

# The Daily Dispatch

## Weekly Special Feature

March 26, 2021

***With Fewer Ads on Streaming, Brands Make More Movies***

By: Nicole Sperling and Tiffany Hsu — The New York Times (*Published in March 23, 2021*)



The HBO documentary “The Day Sports Stood Still” was co-produced by Nike. [Credit: HBO]

When the N.B.A. shut down its season last year because of the pandemic, one of the first phone calls Chris Paul made was to the Hollywood producer Brian Grazer. Mr. Paul, then a point guard with the Oklahoma Thunder, knew he wanted to chronicle what was going on, and he wanted Mr. Grazer’s help.

“The idea was, basically, film everything that had taken place in that game that night and what was going to come of it,” Mr. Paul said. “We had no clue what would happen next.”

The result was “The Day Sports Stood Still,” a documentary about the shutdown, the N.B.A.’s pandemic bubble and the impact of the Black Lives Matter movement on the league. (Mr. Paul appears in the film and is an executive producer.) It is a portrait of the ways the pandemic convulsed the sports world, but also an example of how Covid-19 has upended the entertainment industry.

The film, which debuts Wednesday on HBO and HBO Max, comes from Mr. Grazer’s Imagine Entertainment and a newer entrant to Hollywood: Waffle Iron Entertainment, Nike’s production entity.

With more people home and glued to their streaming services, many of which don’t allow advertising, companies are finding they need to be creative about the ways they get in front of audiences no longer seeing 30-second commercials. More are turning to traditional Hollywood production companies like Imagine to partner on feature films like “The Day Sports Stood Still,” which is infused with Nike’s ethos but carries none of the traditional branding audiences are used to seeing.

“The best partnership you can have is a marriage where the themes between the company and the story are aligned,” Mr. Grazer said in an interview. “If you’ve got Chris Paul and Nike is part of the marketing, that is an added ingredient why someone will see it. They will feel Nike endorsed it and Nike does good things.”



Chris Paul in “The Day Sports Stood Still,” which he helped produce.

Data from the research firm WARC showed that the amount advertisers spent in broadcast television in 2020 declined 10 percent from the previous year while online video spending rose 12 percent. Much of that money has gone to streaming services like Hulu, YouTube and Peacock that accept advertising. But those that don’t allow commercials, like Netflix, still remain unavailable to traditional marketing.

“Streaming is giving less and less opportunity for advertisers to connect with consumers in a meaningful way,” said Justin Wilkes, chief creative officer of Imagine Entertainment.

# The Daily Dispatch

“One of the last ways to do that is through long-form content. It’s all circular. This goes back to the earliest days of advertising and underwriting the great entertainment program.”

Brands have linked themselves to movies and television for almost as long as the mediums have existed. Long before he became president, for instance, Ronald Reagan hosted the popular “General Electric Theater” television show from 1954 through 1962.

In the past decade, branded filmmaking has only proliferated.

Patagonia funded a feature-length documentary about dams, called “DamNation,” in 2014. Pepsi backed the 2018 movie “Uncle Drew,” which showcased the basketball star Kyrie Irving recreating his septuagenarian character from a popular series of Pepsi Max commercials. The film made \$42 million and marked one of the first branded entertainment campaigns to be adapted into a major motion picture. “Gay Chorus Deep South,” a documentary produced by Airbnb, debuted on the festival circuit in 2019. And Apple’s acclaimed “Ted Lasso” began its life as an NBC Sports promotion for its acquisition of the broadcast rights to the English Premier League.



Kyrie Irving in character as Uncle Drew, the spokesman for Pepsi Max who became the basis for a feature film. [Credit: *Davie Brown Entertainment*]

Imagine Entertainment, the production company founded by Mr. Grazer and Ron Howard in 1985, formed Imagine Brands in 2018 to pair companies with filmmakers, hiring Mr. Wilkes and Marc Gilbar, the creator of the “Uncle Drew” Pepsi campaign and an executive producer on the

film, to run the group. The division has produced both feature-length documentaries and narrative films with their partners, which have included Unilever, Walmart and Ford.

Imagine is also working with the consumer goods giant Procter & Gamble. The company, which effectively created soap operas when it began to sponsor serial radio dramas in the 1930s to help promote its soap products, is cofinancing a feature-length film with Imagine called “Mars 2080.” It will be directed by Eliza McNitt and begin production later this year. The film, which is scheduled to be released theatrically by IMAX in 2022 before moving to a streaming service, focuses on a family resettling on Mars.

It grew out of a breakfast in New York in 2019, where Mr. Wilkes, Mr. Howard and Marc Pritchard, Procter & Gamble’s chief brand officer, discussed technology in the pipeline. The Imagine team later toured Procter & Gamble’s research labs in Cincinnati, seeing examples of its “home of the future” products and meeting its scientists.

Kimberly Doebereiner, the vice president of Procter & Gamble’s future of advertising division, said the company hoped to do more long-form storytelling, like “The Cost of Winning,” the four-part sports documentary its shaving brand Gillette produced. It debuted on HBO in November.

“We want to be more interesting so consumers are leaning into our experiences and we’re creating content that they want to see as opposed to messages that are annoying to them,” she said. “Finding a way to have content that is in places where ads don’t exist is definitely one of the reasons why we’re leaning into this.”



Brian Grazer and Ron Howard, the founders of Imagine Entertainment. [Credit: *Peyton Fulford for The New York Times*]

# The Daily Dispatch

It's all part of a deliberate shift by brands to try to integrate themselves more fully into consumers' lives, the way companies like Apple and Amazon have, said Dipanjan Chatterjee, an analyst with Forrester. And they want to do so without commercials, which, he said, have "zero credibility" with consumers.

"If the right story has the right ingredients and it becomes worthwhile for sharing, it doesn't come across as an intrusive bit of advertising," Mr. Chatterjee said. "It feels much more like a natural part of our lives."

Alessandro Uzielli, the head of Ford Motor Company's global brand and entertainment division, first met with Imagine Brands in early 2018. He was looking for a way to augment Ford's advertising campaign for its relaunched Bronco with a piece of entertainment that would reach a younger audience. The result was "John Bronco," a 37-minute long mockumentary directed by Jake Szymanski ("Mike and Dave Need Wedding Dates") and starring Walton Goggins ("Justified") as the greatest fictional pitchman of all time.

The short film earned a slot in the Tribeca Film Festival and is now streaming on Hulu. In addition to featuring guest spots from Tim Meadows, Kareem Abdul-Jabbar and Bo Derek, it helped reintroduce the Bronco, a sport utility vehicle that the automaker pulled in the mid-1990s.

"This helped us speak to an audience that we probably weren't going to speak to on our own," Mr. Uzielli said.

"It was Imagine's project, and we didn't want to cloud their process, to try to make it feel like too much of a sales job," he added.

Mr. Szymanski, who has directed both feature films and commercials, including ads for the Dodge Durango starring Will Ferrell's "Anchorman" character Ron Burgundy, said Ford allowed him a great deal of creative freedom. "I think they could have tried to impose a much larger shadow on it than they did," he said.

Now, Imagine, Mr. Szymanski and Mr. Goggins are trying to turn John Bronco into the next Ted Lasso — an effort in the early stages of development.



A still from "John Bronco," a 37-minute mockumentary from Imagine that stars Walton Goggins and is augmenting a Ford marketing campaign. [Credit: Imagine Documentaries]

"It's kind of a win-win," Mr. Szymanski said of a possible television series based on Mr. Goggins' character. "I don't think Ford would have any creative control over it but to have a character named John Bronco in the world, that would be a good thing for them."

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Source: Nicole Sperling and Tiffany Hsu (2021) "With Fewer Ads on Streaming, Brands Make More Movies" *The New York Times*. Available at: <https://www.nytimes.com/2021/03/23/business/media/branded-content-movies.html> (Accessed 25 March 2021)

# The Daily Dispatch

March 26, 2021  
TODAY'S TOP NEWS

## PH seen as production hub for Sputnik V vaccine

The Philippines may be on its way to being a production hub for COVID-19 vaccine Sputnik V in Asia. The vaccine production may start in three to four months once the deals are finalized.

## BOI-approved projects surge 65% in Q1

The value of investments approved by the Board of Investments (BOI) jumped 65 percent in January to March this year despite the COVID-19 pandemic. The approved investments would create 12,013 jobs, 13 percent higher than the 10,605 jobs a year ago.

## NEDA sticks to 6.5% GDP growth target

The government is maintaining its economic growth target at 6.5 percent for 2021 despite renewed mobility restrictions amid surging COVID-19 cases. The Philippine economy shrank 9.5 percent, its worst in several decades and sharpest among the largest economies in Asia-Pacific.

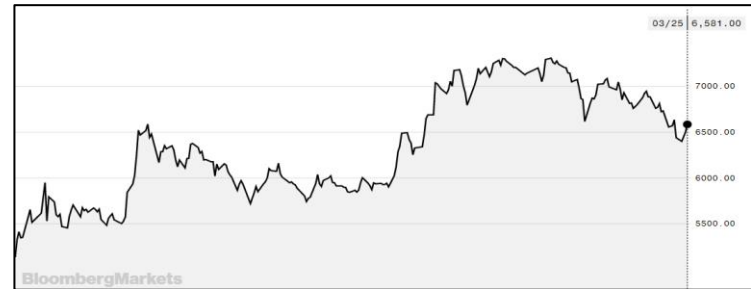
## House OKs franchise renewal bills of two MVP firms

Franchise extension bills for two major companies of tycoon Manny V. Pangilinan are now off to the Senate floor after getting a final nod from the House of Representatives. Both franchise bills will still need to hurdle the Senate, before getting to the president's desk for enactment.

## EDC to revive idle geothermal wells

Lopez-led Energy Development Corp. (EDC) has tapped California-based solutions provider GreenFire Energy Inc. to revive idle and unproductive geothermal wells to raise power generation. GreenFire entered into an agreement with EDC to perform a commercial retrofit that will restore and generate steam from an idle geothermal well.

## Philippine Stock Market Update



**Previous Close:**

6,581.00

**1 Yr Return:**

23.46%

**Open:**

6,567.89

**YTD Return:**

-8.22%

**52-Week Range:**

4,984.79 - 7,432.40

**Source:**

Bloomberg

## Foreign Exchange

As of March 25, 2021

US Dollar	Philippine Peso
1	48.55

## BVAL Reference Rates

As of March 25, 2021

Tenor	Rate
1Y	1.949
3Y	2.826
5Y	3.410
7Y	3.998
10Y	4.460
20Y	5.008

## Daily Quote

"Start by doing what's necessary; then do what's possible; and suddenly you are doing the impossible."

-- Francis of Assisi

# The Daily Dispatch

## MORE LOCAL NEWS

### Greenergy, Abacore unit to build log., food terminals

Greenergy Holdings Inc. has forged an agreement with Ala Eh Knit Inc. for the development and operation of a logistics center and food terminal in Sta. Rita, Batangas City.

### AREIT to add P15B worth of ALI assets to portfolio

Real estate investment trust (REIT) pioneer AREIT Inc. is expected to bump up its earnings starting this year with its takeover of 10 commercial property assets valued at P15 billion, the biggest of which is the Vertis North commercial development in Quezon City.

### Tiu family draws suitors for Discovery World stake

MANILA, Philippines—At least three local business groups and one Chinese real estate developer are eyeing a stake in publicly listed Discovery World Corp., signalling a possible bidding war for the luxury resort developer controlled by the Tiu family, the Inquirer learned.

### BSP maintains borrowing rate at a record-low of 2%

The Monetary Board, the policy-making body of the Bangko Sentral ng Pilipinas, on Thursday kept the benchmark interest rate at a record-low of 2 percent, taking into account the expected transitory impact of the higher inflation rate.

### Remittances seen to grow by 4%

Security Bank Corp. expects remittances from overseas Filipino workers (OFWs) growing by four percent to a record high \$31 billion this year due to the ongoing global rollout of COVID-19 vaccines.

### Cyberattacks vs businesses jump 31%

Digital fraud attempts against businesses from the Philippines rose 31 percent during the COVID-19 pandemic, global information and insights company TransUnion said.

### BSP maintains flexibility to attract Islamic banks

The Bangko Sentral ng Pilipinas (BSP) is maintaining flexibility to lure more industry players to venture into Islamic banking in the country. BSP Governor Benjamin Diokno said they would maintain flexibility in their approach to allow banks to thrive in the new environment since Republic Act 11439.

### PPA to remit P3.54 billion to national government

The Philippine Ports Authority (PPA) will remit P3.54 billion to the national government to help it in its Covid-19 response initiatives, the chief of the port regulatory body said on Thursday.

### Govt reinstates coal trader Semirara accreditation

The Department of Energy (DOE) is no longer imposing a one-month suspension of Semirara Mining and Power Corp.'s (SMPC) coal trader accreditation, but maintained the latter's liability for violating a department circular.

### Govt to lose P60m annually on lower rice tariffs

AT a time it is scrounging for funds, the Philippine government stands to lose P60 million (about \$1.24 million) in revenue every year if it decides to lower the tariffs for rice imports outside the Asean region to 35 percent.

# The Daily Dispatch

## TODAY'S TOP ASIAN NEWS

### Renewable energy firm Sunseap weighing IPO: sources

SUNSEAP Group, a Singapore renewable energy firm, is weighing an initial public offering (IPO) in the city-state that could raise as much as S\$600 million, according to people with knowledge of the matter.

### Evergrande's 130b yuan online arm considering IPO

CHINA Evergrande Group's online home and car sales platform FCB Group is weighing an initial public offering in the US as soon as the fourth quarter, according to people familiar with the matter.

### Temasek sees impact investing at tipping point

[SINGAPORE] Temasek Holdings believes that impact investing has reached an inflection point, with the coronavirus pandemic highlighting deep social imbalances that have intensified the need for such forms of investments.

### Sun Life CEO-elect says Asia is priority for M&A

Sun Life Financial sees Asia as a priority for mergers and acquisitions and will ensure it has enough capital to deploy for deals before doing buybacks, Kevin Strain, who will become chief executive in August, said on Thursday.

## TODAY'S TOP GLOBAL NEWS

### ThredUP raises \$168m in IPO

ThredUp, an online marketplace for second-hand clothing, raised US\$168 million (S\$226.5 million) in an initial public offering priced at the top of a marketed range.

### Robinhood aims to allow users to buy into IPOs

Robinhood Markets Inc is building a platform to "democratize" initial public offerings (IPOs), including its own, that would allow users of its trading app to snap up shares alongside Wall Street funds, according to people familiar with the matter.

### Greensill Capital files for Chapter 11 bankruptcy

Greensill Capital filed for Chapter 11 bankruptcy protection for its US unit in New York, as another part of Lex Greensill's trade finance empire seeks safety from its creditors.

### NYT turns a column into an NFT, sells it for \$560k

The New York Times sold an article tied to an NFT, or nonfungible token, for about US\$560,000 (S\$755,000), another sign of the red-hot market for digital collectibles. "Buy This Column on the Blockchain!" from Times journalist Kevin Roose was turned into an NFT and auctioned off on the open market

### US regulator opens inquiry into Spac IPO frenzy

The US securities regulator has opened an inquiry into Wall Street's blank cheque acquisition frenzy and is seeking information on how underwriters are managing the risks involved, said four people with direct knowledge of the matter.

### Thiele family to remain major Lufthansa shareholders

The Thiele family will remain major shareholders in German airline Lufthansa following the death of Heinz Hermann Thiele, two people with knowledge of the matter said on Thursday.