationwide. She adds that part of the plan is to come up with a donate-your-old-phone campaign to provide more cellphones to public school students.

Sources: [http://www.canneslions.com/inspiration/past\\_grands\\_prix\\_advert.cfm?sub\\_channel\\_id=339](http://www.canneslions.com/inspiration/past_grands_prix_advert.cfm?sub_channel_id=339)  
<http://www.techinasia.com/textbooks-on-feature-phones-boost-education-in-philippines/>

# Conclusions: What Does Innovation Look Like?

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*There has to be a value exchange between brand and audience with the brand offering great content or entertainment in order for consumers to give their time. Ideally, the value exchange involves an emotional connection with the audience.* – Billie Goldman, Partner Marketing Manager, Intel

**1. Think ‘Integration’:** As the lines between marketing and storytelling, between publisher and advertiser continue to blur, the number of elements to be integrated into multi-faceted campaigns also expands. In the first phase of this evolution, brands were integrated into stories. Later, social networking was integrated into the marketing campaigns. Now we are seeing a push to harmonize all the distribution elements, so that the brand “experience” is consistent on any kind of screen.

**2. Think ‘Mobile’:** Mobile is likely to be the next frontier of this continued integration. The data is clear: mobile video is surging, with strong growth likely to continue for some time. According to Adobe’s *US Digital Video Report*, mobile continues to gain share of video streaming, rising from 10% share in 2012 to over 20% share in Q4 2013. Tablets, whose users tend toward longer-form content, are fueling the growth, whereas smartphone users “snack” on short bursts of news, weather, sports and entertainment. With mobile access comes a rich stream of information about a user’s location and current interests. Brands are beginning to integrate this real-time data into their messaging. According to Bruce Neve, CEO of Starcom MediaVest, this will lead to a focus on “agile marketing” where “creative newsrooms and new, emerging tech will enable agencies to inject curated, newly-made brand assets into ad units with positive influence across the paid, owned and earned spectrum.” Brands will prepare content in advance based on predictable events (awardshows, holidays, even tax deadlines). Other content will be developed “on the fly” in response to unpredictable events (e.g. Calgary and Toronto floods or Canadian gold medal performances at the Pan Am Games).

**3. Think ‘Data’:** Mining data and responding in real time ideally leads to motivated consumers. According to Joseph Newfield, co-founder of San Francisco-based agency School of Thought, if agencies use the insights of big data in the design and delivery of their ad “that is different for every single person who sees it, and if they’re delighting their audience, then they’re doing their job.”

For Samantha Skey, Chief Revenue Officer at women’s lifestyle media platform SheKnows (40 million monthly unique visitors), “top-down distribution (push media) is rarely successful in driving true traction. This puts incremental pressure on targeting -- demo, behavioral and contextual are all key to finding” and maintaining an audience.

**4. Think ‘Big’:** It’s a noisy, crowded market; so successful projects either have to be small (and cheap) to appeal to a carefully defined niche — or they need to be really big. In the latter case, the data can be sobering.

In her recent book, *Blockbusters*, Harvard Business School professor Anita Elberse notes the real impact is not in the Long Tail, but in the megahits. For example, “in 2011, 102 music tracks — 0.001% of the eight million tracks on offer that year, — sold more than a million units, representing 15% of total music sales. At the other end of the curve, 94% of all tracks in 2011 sold fewer than 100 units, and 32% sold only one copy.” In other words, a staggering proportion of sales is concentrated at the top, while virtually every other title struggles to earn even a sliver of recognition. In this “winner take all” context, there is a massive emphasis on superstar talent and franchises — something, or someone, who brings enough heft to cut through the clutter. For example, Beyoncé’s latest album sold a reported 365,000 units, on its first day, after a single-word announcement (“Surprise!”) on Instagram.

## Conclusions: What Does Innovation Look Like?

For producers, it's not necessarily as hopeless as *Blockbusters* suggests, but there are crucial "scale" questions to consider: how big can my project be? What ingredients does it contain that will attract attention? How many ways, and on how many platforms, can we engage the audience? JWT's Mike Wiese offers some encouragement, explaining that projects "don't necessarily have to have huge budgets with big celebrity talent." The right Twitter or Instagram campaign, for example, can create the critical mass. Macy's used a variety of its assets to create a franchise around the classic *Yes, Virginia* letter which asked if Santa is real. Macy's created a 30-minute animated TV special, window displays, a parade float and even "interviews" with an animated Virginia on talk shows. Collectively, the effort registered with consumers.

*Yes, Virginia* isn't Harry Potter or Star Wars — in other words, it's not a megahit in the mold of Elberse's *Blockbusters* — but it successfully used a full array of branding tools to create a bona fide, repeatable franchise. The lesson for producers, according to Wiese, is to understand how to "build from the brand brief" rather than pitching stand-alone show ideas.

**5. Think 'Franchise':** *Pitch any TV executive an idea for a show, and no matter how good that idea for a pilot episode might be, the first question is, can the show sustain itself into seasons two, three and beyond? Marketers should apply the same principle. How will the idea scale to become an entertainment brand? — Mike Wiese, Director of Branded Entertainment, JWT*

As observed in White Paper 2, the goals of brands to meet annual sales targets may not align with a producer's goal to create a long-running series. Producers and creative agencies which engage brands in a discussion about longer term objectives such as creating a franchise which survives year after year and builds upon the larger values of the brand will ultimately be the most successful in this space.

**6. Think 'Value Exchange':** For brands and for producers developing creative pitches, the underlying themes in the 'future of branded entertainment' can be summarized as:

- More video – but fully integrated on multiple platforms for multiple screens;
- Greater engagement through the creation of unique audience experiences – online, on TV, on mobile, on social media and through live events;
- And, most importantly, create authentic content that earns the audience's attention.

Ultimately, the creation of this 'value exchange' between brand and consumer will be the underpinning and measure of a successful branded content initiative.

**7. Think 'Collaboration':** As producers delve into the world of branded entertainment, the need for collaboration with the other parties that have traditionally occupied this space is critical. As outlined in earlier White Papers, creative agencies are expanding into more narrative-based storytelling to satisfy increasing interest in this type of marketing tool from brand clients. Similarly, producers are beginning to assess brand values at the outset of project development. Producers and creative agencies often have complimentary skill sets and together can develop and pitch brands or broadcasters.

Sources:

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- <http://www.clickz.com/clickz/column/2317769/sheknows-data-driven-consumer-insights-take-branded-entertainment-to-the-next-level>
- <http://cdblog.centraldesktop.com/2013/04/what-big-data-means-for-brands-and-agencies/>

# Review of White Papers 1, 2 & 3

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The branded content industry is exploding, fueled by technological changes in the media landscape and by associated changes in consumer behaviour. Marketing resources assigned to branded content are growing exponentially with video content representing the fastest growing segment within branded content campaign budgets. As brands seek to deepen their engagement with consumers in a direct, two-way dialogue, they are also looking to entertainment initiatives to help articulate their brand story. The three white papers presented here have explored different aspects of the branded entertainment industry:

**White Paper 1:** The Branded Entertainment Landscape – primarily an introduction to the terminology and practices of the industry.  
<http://cmpa.ca/news-events/news-releases/branded-entertainment-new-opportunities-content-creators-canada>

**White Paper 2:** Branded Entertainment in Canada - the issues facing Canadian independent film, television and digital media producers seeking to partner with brands as well as an examination of challenges and opportunities in the screen-based industry.  
<http://cmpa.ca/sites/default/files/documents/industry-information/studies/Branded%20Entertainment%20White%20Paper%202%20014Feb.pdf>

**White Paper 3:** The Future of Branded Entertainment – where the industry is headed and an exploration of some of the industry's most innovative case studies.

# Appendix A

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**Altimeter Group, Los Angeles**

Rebecca Lieb, Digital Advertising and Media Analyst  
Author, Content Marketing

**Bent Entertainment, Toronto**

David UK, Partner

**Buck Productions, Toronto**

Sean Buckley, Executive Producer/Director  
Jim Kiriakakis, Head of Television

**Canadian Audio-Visual Certification Office, Ottawa**

Tracey Doyle, Manager, Policy & Strategic Planning

**Capital C, Toronto**

Tony Chapman, CEO

**CBC, Toronto**

Jennifer Dettman, Head of Unscripted Content  
Gaye Macdonald, Director of Client Marketing

**cinelan, New York**

Karol Martesko, Co-Founder/Managing Partner  
David Laks, Co-Founder/Managing Partner

**CRTC, Ottawa**

Daniel Binette, Canadian Program Certification

**Electus, Los Angeles**

Laura Caraccioli, President, Content Marketing

**Frantic Entertainment, Winnipeg**

Jeff Peeler, President & Executive in Charge of Brand  
Integration

**Fresh Baked Entertainment, Toronto**

Brett Heard, President

**GRIP LIMITED, Toronto**

Harvey Carroll, Partner  
Randy Stein, Partner

**Heenan Blaikie, Toronto**

Sara Perry, Lawyer, Marketing & Advertising and  
Entertainment Law Groups

**Insight Productions, Toronto**

John Brunton, CEO

**Intel, Hillsboro, OR**

Billie Goldman, Partner Marketing Manager

**Jimmy Lee, Sid Lee Agency, Montreal**

President, Richard Jean-Baptiste

**MarbleMedia**

Mark Bishop, Partner

**Omelet Studios, Los Angeles**

Phil Alberstat

**JWT, New York**

Mike Wiese, Director, Original & Branded  
Entertainment

**OgilvyEntertainment, New York**

Doug Scott, President

**Rogers Media, Toronto**

Jacqueline Loch, VP Content Solutions

**Starlight Runner, New York**

Mark Pensavalle, Partner, EVP

**Temple Street Productions, Toronto**

John Young, Managing Director

**The Tite Group**

Ron Tite, CEO

### Catherine Tait: Project Leader

Catherine Tait is a founding partner of Duopoly, an independent entertainment company that has provided business development services to the media industries in Canada and the United States for the past ten years. Catherine has been engaged by a range of organizations including the Canadian Film Centre, Tribeca Film Institute, Telefilm, the Canada Media Fund and the NFB, to develop strategic plans for digital and multiplatform transformation. In 2006, she founded iThentic, named Digital Company of the Year by Playback in 2012, which produces and distributes digital properties. She is also active in the production of feature films, television and multiplatform properties most recently with GUIDESTONES, an interactive thriller which won an International Digital Emmy and is currently airing on CTV.ca.

Catherine has over 25 years of experience in the public and private sector media business, in a variety of senior executive roles on both sides of the border. In her role as Salter Street Films' President and COO, Catherine took the company public on the Toronto Stock Exchange, built and financed a new media subsidiary, and spearheaded the company's successful bid for digital broadcasting licences including the Independent Film Channel Canada. Prior to Salter Street Films, Catherine was Executive Director of the Independent Feature Project in New York, the largest organization of independent producers in the United States. Before the IFP, Catherine worked in policy and planning for Telefilm Canada, and served as Canada's Cultural Attaché to France. She was a Director of the Board of Aliant, Atlantic Canada's telco; a Director of CHUM Ltd; a Director of eOne's Canadian Board; and currently, serves as a Director and co-founder of a new broadcasting venture, Hollywood Suite.

### Al Cattabiani

Al has always focused on starting, building, buying and (occasionally) selling media businesses that target "Cultural Creatives" (adventuresome, leading-edge thinkers). Al currently has interests in several young companies, ranging from original broadband content to electronic distribution of wellness information to new models for releasing music and films. Al was a co-founder of iThentic with Catherine in 2006. In addition, he consults for a variety of clients: from multi-billion dollar conglomerates to mid-sized growth companies to individual artists and producers.

He also served on the board of Acorn Media Group, until its recent \$100m+ acquisition by RLJ Entertainment.

Al was President/CEO of Wellspring Media, a company he co-founded in 1993 and sold in 2004. Wellspring was a leading independent distributor - - worldwide, in all media -- of arthouse cinema and programming promoting holistic living. Its library of over 700 titles included many Oscar, Emmy and Grammy winners. Wellspring investors enjoyed excellent returns on two separate buyouts. Before starting Wellspring, Al served as President and Chief Operating Officer of Los Angeles-based Pacific Arts Corporation, where he helped create the PBS Home Video label. He serves on the board of the Global Film Initiative, a non-profit foundation to assist filmmakers in developing countries.

Catherine and Al have collaborated on several digital media research studies for the CMPA including:

[February 2013 - Discoverability: Strategies for Canadian Content Producers in a Global Online Marketplace](#)

[February 2012 - Content Everywhere: Mapping the Digital Future for the Canadian Production Industry](#)

[June 2010 - Towards a Framework for Digital Rights](#)