Advergaming

Gérald Marolf

This master thesis, written for the Chair of Marketing of the University of Zurich, discusses the topic of Advergaming. The term Advergaming is used to describe the different possibilities to advertise brands or products with or within computer- and video games. This thesis displays all developments that have been made from the early 1980s until 2006 in the field of Advergaming. In general two different forms of Advergaming can be distinguished. On one hand, advertising a brand or product with a computer-game (done on the Internet with so-called Adgames) is often synonymously called Advergames. On the other hand, advertising in computer- and video games is a phenomenon that is emerging swiftly and is described under the term in-game advertising. The aim of this paper stands in a clear definition of the market for Advergaming, a critical overview of possibilities for brands to position themselves, as well as the danger that underlies advertising in games.

To understand the two different aspects of Advergaming, the thesis first introduces the reader to the world of video games and helps him to understand why advertising in and with games is different than advertising with other media. The world of video games is a strange world where the individual has the role of being the star, boss, and expert at the same time. Moreover, there is always an answer in the world of video games and things are unrealistically simple. Once the advertiser understands that video games create its own experience with the player in a third-person position dominating the action and bearing the consequences which exist in the world a game creates, he is already one step closer of being able to use these games as a marketing tool. After the introduction to the world of video games, the thesis continues with a situation analysis that points out through different studies the most important numbers of this growth market. Focusing on the demographics, especially the possibility to reach that coveted, notoriously spendthrift young male, age 18-34, more and more companies are looking to games to push their products. Television ratings have dropped up to 20 percent; more people are spending time on the Internet and in front of video games. The thesis also points out that gender roles for both, games on the Internet and video games, still play a certain, but diminishing issue. The interesting share of moderate gamers is heading towards an equally divided level between the genders, although women seem to prefer other types of games than men. Also a very common stereotype and possible reason not to invest in Advergaming is violence, which is discussed to help the practitioner understand that the next

generation of decision-makers has grown up with video games and is capable to distinguish that this is not the real world.
A part on the boundaries of the progression for the growth of the video game market, discussing technological issues, as well as emotions and complexity, shows that since every player develops his own emotional set during game-play and that the complexity of a game is always a tightrope walk, no investment in advertisements with or within games can be considered as simple. Success relies on difficult to preview settings and the novelty, especially of in-game advertising, forced the author to develop an own framework on Advergaming objectives since no such literature exists. Eight indirect, communicative advertising objectives are therefore analyzed and assigned to the topic. While Adgames face increasing awareness, creating contacts, augmenting topicality, and positioning of the brand or product as the main goals that a marketer can reach by creating such Adgames, in-game advertising sees image development, building emotions, and differentiation and positioning of the advertised brand or product as the main objectives for such investments.

Even if this thesis, by reason of its timeliness, has a strong practical orientated view, the most important of the few studies from the last five years are described in the following. The most prominent study, “Recall of Brand Placements in Computer/Video Games” by Michelle Nelson has as the most important finding that the more involved a player is in the game (the more he concentrates on the game play), the less he remembers the brand placements. This implicates on one hand that the more interesting a game is, the less a placement makes sense, but on the other hand also shows one of the big advantages of in-game advertising: The player is not absorbed by anything and has a high emotional involvement, meaning if he sees and remembers the placement, it will probably have a high effectiveness. The other analyzed studies determined that the attitude of players towards advertising in general correlates positively with their attitude towards product placements and their perception and possible influence in video games and that half of all players are not able to recall any brands or products placed in a video game.

Next the two different aspects of Advergaming are developed. Interviews with leaders of the industry were conducted to reinforce the few and far between serious articles to the evolution of Advergaming.
First, Adgames are an innovative form of advertising in the World Wide Web. The introduction to Adgames shows that most forms of Internet advertising such as banners or

pop-ups are intrusive, not effective and have a bad image. Adgames, games that can be downloaded on the Internet or played directly on a website, have the important attributes that they are for free, simple to play, commercial and entertaining. Adgames transport an in-the-game embedded advertising slogan while the user is playing the game. Alternatively, they place a brand well viewable in an especially for the brand made game. The integration of products into the gaming environment can be realized to various degrees of immersion, ranging from associative to demonstrative. Advantages are the interactivity, the possibility to tailor Adgames to the wanted segmented market and their objective, thus easily penetrating and communicating the wanted message, and information about the players or the customers can be easily obtained through an Adgame and used to create a dialogue. Moreover, Adgames are easy adjustable, cost-effective and include a viral component. The success of Adgames primarily relies on this viral component. If a game is spread by friends to others, chances are high that it becomes a success. Viral marketing effects as a key driver for Adgames' success, the specific activation and control of mouth-to-mouth propaganda with the intention of marketing products or brands, is explained in a specific chapter and helps the reader to understand why Adgames can work.

Many examples of Adgames could be given as new ones pop up every day in the Internet. To display the different approaches, the thesis gives some examples from demonstrative Adgames that allow the consumer to experience the product within the virtual confines of the gaming space, to associative Adgames that try to associate their product with the lifestyle or activity featured in the game, and also explains Anti-Adgames, a powerful tool that is used by organizations to criticize and benefits from all the Adgames' advantages. A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis shows that viral effects and no multi tasking can be considered as opportunities while the degree of difficulty of the game and sensible users are threats. Strengths include the costs of creating an Adgame and the user's demographics; a main weakness is the durability of such games.

Specific forms of Adgames are so-called Serious Games, consolidated under the term "En-game-ment". The primary goal of these digital online or downloadable games goes beyond entertainment to education, outreach, engagement or training. The possibility of generating awareness and affecting behaviour through these games is mostly used by organizations to sensitise users for their causes. The pervasiveness of such games can be problematic as any possible cause can be communicated.

The second important aspect of Advergaming is in-game advertising. In-game advertising is a very interesting field. The effectiveness of Above-the-Line advertising can be combined with the measurability of Below-the-Line advertising and for all online in-game advertising actions measurability comparable to online advertising is given. The emotional involvement of a player in a video game is very high. This can be exploited as any content has a high cognition that leads to a strong advertising effect.
In-game advertising has a particularity; it's not a direct transactional medium. The advertising is placed in a game so that it does not bother the game-play nor build any barriers that could harm the game-play. It is urgent that advertising placed in games enhances the reality factor of the game; otherwise, it will be counterproductive. In-game advertising is a fast growing field as technological advances roused the idea from static, long-term planned in-game placements to dynamic, fast changeable and soon to be interactive placements and plot integrations. The splendid demographic prospects and opportunities like the immersion of the user and his emotional involvement stand in coherence with the dangers that in-game advertising has. Sensible users that have a high degree of communication between each other and the danger that the brand or product doesn't fit the intellectual property of the game are the main concerns. Placements or integrations that are not well made and interfere with the player's gaming experience and do not enrich the game play can hurt the brand and the game image strongly. The future of in-game advertising lies in dynamic placements or plot integrations that can be changed regionally and also daily through a feedback channel. Presumably player relevant adapted advertising will bring advertisers even closer to their wanted target group. Also Massive Multiplayer Online Games (MMOG), at the moment not tangent to advertisements, are potential future markets even if advertisements in fantasy settings are more difficult than in real-life simulations. The most important thing for in-game advertising is to remain reality enhancing and not obtrusive; then companies, respecting the dangers of in-game advertising, have good opportunities but never a guarantee that their engagement in this medium will work.

To conclude, it can be said that the very actual topic of Advergaming is discussed in its entireness in this thesis, and that through different frameworks, analyses, elucidations and expert interviews new approaches and consolidations can be made for practitioners to better understand the delicate high potential opportunities that Advergaming gives.
The second important aspect of Advergaming is in-game advertising. In-Game Advertising is for advertisers a very interesting field. The effectiveness of Above-the-Line Advertising can

be combined with the measurability of Below-the-Line Advertising and for all online In-Game Advertising actions measurability comparable to Online Advertising is given. The emotional involvement of a player in a video game is very high. This can be exploited as any content has a high cognition that leads to a strong advertising effect.
In-Game Advertising has a particularity; it's not a direct transactional medium. The Advertising is placed in a game so that it does not bother the game-play nor build any barriers that could harm the game-play. It is urgent that advertising placed in games enhances the reality factor of the game, otherwise it will be counterproductive. In-Game Advertising is a fast growing field as technological advances roused the idea from static, long-term planned in-game placements to dynamic, fast changeable and soon to be interactive placements and plot integrations. The splendid demographic prospects and opportunities like the immersion of the user and his emotional involvement stand in coherence with the dangers that in-game advertising has. Sensible Users that have a high degree of communication between each others and the danger that the brand or product doesn't fit the intellectual property of the game are the main concerns. Placements or integrations that are not well made and interfere with the players gaming experience and do not enrich the game play can hurt the brand and the game image strongly. The future of in-game advertising lies in dynamic placements or plot integrations that can be changed not only regional but also daily through a feedback channel. Presumably player relevant adapted advertising will bring advertisers even closer to their wanted target group. Also Massive Multiplayer Online Games, at the moment not tangent to advertisements are potential future markets, even if advertisements in fantasy settings are more difficult than in real-life simulations. The most important thing for in-game advertising is to remain reality enhancing and not obtrusive, then companies, respecting the dangers of in-game advertising have good chances, but never a guarantee that their engagement in this medium will work.

To conclude it can be said that the very actual topic of Advergaming is discussed in its entireness in this thesis, and that trough different frameworks, analyses, elucidations and expert interviews new approaches and consolidations can be made for practitioners to better understand the delicate high potential opportunities that Advergaming gives.