

## **Global Product Placement Spend Up 14.5% to \$20.6B in 2019, But COVID-19 Impact to End 10-Yr Growth Streak in 2020; Strong Rebound Seen in '21 on TV, Digital, Music Growth**

*Global product placement revenues grew for the 10th consecutive year in 2019, with the total value of product placements in all media growing 14.5% to \$20.57 billion, according to new research released today by PQ Media. But due to the economic shock caused by the COVID-19 pandemic, product placement revenues worldwide are projected to dip 0.4% this year, breaking a growth streak that stretches back to the Great Recession.*

STAMFORD, Conn. ([PRWEB](#)) May 27, 2020 -- Global product placement revenues grew for the 10th consecutive year in 2019, with the total value of product placements in all media growing 14.5% to \$20.57 billion, according to new research released today by [PQ Media](#). But due to the economic shock caused by the COVID-19 pandemic, product placement revenues worldwide are projected to dip 0.4% this year, breaking a growth streak that stretches back to the Great Recession in 2009, according to [PQ Media's Global Product Placement Forecast 2020](#).

In the United States, which accounts for 56.5% of the global market, product placement revenues grew 15.4% to \$11.63 billion in 2019, driven up by the increased value of brand integrations in live TV, films, OTT video, digital media and recorded music. However, the value of product integrations in the US is projected to decline 2.5% this year, as many television programs and film productions – the two largest media platforms for product placement – were forced to halt work and delay releases of new episodes and movies scheduled for launch during the spring and summer months.

In the first half of 2020, the coronavirus lockdown limited good opportunities for new brand integration deals to the only programs with ongoing production, such as daytime and evening talk shows and a few select reality programs that were already filmed or were doing so under lockdown conditions. By late May, the top 20 global product placement markets accounted for almost 75% of all COVID-19 cases and nearly 85% of total deaths. Most of these markets, including the US, are expected to post their worst quarterly growth rates ever in 2Q20, as many small businesses shuttered and some major industries were decimated.

Nevertheless, PQ Media's research indicates that significant opportunities have emerged in the stay-at-home environment, as studios are scrambling for new sources of revenue and brands are hustling to garner more visibility among youth audiences. The combination of tight media budgets, fewer ad avails in traditional media, and limited releases of new content direct to streaming video has opened up strong potential for sponsors and producers to strike mutually beneficial collaborations across multiple media channels and brand categories going forward.

Accordingly, global product placement revenues are expected to resume double-digit growth in 2021, when the value of brand integrations is expected to rise 13.8% on stronger economic growth, secular media trends favoring branded entertainment, and major brands increasing their use of product placement in media content aimed at pre-Boomer audiences, according to the [Global Product Placement Forecast 2020](#). The US will be the chief catalyst of the global rebound in 2021, as the value of product integrations in the US is projected to surge 14.6%, fueled by the growing number and value of product placements targeting more mobile and diverse younger consumers via streaming video, theatrical films, recorded music and various digital media.

While the expected retrenchment of the US product placement market in 2020 would be the steepest decline recorded in the 45 years PQ Media has been tracking product placement, it would mark only the second time brand integration spending has declined since 1975. There are compelling reasons why this below-the-line marketing tactic has posted such an enviable track record over nearly five decades.

“Our research suggests that deft product placement leads to online engagement and has the ability to create emotional connections with key demographics, such as Millennials, i-Gens and m-Gens, which are more elusive, tech-savvy and averse to traditional media,” said PQ Media CEO Patrick Quinn. “As a result, paid placements have grown substantially in number and value during the past several decades because brands have become more willing to invest in skillful integration of their logos and products in storylines that will expose their assets in meaningful ways.”

Some of the choicest long-term opportunities are in the proliferation of SVOD services worldwide just as the coronavirus outbreak forced consumers indoors for longer periods, driving up viewing of OTT video programming. While leading subscription video streamers Netflix, Amazon Prime Video, Disney+ and Apple TV+ don’t sell traditional ad spots on their respective services, the incidence of product placement and brand integration in their content offerings, as well as outright branded entertainment programming has soared in recent years.

Among recent examples are Amazon’s Making The Cut, a fashion designer competition in which the winning outfits and, ultimately, the chosen clothing line are sold via Amazon.com. The show has received positive reviews for its use of creative storytelling to engage viewers in the contestants’ lives, forming emotional investments in the narrative and designers, while attaching stronger meaning to the items for purchase. A popular 10-part series released by Netflix in April 2020 – The Last Dance, covering Michael Jordan’s rise with the Chicago Bulls – also received critical acclaim for its captivating story and organic integration of Nike sneakers. Another Amazon original released in May 2020, Upload, has been noted for its gaggle of product placements throughout storylines, including Amazon Prime, Coca-Cola, Dunkin’ Donuts and X-box.

“While the expanding universe of streaming video services provides significant potential for brands and studios going forward, these deals also tend to be the most challenging to accomplish,” Quinn said. “But the strong desire to gain brand awareness among target consumers, create positive brand associations and generate sales lift will continue to favor product placement in the post-pandemic era.”

Despite the short-term challenges, plot integrations are becoming more commonplace worldwide and the number of original broadcast, cable and streaming TV programs has expanded greatly, reaching over 500 in the US alone in 2019, nearly double the number of 2010 programs. Product placement in TV is, by far, the largest media platform category, valued at \$14.05 billion globally in 2019, according to the Global Product Placement Forecast 2020. Virtual brand integration continued to push into traditional and digital video programming in 2019, as Univision partnered with Mirriad to dynamically insert virtual placements in its popular telenovelas.

Product placement in films, the second largest media category, generated \$3.04 billion worldwide in 2019, as Audi’s first electric car, e-Tron, made a splash in Avenger’s Endgame and French jeweler, Chopard, created buzz regarding its expected inclusion in the next James Bond film, No Time to Die. Nokia’s first 5G phone is also expected to be launched with a product placement in the Bond film.

Product placement in digital media platforms, including online, mobile and social media channels, grew the

fastest, up 20.9% in 2019. Brands continue to align with viral stars on YouTube's multi-channel networks, using product placements to engage younger audiences, while Burger King and other leading brands took advantage of Zoom's skyrocketing popularity during the 2020 lockdown by offering incentives to use their logos in the background of video meetings.

In addition to product placement in TV (broadcast, cable, streaming), films, and digital media (online, mobile, social), PQ Media's new report also covers brand integration in videogames, print media (books, newspapers, magazines), and recorded music (radio, audio media) worldwide, with drill-down profiles of each of the top 20 global markets. The three largest markets in 2019 were the US, Brazil and Mexico, while the three fastest growing were Germany, the UK and the Netherlands.

About the Report:

[PQ Media's Global Product Placement Forecast 2020](https://www.pqmedia.com/product/global-product-placement-forecast-2020) is the 8th edition in this groundbreaking series that is recognized worldwide as the industry's biennial performance benchmark. The Forecast is the only source to consistently define, segment, size, analyze and project the growth of product placement in 15 media platforms and channels in the top 20 global markets. The Core Report & Analysis delivers 355 slides of exclusive market data and insights, which is enhanced with the Companion Excel Databook that provides 250,000 deep-dive datasets by country, media platform and channel. To download a Free Executive Summary and Sample Datasets click: <https://www.pqmedia.com/product/global-product-placement-forecast-2020>

About PQ Media:

[PQ Media](https://www.pqmedia.com) delivers strategic intelligence, data and analysis to the world's leading media, entertainment and technology organizations through syndicated market intelligence reports, custom drill-down research services, and on-demand strategic consulting. PQ Media uses a proprietary econometric methodology to define, segment, size, analyze and project the growth of several hundred traditional, digital and alternative media by country, platform, channel, and demographic.



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