

ON MTV, STUDIOS FIND NO SUCH THING AS A FREE PLUG

By Eben Shapiro
May 29, 1998

When DreamWorks SKG was launching its recent movie "Paulie," executives at the studio say they were delighted when its publicity staff arranged for star Cheech Marin, of Cheech and Chong fame, to host a show on cable network VH1.

VH1 is part of Viacom Inc.'s MTV Networks unit, one of the first places Hollywood-studio advertisers go to generate an all-important buzz among hip, young moviegoers. But Mr. Marin was denied his chance to introduce the latest Madonna video. The reason, DreamWorks complains: VH1 scrutinized how much advertising DreamWorks had bought and concluded that it wasn't enough.

"The ad people vetoed it, saying we did not spend enough money on VH1," complains Terry Press, DreamWorks' head of marketing. DreamWorks was told it would have to buy \$150,000 in advertising in order for Mr. Marin to appear on one of VH1's programs, Ms. Press says, but the studio declined. MTV disputes her version of the negotiations. It says it didn't renege on any commitments to DreamWorks and that Mr. Marin wasn't ever booked to appear on a show.

Some magazines and newspapers have come under fire for blurring the line between paid advertising and editorial content. At MTV and its sister networks, VH1 and Nickelodeon, the line has simply disappeared, studio and advertising executives say. Industry executives complain that MTV explicitly ties the amount of on-air promotions it gives a movie to the number of ads a studio buys.

"They promise more promotion with more spending," says Chris Pula, until recently a top marketing executive at Warner Bros. studio. "If we wanted to get an MTV promotion . . . we had to make sure that we spent a certain level of money."

And in a practice that studios say adds insult to injury, MTV also regularly charges studios for the costs of producing special shows about their movies. DreamWorks, for example, says it paid MTV tens of thousands of dollars for production of a behind-the-scenes documentary-style look at the making of the 1997 action movie "The Peacemaker."

MTV's top advertising executive, John Popkowski, revels in MTV's ability to make studios dance to its tune. "Hollywood knows the importance of MTV, and we know that Hollywood knows the importance of MTV," he says.

MTV sets an explicit condition for promoting a movie: the studio must be an "upfront customer," agreeing in advance to buy a certain amount of advertising.

Mr. Popkowski dismisses what he says are arbitrary distinctions between paid advertising and what most viewers think of as programming. Any and all exposure on MTV is a valuable commodity and contributes to the marketing of the film, he says. "It would be silly of us to give that away for free, wouldn't it?" he says.

MTV says it sets an explicit condition for promoting a movie: the studio must be an "upfront customer," agreeing in advance to buy a certain amount of advertising during the year. In the case of DreamWorks, MTV says it wouldn't have booked Mr. Marin on VH1 because



DreamWorks isn't an upfront customer.

A memo titled "Movie Studio Guidelines," which MTV distributes to studio marketers, shows how the quid pro quo works. In the memo, a movie special or a contest is referred to as "marketing support" or "marketing extensions." Citing "limited resources," MTV says in the guidelines that it won't provide marketing extensions to studios that don't agree in advance to buy a certain amount of advertising.

And according to the guidelines, "When marketing support is agreed to, MTV Networks may require an incremental expenditure, which will be based upon the level of marketing support provided." Translation: If MTV agrees to air a special about your movie, be prepared to pay for it.

MTV says the primary consideration in all programming decisions is what will play well with its audience. "If someone comes in with a billion dollars for 'Driving Miss Daisy,' we are not going to do a promotion," says Van Toffler, general manager of MTV. MTV says its news reports about the entertainment industry aren't affected by studios' ad spending.

Paramount Pictures, another Viacom unit, gets no special treatment. MTV says its sister company also must agree to buy a certain number of ads over the course of a year to get considered for specials. "Everybody plays by the same rules," says Mr. Popkowski.

MTV's movie promotions can take many forms, including contests, parties, cast "walk-ons" at an MTV beach house or what is known as "customized exposure" — a program created specifically to promote a movie. "Nothing is free," says Helen Tocheff, senior vice president of Zenith Media Services. Ms. Tocheff says MTV presented an itemized bill after creating an on-air "event" in which Lori Petty, star of the teen action movie "Tank Girl," appeared in her tank.

MTV says it is standard practice at entertainment cable networks to require a minimum level of ad spending in exchange for a special about a movie and to charge for production expenses. Anyway, they are worth it, MTV says. "There are certain times that we ask [studios] for their assistance," such as paying to fly the cast of "Scream 2" to MTV's Aspen ski house, Mr. Toffler says. "It's a nominal cost compared to the value and exposure we are giving to the film."

E! Entertainment Television, a rival cable channel, doesn't charge advertisers for production costs of specials about movies, says David Cassaro, senior vice president of advertising sales. Studios

do tend to buy a lot of the advertising time during the specials, but E! insists there is no explicit requirement.

No one in the movie industry contests MTV's ability to help blast a movie into the consciousness of young moviegoers, who are repeat customers and vital to any movie with blockbuster aspirations. In recent years, MTV promotions are credited with helping make box-office hits out of movies including "Wayne's World," "Clueless," "The Brady Bunch Movie," and "Scream." An hourlong MTV special, "The Austin Powers Electric Psychedelic Pussycat Swingers Club," was backed up by a big advertising buy by Time Warner's New

MTV's Popkowski dismisses what he says are arbitrary distinctions between paid advertising and programming.

Line Cinema unit. It helped make "Austin Powers" one of last year's surprise hits.

Walt Disney Co.'s Miramax Films, whose movies often feature hip soundtracks, has worked unusually closely with MTV to promote its films, including "Scream" and "Scream 2," and "Chasing Amy." With "Chasing Amy," the cast, including alternative hunk Ben Affleck, appeared on several MTV shows.

MTV hyped the "Scream" movies relentlessly, with pubescent horror princess Neve Campbell and other cast members introducing videos. The hyping of "Scream 2" began even earlier, with Miramax and MTV creating a contest for an MTV viewer to win a part in the sequel.



For "Wayne's World," MTV aired a one-hour special five times and helped propel the low-budget comedy to No. 1 at the box office. MTV split the TV program's production costs with Paramount Pictures, which returned the favor by spending \$300,000 in advertising on the network.