



PRODUCT PLACEMENTS SLATED FOR 'SMALLVILLE'

Identity of the Sponsor and Product Is Still a Secret

By Wayne Friedman



NEW ORLEANS (AdAge.com) – The highly rated WB show *Smallville*, about the younger life of Superman, will soon include product placements from a mystery consumer products company, according to a Warner Bros. TV network executive.

At the annual gathering of the National Association of Television Program Executives, Bruce Rosenblum, executive vice president of the WB TV unit, said the product placements, which will appear in an upcoming six-episode arc of *Smallville*, was "an experiment."

Identity guarded

Speaking at a seminar called "Forecast 2003," Mr. Rosenblum declined to identify the brand being placed in the series. He said the product already has been featured on the popular show, which attracts a young-skewing audience. Media executives speculated the product could be a cell phone, beverage or entertainment product.

Mr. Rosenblum was joined by a number of TV executives who spoke on a range of topics, from the strong TV economy and increasing product placement deals to the strength of vertically integrated media companies and the influx of shows in the reality TV genre.

Too much clutter

"Clutter is such a problem," said Bill Cella, chairman of Interpublic Group of Cos.' Magna Global USA, referring to advertiser ownership of shows and product placement. Yet Mr. Cella said his own Magna Global Entertainment unit has created 14 different advertiser-programming deals, including a deal with Johnson & Johnson to present original movies on AOL Time Warner's TNT. But TV production executives warned that without the proper promotion, any show – even an advertiser-sponsored one – can be a failure.

"You are not going to watch a branded entertainment show unless you are aware of that branded program," Mr. Rosenblum said.

Less syndicated fare?

Pat Mullen, president of Tribune Television, feared the growth of network reality-TV shows could have negative effect on local TV stations because syndicated programming offerings could be thinner in the future. Since reality TV shows don't repeat, the theory goes, stations could be desperate for programming in the future.

"The fear is the lack of production for stations," Mr. Mullen said. "We have to look to create partnerships with producers."

Steve Rosenberg, president for Universal Domestic TV and co-president of Universal TV Distribution, said the major question in the coming year is, Would there be a swing from the major vertically integrated media companies – which own studios, stations and cable networks and have a stranglehold on the entire distribution system – to independent TV producers? Those independent producers would be more willing to make more creative financial deals with TV stations.

Re-purposed programming

TV networks and producers have been struggling to find a viable financial model. One of the ways to deal with this is to "re-purpose" programming, which occurs when a particular show plays on a cable network soon after a broadcast network run.

Producing executives on the panel warned of increasing danger in this arena.

"If we take these programs and re-purpose them with a run on cable as well ... you could damage the back end [syndication] profits for your creative partners," Mr. Rosenblum said.

Broadcast vs. cable

Billy Campbell, president of Discovery Networks U.S., said the broadcast business "is under siege." Cable networks, by contrast, are thriving because they aren't pressured to make immediate programming decisions.

"On the broadcast side, if I didn't buy a show when they [media buyers] were in the room, they were gone," said Mr. Campbell, who previously worked at Viacom's CBS.

Responding to a question about the increasing strength of media buying companies (such as Mr. Cella's Magna Global), Mr. Campbell said: "We don't relish ... how strong media buyers are." Panelists differed on their ad revenue forecast for the coming years. They noted that 2002 was a strong year for TV, and that 2003 looked even stronger. However, Jack Myers, a media economist and editor of the *Jack Myers Report* and the panel's moderator, said 2004 and beyond could be questionable periods of growth.