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## P&G: Engaging Customers Through Branded Entertainment

### Challenge: The Space of Advertising is Changing

The world of advertising has changed significantly over the past few decades. Major drivers of change, such as media fragmentation and technological innovation, have challenged the traditional 30-second TV spot from multiple angles. Media outlets and television networks are becoming increasingly fragmented. Along with the promotional challenges brought about from this fragmentation are those resulting from technological advances, in particular the adoption of the digital video recorder (DVR) and related devices, which essentially allow TV viewers to record television programs and skip the advertisements. According to a Forrester Research Inc. 2006 prediction, more than 50% of US households will be using a DVR or similar technology by 2010.<sup>1</sup>

With increased media fragmentation and the technological capabilities to skip advertisements becoming increasingly dispersed, a new model for advertising needs to replace the outdated 30-second spot, which is based on a captive audience. In order to overcome these challenges, advertisers must make a meaningful connection with their viewers.

### Solution: Connect with Targeted Audience Through Branded Entertainment

What has emerged as one of the solutions to these challenges is “branded entertainment,” which encompasses a spectrum of non-traditional means of weaving brands into entertainment.\*

Procter & Gamble (P&G), a globally renowned consumer product goods company, is one of the most prominent players in this space. P&G defines branded entertainment as the situation when “brand(s) and an entertainment property are inextricably intertwined (through TV, music, dance, interactive games).”<sup>2</sup>

James Stengel, P&G’s global marketing officer, has predicted the overall demise of the traditional 30-second ad spot and has subsequently overseen a dramatic 20% shift in P&G’s global marketing budgets away from traditional TV advertising.<sup>3</sup> With this change, P&G’s marketing model has shifted its focus away from a general blanketed reach and toward a format of more laser-like targeting. According to the head of

\*For more information on the emergence of branded entertainment, see the conceptual note “Advertainment: Fusing Advertising and Entertainment” by Cristel Antonia Russell, available at the Yaffe Center for Persuasive Communication.