Product Placement Grows in Music Videos

By JOSEPH PLAMBECK

WHETHER it’s for a Virgin Mobile phone or Miracle Whip dressing, Lady Gaga will do the pitch. In the video for her single “Telephone,” she flashes those and a handful of other brands — providing one of the splashiest examples yet of product placement in music videos.

And though she has taken these placements to the extreme — making them obvious is part of the gimmick — Lady Gaga isn’t alone among musicians when it comes to incorporating brands into videos.

At least two related trends have contributed to the growing popularity of placements: the move of videos from television to the Internet and the attempt by record labels to make videos a revenue source and not just a marketing tool for selling CDs.

According to a report released last week by PQ Media, a research firm, the money spent on product placement in recorded music grew 8 percent in 2009 compared with the year before, while overall paid product placement declined 2.8 percent, to $3.6 billion.

The money is often used to offset the video’s cost, which is usually shared by the artist and label.

Patrick Quinn, chief executive of PQ Media, said that revenue from product placement in music videos totaled $15 million to $20 million last year, more than double the amount in 2000, and he expected that to grow again this year.

“That real estate — getting into the content itself — has become that much more valuable,” Mr. Quinn said.

“There’s an opportunity there to make money and charge for that real estate.”

For years, the opportunities for product placement — advertisers like to call it “integration” — in music videos were limited. MTV was the dominant outlet for videos, and its policy prohibited blatant plugs in videos, so the network would often blur brand labels or ask for a new version without the placement.
But the airtime MTV devotes to music videos has decreased sharply, and the Web emerged as a preferred destination for fans, opening the door for labels and advertisers.

Rio Caraeff, the chief executive of Vevo, the music video network started late last year in partnership with YouTube, said the company aimed to enable product placement in videos.

The company “works as a conduit between the world’s largest music companies and brand marketers,” Mr. Caraeff said in an e-mail message.

The Lady Gaga video, which has been viewed 62 million times on YouTube, included product placements from Miracle Whip and Virgin Mobile.

The phone company, Mr. Caraeff said, has a “strong relationship” with Vevo, which is partly owned by Universal Music, the parent of Lady Gaga’s label.

Mr. Caraeff said the placement demonstrated “how complementary our relationships with brands and music companies are and how we can bring them together for successful partnerships in the future.”

(A version of the video on MTV.com, meanwhile, blurs out the Virgin Mobile branding but not Miracle Whip, which is a little less prominent.)

Jonathan Feldman, vice president for brand partnerships at Atlantic Records, said his label valued videos differently than it did five or 10 years ago, seeing them as more than marketing provided free to television outlets.

“Before, video was definitely to showcase creativity and content,” Mr. Feldman said.

“It was promotional, and today we look at video as another piece of pie and a way to generate venue.”

Part of the pitch to advertisers, Mr. Feldman said, is that the product in a video always remains there, unlike most other advertising opportunities around music videos, for instance a 15-second ad before the music that is bought for a specific amount of time or number of views.

“It’s not going to disappear,” he says.

Atlantic’s video for “Billionaire,” the hit song by Travie McCoy that features Bruno Mars, includes a paid placement of a Mini Cooper. The two artists ride in the car and then Bruno Mars gives it away to a man looking for a ride. The video has been viewed more than nine million times on YouTube.

But the number of views of any one video remains unpredictable, and that’s one reason Kathy Findling,
president of Creative Entertainment Services, a marketing firm that specializes in product placement, said that her company did few music video deals. It’s easier to estimate the number of viewers of a coming television show, she said.

The music video deals often develop because a brand is already associated with an artist — by sponsoring a concert tour, for example. Each deal comes with a degree of risk, though.

Mr. Feldman said it was important to the label and its artists that the video avoided being seen as a commercial for any product (aside from the artists themselves, of course).

In the case of the “Billionaire” video, Mr. Feldman said the Mini Cooper placement worked because a car was needed, and while it was in several shots, the car itself was not the main attraction.

The musicians have the final say over whether a product can be included, he said, and Atlantic has turned down opportunities because the placement would not have appeared to be natural.

Owen Shively, who handles the music deals for UPP Entertainment Marketing, a product placement firm in California, said it was in the brand’s interest to make the placement look as seamless as possible, too.

“There aren’t the same restrictions anymore, but you don’t want to do something blatant or overt,” Mr. Shively said. “You don’t want to do something where the viewer says, ‘That doesn’t make sense.’ ”