

## The Thinkbox Guide to Advertiser Funded Programming (AFP)

**This Guide to AFP brings together opinion and insights from key stakeholders, producers, brand owners, content specialists and broadcasters, and explores how the process of broadcast Advertiser Funded Programming can be made easier.**

Advertiser Funded Programming (AFP), or Branded Content as it is now more often termed has been involved with Radio and Television since the 1930s when original daytime dramas in the US were funded by washing powder manufacturers such as Proctor and Gamble and Colgate-Palmolive, and the "Soap Opera" has remained with us ever since. The key to the successful strategy all those years ago was for the brands to give their customers the entertainment they wanted during the day. The brand would be associated and so appreciated. It was less about brand "values" and more about the brand as benefactor.

This simple and effective approach of putting viewers first when designing content should remain at the heart of any Branded Content initiative today. There are all sorts of clever ways to exploit the content but the content must be able to stand alone.

Hundreds of blue chip brands have now been involved in making television, online, and more recently mobile content: Unilever, Proctor and Gamble, the COI, Adidas and Vodafone, to name but a few.

Unlike a traditional broadcast sponsorship, the funder is involved in the creative and complex process of actually producing content. It's crucial to assemble a team of experts in these fields and be prepared to accept the risks. Although production costs are often in excess of the instant media value, there are many ways content can be used to enhance and build on wider activity, either long term or short, and the prize can be very high for getting it right!

The Guide gives various routes for brands to get involved, tackles the tricky problem of editorial independence, and answers crucial questions about how to get the best out of AFP.

- An introduction to AFP
- What it is and what it isn't
- How do you do it?
- The legal bit: Ensuring editorial independence
- How to get the best out of AFP
- Summary
- Who to talk to at the broadcasters

## An introduction to AFP

Most commentators agree that brand content (or Advertiser Funded Programming) is fast becoming an important string to the TV marketing bow. It fundamentally affects all those connected with the making and financing of quality TV programmes.

*"This is a new era of co-creation, the convergence of the marketing trinity: entertainment content, media and brands"*

Steven Heyer, Coca-Cola

The process of getting brand content to air is evolving: it involves the forging of new relationships, new business models, new learning and a considerable amount of cross-cultural understanding amongst the key stakeholders.

These changes are reflected in the evolving regulatory framework governing TV content. The current Ofcom Broadcasting and Sponsorship Codes present a simpler, lighter touch and practical approach to regulation than ever before. Greater marketing opportunities are now available to brand owners in relation to TV as a result, always providing that the editorial independence of broadcasters and the quality of TV programming is maintained.

This Guide brings together opinion and insights from the key stakeholders (producers, brand owners, content specialists and broadcasters). The idea is both to review what we have learned to date, and also to explore how the process of broadcast Advertiser Funded Programming can be made easier.

Brand content programming is not right for everyone. However, for those of us that do want to get involved in this new business model and drive it forward, a good first step to making it easier is to agree exactly what it is and what it can do. From here we can work together on an evolving process.

## What it is and what it isn't

Understanding this is key to a positive outcome and time well spent.

AFP can be described as 'any means by which an advertiser can have a deeper relationship with programming product beyond traditional media activity'. By this definition there must be a funding relationship (full or part) with the programme or series. Put another way, it is 'beyond sponsorship' – where money goes directly into production and leads to a degree of content ownership. It's programming that wouldn't exist without the advertiser partner.

It is not about product placement or editorial about a brand.

Advertisers need to remember that they are buying into the editorial integrity of the programme and reaching consumers by association with the programme's values. This is not a restraint – it is the key to success. Gillette World of Sport is a great example: it's a show that the target audience want – but it's not about razors or shaving gel.

## Why should brands get involved and how does AFP build on TV sponsorship?

Branded Content is often looked at as "sponsorship +", and this is a pretty good thing to keep front of mind. The consumer/brand relationship operates in a similar way. AFP can do all the things sponsorship can do for a brand – enhance, reinforce or shift a brand image etc, and more.

A TV sponsorship campaign, done well, can yield real benefits for a brand if the right show is available, at the right time; if it can be secured; and if there is sufficient time to plan and co-ordinate the exploitation before it goes to air. However, this is not always possible.

Through AFP, advertisers can negate these provisos, maximise the potential of TV sponsorship on their own terms and garner a number of significant benefits from having a deeper relationship with programming and with broadcasters and producers. AFP provides the opportunity to participate in the phenomenon that a successful TV show can be, which is as much off-air as on-screen.

So what can branded content give you that builds on the established benefits of TV sponsorship?

- **A competitive edge:** great programmes that can be sponsored are in demand. Brand content can help you avoid a bidding war for a diminishing bowl of programming cherries. You can exclude your competitors by owning the commercial relationship from the start.
- **Synchronicity:** arrange TV content-led marketing at a time that suits your marketing cycle when there is no suitable TV content available "off the shelf".
- **Maximum value:** longer lead times mean more time to better plan and budget for an integrated campaign. More time too, to enable you to co-create the additional off-air and multi-platform content that consumers want.
- **Deeper brand experience:** a 30 or 60 minute brand experience; all of the content shapes consumers' attitude and image of brand (not just the branded credits).
- **Franchise creation:** AFP gives clients the opportunity to create a franchise from scratch that didn't exist before, e.g. Orange Playlist or Red Bull's Flugtag. It can also initiate the development of new programme or product categories. For example, the proliferation of popular music performance programming and side-stream sporting strands have been the result of successful advertiser-led strategies while the TV coverage of Horseracing from 2004 to 2007 would not have been possible without The Tote.

There are many other potential marketing and commercial benefits, from **title rights** and **credit integration**, to **exploitation deals** and **international barter**. The expansion of broadband, the **migration of television properties onto new platforms** and the enthusiasm of viewers for more or the right content related to their favourite programmes is of considerable incremental benefit for those involved.

In essence, ad-funded programming is a strategic vehicle for the brand communication, whereas TV sponsorship is often a tactical opportunistic medium. However, like great sponsorship campaigns, the best brand content programming uses entertainment as a gateway to consumer dialogue off-air and on multiple platforms.

## How do you do it?

There is more than one way to get an AFP to air. Here are a few routes:

- **Route 1:** clients supply a brief setting out the core values of its brand and the nature of the programme it is looking to fund, then works with a commissioning editor to attract the right production partner. Most broadcasters prefer this route, as the idea is more likely to be aligned to the channel requirements from the start.
- **Route 2:** the programme concept is put to a production company and the format is worked up with the client prior to being presented to a broadcaster. This is a good option for an advertiser who has identified an ideal production partner and wants multiple programme ideas.
- **Route 3:** a broadcaster is looking for a particular programme or genre to fit its programming schedule. This programme will need funding. They put a brand programming brief out to tender with producers. This is good for all parties, because it starts with a scheduling requirement, which comes with an increased chance of a commission.
- **Route 4:** programmes are delivered "ready made" to the broadcaster, who has to find an appropriate slot for it in its schedule. This arrangement is suitable for brand owners who already own entertainment properties and wish to barter them against commercial airtime.

Shows can be fully or partly paid for by the advertiser. In some cases co-productions rather than complete funds can encourage buy-in at the broadcaster level as it maintains their vested interest.

Broadcasters work differently. Clients and agencies must understand the different commissioning and commercial practices of each broadcaster in order to achieve the best results. The best way to approach this is to first get the programme idea and then discuss business terms.

For broadcasters, each branded content proposition will be assessed as to whether it will strengthen the relationship with the client. This relationship includes spots, sponsorship, interactive and AFP.

## The legal bit: ensuring editorial independence

In reference to Advertiser Funded Programming, people often talk of a degree of “ownership”. But what does this mean, and to what extent can a funder be involved in the TV programme?

On air, AFPs are subject to the same Ofcom broadcasting code rules as conventional sponsored programmes. Crucially, the funder must not influence programming content or scheduling in such a way as to affect the editorial independence of the broadcaster.

While the funder can benefit from credits around the programme, there must be no reference whatsoever to the funder within the programme. This restriction also extends to generic references to the funder’s product/service where the reference could be judged to be promotional. For clarification the only areas of the broadcast that the funder can formally approve are:

- Programme format & script outline
- Cast outline including presenter
- Sponsorship credits

Of course the extent to which any additional approvals are awarded may depend on the extent to which the advertiser is funding the project: e.g. fully funding or a co-production and sharing rights with broadcaster or producer. These may include:

- Platforms and territories for distribution; i.e. mobile, online and geographic region
- Any third party licensing rights; e.g. logos, use of copyright by others
- Marketing and PR activity in support of the programme/ content

This framework helps to define the stakeholder roles and protect the editorial independence and integrity of the production. In so doing, it creates a powerful platform for brand content marketing – programmes that viewers will want to watch, from people who know how to make them. An advertiser can have more influence on the co-creation and deployment of off-air and multi-platform brand content assets.

## How to get the best out of Branded Content

1. The most important thing of all is to know why you’re doing it. Set yourself clear objectives from day one. However, brand content programming is about partnership and good relationships. Establishing and understanding the objectives, roles and contributions of the other stakeholders from the start is of equal importance.
2. Get help. This is an exciting but relatively immature market, where a little help with navigation can go a long way. Ask the right questions at the beginning: e.g. who has the idea and who owns it? Who deals with commissioners, broadcasters? Who deals with the production company? Who does the deal and who is the contract with? Who owns and handles syndication and secondary rights? Who implements the off-air? Who owns the off-air? Consider how you will justify your Advertiser Funded Programming. How will the ROI be measured - hard measures, such as product

sales, shareholder value, or soft measures, such as brand perceptions and awareness? How will the AFP fit into your broader communications?

3. The programme format must be strong and stand out against its competition. It must justify its own place in the schedule as well as fulfil the marketing expectations of the client. Making a hit TV programme is difficult. Getting a place in the schedule is the target for an industry of talented producers in a competitive market: 95% of their programme ideas won't get a commission. The best ones that fit, will.
4. It follows that there is stiffer competition for a peak slot on a terrestrial channel. Big numbers have their place. However, it's not all about reach. Advertisers can use the multi-channel world of today's television to create destination programming for tightly targeted groups. There are also opportunities for brands to engage with viewers through entertainment away from the broadcast stream. For example, placing content behind the red-button, or making it available on-demand. We know that consumers will seek out content from brands, if the content and call-to-action is right.
5. Programme partnerships can yield real benefits for all parties. However the journey can be a long one from the first meeting to the post-broadcast party. Continual project management is required to deliver a satisfactory result. Time frames can be long and the time committed may be more than you think. Scheduling changes are prevalent within all broadcasters – slots cannot and will not be guaranteed. The trick is to deliver the best product possible, which will then be scheduled by the broadcaster as best as possible. Remember too, that broadcasters often schedule 4-6 months ahead of transmission.
6. To get the most out of branded content, clients must work to deliver value off-air via their own marketing or commercial activity. The broadcast sponsorship element of an AFP in isolation will not provide an ROI; there must be other routes to delivering realisable value, either via international markets, off-air initiatives or multi-channel distribution. In most cases, branded content adds weight and cut-through to the client's total communication mix. High brand awareness, driven by other TV and non-TV activities creates a better platform for AFP.
7. With a lack of prime time branded content slots, clients should invest in marketing support to promote the programme itself. As the equal stakeholder model suggests, it's in all parties' interest to get share of viewership.
8. Don't be too literal about the link between brand and content: it's about shared values. Enjoy the journey!

## Summary

- Marketing and programme content are moving ever closer towards a future where brands need to entertain.
- Through brand content programming, advertisers have the opportunity to engage with consumers in the context of entertainment that reflects their brand values, and to turn that engagement into dialogue.
- A deep relationship with good TV programming creates a hub around which a plethora of promotional tools can spin, both on-air and off-air. These include online and mobile applications, events, merchandise, PR, trade hospitality, point of sale licensing and other media promotions. Non-broadcast platforms are an excellent means of amplifying the broadcast commission.
- At the moment, the brand content market is young, and we're all learning how to do it. The television companies are keen to engage with advertisers, producers and agencies who wish to embark on this adventure. With sensible expectations, co-operation and experimentation we should collectively be able to refine the process, make it easier to navigate and ensure that it is increasingly rewarding for all parties.

## Who to talk to at the TV companies

If you have a relationship with a particular genre commissioner, then that's a good place to start. However, if you don't and you would like to discuss a programming brief, then here are some people at Thinkbox's stakeholders who will be able to help.

Channel4	Rob Ramsey	rramsey@Channel4.co.uk
Five	Jon Lewis	jonathan.lewis@five.tv
GMTV	Clive Crouch	clive.crouch@gm.tv
ITV	Katherine Marlow	katherine.marlow@itv.com
Sky	David Shore	david.shore@bskyb.com
Turner	Simon Cox	simon.cox@turner.com
Viacom	Daniel Salem	daniel.salem@viacombrandsolutions.co.uk

## About Thinkbox

Thinkbox is the central marketing body for commercial television owned by Channel 4, Five, GMTV, ITV, Sky Media, Turner and Viacom Brand Solutions. It has one objective; to help all its customers get the best out of television. If you'd like more information on today's TV advertising, please go to [www.thinkbox.tv](http://www.thinkbox.tv) or you can drop us a line at [info@thinkbox.tv](mailto:info@thinkbox.tv).