**Unpaid Product Placement: The Elephant in the Room in UK TV’s New Paid-For Product Placement Market**

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**Abstract**

Paid-for product placement was permitted for the first time on commercial TV in the UK by media regulator Ofcom in February 2011. At the time of writing, 12 months later, estimates suggest there have been fewer than 20 paid placement deals, amounting to revenue perhaps less than 2% of the £150 million optimists estimated the industry to be worth. In this commentary we draw on confidential and informal interviews with industry insiders to set previous academic research in the field within the UK’s unique regulatory context, and we highlight problems inherent in the new industry. Foremost among these is the reluctance of the broadcasters and Ofcom to acknowledge that the free prop supply system that has provided branded scene props to UK productions, including the BBC, for some 30 years, has been and continues to be a de facto product placement industry. Given that, even in a mature paid-for placement market such as the USA, an estimated 80% of brands on TV are not paid for, we argue that unpaid product placement, also known as free prop supply, is the elephant in the room in regulation and academic research. We make suggestions as to how the impasse in the UK TV product placement industry might be resolved, and we outline ways in which academic research might play a supporting role.

**Introduction**

On 28th February 2011 the UK media regulator Ofcom changed its rules to allow paid-for product placement on domestically produced commercial TV for the first time in UK broadcasting history. Now, a little P logo appears briefly in the corner of the TV screen alerting the viewer to the presence in the show of some paid-for placements. The new rules were expected to usher in a bonanza of new revenue streams from innovative cross-promotion around programme sponsorship, product placement and advertiser-funded programming, but business has been very slow indeed for the TV companies’ new product placement departments. By August there had been a grand total of just six paid-for deals reported in the media[[1]](#endnote-1) - and there have been a handful since. The industry is sensitive about revealing exactly how few deals there have been, as it is hoping to talk up the prospects for a real take-off in 2013[[2]](#endnote-2) (O’ Reilly, 2012). To date, though, most new placement deals have been either part of advertiser funded TV shows or sponsorship packages, generating no additional revenue, or they have been agreed as free prop supply under the old, non-fee system. What was expected to be a new dawn for the UK media industry has turned out to be a huge disappointment so far, and prospects for improvement are based on optimism rather than evidence.

In this commentary piece we want to highlight issues arising from our ongoing research into this area in the UK supplemented by recent informal interviews with practitioners on both sides of the divide, the product placement agencies offering free prop supply, and the broadcasters with their new product placement sales departments. We have two main aims. Firstly, we want to bring about greater understanding of the practical complexities of the industry in order to encourage a more relevant engagement from academic researchers. In particular, we want to highlight the prominent role of unpaid product placement which seems to have been entirely neglected as a factor in both UK policy formulation and in academic research. Secondly, we want to use our neutral position as academics to stimulate a more open debate among practitioners and regulators about what needs to happen in order for this new UK market to realise its potential.

We will offer a brief outline of previous academic research in the area before giving a general background for *International Journal of Advertising* readers who are unfamiliar with the history of UK TV product placement. We will then offer our analysis of the problems the industry currently faces based around three key issues: 1) The pricing of paid-for placements 2) The regulatory framework for UK TV product placement and 3) The roles of the various parties in the industry, including the broadcasters, the TV production companies, media agencies, advertising agencies, and the prop supply agencies. We will then conclude with our suggestions for a way forward for the industry, and our ideas on how academic researchers might contribute to this agenda.

**Product placement research**

Our first published research paper on the topic (Tiwsakul et al., 2005) contributed to a stream of product placement research in the *International Journal of Advertising*, culminating in a recent special issue. Ours was the first to focus specifically on the UK TV context for product placement, and it was the only UK research cited in the response to the first Ofcom consultation on product placement of the UK’s biggest TV broadcaster, ITV, in 2006[[3]](#endnote-3). One fault in our study was that we made an assumption that has proved to be of key importance in the UK industry’s current problems. Although we acknowledged that academic definitions of product placement invariably included the words ‘paid for’, we asked consumers about brands in UK TV on both commercial and non-commercial broadcasting (the BBC) without regard for the commercial motive, and without considering who, if anyone, had paid whom. We knew then, as today, that the great majority of brands which appear on TV in the UK or even in well-developed markets such as the USA, are not paid for but are there because the of the huge demand for scene props to furnish scores of thousands of hours of domestic TV production annually. Producers need props and to save money they source them free of charge from specialist agencies. In the UK, this ‘free prop supply’ system was, until February 2011, the only way brands appeared on TV, on both commercial and non-commercial broadcasting. In our paper we should, on reflection, have made our assumptions clearer within the UK’s unique regulatory context. We will return to this issue below.

Most academic research at that time, and indeed since, focused on viewer attitudes to product placement in movies, or did not ask research participants to distinguish between movie and TV placements (e.g. Nebenzahl and Secunda, 1993; Sapolsky and Kinney, 1994; DeLorme and Reid, 1999; d’Astous and Chartier, 2000; Gould et al., 2000; Gupta et al., 2000; Hackley, 2003; McKechnie and Zhou, 2003; Wiles and Danielova, 2009; Karniouchina et al., 2011; Wilson and Till, 2011). Most early studies were conducted with USA audiences but these were followed by some comparative international studies (e.g. Karrh et al., 2001; Pervan and Martin, 2002; Russell, 2002; McKechnie and Zhou, 2003; Stern and Russell, 2004; Russell and Stern, 2006; Lee et al., 2011; Smit et al., 2011). Product placement in non-broadcast media, such as computer games, music videos and magazines has been the subject of separate studies (e.g. Englis et al., 1993; Nelson, 2002; Matthes et al., 2007; Lee and Faber, 2007; Mackay et al. 2009). The many studies examining audience attitudes towards product placement have resulted in fairly robust findings about the lack of consumer resistance toward the practice (e.g. Cowley and Barron, 2008; Homer, 2009; de Gregorio and Sung, 2010; Lee et al., 2011). Indeed, may, especially, younger consumers, prefer it to interruptive advertising (e.g. Nebenzahl and Secunda, 1993; Karrh, 1998; Tiwsakul, 2008), although media consumers do express ethical reservations about the placement ethically problematic product categories, and placements in children’s programming (e.g. Gupta and Gould, 1997; Gupta et al., 2000; Tiwsakul and Hackley, 2006, 2009). Many more studies have looked at the efficacy of product placement as a promotional technique (e.g. Russell, 2002; van Reijmersdal, 2009; Bressoud et al., 2010; Williams et al., 2011), usually based on brand recall or intention to purchase theories, while a small number have looked at the managerial organisation of the industry, focusing on the USA (e.g. Pardun and McKee, 1996; Karrh et al., 2003; Russell, 2005; Russell and Belch, 2005). A similarly small number of papers have looked at the ethical and public policy implications of the practice (e.g. Balasubramanian, 1994; Hackley et al., 2008). Finally, a few published studies have explored the flexible character of product placement as a ‘hybrid’ technique, to use Balasubramanian’s (1994) term, which overlaps with celebrity endorsement, sponsorship, public relations, advertising, and entertainment and experiential marketing (Hackley and Tiwsakul, 2006; Lehu, 2007).

While far from comprehensive, we believe this list represents a fair summary of the main streams of product placement research. Research in the area has grown rapidly in recent years, but in important respects it remains under developed. One anomaly is that this body of scientific work seems to have had little effect on the general understanding of product placement among policy makers and brand managers, at least in the UK. Agencies and the new TV company product placement sales teams in the UK are still faced with a task of education in telling clients what product placement is and how consumers respond to it. Many of them are carrying out new research which simply reveals what academic studies have established and confirmed over a long time period. It is not that practitioners are not interested - UK TV broadcaster Channel 4 compiled a DVD of academic and practitioner views on product placement which they used to try to educate clients on the value of the practice[[4]](#endnote-4) as the new rules opened up the business. The odd thing is that this was deemed necessary in 2011, when product placement has been well known in the media industry since the first silent movies[[5]](#endnote-5).

Product placement remains a Cinderella sub-field of academic research and there are many gaps. For example, there are still few studies examining product placement of different types in specified contexts. Our 2005 article remains, as far as we can tell, the only analysis which highlighted the use of explicit integrated product placement on UK TV. Another gap is methodological, with a preponderance of attitude surveys a relative lack of qualitative studies which theorise viewers’ subjective experience of product placement as part of their entertainment experience. Film and literary theory would seem to be useful sources of insight in this regard, given that the brands are viewed on TV as part of an experience of dramatic entertainment, and not as part of a conscious engagement with an explicit promotion (Hackley and Tiwsakul, 2006). The ‘reader response’ is likely to differ in engagement with different media forms and entertainment genres. Finally, methods of assessing the efficacy of placements remain crude in comparison with advertising. As with advertising, there is often an emphasis on brand recall after exposure to a clip containing a placement, but unlike advertising, placements are, usually, specifically designed not to be noticed. We have suggested that the notion of episodic memory might be a way forward for a better understanding of the delayed aspect of product placement sales effects (Tiwsakul and Hackley, 2006). Another possibility might be to look at product placement in terms of implicit processing (Heath and Feldwick, 2008).

**The UK context for product placement**

The change to the Ofcom rules to permit paid-for product placement in UK TV arrived after a long period of intense debate and lobbying, and two government consultations. As we note above, commercial TV in the UK had never been allowed to receive payment for placements or brand references. However, the practice of placing brands in TV shows for implicit promotional ends had been widespread for well over 20 years (Barnard, 1991), and the first product placement agency specialising in free props supply was formed in 1984[[6]](#endnote-6). The free prop supply agencies have always regarded themselves as product placement agencies, even though they deal mainly in non contractual, free prop supply for which the TV company receives no revenue.

For media professionals around the world, it has been obvious for decades that every UK TV channel, including the non-commercial BBC, has scenes furnished with brands. It has been equally obvious that some brands feature much more often than others. The ‘free prop supply’ system was never simply a matter of delivering vanloads of product to film sets. The UK currently has around 12 major product placement agencies. They take a retainer fee from brand clients, they liaise with producers, props buyers and set managers, and they try to find a good fit between the production and the brand. They strategise for their clients and often negotiate paid-for placements in movies alongside the prop supply side of the business. They comply with exactly the same Ofcom guidelines as paid-for and they operate in every way as product placement specialists with the single difference that the fee is paid to the agency and not to the TV production company or broadcaster. In this piece when we refer to product placement agencies we are referring to the agencies who have and continue to constitute the free prop supply industry as the major part of their business.

In the UK, the TV companies, media agencies and Ofcom are treating paid-for product placement as if it were an entirely new industry, when, in fact, it is a new market in an old industry. There are sensitivities around this, because there is a perception in the UK that the old system was somehow not quite transparent or legitimate. But the reality for the new TV company product placement sales teams is that a paid-for placement contract only gives a brand client a tiny bit more reassurance than simply offering the brand as a free prop. Of course, it makes no difference at all to viewers whether a branded item in a scene was paid for or not. In the new, paid-for product placement marketing, deals are being pursued by TV broadcasters and independent production companies in partnership with media agencies, even though they have no history of being involved in product placement. Under free prop supply, the props manager or set dresser, under the instruction of the producer, discuss their needs for scene props with the product placement agency, who provide whatever is agreed free of charge. Scripted references to brands are at the discretion of writers. If they feel a reference to a brand is necessary to the script, it stays in, but it cannot be bought. Under free prop supply no money changes hands between TV companies and brand clients. The agencies rack up as many seconds of TV exposure as possible, and the exposure is tracked to analyse the appearance of their clients’ brands frame by frame, with a human analyst taking account of issues such as plot congruency, characterisation, script congruency and visual context.

The industry has, then, operated much more like a product placement industry than a prop supply industry in most ways, apart from the fee structure. Placements that are considered inappropriate by either party do not happen, and the non-commercial BBC has as great a demand for scene props as the commercial broadcasters. The BBC produces a huge volume of programming. Many BBC shows are sold on to hundreds of countries and packaged as DVDs, so the potential added exposure for brands beyond the initial broadcast is considerable. The BBC is not allowed to earn any commercial revenue from any form of advertising - all the brands featuring in its programming are there at editorial behest and provided free of charge, often by product placement agencies.

Since the rule change, the major commercial broadcasters, including the ITV companies, Channel 4, Sky, and Channel 5, have appointed product placement teams to engage with brand clients to try to sell paid-for placement opportunities in some of the estimated 27,000 hours of TV content produced annually the UK. As we note, they have a hard sell, since they need to promote the advantages of paid-for to clients who have either never been involved in product placement before, or have only been used to the free prop supply system.

The TV companies’ sales teams’ job is made even harder by the complexity of the rules[[7]](#endnote-7) with which they must comply. For example, certain product categories are forbidden outright, including alcohol, guns, cigarettes and foods high in salt, sugar and far (known as HFSS foods). No paid-for placements are permitted in any programming made for children under 16, and those placements that are permitted must be editorially justified, and cannot be unduly prominent or promotional in their nature. The principle of editorial independence must be maintained, so TV product placement executives only get the scripts once they’ve been completed, and in many cases just one or two months before filming. Of course, actors in TV dramas shoot guns, they eat burgers, they drink alcohol and they smoke cigarettes. The new Ofcom rules, far from bringing brands in TV out into the open, have left many product categories in the shady world of serendipitous placement.

In March 2009, the then UK Government Minister for Media and Culture, Andy Burnham, announced that the UK would not allow TV companies to earn revenue from product placement. Just six months later a new minister, Ben Bradshaw, reversed the decision. No explanation has ever been offered for this enigmatic plot twist. There was lobbying from ITV and PACT, the TV producer’s trade association, but this, initially, was ignored at government level. It seemed to us that part of the see-no-evil attitude among senior policy bodies came from a belief that product placement is equivalent to advertorial and does not fit with the great British TV tradition. There was much public interest in the debate on both sides, reflected in items in some of the UK’s most prestigious consumer affairs forums[[8]](#endnote-8) and in responses to the Ofcom consultations[[9]](#endnote-9). Senior UK government ministers speaking at Westminster policy debates seemed to think that allowing paid-for placements would turn every show into a crude promotion. There seemed to be little understanding of the subtlety of the distinction between different placements types (such as explicit, implicit, integrated, non-integrated, verbal, and visual). Most importantly, many seemed unaware that current TV programming in the UK was already awash with brands that they did not notice.

Eventually, under fears that a European Union Audio Visual Media Directive encouraging member States to go down the paid-for route would leave the UK TV media industry behind the rest of the world, the rules were changed. Optimism in the industry was high. Not only the TV companies but the product placement agencies had lobbied for this change, convinced that the new UK TV product placement industry was set for unprecedented growth that would benefit everyone. ITV 1 show *This Morning* got the new regime up and running with a reported £100,000 deal to feature a rather sad-looking coffee making machine on its set[[10]](#endnote-10). The placement generated considerable public relations in national media, but it did not herald the expected avalanche of paid-for placement deals. Some estimates put the potential revenue of the industry at up to £150 million annually (a naïve valuation, according to the props agencies). It appears that the reality may have amounted to less than 2% of that after one year. There are high hopes that 2013 will see a sharp upswing, but we are sceptical because the industry seems unable to acknowledge or deal with the structural problems limiting its development.

We will now attempt to summarise the key problems under three main headings, as we understand them from our secondary research and our interviews with practitioners.

**The current problems with the UK TV product placement industry:**

*1) Pricing*

Under the free prop supply system, brand clients pay a retainer to agencies. The agencies then use their contacts with TV producers, props managers and set designers to try to discover and match up placement opportunities with appropriate branded products. This has, historically, proved to be extremely good value for clients. For perhaps £30,000 annually some clients have been able to get up to sixty seconds aggregate exposure for their product in a variety of shows. They have no control over the way the product is portrayed in the scene, although they can always say no if they do not like what they see, but they do know that agency representation means that they will get more exposure than brands that have no agency representation, and some serendipitous placements can prove to be extremely advantageous in unexpected ways. The agencies use a manual system, supplemented by tracking software, to assess the quality of placements. Every second of brand exposure is viewed, interpreted and ranked on a scale depending on the quality of the exposure. The TV companies, on the other hand, have bought into a model developed in sports sponsorship based on computerised content analysis of visual band exposures. They are using this model to estimate placement pricing, but we have been told that the system has resulted in indiscriminate counting of logos regardless of screen position, resulting in very high price valuations in the order of £100,000 for one, guaranteed, 6-second placement. We are not suggesting that this method of assessing placement value is wrong- we have argued that clients have been under-paying for brands in TV for years, and a re-evaluation would seem timely. But in the current context the gap between what clients are used to paying, and what they are being asked to pay, is too big for them to stomach. Compounding the problem is the risk that an evaluation system based on screen content analysis might lack the qualitative richness for fully assessing the value of placement opportunities.

The problem seems clear. Brand clients cannot see what the extra value is in paid-for that justifies such a price hike. The TV product placement teams have to sell the advantage of having a contract and a guaranteed placement, over a free prop supply arrangement. Clients are sceptical. Many of the top brands have decades - long relationships with the agencies. They trust them and they get added value through strategic advice. They know that although placements are not guaranteed under free prop supply, the volume of programming is so great, the demand for branded props so high, and the relationships between the product placement agencies and the TV props departments so well established, that they are very likely to get good exposure. The brands cannot see a good enough reason to pay premium rates for contracted placements.

Besides, with paid-for placements for alcohol brands and high fat foods prohibited under the rules, many brands have to rely on serendipitous placements or exposure, sometimes with help from the agencies where regulations allow. Many major alcohol brands do not offer themselves as free props because of their own codes of practice, yet alcohol (and fast food) are seldom absent from the reality-based settings of contemporary dramas. What is more, as we noted earlier, even in the well-developed product placement market in the USA, some 4 out of 5 brands on TV are there as free props. Many brands are happy to leave the decision on which shows to appear in to the agencies, or to chance. The agencies know all about programme schedules, they understand what their brands want and they try to ensure that there is congruity between the brand and the entertainment vehicle so that the exposure generates mutual benefit.

Adding to the difficulty for the TV companies, many brand clients, still, do not really understand the value of product placement. More importantly, they do not yet have the metrics and case evidence to justify the increased spend to their own main board. The budget required to pay a product placement to offer your brands as free props is tiny compared to the advertising budget. Clients’ attitude seems to be, ‘well, we don’t really know if this gives us value for money but it’s such cheap exposure we might as well do it’. What is more, TV companies are finding that many clients new to the practice are reluctant to engage in it because they fear a consumer backlash for using a technique seen by some as unethical or underhand. In some cases, clients have done paid deals and then forbidden the TV company to issue any advance publicity, such is their sensitivity to potential criticism. They seem unaware of the body of academic research which shows clearly that consumers, especially younger age groups, enjoy seeing product placement as part of their entertainment. Another factor is that supplying free props brings with it no taint of underhand or manipulative marketing. Paid-for placements, on the other hand, implicate the brand explicitly in a strategy to influence the consumer through their broadcast entertainment. So not only are paid-for placements very expensive compared to supplying free props, they carry a risk. Much of the value of product placement as a promotional technique lies in its implicit character. The new rules bring it into the spotlight, at least in the early stages of the new market, and this raises new risks for brands.

*2) The regulatory framework for UK TV product placement*

The detail of the Ofcom new rules has proved a major problem for the fledgling new market. TV companies’ compliance departments have trained lawyers vetting all placements so as not to become the first to fall foul of the Ofcom code of practice. They are extremely cautious because there is no precedent by which to judge whether a paid-for placement will be permitted or not. What is more, concepts such as editorial justification and undue prominence are highly subjective and invariably contextual. While these issues were exactly the same for free props, compliance problems were extremely rare. For example, New Media Group product placement, established since 1984, claims it has never had a single Ofcom complaint about brands placements it has facilitated.

It may be the case that free props didn’t attract the same level of scrutiny as paid-for, for obvious reasons, but some of the problems of compliance seem to be arising from lack of experience. For example, a legally trained compliance officer for a TV company might argue that if a bottle of water has not previously been seen on a table in a scene, it cannot be editorially justified. If it were allowed, how much prominence would be too much? And could there not be a reason in the plot for the bottle to be there on a subsequent occasion? Moreover, is it not an aspect of domestic reality that tables have different things on them from time to time? Here, discussion could get into the technicalities of cinematography, camera shots and angles, set design, and even characterisation in order to make judgements about prominence in the context of plot and characterisation. Exactly how important to the credibility of the character is it that he drinks from a bottle of Evian[[11]](#endnote-11) at this moment?

In another example, a scene at a bus stop might require a poster, since promotional posters are common on bus stops in the UK. However, although the poster can be shown as a placement, it cannot be ‘promotional’ under current Ofcom rules. Since most posters in reality are indeed promotional, this introduces an element of artificiality into the product placement process, which defeats its dramatic purpose. Brands in TV entertainment are there because producers and viewers want verisimilitude, they want scenes to look real, not like artificial film sets. Product placement agencies used to design special promotional posters to feature in the background of shop scenes, mimicking the way such scenes look in reality. They cannot use these posters any more.

As we note above, there are major anomalies with some of the rules on product categories and programme genres. For example, the prohibition of any paid-for placements for HFSS foods means that, under the existing definitions, cheese or olive oil cannot be the subject of placement deals in cooking shows, even if they are needed for the recipe. Alcohol brands cannot be the subject of placements even in late night adult TV programming. In yet another anomaly, some children’s shows are sold to networks as promotional vehicles for the spin-off action figures and games, yet these are not classed as product placements while more subtle forms of placement in children’s TV programming are forbidden.

Arguably, the new Ofcom regulations may have placated the many voices in opposition to allowing paid-for placements on UK TV but only by subduing the new market so completely that the old free prop supply system remains unchallenged. Judging from the USA case, the pace of domestic TV production in the UK will continue to demand free prop supply, but a market for paid-for product placement can only survive if contracted, paid-for placement deals have palpable advantages. Under the current rules, it is hard to see how they can.

*3) The roles of the various parties in the industry*

Perhaps most damaging of all to the new industry is the atmosphere of mistrust and misunderstanding between the various parties, especially the prop supply agencies, the TV broadcasters, the TV production companies, the media agencies, and the advertising agencies. There is no understanding on how the various parties can work together, since all see themselves as fighting for a proprietary share in a new market. It is perhaps understandable that there has been some defensiveness and mistrust on all sides. The product placement agencies were the entire industry for the past 30 years, and they feel that they have a prominent role to play in the evolution of the new, paid-for placement environment. But the new TV product placement sales departments see placement agencies as part of the old regime. They do not seem to fully understand what prop supply really entailed, but they do seem to see the product placement agencies as a competitive threat to the viability of the new paid-for sector. This is to be expected, since the new TV product placement departments are doing little business, and they are worried that their jobs depend on taking the field from the product placement agencies. Media agencies, for their part, are busy expanding their own empires into advertising, TV production and everything else. Their day-to-day involvement with TV companies and media buying clients places them as natural go-betweens for product placement deals. Yet, historically, they have little experience of product placement in the UK.

Some conflicts are beginning to resolve informally. The broadcasters and production companies are still working out day-by-day how to share the proceeds of paid-for deals. The broadcasters feel that, since they carry the burden of responsibility for Ofcom compliance, they should get a share of any paid-for placement revenues generated by independent production companies. They are in a position to enforce this. But other aspects of the industry remain in a state of deep disharmony.

It might be naïve for non-expert industry observers like ourselves to suggest that the garden would be rosier if everyone just made friends, but judging from the situation in the USA, free prop supply will continue to be the major part of the brands-on-TV business even in a maturing paid-for market. Clearly, in a sense they are in direct competition, since free prop supply takes up the slack that paid-for deals cannot deliver. At the moment, in the UK, that slack constitutes 99% of the whole. Currently, the TV companies are trying hard to sell proprietary placements to clients who are reluctant to sign on the dotted line. All-too-often, when filming day arrives with the contract still unsigned and the film set still bare, the producer has to call the product placement agency to beg them for free props to get them out of a hole. What this boils down to is that TV companies and product placement agencies delivering free prop supply are, by ignoring each other, effectively conspiring against their mutual interests. The winners are the brand clients, who are, still, underpaying for exposure which is hugely valuable for their brands.

**Concluding suggestions**

Our suggestions for resolving the impasse in the UK TV product placement industry are as follows. Firstly, there needs to be a cross-sector dialogue, possibly through a new industry forum to circumvent sectional loyalties. Secondly, the industry itself has to do a better collective job of communicating the benefits of subtle and congruent placements to clients, among whom there still remains a large degree of misunderstanding and misinformation about product placement techniques, their benefits, and the ways in which consumers respond to them. Academic researchers have a role to play by helping to develop case studies and methodologies for assessing product placement effectiveness in ways that connect with client priorities, and also by exploring and exposing managerial issues in this complex industry. The advertising industry has enjoyed such success partly because it has a history of borrowing academic theories and methods to supply authoritative research which persuades clients of the efficacy of advertising. The product placement industry needs to do the same.

Finally, Ofcom has to recognise that the regulations in their current form are stifling the development of the new market and the industry as a whole. They have to be reformed and liberalised. But, for this to happen, the government, Ofcom and the UK media industry would have to acknowledge that product placement has been present in UK TV for (at least) three decades, and only the payment system has really changed under the new rules. Far from being a passive warehouse and delivery operation, the product placement agencies delivering free props have played a prominent part in the history of both commercial and non-commercial UK television production, and have helped shape the way TV production looks today. But to confront this taboo Ofcom might need to confront another, which is that brands on the BBC constitute the most valuable international placement market the UK has to offer.

The thriving UK TV product placement industry has acquired a new market for paid-for placements, but the expected growth and innovation have not materialised on anything like the scale expected. Given the barriers in the new market, it is hard to see how they can. The TV companies are not making any serious money from it, and no one wants to raise their head above the parapet to complain because of accusations of self interest. Meanwhile, as TV merges slowly but inexorably with the Internet and its audience of billions, and UK programmes continue to be sold around the world, British programme makers and TV channels have nothing in place to reap the benefits of such global exposure. Something has to be done to restore a spirit of optimism, coherence and co-operation in the industry.

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1. <http://www.guardian.co.uk/media/2011/aug/27/tv-product-placement> accessed September 2012 [↑](#endnote-ref-1)
2. <http://www.brandchannel.com/home/post/2012/02/29/UK-Product-Placement-022912.aspx> accessed March 1st 2012 [↑](#endnote-ref-2)
3. <http://stakeholders.ofcom.org.uk/binaries/consultations/product_placement/responses/itv_smg.pdf> accessed September 2012 [↑](#endnote-ref-3)
4. Channel 4’s film on product placement can be seen here <http://www.channel4sales.com/advertising/sponsorship/product_placement> accessed September 2012 [↑](#endnote-ref-4)
5. See, for an accessible, non-academic view <http://www.politicalremixvideo.com/2011/03/14/a-brief-history-of-product-placement-in-the-movies/> accessed September 2012 [↑](#endnote-ref-5)
6. New Media Group, formed in 1984 <http://www.newmediagroup.co.uk/> [↑](#endnote-ref-6)
7. See Ofcom <http://consumers.ofcom.org.uk/2011/02/product-placement-on-tv/> [↑](#endnote-ref-7)
8. One of the authors was invited to speak on the topic on BBC Radio 4 You and Yours consumer affairs programme arguing in favour of allowing paid for product placement on UK TV, 7th November 2008 at

<http://www.youtube.com/watch?v=yWaIc5cUoP4&feature=youtu.be>

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<http://www.bbc.co.uk/radio4/youandyours/items/01/2009_07_mon.shtml> both accessed September 2012 [↑](#endnote-ref-8)
9. Our response to the 2009 UK DCMS TV product placement consultation <http://www.dcms.gov.uk/images/consultation_responses/PP2009_Hackley_Chris.pdf> [↑](#endnote-ref-9)
10. <http://www.independent.co.uk/arts-entertainment/tv/news/wake-up-and-smell-the-coffee-ndash-product-placement-is-here-2228533.html> accessed September 2012 [↑](#endnote-ref-10)
11. No payment was solicited or offered for this gratuitous brand reference. But if Evian wants to get in touch, just drop us a line. [↑](#endnote-ref-11)