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# **Branded Entertainment: Entertainment content as marketing communication tool. A study of its current situation in Spain**

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## **Abstract**

**Introduction:** New communication tools are emerging within the new marketing paradigm. One of these tools is branded entertainment, a kind of hybrid message used by brands to produce entertainment content. **Method:** the main objective of this article is to provide a better understanding of branded entertainment, and to explore its current situation and the expectations about its future in the Spanish market. This is an exploratory study based on in-depth interviews applied to a group of experts on the creation and distribution of branded entertainment. **Results and conclusions:** people involved in the creation and distribution of branded entertainment are very aware of its potential as a communication technique; experts agree that content must be relevant in order to be able to compete with other entertainment products; due to the growing ineffectiveness of intrusive techniques, the use of branded entertainment is expected to increase significantly in the near future; branded entertainment is perceived as the most suitable tool to generate consumer engagement.

### Keywords

Marketing; communication; branded entertainment; relationship marketing; branded content; engagement.

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Translation by **Cruz Alberto Martínez Arcos** (Ph.D. in Communication, University of London)

## 1. Introduction

### 1.1. The new marketing paradigm

Since the late 21<sup>st</sup> century, many experts have claimed that traditional marketing, whose development basically started in the 1960s in a context of homogenous customers and few mass media, had become obsolete primarily due to the fact it had not paid enough attention to what is probably the most important element in marketing: the consumer. Product-centric marketing surrenders to customer-centric marketing.

We are facing a different marketing paradigm in which consumer engagement is the driving force behind its actions and decision making. This new paradigm involves new consumers who want to obtain positive experiences and values from their relations with brands (Gambetti and Grafigna, 2010), according to their desires, and a marketing strategy influenced by the empowerment of consumers. As Jeffrey Hayzlett, an international expert in marketing, points out, we are now talking about proposals of value, meaningful relationships and new experiences for customers, i.e. a new marketing paradigm that demands the adjustment of the strategies of advertisers (in Rose and Pulizzi, 2011).

This new marketing model, together with new media consumption habits that differ greatly from the ones that predominated a few years ago, demand a new model of communication. Contrary to traditional advertising, which exclusively transmits one-way messages, the new communication strategies facilitate content access and consumption, as well as the establishment of dialogue with consumers. Brands are increasingly investing more of their resources in experiential marketing, which in addition to communicating the benefits of the products also relates the offer with unique and interesting experiences (Kotler, Keller, Brady, Goodman and Hansen, 2009). Everything seems to indicate that the future of brands will depend on creating experiences that reflect the engagement with consumers.

Two major types of marketing have been traditionally used: pull and push. These categories, which were developed to classify the manufacturer's distribution strategies, are used, in turn, to differentiate between communication tools according to their level of aggressiveness. Push strategies force consumers to consume messages; they are aggressive and intrusive, as it is the case of conventional advertising. On the other hand, pull strategies let consumers decide whether they want to access the contents of brand or not. In the new context, push marketing is in decline and pull marketing seems to be best suited to reach those consumers who are able to manage the access to the contents they want, to control their relationship with brands and to engage in dialogue with them.

## 1.2. New forms of marketing communications

Since the late 21<sup>st</sup> century, citizens have rebelled “against the artificial stimulation of the consumer”. By using the continuous technological innovation, citizens can “act as communication nodes that produce, modify, disseminate, consume, and interconnect contents (also advertising) that flow along paths of infinite possibilities” (Nicolás Ojeda, 2013, 306). These facts have led to a significant transformation in the profession of advertising.

Conventional advertising also shows a significant loss of effectiveness and efficiency. This is a determining factor, alongside with the devastating economic crisis affecting Spain, involving a progressive drop, of over 46%, in investment since 2007 (Infoadex, 2014). Internet is the only medium that has grown in the same period (46.1%). This situation has caused a substantial change in the medium with the highest advertising spending: television. As García Santamaría, Pérez Serrano and Alcolea Díaz (2014) point out, it seems that the only business model with a successful future for free-to-air television is the concentration “of those participating in the television market in order to take over control of the main source of income for the free-to-air television companies: advertising” (p. 398). These authors argue that the causes of the absorption of Antena 3 and Telecinco are the desire to “increase their size and to seek greater economies of scale to mitigate the decline in audiences that started in 2006, the decrease in turnover, and the decrease in profits caused by the economic downturn” (p. 409), as well as the increase in the number of television channels which has led to an oversupply in the advertising market.

This loss of efficiency is due, among other things, to the weariness provoked in the public by the intrusive messages they do not want to see and the profound changes in the media ecosystem, in which the technological advancement is causing the convergence between entertainment and other sectors (Gambetti and Grafigna, 2010).

Faced with this situation, it can be argued that advertising is not going through a good stage. As Legeren and García (2012) have rightly noted, the economic crisis and the new forms of consumption cause the transition from a physical to a digital economy.

In this context there has also been a transition from two-way communications to networked communications that facilitate the users' creation and distribution of content. Consumers now access the contents they want, whenever and wherever they want; they have immediate access to an endless

bank of information; they get connected to the internet and produce and share contents which are, often, marketing communications. According to Martí (2010), ubiquity and convenience are fundamental factors of the communications controlled by consumers.

There is now a diversity of marketing strategies focused on relevance (Rappaport, 2007), to capture consumer's attention through unique, well produced and entertaining contents and messages, to make a more intense and significant impact than before. Consumers are no longer interrupted with ads; they are attracted and engaged with useful, entertaining and informative messages, with relevant and valuable messages that are well received by the public (Mayar and Ramsey, 2011) to the point that customers are who decide to freely access those content and even to share them with other people, especially when they provoke emotions like surprise and joy and when the final transmitted emotional tone can be described as pleasant (Dafonte-Gómez, 2014). This is viral marketing which, as Ramírez-de-la-Piscina-Martínez (2013) rightly points out, "creates viral culture. The technique is useful and valid in different contexts, not only in the business world (...). The population is prone to assimilate quickly new ideas, obviously provided they come equipped with the appropriate packaging" (p. 63).

A study conducted by de Frutos Torres, Sánchez Valle, and Vázquez Barrio (2012) highlights that the values reflected by online advertising are adapted to the target audience and that the values most frequently reflected in the ads aimed at teenagers are related to transgression, adventure, materialism, power competitiveness and success.

Consumers, tired of intrusive messages, are increasingly resistant to conventional sales-oriented advertising (Duncan, 2013) and now have the ability to remove it from their lives (Canter, Asmussen, Michels, Butler and Thompson, 2013).

### **1.2.1. Hybrid messages**

The messages that are best adapted to this new scenario are the so called hybrid messages, a concept developed by Balasubramanian (1994) and used in most of the literature on marketing (Lehu, 2009; Tuomi, 2010; Martí, 2010; Baños and Rodríguez, 2013). In general terms, hybrid messages combine the commercial message of a brand with non-commercial content capable of providing a positive experience.

For Balasubramanian, hybrid messages include the communicative actions paid by an advertiser whose aim is to influence the public to obtain a commercial benefit, through communications that project a non-commercial character. Thus, the recipients are almost unaware of the business strategy behind the message and process its contents differently than they do with openly commercial messages, as it is the case of television ads. The key advantage of this type of messages for the brand is that viewers consume them with greater attention and responsiveness, relating their presence not to a marketing strategy of the advertiser but to the characteristics of the entertainment content that they have decided to consume. In this way, the message about the brand is better accepted and is more

credible for viewers who cannot identify the persuasive intent of the advertiser, as easily as they would with commercial ad.

Since Balasubramanian identified hybrid messages, the number of tools included in this category has kept on growing: product placement, brand placement, advertiser-sponsored programmes, advergames, custom publishing, advertainment and, of course, content marketing, branded content and branded entertainment.

Although there is a clear distinction between some of these concepts, the last three tools consist of the creation of brand content by the brand itself, i.e., the brand becomes a content producer (Regueira, 2012; Canter, Asmussen, Michels, Butler and Thomson, 2013; Neurads, 2013).

### **1.2.2. Branded entertainment**

Branded content refers to the content generated by and around a brand; this content can be informative, educational and entertaining. Branded content encompasses content marketing and branded entertainment (Pulizzi, 2011; Rahim and Clemens, 2012; Duncan, 2013; Lopresti, 2013). Content marketing is branded content when the content is informational or educational and is mostly developed online. Branded entertainment is the way branded content adopts when its content is entertainment, whatever its form, and can be distributed across multiple channels and platforms.

In branded entertainment the brand must be integrated in the content in a natural way, to generate emotions by itself (Lehu, 2009), making the attraction of these contents the key element to make customers perceive the brand in a positive way (Pino and Olivares, 2007). The brand creates contents that should be competitive as entertainment products (Regueira, 2012); the content must have enough quality and relevance to compete with other entertainment products and make the customers to prefer branded entertainment (Ramos, 2006).

For Lehu (2009), branded entertainment involves the transmission of the values of a brand, its DNA, giving it an emotional dimension, which can facilitate establishing a richer relationship with the consumer, a relationship of trust, an emotion. And despite creating entertainment content, the brand stays true to its values and coexists harmoniously with the content (Tuomi, 2010).

Branded entertainment does not necessarily includes the brand or the product (i.e. it can be brand free), which can be represented only through its values and personality, and in this case it is usually necessary to resort to advertising, even paid ads, to generate interest around it, which is common in any entertainment product (Tuomi, 2010) since it is necessary for people to know about the existence of the content before deciding whether it will be consumed or not (Rappaport, 2007).

Branded entertainment is a relatively new marketing tool. It is widely accepted that modern branded entertainment started with *The Hire*, produced by BMW in 2001. In Spain, the use of this strategy is even more recent. For this reason, in recent years branded entertainment has attracted the almost exclusive interest of some professionals who were trying to put some order in certain industry

practices, which very recently became the objects of study of academics who are beginning to research the phenomenon with certain depth.

Different authors (Russell, 2007; Lehu, 2009; Tuomi, 2010) agree that branded entertainment originated in the famous radio soap operas of the 1930s. In that decade some manufacturers of widely consumed products, including soap, invested in the production of radio programmes as the best way to reach their target publics. The company Procter & Gamble stood out as one of the most enthusiastic users of this tool.

In the 1950s the soap opera model moved to television. Famous examples are programmes such as *Colgate Comedy Hour* and *Texaco Star Theater*, in which the employees of Texaco service stations sang the jingle of the company at the beginning of each programme (Russell, 2007).

This situation gave advertisers a great hold over the radio and television networks, although the situation started to change as the production costs increased and it became necessary to use more than one advertiser per programme, giving way to the placement model, which allowed the networks to regain control over programming.

However, today the situation is once again favourable for the model of hybrid messages due to the significant decrease of the effectiveness and efficiency of the traditional advertising model. Lehu (2009) considers that the modern mini-films, which have found on the Internet their best ally (in the form of webisodes when they are part of a series of programmes), are the heirs of the soap operas.

As mentioned, most of the authors agree that modern branded entertainment truly began with the launch, by the automobile brand BMW, of a series of short films in 2001 (Russell, 2007; Pino and Olivares, 2007; Lehu, 2009; Tuomi, 2010; Martí, 2010; Regueira, 2012). These films, generically titled *The Hire*, aimed to disseminate the values and identity of the brand, which created its own production company, BMWFilms, and its corresponding website, [bmwfils.com](http://bmwfils.com). This campaign was developed by the American agency Fallon.

All short films, which are wonderful pieces of fiction and belong to the action genre, are starred by British actor Clive Owen, who plays the role of *The Driver*, who is accompanied, in different episodes, by well-known celebrities from the world of entertainment, such as Gary Oldman, Madonna and James Brown. The different episodes were directed by some of the most prominent figures in Hollywood, such as Ridley Scott, Guy Ritchie, Tony Scott, Ang Lee, John Frankenheimer, John Woo and David Fincher.

A series of three short films was first released -*Hostage*, *Ticker* and *Beat the Devil*- and in them *The Driver* was driving a BMW Z4 roadster. The goal was to attract young customers to the brand. The result was so successful that a new series of short films was produced: *Ambush*, *Chosen*, *The Follow*, *Star* and *Powder Keg*.

The true objective of the strategy was to convey the values and identity of the BMW brand: power, technology, innovation, design, and reliability. Even today, these short films, which are authentic

cinematic jewels, perfectly fulfil their original objective, even if all of the advertised cars models have been already discontinued.

Offline media were used to promote the screening of the short films. The website was shut down four years after its launch, although they short films can still be found on the Internet, via YouTube, for example. During the four years the website was active, from 2001 to 2005, it received more than 50 million visits (Lehu, 2009), and two years after it was shut down BMW claimed it had received approximately 70 million visitors (Russell, 2007).

Inspired by the enormous success of BMW, other brands followed the same path. In 2002, Mercedes launched a trailer directed by Michael Mann and Benicio del Toro, about a film that does not actually exist; in 2004, Ford produced its own series of short films: *Meet the Lucky Ones* (Lehu, 2009). The list of brands that have resorted to this technique so far is very extensive: *Green Shore*, *intellectual*, and *South* (Bombay Sapphire); *Art of Speed* (Nike); *The Call* and *Mission Zero* (Pirelli); *The Lives of the Saints* (Melting Pot); *Chicken Sandwich World Championships* (Burger King); *The adventures of Jerry and Superman* (American Express); etc. The list also includes Spanish brands: *Luna llena* (Ono), *La Reina del Bar Canalla* (Soberano), *The Key to Reserva* (Freixenet); *Los Profesionales* (Mahou), etc. In short, the number of brands that use this tool is growing almost exponentially.

While it is true that a proper marketing strategy in the brand's owned and earned media, and even in the paid media, can accelerate viral marketing, depending exclusively on word of mouth (WOM) marketing may be excessively slow, if not simply ineffective.

Branded entertainment can also be distributed via television, for a fee or free of charge depending on the quality of the material.

A TV network can transmit a piece of branded entertainment as part of its programme grid and in exchange for a fee that will depend on the space it occupies (which would be very expensive) or as part of the commercial spaces which can be purchased. However, if the quality of the material is very high, the network can broadcast it for free, because networks are permanently in need of high quality contents, which are very costly in the market.

A piece of audiovisual content produced by a brand, acting as a production company, can play the role of any other piece of entertainment included in a TV network's programme grid, at no cost, which translates into an improvement in profitability, in the same way an income would.

Branded content can even provide networks another huge benefit, in the form of audience share growth, when the content is high quality and very appealing to the audience. Within this type of marketing actions we must highlight the one developed by Red Bull in 2012, when after some cancellations and several years working on the project the Austrian parachutist Felix Baumgartner jumped in free-fall from a pressurised capsule at 39 thousand meters, with which he broke three world records.

The jump was televised live by more than 40 broadcasters from around the world and streamed live on the project's website and on the brand's YouTube channel, which reached an audience of more

than eight million. It is estimated that the event on YouTube received more than three hundred million views.

Internet has become, with the growing popularity of the online video format, an unmatched ally for branded entertainment. The distribution cost is zero as posting a piece of content has no cost, and if the content goes viral it can reach hundreds of thousands and even millions of visits. With these types of contents, and the easiness to distribute them, as the jump of Felix Baumgartner, it is not surprising that, as Campos-Freire (2013) points out, “the digital technological convergence [...] and the fierce competition among the global content distribution and accessibility mega-platforms (Google, Yahoo, Facebook, YouTube, Amazon, etc.)” (p 91) are two of the three determining factors in the European audiovisual policies and the structure of the audiovisual sector.

A marketing action of this magnitude guarantees by itself the attention of the media, but in most cases, as they are events that occur only once, or only a few times, and the media coverage tends to be partial, it is essential to perform complementary actions in ways that attract the audience’s attention before, during and after the event.

As we have seen, branded entertainment is an innovative communication technique, especially in Spain, so the studies on this type of commercial communication tool and the opinion of professionals about it are virtually non-existent. In Spain, the only study on branded content has been carried out by Grupo Consultores (2013), which focused on the opinion of advertisers. This last group is not part of our object of research because, although advertisers have the last word, they are not content creators or distributors, except when they do so through their owned media. Grupo Consultores used a sample of 142 professionals who had at least heard of branded content. These professionals belonged to the marketing, communication, media and digital departments, with an over-representation, slightly over 30%, of marketing directors.

The conclusions of this first stage of the study include the following: Spanish advertisers are very aware of branded content, and there are no significant differences according to the size of the company, although foreign multinational companies show some advantage; despite some terminological confusion, almost half of the advertisers share the most consensual definition; advertisers are aware of the intrusive nature of conventional communication, and a slight majority believes that it is not well tolerated by audiences (for most of them the main difference between branded content and conventional communication is precisely the non-intrusive nature of the former); the digital environment (with clear advantage for social media) and television are considered the most attractive media for branded content, along with the digital formats and the entertainment genre; engagement is, for the vast majority, the main value provided by branded content; almost all considered that branded content will be very important for the generation of engagement; finally, it is widely agreed that complementary activities are convenient for the amplification of the effect of branded content, particularly by earned media.



## **2. Method**

### **2.1. Objectives**

This study has the following objectives:

- To deepen the knowledge about a marketing communications formula: branded entertainment, which is related to the creation and distribution of entertainment contents based on the values of the brand.
- To provide a view of the knowledge of Spanish marketing experts on branded entertainment and on the differences between it and other marketing communications tools. To do this, we considered suitable to explore the perception of respondents about the current environment in which marketing communications are produced.
- To learn about the current use of this commercial communication tool and the expectations about its future in Spain.
- To find out about the opinions and assessments of branded entertainment actions among the experts in creation and distribution of this type of actions in Spain.
- To learn about the advantages of the use of the brand's owned and earned media to amplify the scope and effect of branded entertainment.
- To know the opinion of the experts about the possibilities of branded entertainment to generate engagement.

### **2.2. Research approach**

To achieve these objectives, we have designed a qualitative method that allows us to perform a first exploration of the current situation of branded entertainment in Spain and its future possibilities.

Designing a research method that is appropriate for a given object involves, firstly, establishing the purpose of the study in order to, subsequently, define the methods and establish the precise analysis techniques and operational tools.

#### **2.2.1. Research technique**

The chosen technique was the interview, a form of social interaction tool that aims to collect data for a research study by asking the people with relevant knowledge, which in our case are branded entertainment experts, to explore the current situation and future expectations of this marketing tool in Spain, and to know the opinions of the different sectors involved. The instrument chosen to implement this research tool was the in-depth interview.

The use of a qualitative technique does not allow us to establish generalised guidelines but offers a greater and better understanding about branded entertainment based on the information provided by a small group of experts. This technique is characterised for the use of a flexible approach, both in its conception and execution, providing unstructured information, but allowing to delve into the most relevant aspects of our object of study. Qualitative research takes advantage of the power of free speech, and is structured around the idea of depth and has an explanatory character (Martínez Rodríguez, 2000).

The in-depth interview is a direct qualitative technique that uses interrogation as a method to collect data from the subjects on whom the research focuses, explicitly addressing the issue under study (Bigné, 2000). Bigné considers that its use is recommended, especially when you want to obtain technical information from experts.

### **2.2.2. Sample selection**

Since our objective is not to work with a representative sample of experts in marketing communications, instead of using random or probabilistic sampling methods, we used a non-random method to choose the elements of the sample according to the opinion of the researcher who selects the subjects based on their knowledge about the object of study. This sampling technique is also known as intentional sampling. In this study, to know the situation of branded entertainment, we interviewed a group of academics and a group of experts on the creation and distribution of this type of content in Spain.

Our sample is divided in the following groups:

- Experts from the academic world, focused on researchers of branded entertainment or directly related techniques.
- Creators of audiovisual branded entertainment :
- Consulting agencies specialised in branded entertainment. We conducted an exhaustive search and found only seven specialised agencies of which five have participated in research through their creative directors.
- Advertising agencies. There are a lot of agencies but six large agencies manage 52.9% of the investment and we approach their creative directors. The agency that occupies the fourth position in the ranking of Infoadex did not have anyone available to complete the interview so we replaced it with the persons from the agency that occupies the seventh position.
- Digital agencies. We combined two lists: the agencies winners of the 2013 Inspirational awards granted by the Spanish division of the Interactive Advertising Bureau and the agencies in the ranking of the best Spanish digital advertising agencies, compiled by the

professional magazine *El Publicista* (“The Publicist”). At the end, we selected the digital agencies that occupied the first six places in the ranking and, at the same time, had won the Inspirational awards.

- Media agencies. We selected those that are part of the Media Agencies Association (which represents more than 85% of the agencies in the sector) and are specialised in branded entertainment.
- Distributors of audiovisual branded entertainment: television networks (we interviewed three groups that represent 85.9% of all advertising spending on TV) and internet platforms

Advertisers were left out of the research because although they are necessary partners for the development of branded entertainment, they are not creators or distributors (except when they use their owned media to produce the content). Production companies that are not creators or distributors of branded entertainment were neither included in the study even those that produce works created by others.

### 2.2.3. Questionnaire design

Although the in-depth interview is usually applied in person, the difficulty to meet up with all the selected respondents at their available time forced us to carry out the interview online with telephone and face-to-face reinforcement, when necessary, rather than in a face-to-face modality in all cases.

This involved the development of a questionnaire with specific items, with certain order and criteria, and its similar application to all research participants to avoid possible bias (Luengo, 2000).

The order established for the 28 questions was the following:

- Filter questions.
- Questions about the new marketing paradigm.
- Questions about commercial messages.
- Questions about hybrid messages.
- Questions about branded content.
- Questions about branded entertainment.

In this way, aside from the filter questions, the aforementioned objectives were addressed in three groups of questions:

- Questions about the marketing paradigm, which investigate the degree of implementation of the emerging paradigm and obsolescence of the traditional model.

- Questions about the messages, which investigate the degree of acceptance of the obsolescence of the messages inherent to the traditional marketing model and the suitability of the messages linked to the emerging marketing paradigm.
- Questions about branded entertainment.

Apart from the filter questions, the rest is a combination of open questions (without any default answer options), closed questions (with answer options) and semi-closed questions (list of answers with the option of adding other answers), according to the definitions of Luengo (2000).

Field work was carried out during February and March 2014. Of the 33 people who were selected to participate in the research, based on their experience and knowledge on branded entertainment, 29 responded to the interview, one was unable to participate due to illness, and the rest declined to participate because they considered that their work was not directly related to branded entertainment.

### 3. Results

Of the 33 people who agreed to answer the interview, 29 eventually participated, which allowed us to have a large enough sample of experts in the commercial communication tool under study. They all stated they were familiar with the concepts of branded content and branded entertainment. However, one of the interviewees, belonging to the group of advertising agencies, remarked that his work was not directly related to these activities.

In summary, the questionnaires were answered by the following types of participants:

1. Academics: 5 (of 6)
2. Specialised agencies: 5 (of 5)
3. Advertising agencies: 6 (of 6)
4. Digital agencies: 6 (of 6)
5. Media agencies: 4 (of 5)
6. Television companies: 2 (of 3)
7. Internet platforms: 2 (of 2)

#### 3.1. Results related to the marketing paradigm

When analysing the situation of branded entertainment, it is necessary to remember the changes that are taking place in different areas and have resulted in a new marketing paradigm. For this reason, it is important to know, first of all, the opinion of the participating experts about this situation.

In this sense, 23 interviewees considered that the ultimate aim of the current marketing model is to build profitable relationships, while the rest believes that the objective is to reach the largest possible

market share and to make the largest possible number of transactions, i.e. for them the ultimate goal of marketing is to sell. It is important to note that this last group includes the representatives of the TV companies.

The vast majority of respondents, more than 86%, considered that the role of experiences are crucial in the configuration of a brand's value, while the rest considered that the most important element is the object of consumption itself. It is interesting to note that of the four participants who considered the object of consumption as the most important, three belong to the digital sector: two representatives from agencies and one from platforms.

With regards to co-creation, a wide majority, over 90%, agree on the importance of experience and perception in the creation of value. Following this concept of co-creating, a vast majority considers that the interaction between the consumer and the brand is a source of learning that allows the co-creation of experiences that make up that relation. The overwhelming majority (93%) believes that the progressive empowerment of consumers will involve a greater co-creating role on their part.

Most interviewees agreed that engagement translates into behaviour (purchases, recommendations, interactions, participations, commitment etc.) and the level of intensity of a relationship, and is, therefore, the main objective of the current marketing model. Among those who disagree with this position, there are two interviewees who rather than being against this belief, make some clarifications: one of them considers that engagement is not necessarily the main objective, but one of the main objectives, while the other says that it has always been the main objective, not only in the current marketing paradigm.

Most participants agree that there is a tendency to use pull strategies (the consumer decides to access the brand's content) instead of push strategies (the consumers is forced to consume messages). However, some interviewees who accept this is the tendency also highlight the resistance of some market agents because, although many professionals turn to pull strategies, the sector often uses push strategies disguised as pull, which constitute a dangerous evolution that will be eventually detected and rejected by the consumer precisely because the latter has become a marketing expert and demands smart and value non-imposed strategies.

### **3.2. Results related to the messages**

Most interviewees agree that the technological advances that allow consumers to choose their time, place and mode of consumption provoke the loss of effectiveness and efficiency of traditional advertising. Likewise, the majority of respondents also believe that traditional paid media lose effectiveness and that consumers are overwhelmed by their exposure to marketing messages.

In relation to the statement that says that the advertising industry is at a turning point, moving from a model based on interruption and repetition to another based on relevance, three of every four respondents agree with it. Curiously, none of the representatives of the specialised agencies, the internet platforms and the six digital agencies disagreed with this statement. On the contrary, the two

representatives of the TV companies, directly affected in professional terms, disagree with the statement, just like most representatives of the advertising agencies (four of six), who are in the same position since traditional advertising is their primary professional activity. They argue that traditional advertising and media are still effective and are complementary in the new marketing paradigm.

All respondents, except one who did not answer, agree that the relevance of the message is the key factor to capture the attention of consumers. Moreover, 81% of the respondents believe that this relevance can come from their ability to inform and educate as well as from their ability to entertain. This group of respondents includes the two representatives of the online platforms.

Almost 90% agrees that hybrid messages are those that combine a relevant message with the ability to transmit a message from the brand. However, the greatest discrepancy occurs in relation to establishing what is the determining factor in the efficiency of a hybrid message: on the one hand, 65% believes it is the level of integration of a product or a brand with the content of the programme, which denotes the level of connection with the plot; on the other hand, 35% consider as equally important integration and control, understood as the ability of the advertiser to influence the context in which the brand will appear. No one thinks that control in itself is the only determining factor.

Finally, 86% of the experts agree that the main factor of differentiation and classification of hybrid messages is the intentionality in the creation of content (on the one hand, there is content created for a purpose different to the transmission of a brand message and, on the other hand, there is content created with the intention of conveying a brand message that is inserted in the former). In a hybrid message the primary focus is entertainment not brand message content, as it is the case with conventional advertising. In a hybrid message, the brand content should not be as explicit as in an ad; it can be the simple presence of the logo, maybe a mention, a demonstration, it may be information for the better use of a product or the best practice in the sector or category where the brand acts, may be the transmission of its position, attributes and values, its DNA, even without the explicit mention of the brand (brand free content).

### **3.3. Results related to branded entertainment**

All respondents, except one, agree that branded content is content, of whatever type, generated by and about a brand. Meanwhile, 82% agree that the type of branded content that is pure entertainment, in any form and on any platform, corresponds with what is known as branded entertainment. The discrepancies in this regard focus on the representatives of internet platforms.

There is no widespread consensus in relation to the capacity of branded entertainment to generate engagement. While 67% consider that branded entertainment is the most appropriate tool to achieve engagement, the remaining 33% believe that branded entertainment is only one of them, that it is important but not necessarily the most appropriate of the available tools.

The largest discrepancy among experts is in relation to the concept of brand free, in which there is a virtual tie between those who consider that branded entertainment does not require the presence of a

brand (54%) and those who feel otherwise (46%). there is no common patterns of behaviour according to groups, with the exception of the representatives of the media agencies, most of whom are against brand free content.

Differences are still present in the rest of the questions related to branded entertainment: 67% agree that the audiovisual format is the most attractive for branded entertainment, and exactly the same percentage believes that the platform used the most to disseminate this content is the internet. The majority of respondents (71%) also consider that explicit co-creative processes (mutual generation of value between the company and the customer) are more likely to generate engagement.

In this case, the members of the digital agencies are the group that disagrees the most with the statement that says that the audiovisual format is the most appropriate (four of the six respondents) and with the statement that says that explicit co-creation generate greater engagement (three of six). For their part, the representatives of the advertising agencies, are the most reluctant to consider that the Internet is the most used medium.

All respondents agree that communication in the brand's owned and earned media amplifies the effect and scope of the action of branded entertainment. The consensus goes down to 71% when it comes to the statement that says that the actions of branded content that resort to explicit co-creative processes are more likely to generate engagement.

The majority also agrees that television networks will increasingly become more receptive to the use of branded content and that high-quality branded entertainment will be broadcast without being considered commercial contents.

In regards to the opinion of experts about the near future of branded entertainment, only 26% expressed their opinion on the matter. The vast majority agree that, inevitably, TV broadcasters will have to adopt a position of acceptance and collaboration with "branded entertainment" contents, either as their co-producers or as an exchange of contents between the media and brands.

Although some refer to the reluctance of the media to branded entertainment due, among other things, to the problem of funding, the general view is optimistic, leaving behind the interruption model and offering more natural and effective entertainment that will be also beneficial for the media. This will force traditional media, especially television, to adapt their business model and to stop perceiving branded entertainment as a source of income to be exploited, in the negative sense of the term, and to see it as partner that contributes to the generation of relevant content, both for media and for the audiences.

Most consider that the audiovisual format will continue to have the greatest future and that the importance of online distribution will remain high. However, most also recommend to overcome the limitations of the Internet by looking into for more experiential media that begin to offer this type of formats in a more serial form.

Finally, the references to transmedia storytelling and multi-support platforms are also present in the responses of most interviewees.

#### 4. Discussion and conclusions

As mentioned, branded entertainment is a novel communication technique that has only been examined in few studies, so the data obtained in this research, which allow us to know the first-hand opinions of experts on the present and the future of this technique in Spain, can become a valuable point of departure for new research.

In light of the results obtained, it is obvious: that this technique, despite being its infancy, is on the “radar” of marketing professionals; that branded entertainment is an object of interest for all respondents; and that marketing professional and academics know these tools of commercial communication, branded content and branded entertainment in particular, and what they involve. If we compare these results with data from the study carried out by Grupo Consultores (2013), we can see that the knowledge of these techniques is also very high among advertisers (82%). This fact is corroborated by the broad consensus existing among most of those interviewed about the nature of branded entertainment, which is correctly considered as entertainment content that is created and produced by a brand and that is interesting and attractive enough to win consumers’ preference over other entertainment products or substitute products. This knowledge and interest seems logical given the situation experienced by conventional advertising and the need of brands to reach their audiences in a more effective manner.

The future of this new technique is very promising since most experts agree that, as we affirm, conventional media, and particularly television, will be increasingly more open to the use of this type of content and that there will be a significant increase in the number of sectors and brands that will use this communication tool. Faced with the fall in advertising investment, the need to seek new sources of income seems obvious and in this context branded entertainment is a very interesting formula for both brands and the media. In fact, as confirmation of this last opinion, there are already various brands, although still few and still shy to some degree, which use this technique in Spain, like Gas Natural/Unión Fenosa which has launched an online branded entertainment campaign. The speed of its implementation will depend on the brand’s ability to overcome the inertia of the tradition and on the rapidity with which the traditional tools’ loss of effectiveness is manifested.

It is clear that the widespread perception among respondents is that traditional marketing is in the process of decline, also in Spain, which had already been highlighted in the academic and professional contexts, and that we are witnessing the end of traditional marketing.

Taking into account this paradigm shift, branded entertainment exhibits certain features that make it a highly suitable technique in a context in which consumers have the ability to access exclusively those contents that they consider provide value and whose positive experience, along with other experiences with the brand, will decisively contribute to the generation of engagement. Therefore, now that consumers can choose the content they will consume as well as the time, place and form of consumption, interviewees also perceive the suitability of branded entertainment to facilitate the connection between consumers and brands. In addition, all respondents consider that the key factor to capture the attention of consumers is the relevance of the message, which is in line with the proposals of Rappaport (2007).



A very interesting finding is that respondents generally highlight the ineffectiveness of the current advertising model focused on the interruption of spaces that have been chosen by viewers. This problem has also been perceived by advertisers, according to the research carried out by Grupo Consultores (2013), in which 75% of the interviewees considered that brands interrupt the average consumer much or too much throughout the day. The importance of this conclusion is that the sector is aware of the problem and is looking for alternatives to the traditional marketing tools used in paid media or conventional media, among which branded entertainment stands out due to its very nature.

Although branded entertainment admits any type of format, the audiovisual format is the most widely used today. It is logical, therefore, that most respondents also agree that the audiovisual format is currently the most attractive to carry out this type of action and that it will remain so in the future. On the other hand, the most widely used distribution platform is, and will remain to be in the near future, the internet.

In other order of things, from the answers of the interviewees, we can also conclude that the use of the brand's owned media (audiovisual production companies owned by the brand whose original business is not the media market) and earned media amplifies the effect, scope and effectiveness of branded entertainment. This conclusion is in line with the conclusions of Rappaport (2007), since consumers have to be aware of the existence of specific content before they can make the decision to consume it.

At a time when traditional marketing is experiencing a setback, like the brand's model of communication through conventional media, this study contributes to the better understanding of the tools of commercial communication that is recently proving to be very effective. However, as mentioned, studies on branded entertainment are still in a very early state. Branded entertainment is recently beginning to be a subject of study, which opens a wide range of future research lines: the in-depth analysis of its nature and concept; the analysis of its effects on intermediate and final variables, either emotional, cognitive or behavioural; the analysis of the role of branded entertainment in the configuration of a new content distribution model; the study of the most effective formats, genres, durations, levels of exposure and platforms for such actions; its use within a certain strategy of transmedia storytelling; the return on investment attributable to branded entertainment in comparison to other techniques; etc.

We are, therefore, before a communication tool with a very interesting future, but it is necessary to analyse it in depth in order to turn it into a really valuable alternative to conventional advertising.

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