



# **Exposure Analysis and Projection of Motion Picture Product Placement for The Ross Group**

## **Sony Pictures' Spider-Man**

§ **Stuart Weitzman**

Prepared February 7, 2003

## **Executive Summary**

This report documents the amount of exposure Stuart Weitzman received as a result of product placements within the Columbia Pictures / Sony

Pictures motion picture Spider-Man, which had recorded a world-wide box office gross of \$821.7 million (7<sup>th</sup> all-time) through February 2, 2003. Exposure figures stemming from theatric showings, projected video/DVD rentals and sales, as well television distribution, totaled \$2.6 million combined for Stuart Weitzman as a result of the Spider-Man film.

Impressions and values documented in this report are valued using commercial cost per :30 (CP:30) rate and the National Television Impression Value (NTIV®)—which is based on the assumption that national television advertising is the most cost-effective means of generating the largest number of gross impressions—methodologies. A cost-per-impression is derived, using nearly 2,300 nationally televised programs annually.

**For more specific information on the CP:30 and NTIV methodologies and the calculations utilized within each section of this analysis, please refer to the Appendix.**

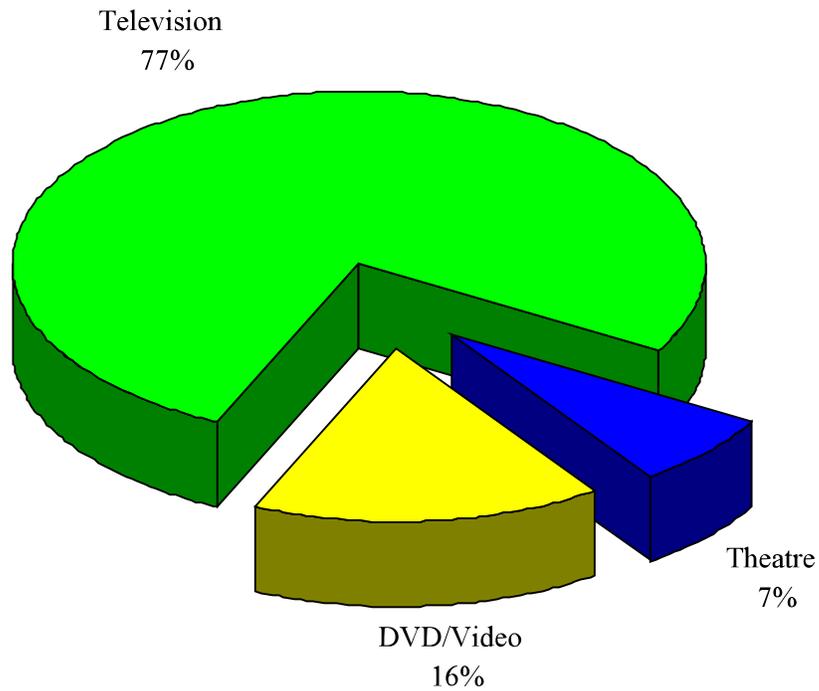
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## Projected Exposure Value Summary

Stuart Weitzman

Media Outlet	Exposure Value
Theatre	\$185,130
DVD/Video Sales & Rentals	425,795
Television	2,011,155
<b>Projected Total:</b>	<b>\$2,622,080</b>



## Theatre Exposure Summary

### Stuart Weitzman

Location	On-Screen Time	Exposure Value
Times Square Billboard	0:03	\$185,130

Through February 2, 2003, Spider-Man had grossed \$821,700,000\* in world-wide box office receipts. When considering an average ticket price of \$5.85\*\*, a total of 140,461,538 individuals (i.e. impressions) had viewed the movie in theatres.

To determine a value for the on-screen time monitored for Stuart Weitzman, a cost per:30 (CP:30) commercial rate was applied. The CP:30 rate (\$1,851,285) is calculated by comparing the theatre viewing audience to the NTIV Factor.

The Stuart Weitzman Times Square billboard was monitored during a fighting sequence between Spider-Man and the main villain of the movie.

\*Source: Box Office Mojo

\*\*Source: National Association of Theatre Owners

## Video/DVD Rental and Sales Projection

Location	On-Screen Time	Exposure Value
Times Square Billboard	0:03	\$425,795

Revenue from video/DVD sales and rentals of the Spider-Man movie is projected at \$1,453,776,923, based on the assumption that box office receipts typically generate 26% of a film's revenue, while sales and rentals (46%) and television (28%) account for the remaining proceeds\*. Due to the fact that each sales or rental transaction generates an average of \$9\*\*, and considering a 2 viewers-per-transaction factor, it is estimated that this category will generate 323,061,540 viewers (impressions).

To determine a value for the on-screen time monitored for the nine brands in question, a cost per:30 (CP:30) commercial rate was applied. The CP:30 rate (\$4,257,950) is calculated by comparing the sales and rental viewing audience to the NTIV Factor.

\*Source: FilmSpace: Behind the Scenes," ABN AMRO, Sept. 12, 2000.

\*\*Source: Ernst & Young for the DVD Entertainment Group, 2000.

## Television Projection

Location	On-Screen Time	Exposure Value
Times Square Billboard	0:03	\$2,011,155

Revenue from television distribution (Pay-Per-View, premium cable, over-the-air broadcast, basic cable and syndication) of the Spider-Man movie is projected at \$884,907,692, based on the assumption that television rights typically generate 28% of a film's revenue, while sales and rentals (46%) and box office receipts (26%) account for the remaining proceeds\*.

Based on the assumption that television outlets would at least charge as much for advertising during the movie as what was paid in rights fees, and considering an average of 44 30-second commercials during a typical movie telecast, the cumulative CP:30 calculates to \$20,111,540, or \$670,385 per second. The cumulative CP:30 is then compared to each brand's on-screen time to determine exposure value.

\*Source: FilmSpace: Behind the Scenes,” ABN AMRO, Sept. 12, 2000.

## **Appendix**

### **Evaluation Methodology**

#### **Value Analysis**

Throughout the evaluation, the following formulas have been used to base comparative values, audience reach and gross impressions.

#### **Method One: CP:30**

The cost per :30 (CP:30) commercial rate—which is the non-discounted or estimated cost to air a commercial in a 30-second time block during a specific event broadcast—is the method used for determining the value of a brand’s exposure during the particular broadcast in question.

The brand’s exposure time and mentions are compared to the cost of purchasing commercials during the particular broadcast.

#### **Method Two: NTIV Factor**

The NTIV Factor—which is derived from an average of the CP:30 commercial rates televised programming, along with the corresponding viewing audiences for these programs—is the other method for assessing the value of a brand's exposure. The NTIV Factor represents the cost necessary to reach one viewer during a nationally televised broadcast. Impressions generated from the selected sections in the NTIV Analysis are then applied to the NTIV Factor.

The NTIV Factor is derived from the viewerships and non-discounted or estimated commercial rates of nearly 2,300 televised programs airing within the past 12 months. Broadcasts airing on ABC, CBS, Fox, NBC, ESPN, ESPN2, ABC Family, TNN, TNT, PAX, USA Network, WGN, WTBS, CBC, CTV, TSN and Fox Sports Net, as well as those distributed through syndication are utilized. The constant resulting from this calculation may be considered an average cost-per-impression of nationally broadcasted exposure time.

*NTIV Evaluation Methodology, continued*

**Method Three: NTIV Factor Derived CP:30**

The NTIV Factor Derived CP:30 is determined by comparing the viewing audience with the NTIV Factor and is utilized only when the viewership has been determined.

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