



The **Insight Garden** White Paper Series

White Paper #2, April, 2005

**Unabridged Version of Article Which Appeared In April 4th, 2005
Issue of TelevisionWeek Magazine**

**Film Release Media Strategy Works Well
In Building Brand Awareness Quickly**

Film Release Media Strategy Works Well In Building Brand Awareness Quickly

Spring is in the air. Easter Sunday is recently past, March Madness has whittled itself down to tonight's final game (unless of course you read this after Monday) and the new baseball season starts this week. This is certainly a time of year for both endings and beginnings.

Of spring beginnings, one of the most interesting to follow is the ramp up to the big summer movie season. With the exception of a few trailer units that ran in big events like the Super Bowl, the next few weeks will see trailers for summer releases start to air outside of local Cineplexes on the small screen. These first trailers are the beginning of a release strategy that's used fairly consistently in new film media plans.

Two sides of urgency

Two urgent need states are the driving force behind conventional film release media strategy. On one hand there's the studio's need to reap as much revenue as possible from a film product with an ephemeral shelf life. On the other hand is the filmgoer's need to experience a hot pop culture commodity before it evaporates. It's easy to understand the film studio's side of the equation, but the filmgoer deserves a bit more commentary.

Films make it to DVD and video so quickly; one would wonder why people feel the need to flock to the Cineplex at \$10+ a pop just for the ticket. The reason lies in the experience. Being part of what's creating buzz can only happen while the buzz is being created. There's also something special about experiencing a hot entertainment commodity in the presence of a similarly minded mass of humanity which can't be achieved in a residential home theatre.

It shouldn't be a surprise that the majority of filmgoers during the initial release weeks come from younger demographics. Younger people tend to draw energy from experiential moments rather than relationships. Because younger people have fewer relationships like spouses and kids to energize them, it makes sense that they're drawn to the energy surrounding hot pop culture events like film releases.

Unconventional convention

Launch strategy for film releases could be considered the antithesis of conventional brand launch strategy. Non-film brand launches generally hold every impression in hand until it's actually available to the public, unleashing messaging as soon as the brand hits shelves. Support will continue for the launching brand as long as budget permits. Since conventional brands don't really have an expiration date, a consumer might purchase at any time, so covering as much of the calendar as practical is a real need.

Contrarily, film release strategy begins with a trickle of exposure far in advance of actual in-theatre date, and ramps up over time, slowly at first to finally very heavy levels at opening week/weekend. Post-opening exposure ramps down fairly quickly following release, lasting for maybe an additional four weeks.

The core driver of the approach is the expiration date notion. Films don't remain in theatres very long; weeks to maybe a few months. That means studios don't have a lot of time to generate revenue. Awareness must be built quickly to generate interest and demand in advance of opening weekend. Film companies want potential moviegoers waiting in line to buy tickets when opening day arrives, not hearing about the film for the first time.

While there is momentum for a film building via in-theatre or internet trailers well in advance, the length of calendar time between the first mass media trickle and release date isn't very long. Dives into competitive spending will reveal that most films don't begin the real mass media trickle until four or five weeks out from launch week and even tent pole releases don't start much farther out than eight or nine weeks.

Lots of dollars in a short time frame

But therein lays the real strength of the film release approach. Very significant budgets are poured into a very short amount of time. According to a recent Variety article citing data from the Motion Picture Association of America, the average film in 2003 had a marketing spend of \$39 million, about double the \$19.8 million level of 1996.

A budget of \$39 million invested in an average spending window of ten weeks looks for all intents and purposes like a \$200 million dollar investment. And that's just for average films. What about the tent pole films with marketing budgets far exceeding \$39 million? A \$50 or \$60 million marketing spend will deliver the energy and impact of a \$300 million brand to film-going consumers sensitive to the buzz created in the release window.

Utilizing this strategy, film releases are able to accomplish many important things:

- Reach masses of consumers quickly
- Achieve high levels of exposure and impact in all media utilized
- Utilize many points of contact, intersecting consumers in both main-line and alternative channels

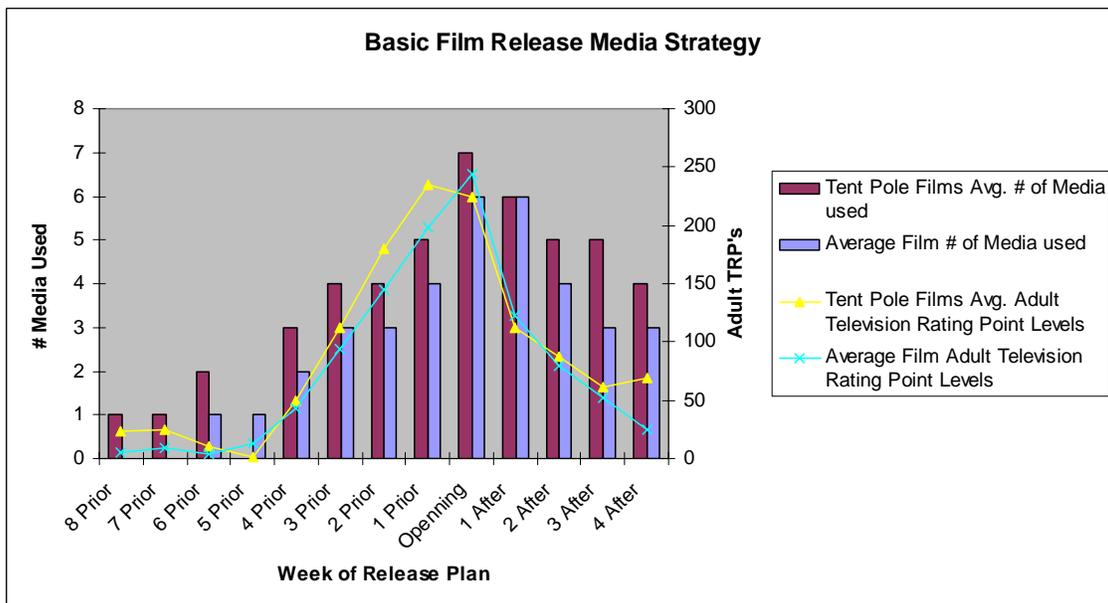
Main-line media execution

In main-line media, most films start with some form of television presence, network, cable or spot and may layer in a magazine or newspaper ad here and there. Television presence starts out in a skimpy fashion, mostly in network, with some films running fewer than 10 points a week up to maybe 30-40 per week.

But the trickle becomes a torrent very quickly. Television elements like cable and spot are soon added to the mix with average film rating point levels rocketing to 200-300+ by opening week. Some films will run in excess of 400 rating points release week.

Presence in other media increases dramatically as well. Print units increase from one or two in initial weeks to dozens or hundreds of small space newspaper ads. Radio also appears in many plans the week before and week of release at very high rating point levels.

The average film has presence in only one medium weeks from release, but appears in 6 media by opening day. Tent pole films tend to appear in an average of one more media type than the average film.



Alternative channels

For many in the media planning community, the internet can hardly be considered an alternative medium, but for some, it's still a frontier. Not so for the film industry. Studios have done a wonderful job of getting buzz out on films by simple release of trailers to web portals.

Buzz is starting to build for films like Star Wars: Episode III and Fantastic Four largely based on web release of the trailers. Talk about trickle, the films won't open until May 16th and July 8th respectively. Closer in, last weekend's release of Sin City has not enjoyed deep support in main-line media, but buzz on the film had been building for quite a while in the internet space. If you haven't experienced trailers on the web, check out iFilm or Movie-List.

Films use a lot more than the web to build alternative media channel buzz. Basic media coverage is another tool films often use to generate exposure pre-release. The aforementioned Sin City scored a nice cover story on Entertainment Weekly's Spring Movie release issue back in February. What do you think the value was for that piece of real estate? Not only does the film enjoy the subscription and newsstand exposure, but the implied endorsement as well. Would the magazine have featured the film on the cover if it wasn't buzz-worthy?

One tool a planner can use to get a sense of the value from that type of exposure is Lexis-Nexis. How many print mentions were received? Where were the mentions? In magazines? In newspapers? Lexis-Nexis can help quantify answers to those questions.

Also consider the pre-release tour of talk shows and internet chat rooms the film's stars make right around release. This tactic is certainly one way to generate powerful media exposure outside of paid media.

Finally, there's a lot to be said for the power of co-marketing. Films do a great job of finding partners that can provide incremental exposure in other channels. Limited edition products, contests and co-branded line extensions find their way onto grocery and mass-merchandise shelves every summer, reaching consumers during their shopping experience. And as the communication plans for those co-brands unfold in the marketplace, the films enjoy messaging in many channels, some that may not have been covered by the film's own marketing plan.

Who benefits most?

Brands/categories that are influenced by the expiration date mentality benefit the most from a film release type of strategy. Among those are DVD releases of the films. Take a deeper look at a few of the releases as they happen in coming months. You'll notice that they are almost a mini-version of the film's initial release activity. New album releases seemingly follow the same pattern, likely more reliant on web and radio than are films.

Then there are some not so obvious 'brands'. Political candidates follow a similar pattern, the main differences being a geographic roll of activity and immediate cessation of messaging as of the expiration date (Election Day).

Local retailers closely mirror a film release strategy during events like grand openings. Many of the same elements are there as with a national film release, just using a local proxy. Instead of magazine covers and celebrity tours, you see owner appearances, radio remotes and press coverage in the community section of the local paper. Instead of heavy levels of network television, there will be lots of local cable. There also may be some interesting local specific pieces like direct mail or newspaper inserts.

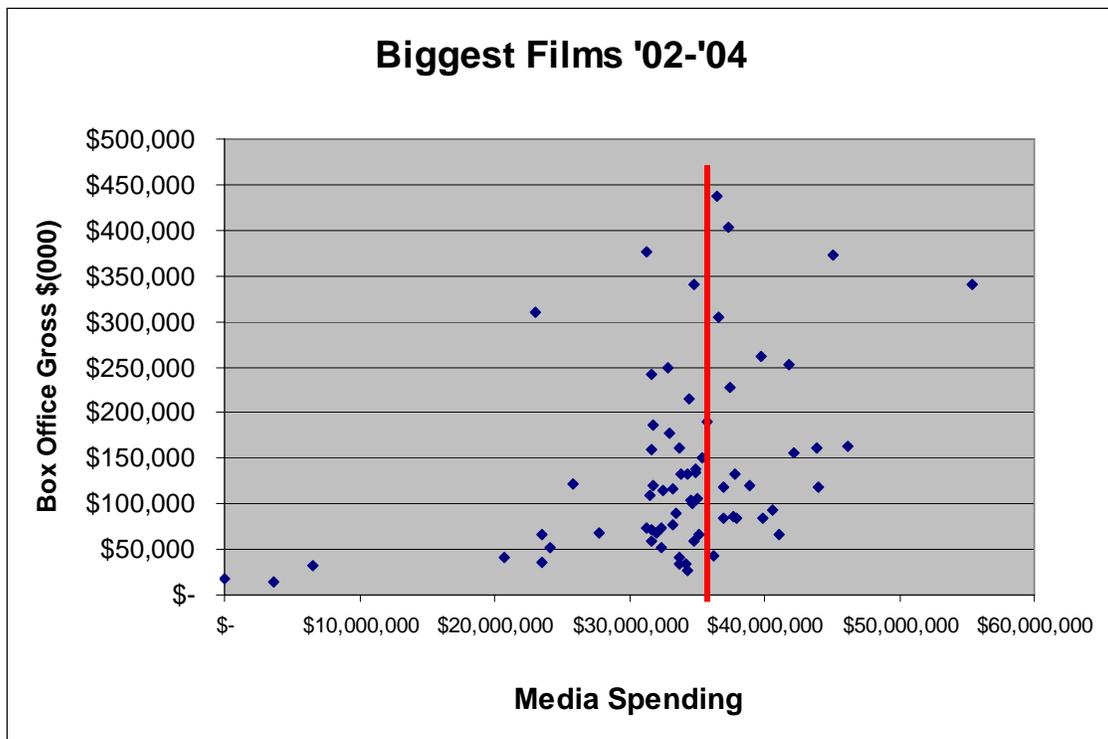
New television shows also behave in ways very similar to film releases. Of course they have the benefit of the network's war chest of promotional units, but they tend to use them the same way, building messaging up to the launch of the show. The other media elements are there as well, from radio to bus boards to Entertainment Weekly and TV Guide coverage.

Television shows will also use the occasional alternative vehicle from time to time. As part of its marketing launch, Lost used interesting tactics like SOS bottles on beaches, missing posters featuring cast members and crackling radio spots evocative of the show's French island broadcast.

Is it worthwhile?

There are two schools of thought on whether or not a film release type of strategy even pays out.

In school #1 is a media person's simple illustration of common metrics. Chart #2 plots the biggest films of 2002-2004 and their associated media expenditures, data courtesy of Variety and AC Nielsen.



Of 23 films in that period that grossed \$150MM or more, 13, or 57% had reported media spending of \$35MM+. Of the 45 films with less than a \$150MM gross, only 24% reported media expenditures of more than \$35MM. The average gross of the films investing more than \$35MM was about \$178MM, those under \$35MM was \$71MM. While nothing's a sure bet, on the surface it seems there's about a \$100MM box office advantage for films spending over \$35MM.

In school #2, there's the noteworthy '02/'03 Anderson School at UCLA study. If media/marketing planning behind films is of interest to you, this study provides excellent grounding in the subject.

In short, it concludes via regression analysis that, while still providing positive impact, rapidly rising media investments made on films in the last decade do not show a corresponding increase in box office return.

One of the interesting factors noted as contributing to the lack of box office oomph is the increasing cost of television media time coupled with the decreasing reach of the television medium. The study's authors smartly suggest more emphasis on alternative media like the internet to help solve the problem.

While the efficacy of classic film release media strategy is inconclusive, it's hard to argue against its real benefit: multi-media contact points generating big impact and high consumer interest in a short time frame. As the media blitz for big summer releases starts teasing your attention this spring, maybe you'll be tempted to think about a film release strategy's value for your brand.