

# The 'American' Way

Lights, camera, music — sell! From premiere to season finale, everything's up for promotional grabs at 'Idol'

By Gail Schiller

From the start, Fox's "American Idol" has had some of the most popular kids on the marketing playground in its corner. The Coca-Cola Co., Cingular (now called AT&T) and Ford Motor Co. all jumped in as the show's sponsors in the first two seasons — and they have each stayed the course. And, as it turns out, those affiliations were only the beginning for "Idol" — whose brand is now said to be worth \$2.5 billion a year — and the advertisers who love it.

"Tying in with credible blue-chip brands, being in stores, commercials and so many places is actually a sign that a brand has arrived," notes Tom Meyer, president of marketing firm Davie-Brown Entertainment. "Companies that have been doing movie-marketing tie-ins for years haven't done TV because it hasn't had the same heft. 'American Idol' has achieved that status of being a megastar as big as a movie."

Over the past six seasons, "Idol" has featured top-tier advertisers and struck deals with a growing number of licensees and promotional partners that have put the show's brand on everything from chocolate bars to potato chips to ice cream. All by themselves, the three on-air sponsors generate a windfall for Fox of more than \$30 million each for a package that includes TV spots and integration throughout the season.

Combined, the love that advertisers show "Idol" makes the brand big enough to rival tentpole films and top sporting events as one of the industry's most-sought-after marketing platforms. Notes Keith Hindle, executive vp FremantleMedia Licensing Worldwide, North America, "We believe our three integrated marketing deals are the biggest deals for any TV show in the world outside of the Olympics."

Jean Rossi, president of integrated sales and marketing for Fox Entertainment Group, notes that the three sponsorships amount to an opportunity for Coca-Cola, Cingular and Ford to "associate with what is, in essence, a mini-Super Bowl each week in terms of reach and potential."

But, of course, there is much more to "Idol" than just on-air sponsorship. Kellogg Co.'s Pop Tarts brand pays a hefty sum every year as the presenting sponsor of the "American Idol" tour that takes place after the season ends (see story on page S-16). And deals with 45 U.S. licensees, up from three the first season, yield retail sales of \$65 million a year and put the "Idol" name on shelves at toy, apparel, music and video game stores. Recent deals announced by FremantleMedia and 19 Entertainment include six new off-air promotional partners including Nestlé chocolate bars and Pringles potato chips. Brands are said to be spending more than \$1 million each for the rights to feature "Idol" on their packaging.

Still, it's a fine line. Slapping "Idol" logos on millions of packaged goods, in thousands of restaurants or as part of numerous media campaigns risks overkill with the public, which can be quick to turn on a brand once the saturation level has been reached. Mark Brittain, head "Idol's" commercial division at 19 Entertainment, says they're not there yet.

So far, he's right. Marketing and branded entertainment experts concur that Fox Broadcasting Co., Fremantle and 19 have, in fact, done an exceptional job of protecting the franchise. The limit on in-show integration to three blue-chip advertisers is a key component, they say; viewers now see the longtime sponsors as an integral part of "Idol."

Three is the magic number, says Laura Caraccioli-Davis, executive vp and entertainment director of Starcom USA, who notes that the show experimented with having more integration partners such as Old Navy and Subway in its second and third seasons but quickly backed off. And Fremantle and 19 executives say they have turned away many more potential marketing partners and licensees than with whom they have made agreements.

"Every licensed item we do has to involve music, role play or lifestyle," says David Luner, senior vp interactive and consumer products, North America, for FremantleMedia Enterprises. "It was a conscious decision from the very inception not to do a licensing deal unless it enhanced the brand in some way."

By contrast, many tentpole films and even hit TV properties like Fox's "The Simpsons" frequently have hundreds of licensing partners.

Marketers indicate that Fremantle and 19 also have been savvy in partnering with iconic brands that bring their own credibility to the show and cautious about monitor-



*I'm With the Brand*

Licensing, sponsorship and integration deals are all a big part of "American Idol." At left, Ford's Edge





ing and limiting both on-air integrations and off-air marketing campaigns. "They're very protective of their brand, so it's not abused or degraded or marginalized by the brand partners," says Mike Malone, vp at entertainment marketing firm Alliance. "There are a lot of rules and regulations; things we can and cannot do."

The brands themselves claim they are not too happy to oblige and proceed with caution. "The last thing we want is Coke sticking out there in a way that isn't right for the show or for us," says Katie Bayne, senior vp Coca-Cola Brands at Coca-Cola North America.

And as far as "Idol's" new off-air promotions go, six is considered quite a small number of partners compared to the lineups of major sporting events or tentpole films. Marketers say consumers actually welcome the tie-ins, for the most part, especially if they offer "Idol"-related bonuses such as chances to win free tickets to the finale, "Idol" merchandise or opportunities to further interact with the show. And Hindle insists the tie-ins are helping to turn "Idol" into a year-round property.

While it is too early to tell which of the new promotional partnerships will be the most successful, there is a clear-cut consensus that Cingular has reaped the greatest benefits of the integration partnerships. Unlike Coca-Cola and Ford, Cingular's integration generates significant revenue from the show, as viewers are invited to vote via text messages every week.

Cingular also offers its customers "Idol" downloads, ringtones and, this season, video of bad auditions and performances the day after they air. "Idol" videos have already become the most popular offering on Cingular's video service, company reps note.

"Cingular is also getting an indication as to whether they're really reaching consumers because they can count the number of downloads," says Phil Branch, director of operations for entertainment marketing firm Set Resources. "They can quantify how successful it is. You can't always do that with promotions."

Last season, 64.5 million "Idol" text messages flew across the Cingular network, up from 7.5 million during Season 2 — the first time Cingular was fully integrated into the show. "We use 'Idol' as a way to get people to try our new products," says Dave Garver, executive director of national marketing and sponsorships for Cingular. "We started with text messaging, then downloadables, ringtones, graphics and now we're using it to message the availability of mobile video."

Ford and Coca-Cola's integrations are not as obviously successful, but clearly they have had a significant impact on the brands, if for no other reason than the massive reach of the show. This season, Ford is using the show as a platform to launch a new vehicle, the Ford Edge. "(The vehicle) needs to get awareness, and we know 'American Idol' can deliver that," Ford Global Brand Entertainment director Myles Romero says.

Coca-Cola, meanwhile, hasn't done too badly for itself either. Largely due to "Idol," the soft-drink giant is the most frequently placed brand on network television. "It's probably one of the best known and biggest integrations ever," says Bill Hilary, president of Magna Global Entertainment, a media services firm.

According to "Idol" executives, the show's many advertiser associations are not harming it — as evidenced by "Idol's" ratings — and, in fact, have most likely helped the series get where it is today.

"Idol has stayed as strong as it is because of the sponsors' involvement and the collaborative marketing support," Rossi says. "It actually enhances the show." ■

## Music Sharing

Before a song ever gets onto the show, it's up to the music supervisor to clear the air first

Song license negotiation for Fox's "American Idol" might not be brain surgery, but it can require the skills of a true diplomat. Not every pro cares to hear his or her muse-inspired classic squatted on by, essentially, an amateur.

Most of today's songwriters have the right to approve what are called "synch uses" before their publishers can license the tunes out. Show reps won't cite specific artists who've turned "Idol" down — after all, they might change their minds later on. But once each season begins airing, "Idol's" music supervisor returns to artists who've initially said "no" — and often, they're pleasantly surprised.

There's no secret formula to the selection process. Early on, the top 24 contestants submit five to 10 songs they'd like to sing, and the music supervisor adds those titles to a list assembled from audition footage of songs that might make it on

the broadcast. The



Mute Math

supervisor also includes some songs that might be right for a particular contestant or the show. Then the supervisor rushes to get as many rights — synch and online — as possible from publishers. But no song gets a preferential payment; "Idol" pays the same fee to each publisher, based on the number of seconds used.

For "Idol's" theme competition, the music supervisor is in his or her element, finding some of the best songs that fit the category. This part of the show is what really tests contestants' singing abilities — the narrower the theme (songs from Rod Stewart's *oeuvre*, for example), the more challenging it is for each contestant to adapt the tune to his or her style. The supervisor suggests that contestants visit AllMusic.com to find recordings of songs they can listen to.

And then there's the licensing of master rights when the show uses an artist's direct recordings, which can catapult the artist to the top of the charts, which is what happened to Daniel Powter when his "Bad Day" was used in Season 5. Record company executives watch closely for their shot in that case.

As did Warner Bros. Records senior vp strategic marketing and TV marketing Lori Feldman, whose attention tweaked after top 12 contestant Chris Sligh sang the song "Typical" by the band Mute Math this season. The judges talked about why Sligh picked such an atypical song for "Idol," and the back-and-forth banter got her to pick up the phone.

"If this guy stays on the show," she told show reps, "that's his song when you do the profile on him. I suggest you clear 'Typical' right now as a master, so you can have use of that in his profile."

— Susan Butler