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New Report: Product Placement Hits \$3.5 Billion, \$1.9 Billion On TV

by Wayne Friedman

TWO MAJOR RESEARCH COMPANIES THAT focus on branded entertainment and product placement--PQ Media and iTVX--have struck an agreement to release what they say is the first global branded entertainment report on overall spending and measurement. The two companies will also offer custom research studies.

The exclusive research report, to be called "Global Branded Entertainment Forecast: Product Placement Spending & Measurement Analysis," will be launched in the first quarter of 2006.

The Stamford, Conn.-based PQ Media has focused on selling custom data to brand marketers for alternative advertising such as branded entertainment. The new joint venture report will be based on its Product Placement Spending in Media 2005 report. That study showed that television product placement spending in 2004 was \$1.9 billion--up 46 percent over the year before. Overall product placement spending from film, TV, and other media was \$3.5 billion in 2004--up 30.5 percent versus 2003.

"PQ Media has established themselves as forecasters of branded entertainment," according to Frank Zazza, CEO of iTVX. "Together, we will have the right information for companies who seek branded entertainment spending globally. We can do customized research and turn-key solutions."

For the last three-and-a-half years, the New Rochelle, NY-based iTVX has been providing clients with product placement measurement. The company has been selling its Q-Ratio product placement measurement system, which uses 50 different product "variables"--including where it is placed in the background or foreground, the kind of audio that is used in relation to the product, how long the product is seen or heard, and other factors.

Q-Ratio gives clients "quality" of a product placement, integration, or a branded entertainment deal, where it values a product placement in relation to a 30-second spot. For instance, a simple static product placed in the background on a set might give a ratio that is a tenth of a 30-second spot. But a bigger branded integration deal, in which the product is part of a storyline--in, say, "The Apprentice"--could have value that is 9 times that of a 30-second spot.

Some 20 clients, including advertisers, agencies, and cable networks, have used the Q-Ratio product.