

TELEVISION

## Product placement most beneficial way to step-up luxury TV ads: expert

August 11, 2011



By RACHEL LAMB

Commercial spots and product placements have always been a key way for luxury brands to get new products out there and remain top-of-mind, but unequivocal advances in the digital realm have left television ads untouched.

[Sign up now](#)

[Luxury Daily](#)

TV ads are useful because they can be targeted to the right types of consumers based on time, place and type of program. That said, not all luxury marketers may have not fully tapped the advantages of TV advertising yet.

“TV ads are still the best place to reach a mass audience, even when targeted properly,” said David Skalver, president of KSL Media, New York. “However, you need to be very judicious about how you use it because there could be a lot of waste.

“You could be reaching a lot of people that are not within your target,” he said. “However, TV is the fastest way to build awareness and affiliation with the right products and programs.”

Guilty as stated

The most notable type of luxury brands that use TV commercial spots are automakers.

Upscale automakers such as Mercedes-Benz, BMW, Audi, Lexus and Jaguar Land Rover continue to push products via commercials in prime network slots, where they know they will be seen by many luxury consumers.

Commercial spots are the most controlled and can be put together quickly, whereas product placement could take weeks to get into a show, or no one could even notice it, per Mr. Skalver.

However, not too many luxury fashion and hotel brands use TV to their advantage.

Product placement is one of the main ways that brands can subliminally slip their products into the minds of consumers.

For instance, the CW network's show Gossip Girl references many luxury brands such as Gilt Groupe, Chanel, Bergdorf Goodman and Henri Bendel. Not to mention, the actresses and actors name-drop luxury brands constantly.

The show focuses on extremely well-to-do young adults on the Upper East Side of New York, which many viewers aspire to be or actually are.

Chanel integrates this type of marketing into its strategy, as it shows Gossip Girl actress and Chanel brand ambassador Blake Lively with Chanel products and holding bags.

Additionally, Gilt Groupe worked itself into a plotline where actress Kelly Rowland spent the majority of her time in one episode browsing the flash-sale site and being surrounded by Gilt Groupe bags.

However, product placement is tricky.

"If you're going to do product placement, you need to be creative and believable," said Larry Steven Londre, managing partner at Londre Marketing Consultants, Los Angeles. "Sometimes, product placement is so overused and obvious."

For instance, although Gilt Groupe may target the aspirational young female consumers who watch Gossip Girl, the idea of having one of the wealthiest women in Manhattan looking for bargains on a flash-sale site may seem far-fetched.

Spot-on

Digital may offer more immersive or integrative experiences than TV, but the latter is still an integral part of luxury marketing.

Many affluent consumers relax and watch TV after a long day, and may choose to just zone out on the couch rather than strain their eyes on a computer.

There are occasions, such as the Super Bowl, where some consumers just tune in to see what brands are up to.

Luxury brands also have a variety of options with new technologies such as Google TV and Apple TV, which allow users to integrate the Web and TV mediums.

Other luxury brands such as Jaguar are combining mobile and TV by including mobile

calls-to-action at the end of commercial spots ([see story](#)).

“Luxury marketing is more surgical than it is using a blunt instrument,” KSL’s Mr. Skalver said.

“If a brand appears in an environment that is not suited to the program or the brand personality, then it could do as much harm as it could benefit,” he said. “The market segmentation in TV allows for luxury marketers to control that risk to some degree.”

Final Take

*Rachel Lamb, associate reporter on Luxury Daily, New York*

---

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.