# Chapter 63 How Branded Entertainment Shapes Consumers' Brand Attitudes: Evidence From an AdvertiserFunded Program

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### **ABSTRACT**

This chapter investigates how consumers' brand attitudes are influenced by an advanced form of branded entertainment: the Advertiser-Funded Program. Based on prior work on brand placement, hybrid advertising, and branded entertainment, a model is constructed that captures the interplay of three key determinants of brand attitudes: program liking, viewing frequency, and program connectedness. Results indicate that liking of the program is transferred to brand attitudes. This effect is complementarily mediated by connectedness with the program but not by viewing frequency. The chapter concludes with a discussion of implications for theory and practice and provides an overview of potential avenues for future research.

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### INTRODUCTION

The increasing penetration of digital television and online pay-per-view and streaming services is putting the traditional advertising-funded business model of commercial television under pressure. As marketers are looking for new, more effective ways to promote their brands, hybrid advertising formats that merge commercial content with media content (e.g., brand placement or branded entertainment) are becoming increasingly popular (PQMedia 2012; Verhellen et al. 2013). This trend towards blending in the commercial message with editorial or creative content is also reflected by industry reports that indicate that the global expenditure on branded entertainment amounted up to \$54.58 billion in 2009, and is forecasted to grow by a compound rate of 9.2% by 2014 (PQMedia 2010). To produce entertaining content that is both appealing to the audience and well-suited for brand integration, many large media companies such as ITV (Britain) and production companies such as Endemol (The Netherlands) have established an internal branch specialized in branded entertainment content.

Branded entertainment can take many forms, with varying levels of brand integration. Perhaps the most state-of-the-art format is the Advertiser Funded Program (AFP), a television program that is completely funded by, and built around a specific brand. In an AFP, the brand is part of the program's essence and permeates many aspects of the program content. By creating relevant content around the brand, an Advertiser Funded Program offers the opportunity to communicate a clear brand image to its target audience in an original way. AFPs vary in the extent to which they connect the brand to the plot or the purpose of a program. Most extant academic literature on the subject of mixing commercial and editorial content has exclusively focused on simple product placement (e.g., Kamleitner & Jyote 2013; Russell & Stern 2006). Academic research on more advanced forms of branded entertainment, such as the AFP, is currently lacking. In addition, more research is needed that unearths the process of how consumers' brand attitudes are influenced by brand placement in general and AFPs in particular. A number of studies have identified context liking (e.g., program liking, Cowley & Barron 2008) and viewers' level of connectedness to media content (Russell et al. 2004b) as important determinants, but it is yet to be shown how these factors are intertwined.

Moreover, existing literature mainly consists of forced exposure experiments that take place in an artificial laboratory setting (e.g., Cowley & Barron 2008). Although internally valid, these experiments may not capture how brand placement and other branded entertainment formats influence viewers' brand attitudes in real-life. Therefore, recent studies have called for more naturalistic research designs (Dens et al. 2012). Brands often invest in placements across multiple episodes, or even an entire season of an entertainment program. A well-known television example is Volkswagen's agreement with NBC to include its cars in various entertainment programs (Ives 2005). Little is known about the impact of advertising in a season-long entertainment show, or how multiple brand integrations spread across different episodes of a program impact brand attitude formation.

To the best of our knowledge, this study is the first to investigate a branded entertainment format of higher sophistication than 'mere' product placement. Moreover, we conduct a field study on a panel of real television viewers that were surveyed one week after the final episode of the program was broadcast. This allows us to gauge how watching an Advertiser Funded Program influences consumers' brand attitudes under naturalistic conditions. Lastly, we assess an integrative framework that explains how brand attitudes are impacted by an AFP.

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