It’s Complicated: Hollywood’s Long Relationship With Branded Entertainment

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I don’t think my father knows what I do for a living. When I told him I had moved from film and television to branded entertainment, he looked at me with confusion and surmised, “Like The Carnation Hour?” I had to Google that—turns out he does know what I do.

The Carnation Hour was a radio series sponsored by Carnation Milk Company. It premiered in 1931 on the then-regional NBC network. The format ran for two decades until its final broadcast in 1951. The show gave platforms to entertainers like Buddy Clark and Dinah Shore, and was the earliest and most overtly branded form of entertainment I had ever seen.

That was until this year, when the Barbie movie transformed the real world into a pink fever dream. Although 70 years apart, these two references point to Hollywood’s longstanding relationship with branded entertainment. Here’s what we can learn from this rich history.

The roots of branded entertainment

The concept dates back to the 1950s, an era of broadcasting when radio and television programs were controlled by their sponsors and branded with company names. Shows like The Colgate Comedy Hour, Hallmark Hall of Fame and Westinghouse

Studio One were simply part of the television genre.

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Out of these shows came stories and characters that were (not-so-secretly) brand-fueled. For instance, Columbo first appeared on television in a 1960 episode of the branded anthology series The Chevy Mystery Show. The term “soap opera” originated from the fact that serialized dramas were sponsored by soap manufacturers like Procter & Gamble to promote products to a mostly female, daytime audience.

Today the relationship between advertisers and studios looks very different. For so long we operated under the longstanding cultural agreement “give me Friends, OK I’ll watch your Gap commercial” until streaming came along. As a result of this shift, you have an entirely new audience who isn’t willing to watch commercials. This is problematic because recently, streaming platforms have built ad-supported networks to increase revenue and reach subscribers willing to trade their time for a lower monthly fee.

Netflix’s Q3 earnings report recently revealed its ad tier continues add users, with membership up almost 70% quarter over quarter. The majority of Peacock and Hulu sign-ups are ad-supported and, even though their overall subs fell, since launching ads late last year 40% of Disney+ new accounts have signed up for ads. With Amazon Prime Video set to kick off its ad-supported offering next year, we are now staring down the barrel of more ads at scale, something network television hasn’t been able to offer advertisers outside of sports in a very long time.

When you consider these two trends together—a commercial-averse Gen Z audience and an uptick in ad-supported streaming offerings—it begs the question: Who is going to watch all of these commercials that streamers are creating space for? “We imagine that Gen Z is going to take a lot of bathroom breaks

just to reap the benefits of a lower subscription fee, which means a lot of ads will go unwatched. The opportunity to change that is now," said SuperBloom House co-founder and CEO Briony McCarthy.

Could this mean a renaissance for branded entertainment? A recent YPulse survey found that 69% of 13- to 39-year-olds use streaming services to avoid ads, and the solution could be "having advertisers create their own content for the new on-demand services." But what does that look like?

Give the people what they want

When we talk about branded entertainment, we're not talking about sponsorship. This form of advertising emerged in the 1950s and allowed companies to get their goods and brand names out there without disrupting the stories. Ford gave the production of Rebel Without a Cause automobiles, which became an integral part of early car culture and product placement appeal.

Culture has historically driven product sales. Just recently, sales of white Vans were up a whopping 7,800% post-Squid Games. But this isn't what we mean by brands playing in entertainment.

What we're talking about in 2023 is the brands becoming studios. Telling stories that are born from what they stand for or how they want to be perceived. This content can live in a theater like Barbie did, on a streamer like Nike's The Day Sports Stood Still, or simply can be shared on any of the other dozens of digital distribution mechanisms available to our eyeballs.



Recently brands like Nike, AB InBev and Saint Laurent have launched their own in-house entertainment studios to create stories that will reach audiences beyond a commercial break. Our clients are beginning to ask for it too. Mark DiCristina, vp of brand experience at Mailchimp Studios, launched the brand's internal studio back in 2019 to work directly with production companies on branded content.

"Paid advertising is foundational to our success as a brand, but if it's all we're doing, then we only ever have people's attention when we're interrupting them from the thing they actually want to be doing—and we're only interrupting them when we're paying for the impression," he said. "By making content people actually want to consume, we expand our relationship with our audience, and we expand the meaning of our brand."

Success depends on a few things

One, the entertainment has to be good. For audiences to willingly gravitate to a brand-fueled movie or series, they need to be made by different types of creatives. Outside of the celebrity-backed companies, most ad agencies aren't made

up of people who are conventionally trained in entertainment development, packaging or longer-form storytelling.

Secondly, the brands need to get a lot out of their investment. This means you need an entirely separate engine of a company dedicated to executing their goals. This is a major opportunity because the brands have incredible global reach. If activated properly, they could really change the calculus of how something performs.



Imagine if HBO's docuseries 100 Foot Wave were powered by a brand like Corona that has aligned with surf culture for decades. HBO would have had both a marketing partner and a passionate audience of beer drinkers, who make up 46% of the U.S. population. We have to imagine this is valuable to a streamer when they are working with decreasing marketing budgets and an abundance of content choices. A brand like Corona could really help a series break through the noise.

So how do we get more brands to see themselves as studios and get them excited about the ROI of making their own entertainment? We (the audience) already see them that way. I think of Stanley Tucci's character's quote in Devil Wears Prada: "What they created was greater than art because you

live your life in it.” The same can be said for the brands we use and love because we have memories attached to them.

Let’s take those emotional touch points across sports, music, culture, food, fashion, comedy and social interest, and build entertaining stories that can become not a replacement but a more resonant alternative to commercials.

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