

STATE OF PRODUCT PLACEMENT 2023

BENlabs

August 2023

EXECUTIVE SUMMARY

86%

of U.S. marketers who have tried product placement rate it highly and 81% consider it to be an effective marketing channel.

93%

of U.S. marketers view product placement as an effective means to drive cultural relevance and 91% see it as effective in reaching non-ad-supported audiences.

63%

of U.S. consumers have positive emotions after seeing products or brands in TV content and 47% say they enjoy seeing their favorite brands in shows.

75%

of U.S. consumers have searched for a product or brand online after seeing it on TV or in a film with 57% going on to make a purchase.

OUTLOOK FOR PRODUCT PLACEMENT

MEDIA BUDGETS ARE PROJECTED TO BE INCREASINGLY REDEPLOYED TOWARD PRODUCT PLACEMENT

Consumers report high advertising fatigue.

High income consumers “deliberately don’t pay attention” to ads and “try to multitask” if they’re stuck in front of an ad.

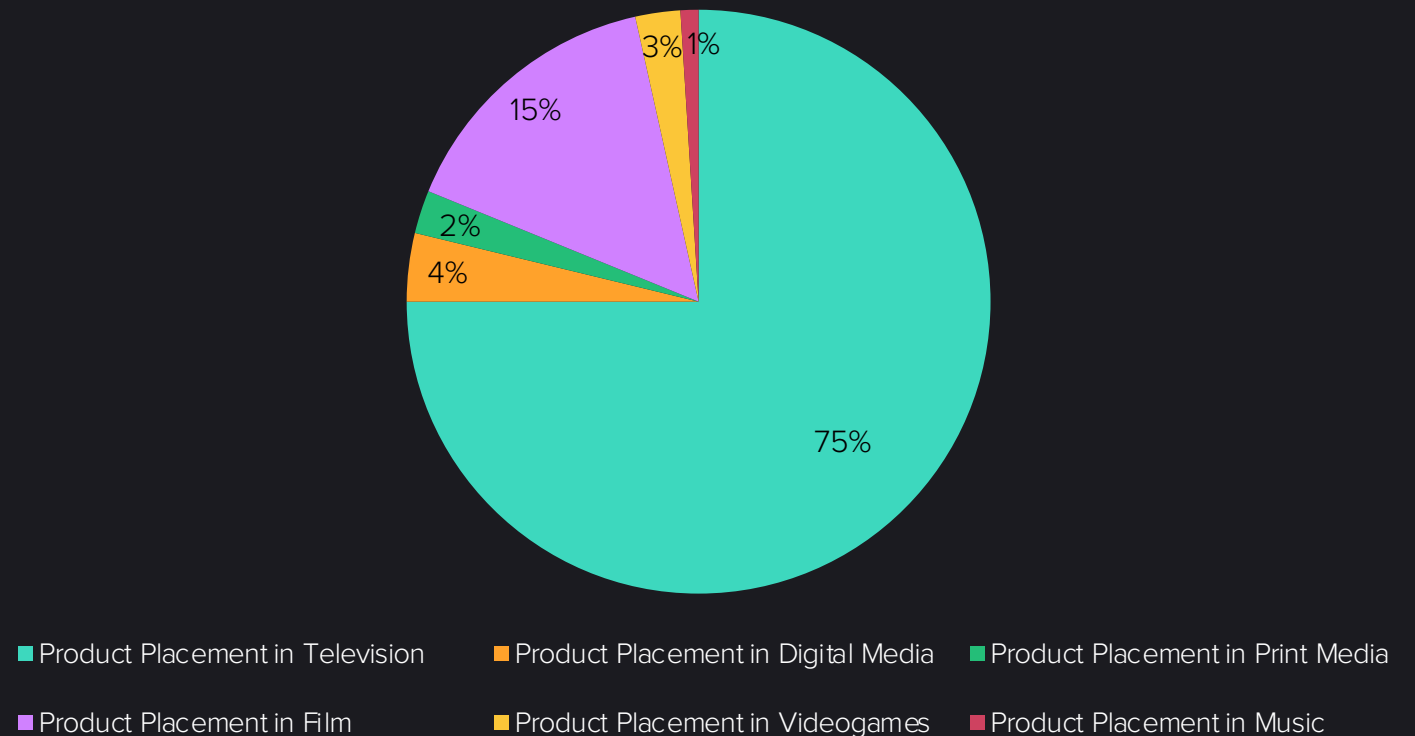
70% of brands will redeploy at least 10% of their media budget to product placement in entertainment content.

10%

NEARLY 91% OF PRODUCT PLACEMENT SPENDING IN THE U.S. IS ACROSS TELEVISION, FILM, AND MUSIC

With TV production in the U.S. soaring as streaming channels use new content to attract and retain subscribers, product placement in TV remains the most dominant form of placement in the U.S. at 75%, followed by product placement in film, and product placement in digital media.

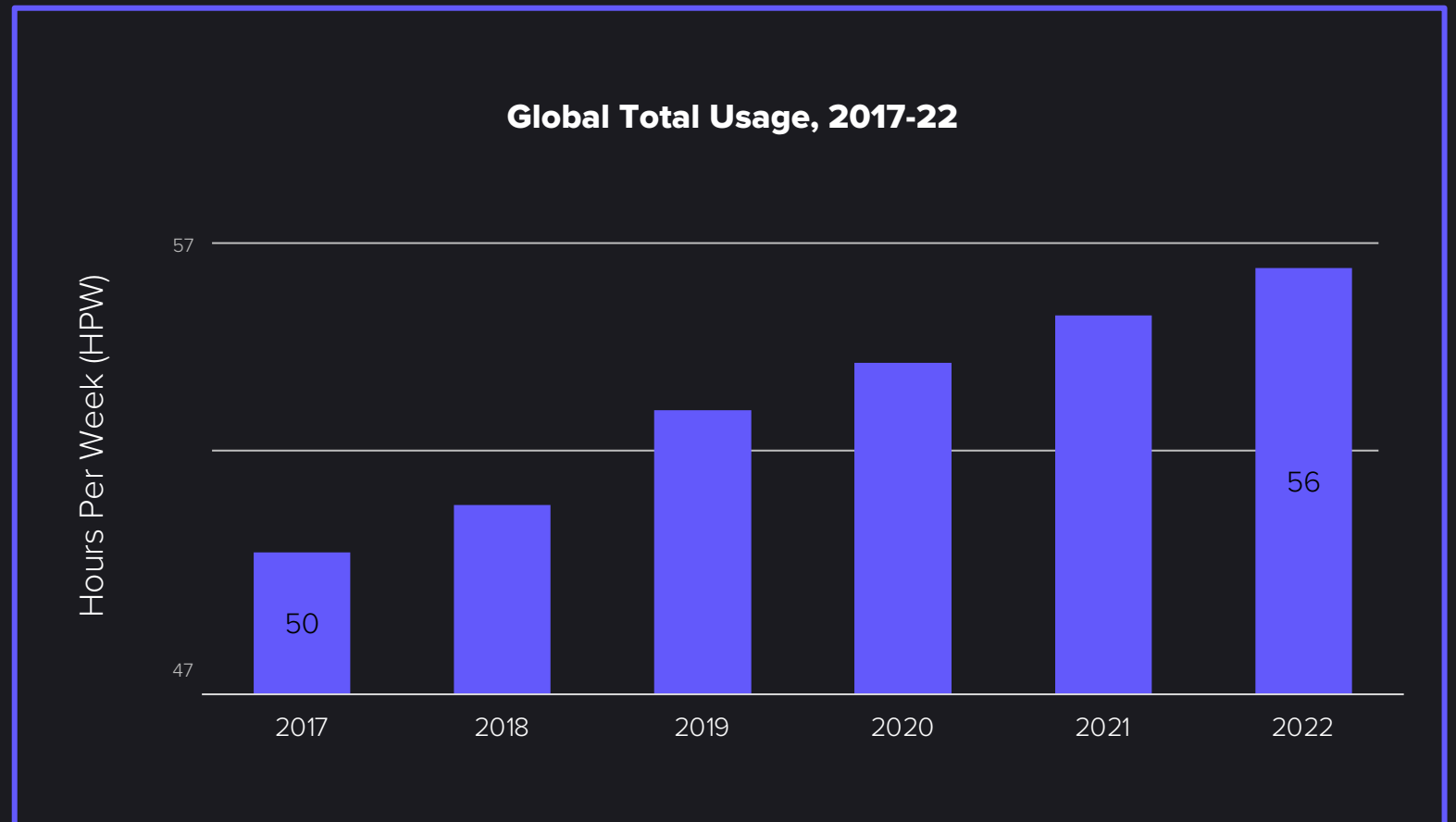
Share of United States Product Placement by Channel in 2021



SPENDING ON PRODUCT PLACEMENT IS BEING DRIVEN BY EVER-INCREASING MEDIA CONSUMPTION

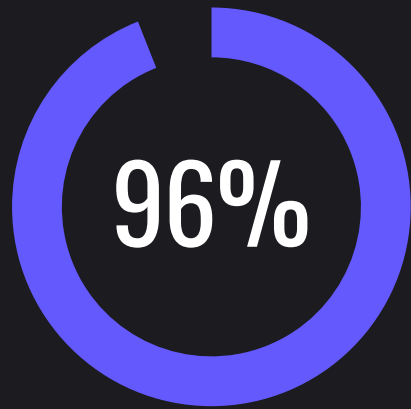
Between 2017-2022 content consumption has increased from 50 to 56 hours per week.

The average U.S. adult watched 5.8 hours of TV and digital video per day in 2022.

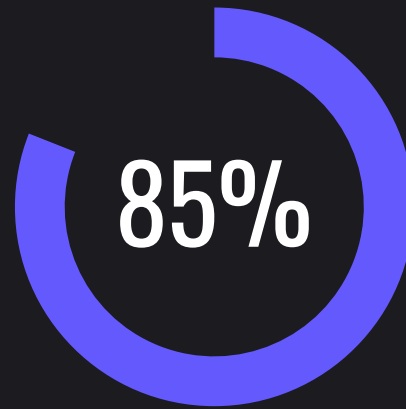


UNDERSTANDING MARKETERS' PERSPECTIVES ON PRODUCT PLACEMENT

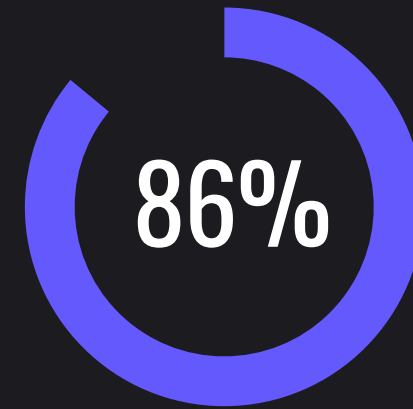
USAGE OF PRODUCT PLACEMENT IS WIDESPREAD AMONG MARKETERS AND 86% OF MARKETERS WHO AREN'T CURRENTLY USING PRODUCT PLACEMENT ARE WILLING TO CONSIDER IT.



As product placement becomes a more widespread strategy within the industry, virtually all are **aware of product placement** as a marketing channel.

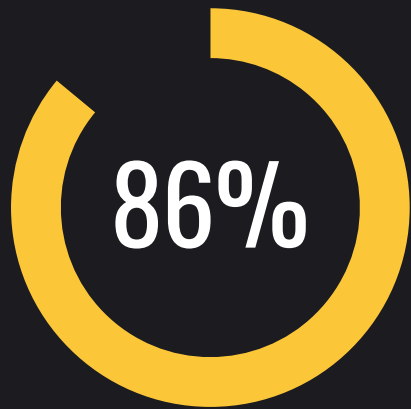


Awareness has translated into usage, with a large majority reporting that they **have utilized product placement** in their marketing efforts. This has increased 6% since 2020.

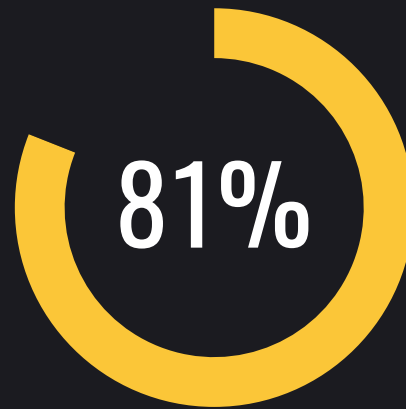


Product placement is still a desired channel among marketers who have not tried product placement, with more than 4 out of 5 reporting they are willing to **consider using product placement** moving forward.

MARKETERS WHO HAVE EXPERIENCE WITH **PRODUCT PLACEMENT** RATE IT **HIGHLY** AND **CONSIDER IT TO BE AN EFFECTIVE MARKETING CHANNEL**



Among those who tried, the majority **rate product placement highly.**

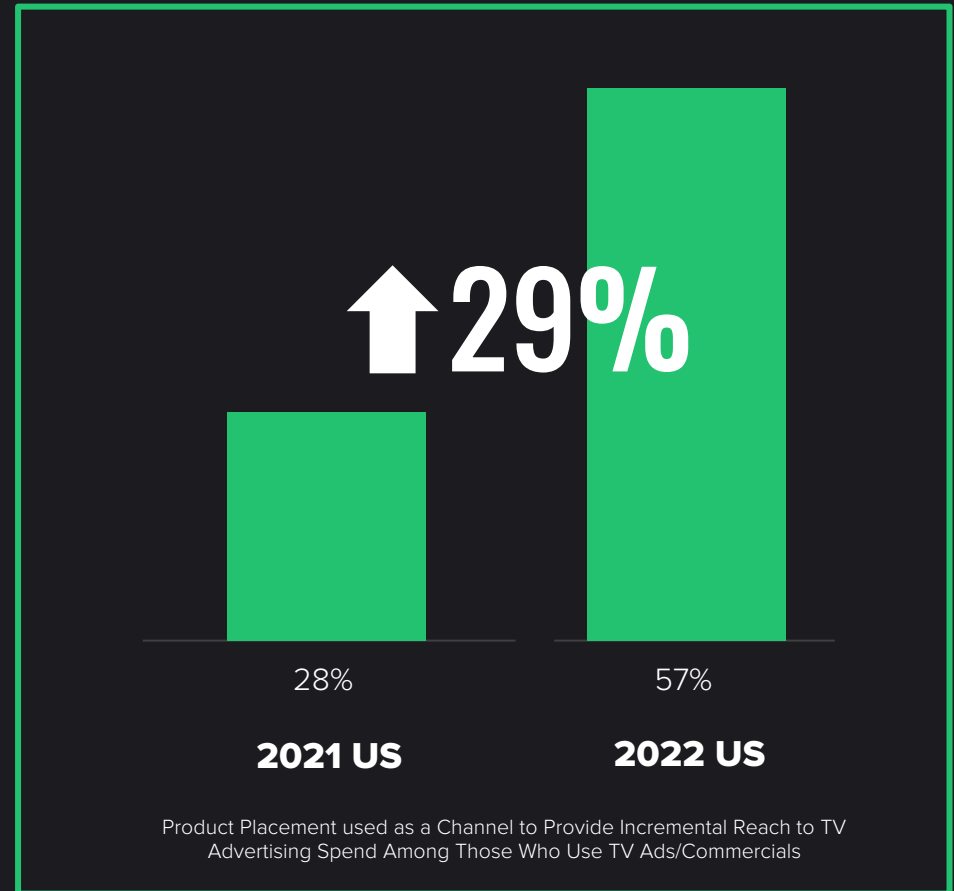


Over 4 out of 5 of those who have tried product placement consider it an **effective marketing channel.**

Marketers' satisfaction rates with product placement have continued to increase along with usage rates. In 2022, more than 4 out of every 5 marketers who have tried product placement rate it highly and consider it to be an effective marketing channel.

PRODUCT PLACEMENT IS VIEWED AS PROVIDING INCREMENTAL REACH TO TELEVISION SPEND

Among marketers who use TV ads/commercials, product placement is increasingly viewed as providing incremental reach, seeing an impressive 29% increase in 2022 compared to 2021.



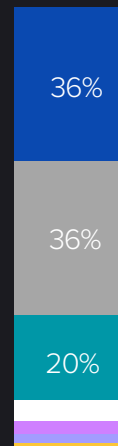
91% VIEWED PRODUCT PLACEMENT AS EFFECTIVE AT REACHING NON-AD-SUPPORTED AUDIENCES AND 93% AT DRIVING CULTURAL RELEVANCE

Effectiveness of Product Placements for Reaching Non-Ad-Supported Audiences

Extremely + Very + Somewhat Effective

91%

- Highly effective
- Somewhat effective
- A little effective
- Not very effective
- Not effective at all
- Have never used
- Have never heard of it

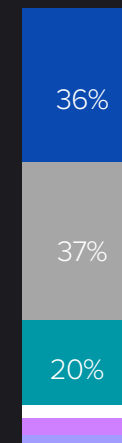


Effectiveness of Product Placement at Driving Cultural Relevance for Your Brand

Extremely + Very + Somewhat Effective

93%

- Highly effective
- Somewhat effective
- A little effective
- Not very effective
- Not effective at all
- Have never used
- Have never heard of it



WITH 21% OF MARKETERS CURRENTLY USING THEIR SERVICES; BENlabs HAS EMERGED AS THE PRODUCT PLACEMENT MARKET LEADER



BENlabs

TMA+ THE MARKETING ARM

CAA
Creative Artists Agency

ain
PRODUCTIONS INC.

Total Sample: 349; Q: Which of these marketing companies or agencies have you worked with or are presently working with for product placement?

MARKETERS RANK THE USE OF AI TO PREDICT RESULTS AMONG THEIR MOST IMPORTANT FACTORS WHEN EXPLORING NEW MARKETING CHANNELS

When asked to rank 16 factors in terms of importance when exploring new marketing channels, the use of AI to predict results ranked from 2nd for top 3 selections at 25% and 2nd in terms of first choice at 9%.

80%

OF MARKETERS CONSIDER AI TO BE VERY IMPORTANT WHEN MAKING A DECISION ABOUT A MARKETING COMPANY

This marks a 9% increase over 2020.



UNDERSTANDING CONSUMERS' PERSPECTIVES ON PRODUCT PLACEMENT

SEEING PRODUCTS AND BRANDS IN TV PROGRAMS AND FILMS ELICITS POSITIVE EMOTIONAL RESPONSES

The majority (63%) of respondents reported feeling positive emotions (happiness, inspiration, interest, and/or curiosity) after seeing a product or brand in a film or TV programs.

47% say they like seeing their favorite brands and products in TV shows and films.



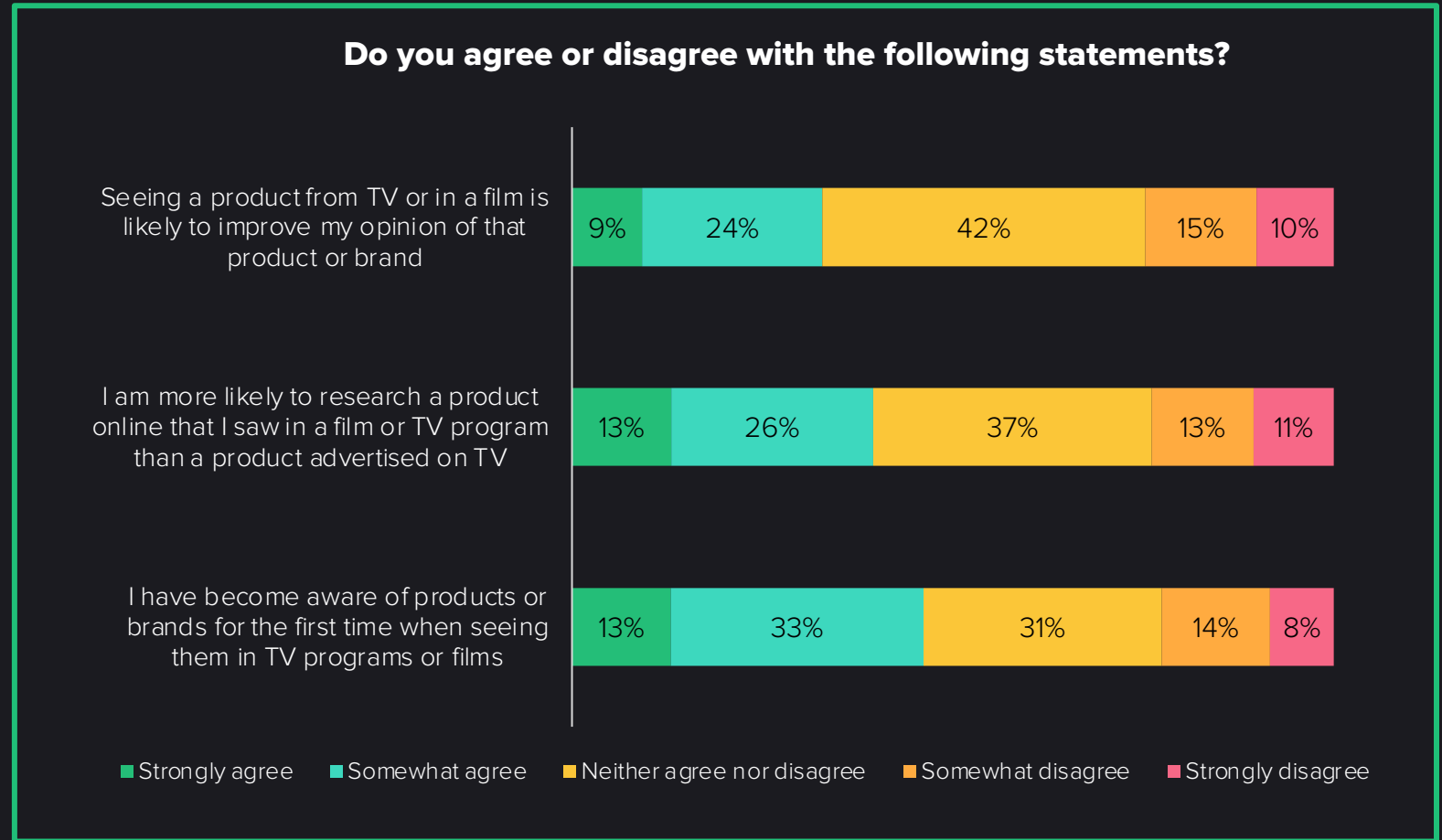
63%

of respondents feel positive emotions after seeing a product placement

PRODUCT PLACEMENT GENERATES AWARENESS AND IMPROVES CONSUMERS' OPINIONS OF BRANDS AND PRODUCTS

46% of consumers say they have become aware of a product for the first time after seeing it on TV programs or in films.

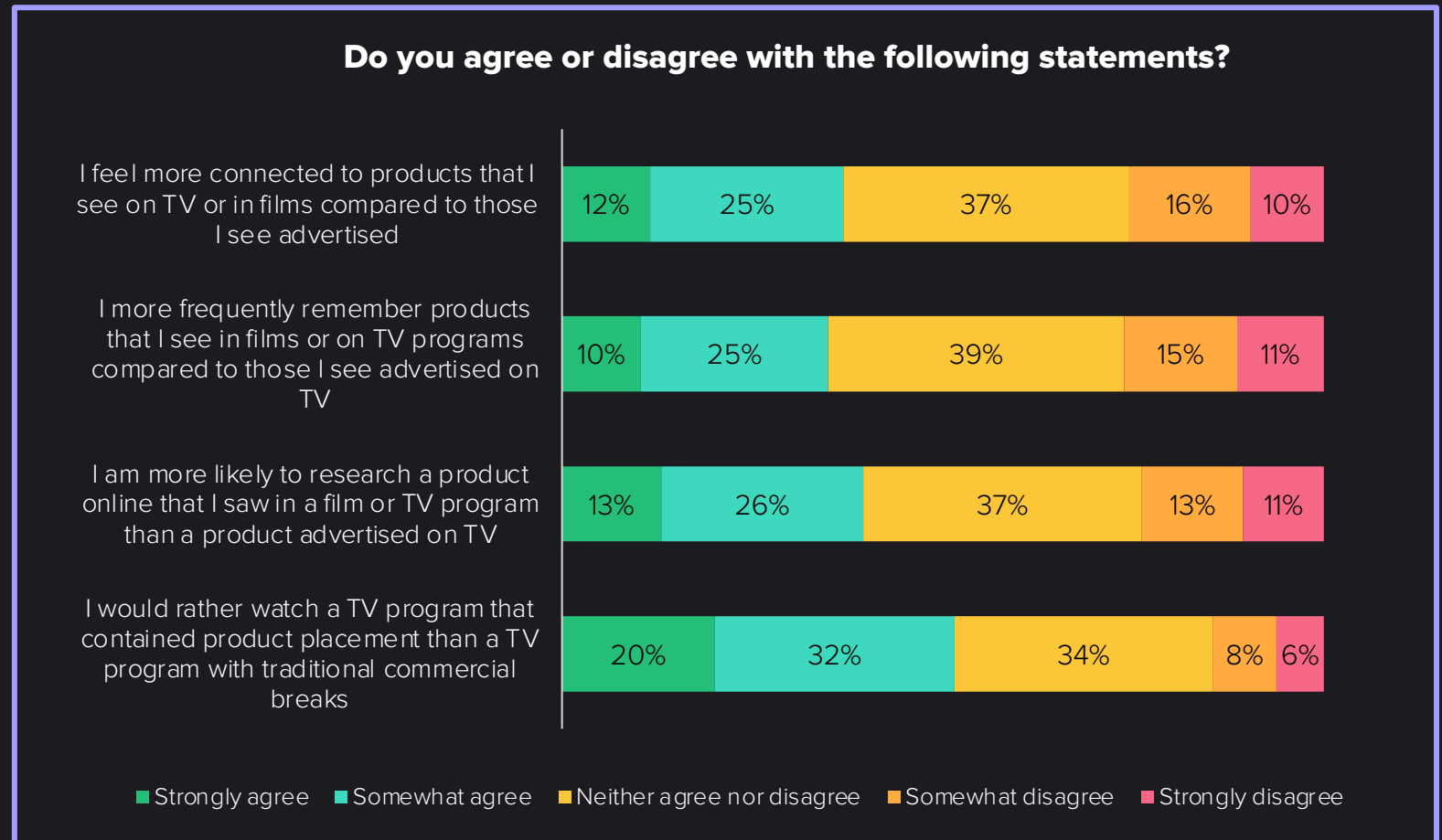
Two in every five (40%) are more likely to research a product online after seeing it in a film or TV program, compared to a product advertised on TV, and two in every six say that it improves their opinion of the product or brand.



PRODUCT PLACEMENT IS FAVORED OVER ADVERTISING AND GENERATES BETTER RESULTS

Given a choice, 52% consumers would prefer to watch a TV program with product placement over advertising.

Product placement generates better recall, is more likely to result in consumers researching products, and generates better connection with products compared to advertising.



RELATABILITY AND AUTHENTICITY ARE KEY

Consumers believe that product placement makes TV programs and films **more authentic.**

Furthermore, products are more likely to be noticed by favorite and relatable characters.

For marketers, this represents an opportunity to reach consumers when they are highly engaged and receptive.

Do you agree or disagree with the following statements?

I am more likely to notice products when I relate to the characters in the TV program or film I am watching



I am more likely to notice products that my favorite characters use compared to those simply in the background



Product placement makes TV programs and films seem more authentic



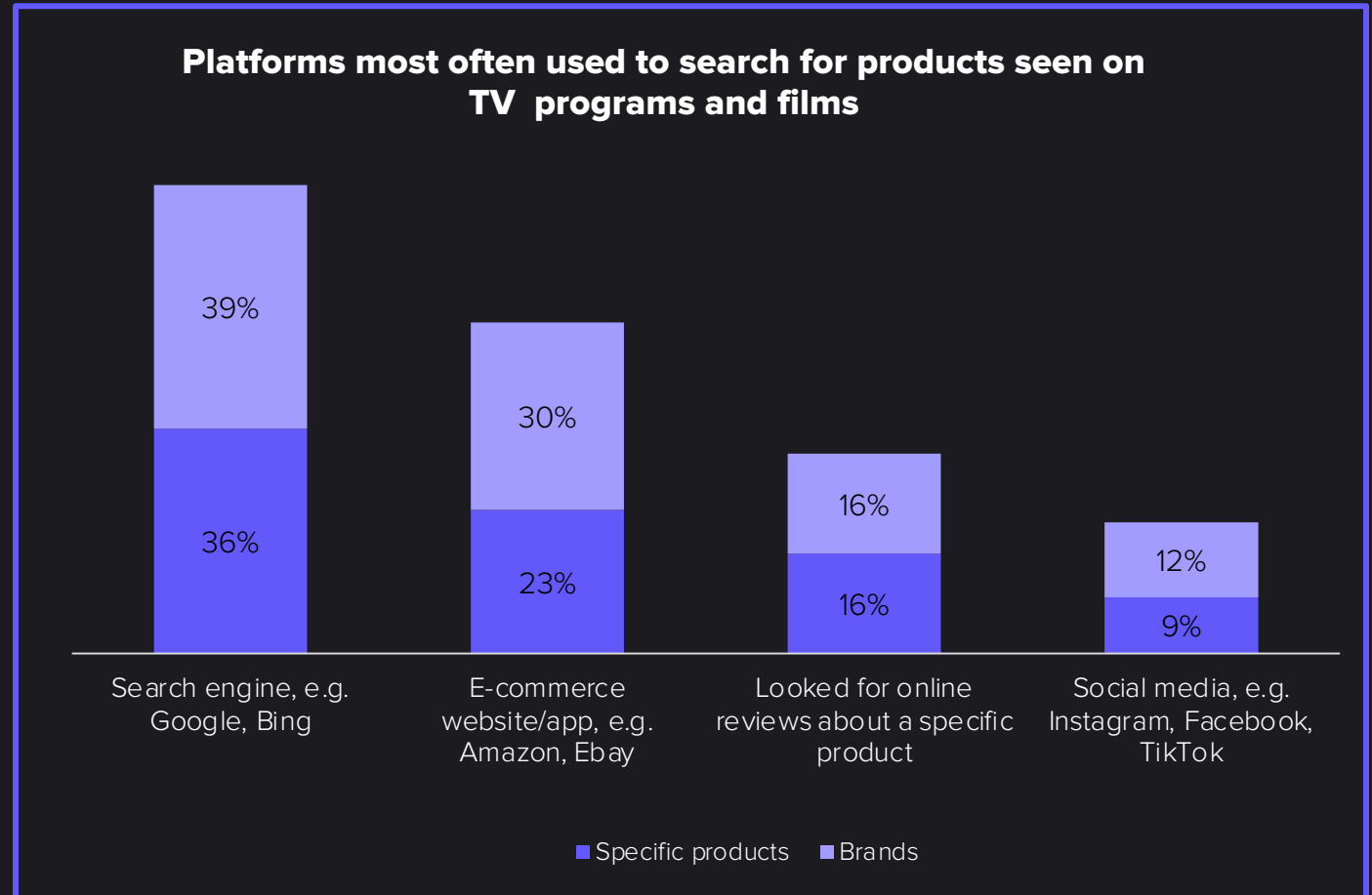
■ Strongly agree ■ Somewhat agree ■ Neither agree nor disagree ■ Somewhat disagree ■ Strongly disagree

CONSUMERS' RESEARCH AND PURCHASE BEHAVIORS

CONSUMERS ARE QUICK TO RESEARCH PRODUCTS AND BRANDS THEY SEE ON TV AND FILMS

Three-quarters (75%) of consumers have searched for a product or brand on at least one platform after seeing it on TV or in a film.

57% of consumers that search for a brand or product after seeing it on TV go on to purchase the same product or a different product from the same brand.



PRODUCT PLACEMENT DRIVES ONLINE AND OFFLINE SHOPPING AND POSITIVE WORD OF MOUTH



32% visited the brand's website

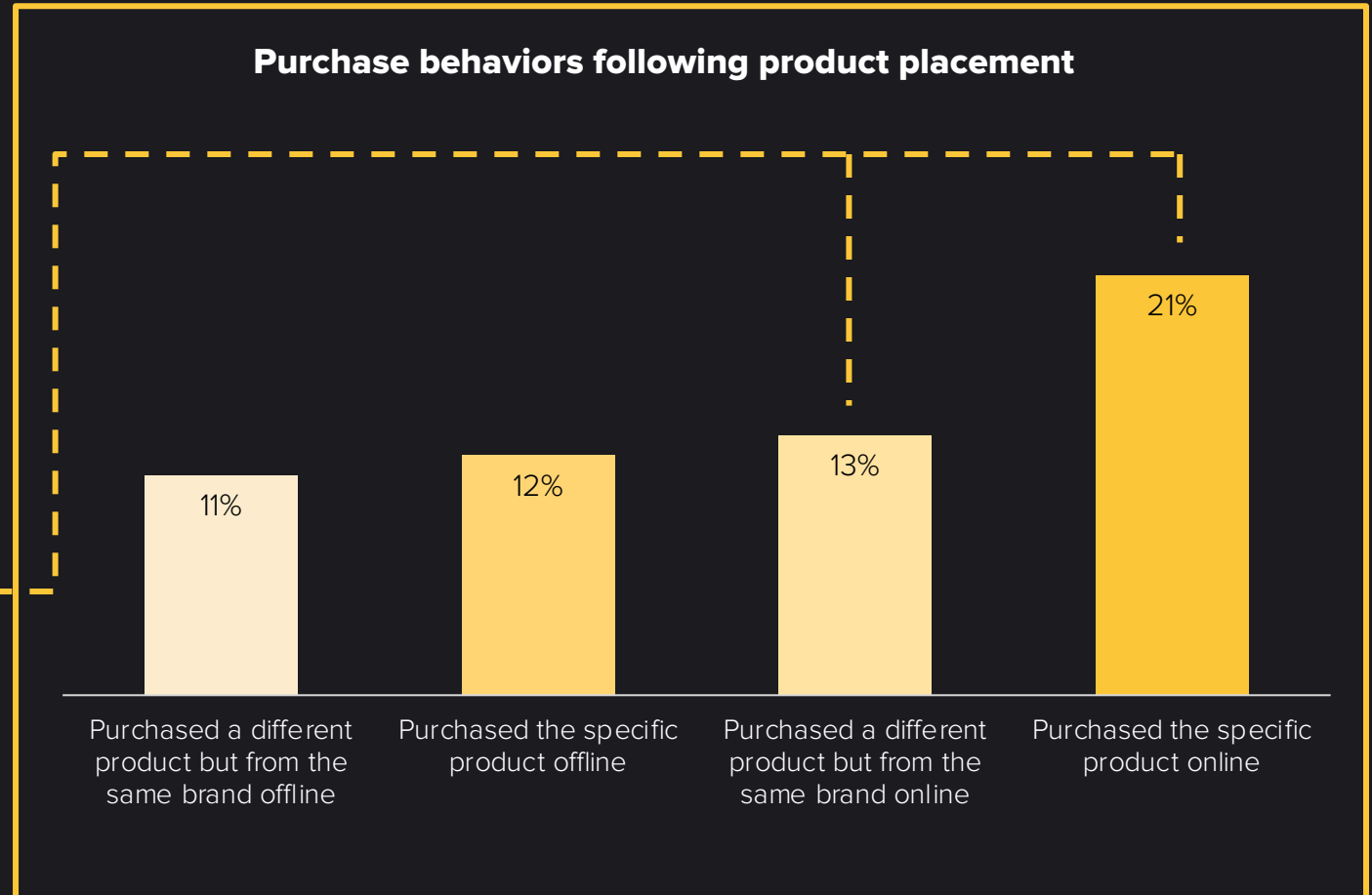
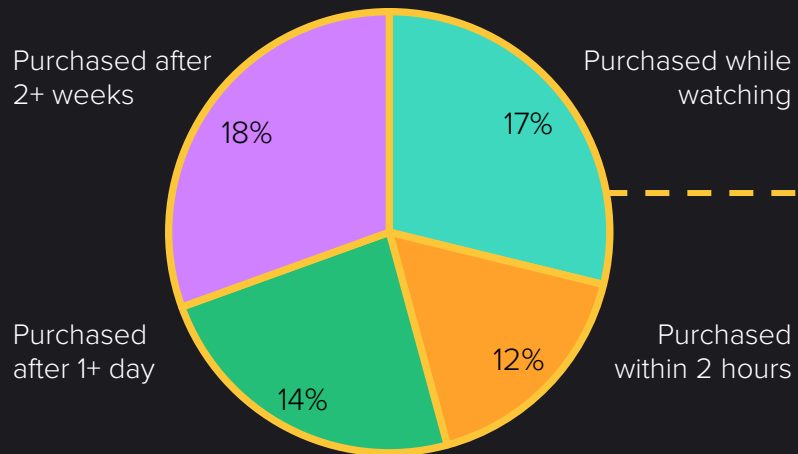
21% discussed the brand or product in a positive light with others during the content

20% mentioned the brand or product in a positive light to a friend or a family member at a later date

18% visited a store to see a specific product

ONE-THIRD (34%) HAVE PURCHASED A PRODUCT SEEN ON TV OR A DIFFERENT PRODUCT FROM THE SAME BRAND ONLINE

Of those who have purchased products online **17% made the purchase as they were watching**, **12% did so within two hours**, **14% waited more than a day**, and **18% took longer than one week**.

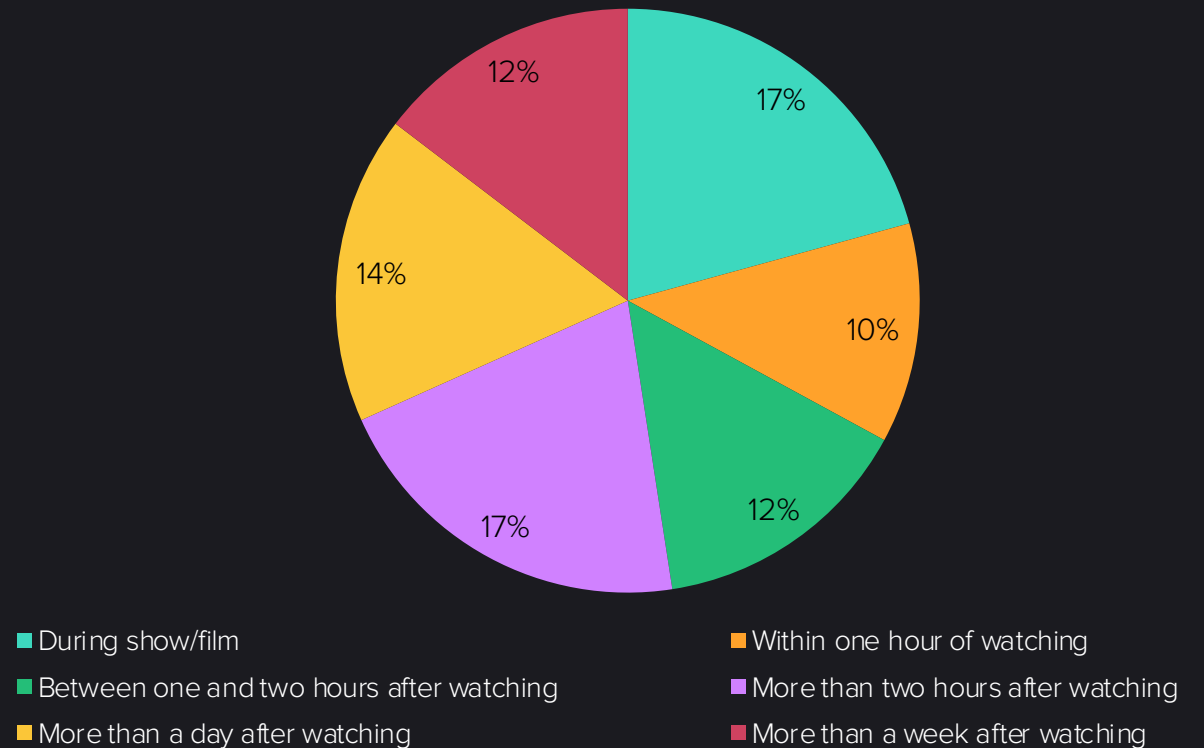


MORE THAN HALF (56%) OF PURCHASES HAPPEN WITHIN ONE DAY OF EXPOSURE

The time lag between exposure and purchase is somewhat **unpredictable**.

With 44% of U.S. consumers waiting more than a day before making a purchase, and more than half of those waiting more than a week, there is an opportunity for marketers to re-engage these consumers via digital channels to reduce this lag.

Time between seeing products on TV and purchasing



SUMMARY

With content consumption and ad-skipping at all-time highs, brands are increasingly looking for new ways to reach and engage their audiences. Key to doing this successfully requires connecting with audiences in a manner that does not interfere with their content consumption but also drives **research, consideration, and purchase**.

This report demonstrates that brands are increasingly shifting dollars into product placement due to its effectiveness at **reaching non-ad-supported audiences, in driving cultural relevance, and providing incremental reach to television spend**. Consumers are responding favorably toward product placement, which has been demonstrated to **drive action throughout the purchasing process**. The low levels of frustration observed in this research speak to consumers' appreciation for authentic, integrated experiences.



HOW **BENlabs** CAN HELP YOU GENERATE RESULTS WITH PRODUCT PLACEMENT

ADVANTAGES OF **PRODUCT PLACEMENT**



REACHES AD-FREE AUDIENCES

As content travels across outlets, integrations travel with the content and reach ad-avoidant audiences



CONSUMER PREFERENCE

US consumers prefer product placement over advertising in TV content



UTILIZES TRUSTED MESSENGERS

Leverages the knowledge of creators who are experts in engaging their audiences

LASTS A LIFETIME

Integrations in streaming shows accumulate millions of impressions month after month



UNSKIPPABLE AND UNBLOCKABLE

With ad-skipping on the rise, getting inside the content is the best way for brands to make sure they are seen.



PROVEN EFFECTIVENESS

Integrations are proven to increase brand awareness, opinion and consideration





WE ARE BENlabs

WE HELP BRANDS **IDENTIFY, DISCOVER, & ENGAGE**
AUDIENCES ACROSS ENTERTAINMENT

Simply put, BENlabs has the industry knowledge, relationships, and AI tools to identify and place brands into the right content, thus creating impactful cultural moments and helping brands achieve their marketing objectives.

PRODUCT PLACEMENT

INFLUENCER MARKETING

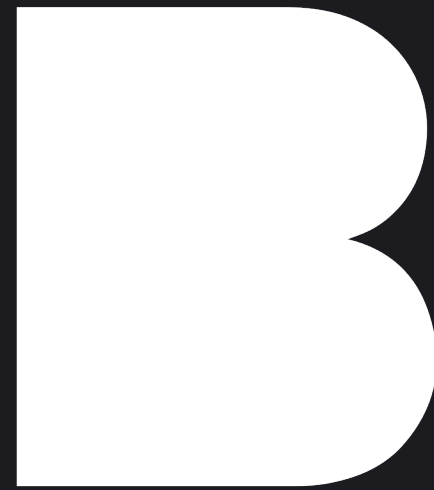
MUSIC INTEGRATION

LICENSING & RIGHTS CLEARANCE

METHODOLOGY

This report contains data from multiple sources, including PQ Media's Global Product Placement Forecast 2022-2026, a BENlabs survey of 349 senior marketing managers or above with direct responsibility for marketing spend and/or marketing innovation at their brands (December 2022), and a BENlabs survey of 657 US consumers (excluding those who work in marketing and advertising) about their TV viewing habits and views on product placement within TV programs and films (April 2023). Unless otherwise specified, there were no significant differences in responses by age, gender, or viewing habits.





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