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HBR CASE STUDY

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Should Bryant  
Pharmaceuticals  
approve Laura's idea  
for product  
placement?

## And Now, a Word from Our Sponsor

by M. Ellen Peebles

*Bryant Pharmaceuticals is looking for alternatives to traditional advertising—including product placements in TV shows and other media. But when does clever marketing become trickery?*

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“Grey Goose martini, please,” Laura Goldenberg said to the bartender as she settled onto her stool. She glanced at her Rolex, pulled an issue of *Harvard Business Review* out of her Coach bag, and leafed through it, tapping her foot impatiently as she waited for her son to show up. A college senior, Alex was juggling exams, a job at a health club, and a long list of friends and girlfriends—not to mention a Web business he was launching. But when he finally sauntered in 20 minutes later, Laura’s irritation quickly gave way to surprise. Alex had the words “Gold’s Gym” emblazoned across his forehead in bright yellow letters. “What is *that*? Are you coming from some sort of Halloween party? Or is this a fraternity stunt? Wait—don’t tell me it’s permanent!” She reached up to touch the letters.

“Mom,” said Alex, brushing her fingers away, “it’s just a way to pick up some extra cash. Gold’s is paying me a hundred bucks a week to

wear it. You know I’m trying to get my Web site up and running. I’ll take money anywhere I can get it.”

“A hundred dollars doesn’t seem like nearly enough for turning your face into a billboard,” Laura muttered. “What if I lent you the money instead?”

Alex frowned. “Thanks, Mom. But we want to do it on our own. Bob and Jennifer are wearing the Gold’s logo, too, and we’ll find a way to get the company going.”

Laura decided to drop the subject. They moved to a table and sat down to dinner. This was a meeting that Alex had requested. He wanted advice on putting together a marketing program for his business—on a shoestring, of course. Even though Laura worked for a large company now, she had experience with start-ups. She launched into a quick lesson on frequency and reach, trying to ignore the yellow letters marring her son’s appearance.

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*HBR’s cases, which are fictional, present common managerial dilemmas.*

### Plop, Plop, Fizz, Fizz

"For National Public Radio News, I'm Jean Cochrane..." With the voice from the radio slowly seeping into her consciousness, Laura opened her eyes, squinted at the clock, and remembered that she had an early morning meeting with her advertising agency. She was vice president of marketing for the geriatric products division of a major drug company, Bryant Pharmaceuticals. Bryant's flagship product, a popular arthritis medicine called Seflex, had been selling well, but growth was starting to level off—a particular cause for concern as the patent was due to expire in less than two years. The company was looking for a dramatic increase in sales before generic versions started showing up on the shelves.

Making matters more difficult, the Bryant family still owned a 5% stake in the business and wielded enormous influence. Joe Bryant had been grumbling that the company's new CEO, Henry Winters, was green-lighting too many promotional programs that Bryant considered "off brand." Henry's most recent sin was approving the sponsorship of a women's tennis tournament that had generated controversy when the winner chose her upset victory as the moment to announce her sexual orientation to the world. The Bryants were staunch conservatives—and since Henry supported various liberal causes, other differences of opinion arose. But the real problem, Laura suspected, was that Henry was the first nonfamily member to hold the top job in the company. Whatever the reason, the pressure was trickling down to Laura's boss, chief marketing officer Isabel Hines, and to Laura herself. Laura was feeling an acute need to show results—to support Henry and Isabel, both of whom she liked, and to preserve her own job. "The stress is getting to me," she thought as she poured herself a glass of water and dropped in two Alka-Seltzer tablets.

And that was why she'd called a meeting with her ad agency.

### Think Different

Thanks to heavy traffic and a much-needed Starbucks stop, Laura was the last to arrive for her meeting with PJE Communications. She went directly to the conference room, found a seat, and set her cup down in front of her. "Sorry to keep you waiting," she said. "Let's get started."

PJE account executive John Capin stood up and shoved a tape into the VCR. It was the most recent commercial for Seflex—standard pharmaceutical fare, showing 60-something couples frolicking with their grandchildren, and happy families in the bloom of health.

"Our research shows that the campaign's been effective," John said, handing around copies of an Excel spreadsheet demonstrating that the public's awareness of Seflex was continuing to grow. "But I know you're looking for a change, and I agree. I think we could freshen up our creative, try something new." He reached into his briefcase, pulled out a photograph, and handed it to Laura. It was a picture of Jeanne Alyson, a 1940s movie icon who seldom made public appearances. "She suffers from terrible arthritis, and I happen to know she uses Seflex. She's a favorite with our target market." John leaned on the table and looked directly at Laura. "What if we hire her as a spokesperson? We could shoot an interview-style commercial, with her talking about how Seflex changed her life."

Laura stared at the picture and considered what John had said. "It sounds expensive," she said. "And is the concept really that new?"

"Well, it's still a commercial," John agreed. "But you get more credibility—a real Seflex user speaking about the product in a very personal way. What you don't get is a captive audience. With TiVo and ReplayTV—and even old-fashioned remote controls—viewers can pretty easily skip over TV ads. Which brings me to the other idea we wanted to put on the table: product placement. Mix your promotional message with the content. Consumer product companies do it all the time. Remember Reese's Pieces in *E.T.*? Or Tom Cruise wearing Ray-Bans in *Risky Business*?"

"You aren't suggesting that we have John Mahoney popping Seflex on *Frasier*, are you?"

"Not quite," John said. "I was thinking more along the lines of having a character on a show like *ER* taking Seflex. More on brand."

"Maybe we could get Jeanne Alyson a cameo on *ER*," another PJE executive suggested. "Or even a recurring role. It would be a way of increasing her visibility, and then when she does the commercials, people will connect her with the show."

John stopped, looking thoughtful. "You might be on to something," he said. "But let's take it a step farther. What if we could get

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*“What if we could get Jeanne on a news show, interviewed in a segment featuring arthritis—and, of course, Seflex. That way, we’re pure content.”*

Jeanne on a news show, interviewed in a segment featuring arthritis—and, of course, Seflex. That way, we’re pure content. No TiVoing. And without the baggage that comes with advertising.”

“Would a news show do that?” Laura asked.

“Can’t hurt to try,” John replied. “It’s not that far removed from using a taped news release.”

“Well, it’s certainly different,” Laura said. “I’m not sure what I think about it, but give me the weekend to mull it over.”

### Reach Out and Touch Someone

Laura looked at the crisp autumn sky and then at the pile of leaves on her lawn. Alex had shown up to help her rake—still wearing the Gold’s logo—and she’d paid him a modest sum for giving up a couple hours of his Saturday morning. But even as she admired their yard work, her advertising challenge was foremost on her mind. Getting a beloved celebrity to extol the virtues of Seflex on the news sounded like a sure thing. But then, why weren’t others doing something similar?

She wandered into the house and picked up the phone to call her friend Lesley Dorin, a marketing professor at nearby Forrester University. Lesley would certainly know something about product placement and might have a useful perspective on it. After explaining the Jeanne Alyson idea, Laura summed up her own impressions. “I think it’s pretty clever,” she said. “And I’m looking for something new. But I don’t know—do you think it’s a little unseemly? Could it backfire on us?”

“I don’t know,” Lesley replied. “I’ve certainly heard worse. Not long ago, there was a story on the radio about a town in Maine that was getting free police cars with corporate ads plastered all over them. The police chief wasn’t thrilled, but he didn’t have the budget to buy the cars. And then there was that book—*The Bulgari Connection*. The author got a bundle from Bulgari to write it. And get this: I read that a video game company was looking to pay families to put ads for a new game on their dead relatives’ tombstones. Now *that’s* unseemly. Putting Seflex on the morning news seems pretty tame in comparison. As a member of the TV-watching public, I don’t love it, but it’s probably a good move from a marketing standpoint. If I were you, I’d at least meet Jeanne Alyson.”

### Does She or Doesn’t She?

On Monday morning, Laura went directly to Isabel’s office, knocked twice, and opened the door. Isabel was on the phone. “OK, Henry. Thanks for the heads up, though I don’t know why Joe should have anything to say about it.”

Rolling her eyes, Isabel hung up the phone and told Laura what was going on. “It’s Joe Bryant. Believe it or not, he thinks our ads are getting too slick—we’re getting away from our scientific roots, he says.”

“It’s advertising,” Laura said. “Does he expect us to get into the details of chemical compounds?”

Isabel merely shrugged, so Laura went on. “Well, maybe my timing’s a little off, then, but here’s what I came to tell you. PJE came to me with a new idea. We could hire Jeanne Alyson as a spokesperson and get one of the morning news shows to do a segment on arthritis in which she’d talk about her treatment. She takes Seflex, of course.”

“Jeanne Alyson the actress? How much would it cost us?”

Laura hesitated. “About a million. Not just for the one interview; she’d do some other media as well. But a spot on a news program would pay for itself, I think. We have the money in the budget—it just means we’d do one or two fewer commercials.”

Isabel gathered some papers and picked up her Franklin Planner. “I’ve got to run to a meeting,” she said. “Let me give it some thought. Sounds interesting—and I can’t imagine Joe Bryant calling Jeanne Alyson ‘too slick.’”

### Where’s the Beef?

Back in her own office, Laura saw that she had a message from John Capin, who had called to report that Jeanne Alyson was interested and willing to meet Laura and him for breakfast Wednesday morning at the Four Seasons. And, he said, *The Morning Show* had expressed some interest in an interview. Laura spent the rest of the morning returning phone calls, then dialed Isabel’s extension after lunch.

“Isabel Hines.”

Laura could tell from the echoes and ambient sound that Isabel was on speakerphone. “Am I interrupting a meeting?” Laura asked.

“Marion’s here, but that’s OK.” Laura’s heart sank. Marion DeMaria was Bryant’s CFO, and she was taking a particular interest in Bryant’s

*“It’s live TV, right? Jeanne Alyson is no doctor, and she’s no PR professional either. She could very easily get in over her head.”*

marketing budget of late. “Perfect timing. We were just talking about the Alyson deal. Marion’s raised some interesting questions.”

“No doubt,” thought Laura. Aloud, she said, “I’m all ears. I should start by telling you I’m meeting with Jeanne and her people on Wednesday. And the best part is, *The Morning Show* wants to put her on the air.”

“Here’s the thing,” Isabel said. “It’s a lot of money, and what do we get? We can’t control what she’ll say. And we can’t control what the interviewer will say, either. It’s live TV, right? Jeanne Alyson is no doctor, and she’s no PR professional either. She could very easily get in over her head. What if they ask her something, and she doesn’t know the answer? These are journalists; they don’t care if we come off looking good. How do we know this won’t turn out to be a gotcha?”

“Isabel, *The Morning Show* doesn’t do gotcha. And if we want to stay ahead we have to get creative,” Laura said. “We could spend the same money on a commercial, and you wouldn’t even question it—and I promise, we’d lose a lot of viewers thanks to TiVo and ReplayTV. Even people who are using plain, old-fashioned remote control jump ship when a commercial comes on, thanks to cable and satellite dishes. People have a lot of choices.”

“Well, that’s something I’ve been thinking about,” Marion interrupted. “Maybe we shouldn’t be doing so much advertising. There’s no way to measure it. Why not put the money into direct mail and other activities where we can get a good read on ROI?”

Why had Isabel brought Marion into this conversation? “If we sign Jeanne Alyson, we’ll have a credible spokesperson, and the message becomes part of the news,” Laura said. “I don’t know how we can lose. But I’m certainly not ready to abandon direct mail or even regular TV commercials. No worries there. But if we don’t do this, somebody else will. As for controlling what she’ll say, I imagine we can write her contract in a way that allows us to get out if she says something that’s wrong or that could get us into trouble. And, of course, we’ll coach her.” Laura took a deep breath. “I’m not saying we should definitely do this. I’m saying, let me meet Jeanne, and meanwhile let’s all sleep on it.”

“OK. Take the meeting,” Isabel said. “We can talk about it afterward.”

Laura called John to confirm the meeting

with the actress.

### **Raise Your Hand If You’re Sure**

Glad to be home, Laura walked into the living room to the mouthwatering smell of popcorn. Her daughter Susan looked up from the couch where she was watching *Die Another Day*, a large bowl of Orville Redenbacher in her lap.

“Look,” Susan said, shoving a magazine toward her mother. “October is popcorn-popping month. I had to make some.” Glancing at the magazine, Laura saw that her daughter was right. According to the article, October was also national cookie month, fire prevention month, and computer-learning month.

“Wouldn’t you do better to celebrate computer-learning month?” Laura asked halfheartedly as she took a handful and sat down next to her daughter. As the movie progressed, she couldn’t help but notice the liberal use of product placements. Pierce Brosnan drove an Aston Martin. He used a Sony cell phone and an Omega wristwatch. Up to a point, the use of brand names lent atmosphere, even made James Bond seem more real, she thought. But the movie was starting to look like a series of commercials—funny that she’d never noticed it before. Would she even have registered all those placements, Laura wondered, if the Jeanne Alyson deal hadn’t been on her mind? She shifted in her seat and eventually got up and headed into the kitchen to join her husband, Matt, a lawyer. She opened the Sub-Zero refrigerator, pulled out a bottle of Poland Spring water, twisted off the cap, and tossed it across the room into the trash. A perfect shot.

“She shoots, she scores!” said Matt, sitting at the table, a bowl of Cheerios in front of him. “How come I always miss?”

“Hey, can I get your opinion on something?” Laura asked. She pulled up a chair next to him and began telling him about the next day’s meeting and her conversation with Isabel and Marion. “Marion’s resisting it because you can’t quantify it—and also because it’s new, I think. But you know, hearing her list the reasons we should hold back just makes me want to do it all the more. Why are we letting bean counters make our marketing decisions?”

“That’s not fair to Marion,” Matt said. “She’s just doing her job. And she has a point—you don’t know what you’re getting. Besides, aren’t you entering questionable territory here—blurring the line between journalism and paid

*“People will assume Jeanne Alyson is talking about Seflex because she really believes in it, not because you’re paying her to.”*

promotion? People will assume Jeanne Alyson is talking about Seflex because she really believes in it, not because you’re paying her to.”

“She does believe in it,” Laura said. “So do I. It’s a good product. Besides, I think the lines are blurring anyway. Newspapers and magazines use press releases verbatim. Radio and TV news programs use recorded news releases. This isn’t so different—and it’s a lot more interesting.”

“And if word gets out that you’re paying her to talk?”

“I don’t see how it would. Jeanne’s not going to tell. I doubt *The Morning Show* would say anything. And if people did find out? I’m not sure anyone would even care.”

Matt raised his hands in surrender. “Hey, I’m a lawyer. I get paid to look for the downside. If you think it’s a good idea, I’m sure it is.”

### The Real Thing

Fifteen minutes late, with her agent in tow, Jeanne Alyson slowly yet gracefully entered the dining room of the Four Seasons and sat down with Laura and John. Nodding at each in turn, a bemused look on her face, Jeanne asked, “Now, what is it exactly you had in mind for me to do?”

Upon hearing the explanation, Jeanne’s face lit up. “Well, you know, I use Seflex, and it’s been a tremendous help.” She leaned closer to John and Laura and added in a conspiratorial tone, “But it upsets my stomach sometimes.”

“Oh, you need to take it with food,” Laura hastened to point out.

“Yes, I know,” said Jeanne. “And that reminds me.” She pulled out a small bottle, opened it, and extracted a familiar yellow pill. “I’ll take this with my breakfast.”

The next two hours passed quickly, as the articulate, funny actress regaled Laura and John with stories of Hollywood in the 1940s and 1950s. Heading back to the office behind the wheel of her Mercedes, Laura reflected on the meeting. She wasn’t particularly starstruck, but she was tickled by the morning’s events. Jeanne would be a charming and entertaining spokesperson—a TV audience would eat her up. As for that comment about the upset stom-

ach...well, she could be coached. Jeanne really did like the product, and she seemed ready to sign. Now Laura just had to convince Isabel—and Marion. She fished in her purse for her StarTAC, pulled it out, and hit speed dial for Isabel’s number. “I just came from the Four Seasons. Do you have a few minutes? I’d like to come by and talk about this Jeanne Alyson thing.”

### Just Do It

Both Isabel and Marion were waiting for Laura when she walked in and took a seat by her boss’s desk. Isabel was looking weary. “I just got off the phone with Henry,” she said. “He’s worried about the numbers for next quarter. And he’s got Joe Bryant breathing down his neck, just waiting for him to make a mistake. If we’re going to do this spokesperson deal, I need to know it’s not going to blow up on us. Are you sure you want to get us into a situation we may not be able to control?”

Isabel glanced over at Marion. “I also want to make sure it’s the best use of our marketing budget,” Isabel continued. “Getting Jeanne to talk about arthritis and Seflex may just be playing to the generics that are going to hit the market in two years. If we don’t own the message, we can’t be sure that this will do anything for Seflex’s name recognition. We may just be creating a customer base for our competition by educating people about their treatment options. And what if she slips up and says something wrong—or negative?”

Laura fidgeted in her chair. So much of her work depended on intuition. The Jeanne Alyson deal felt right, but she could offer no guarantees. Could something go wrong? Was it a good investment? She fiddled with her PalmPilot, weighing whether she wanted to stake her reputation on this deal.

### Should Bryant Pharmaceuticals approve Laura’s idea for product placement?

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