

Ads in Play

Immersing Brands in and around Social Games

At least once a week, 89% of Americans watch prime-time television. It is the ubiquity of television in American lives, along with its media richness, that has made it the core of media plans for virtually all types of brands, decade after decade. When marketers think of video games, it is unlikely that they consider game media to have the potential for reach we attribute to other mainstream media. Yet, 58% of Americans play some kind of video game every week, and 63% have played at least one video game in the past year.¹

With worldwide revenues estimated at about \$25 billion in hardware and software sales, video games are a powerful entertainment medium. Revenues for games surpass (individually) box office revenues for movies, movie rentals, book sales, and music sales. Industry revenues in United States alone reached nearly \$18 billion in 2007.² As an advertising medium, games offer much to advertisers looking for new access to consumers, particularly in places where there is limited clutter, little multitasking, and high levels of engagement.

Game-related advertising is not new. Early Sega games for the Atari 2600 console featured Marlboro cigarette ads on the raceway. So why the recent

surge in games and game advertising? The medium's growth in recent years is associated with advances enabled by Web 2.0. In a report from eMarketer, Paul Verna estimates that game advertising is already valued at over \$1 billion in annual expenditures.³ He anticipates spending will grow at a compound annual growth rate of 23%, reaching nearly \$2 billion by 2011. eMarketer's estimates include advertising expenditures from static, dynamic, and rich media in-game ads, product placements in games, and adver gaming. Noting the many opportunities for game-related advertising as well as its benefits, Parks Associates confirms eMarketer's bullish estimates predicting that overall game-related ad spending will grow from \$370 million in 2006 to more than \$2 billion by 2012.⁴

In the United States alone, video game advertising ran \$502 million in 2007 with just under half that being spent to develop branded adver games, games that are entirely developed by and tied to a brand.⁵ Adver gaming accounts for \$207 million of game advertising expenditures in the United States, and is expected to hit \$344 million by 2011. Some analysts predict a growth curve for in-game advertising that outpaces the growth of online advertising.⁶ In fact, the compound annual growth rate of game advertising is expected to be much higher than that of any other major media, including television, radio, print, and the Internet.

■ Gaming Platforms and Audience Involvement

Video games as a whole include different platforms and genre. Each category offers somewhat unique advertising opportunities and appeals to different demographic groups. Video games are offered across three hardware platforms: game consoles (interactive, electronic devices used to display video games like Sony's PlayStation3, Microsoft's Xbox 360, and Nintendo's Wii), computers (either online, or games installed on the computer's hard drive), and on portable devices like the Sony PSP, Nintendo DS, or wireless handsets.⁷ Overall, then, there are four platforms: (1) console games, (2) CD-ROM games, (3) online games, and (4) mobile games. Gamers have a high rate of crossover platform use, most of them playing games on two or more platforms.

Gaming experiences can be categorized as casual or core/enthusiast. Casual games target a mass audience. They are addictive, fun, easy to learn, and require time investments of less than thirty minutes per game. Core games, sometimes known as real games, are highly immersive, realistic, and require periods of extended game play. Game sessions may last more than ninety minutes, and some games take more than twenty hours to complete. Others have no real end and can be enjoyed for years.

Theoretically, casual and core games can be delivered using any of the four platforms. However, casual games tend to be more prevalent online, while core games more frequently rely upon a console platform. Nintendo's Wii system is an exception to this assumption. The Wii encourages casual gamers to accept a console platform with many family-friendly games as well as more intense core games. Casual games are offered to consumers using a number of revenue models, including try and buy, ad-supported free games, subscription, pay per play, and skill based. Core games are typically purchased but may also generate revenue through advertising support. Even within the categories of casual and core games, there are many genres, including casual, strategy, action, sports, adventure, shooters, and simulation. Of these, casual games are noted by 29% of gamers as their favorite genre.⁸

Once upon a time, advertising via games was thought to be appropriate only for a young male audience, but that belief is changing as more information on the demographics of gamers emerges. It is true that games are a good choice for reaching teenagers and young adults. About 90% of consumers aged 12–17 and about 80% of those aged 18–24 years have played a video game in the last year.⁹ But coverage is strong for older adults as well, with more than 70% of those aged 25–34, more than 60% of those 35–44, and 50% of those 45–54 years playing video games. Overall, games are only slightly more popular with males than females; though there are clear age and gender preferences in the types of games pursued.

For instance, among online casual gamers, eMarketer claims that 80% of gamers are female with a median age of 47; 33% with children under 18 years in the home. Of the worldwide casual gaming audience of more than 200 million unique players, 71% of casual gamers worldwide are 40 years and older—and 47% are 50 and older.¹⁰ Traffic at online casual game sites like Pogo and Yahoo! Games is at its peak between 8 a.m. and 2 p.m., Monday to Friday, but there is also traffic late at night, suggesting that many casual gamers play at work and during bouts of insomnia. Hard-core gamers skew younger and male. The IAB's Marketer & Agency Guide to Online Game Advertising describes the demographic market for console gamers (typically reflecting core games) as 68% male with a median age of 26.¹¹ Similarly, CD-ROM gamers are thought to be 66% male with a median age of 32. The demographic makeup of gamers suggests that gaming is a viable medium for advertisers targeting several markets from teens to middle-aged mothers to families.

It is not just the demographic diversity that appeals to advertisers. Gamer behavior matters, too. Games have a high degree of stickiness. Stickiness refers to the ability of a medium to attract an audience and keep

that audience once there. Gamers as a cohort tend to be dedicated hobbyists, spending countless hours embroiled in intense games. People are passionate about games. In fact, gamers spend more time gaming than they do on the Internet in all other activities. Casual gamers do spend less time on games each week than do core gamers, but even then eMarketer estimates that 34% of gamers spend more than four hours a week playing games, 8% spend about three hours, 17% spend about two hours, and 9% spend one hour. The remaining gamers, primarily casual, report spending less than one hour per week.¹² Not only do gamers spend ample time consuming the medium. Gaming requires attention and active involvement. Players are not likely to be multitasking during a game or consuming multiple forms of media simultaneously. Gamers are not texting, talking, or using the remote to channel surf during an active game. For games played through game consoles, it is important to remember that game consoles are permanently connected to televisions in 86% of U.S. households. If the game console is on, television programming is not. Game advertising provides an opportunity to recapture that audience.

■ Other Factors Driving Growth in Game Advertising

The video game industry continues to grow and can now be considered a mainstream entertainment medium. All of the criteria for good market segments are met with games. The market is substantial (there is a large number of consumers involved in gaming). It is reachable (through the games themselves as well as through other media). It is measurable (particularly given the prevalence of online games and broadband-connected console games). The gaming demographic has broadened such that games are now considered viable vehicles for reaching women and older consumers as well as young males. Gamers spend sufficient, dedicated time with games to achieve valuable ad impressions. These factors alone would be sufficient to explain the surge of interest in gaming, but there are other reasons for considering game advertising as part of a brand's media strategy.

First, gamers appear to be open to advertising associated with the games they play. A study conducted by Nielsen Entertainment on behalf of Massive, Inc., a Microsoft-owned in-game advertising specialist, revealed that after exposure to in-game ads dynamically placed on Massive's advertising game network, brand familiarity, a measure of brand recognition, increased 64%. In addition, the study found that positive attitudes toward the brands studied increased by 37% and purchase consideration increased by 41%. The advertising itself also performed well

with an increase in advertising recall reported and a positive attitude toward the ads.¹³ These results are consistent with other research on the effectiveness of ad placement, which found that placing ads in creative locations like games over traditional placements like magazines resulted in positive feelings toward the brand. Zachary Glass examined the attitudes players had toward brands embedded in games.¹⁴ Participants played a video game that featured branded products, and then took an implicit associations test to determine whether they had more positive attitudes toward the brands in the game than toward a set of equivalently rated brands. Players rated in-game brands more positively than those that were not embedded and did so more quickly.

In part, this acceptance of game advertising can be attributed to the desire for realism in the game environment. Adverts are ubiquitous in society with some events and experiences like racing and sporting events saturated with advertising. Stadiums are wallpapered in brand logos and symbols. A sports-themed game without branding would seem artificial to gamers who want to immerse themselves in the experience. For example, Groove Media recently introduced two skill-based video games, one a golf simulation. The golf simulation emulates the feeling of playing in a PGA tour tournament, compelling advertisers like BMW to seek out advertising opportunities in the game environment.¹⁵

Because brands seem a natural part of game settings, they easily benefit from association with the game itself. Brands accrue transference effects when associated with popular games and exciting and interesting game environments. When people are immersed and engaged in the game, the sense of preference for the game should transfer to the brand. This is a common benefit associated with event sponsorships. Brands seek to associate with sports, arts, and music events in order to gain residual benefits from the brand-event association. Likewise, it is possible for game advertisers to leverage the law of association by branding in and around games. The difference is simply that the “event,” the game, takes place in a more intimate setting with a greater sense of one-to-one rather than one-to-many promotion of the brand-game association. Like event sponsorship, a prerequisite for success is congruence between the brand’s image and the image and atmosphere associated with the game. In other words, there must be a good fit in order to maximize the value of the association. To pick the right game, Josh Larson of *iMedia Connection* encourages advertisers to think of choosing the right game for a brand as they would choosing any other vehicle.¹⁶ One should consider the game’s demographic target, its market size, and the quality of the game franchise. The game should be a great fit for the brand and its product category.

Not only do brands benefit from association with the game, but they can also achieve outcomes similar to using celebrity endorsers. Celebrity endorsers provide a form of association effect, the goal being the internalization of the endorser's brand beliefs by the target audience. Internalization occurs when members of the target market accept the beliefs of an endorser as their own. In a game context, the characters in the game's story and setting can act as brand endorsers. Grant McCracken explains the effectiveness of endorsers with his Meaning Transfer Model.¹⁷ Consumers associate meaning with the endorser and then transfer the meaning to the brand in question. The consumer first chooses to assign the meaning associated with the endorser to the product or brand. Thus, meanings attributed to the endorser become associated with the brand in the consumer's mind. For game advertisers, the Meaning Transfer Model suggests that a character's attributes can be transferred to a brand that is used by the character in the game as part of an in-game product placement. The key to using character endorsers successfully parallels the choice of celebrity endorsers. The character endorser should have the appropriate set of characteristics desired by the brand.

Game character endorsements can affect consumers' brand attitudes.¹⁸ One of the biggest determinants of increased positive brand attitudes is perceived trustworthiness and credibility. This finding mirrors the research on celebrity endorser effects on brand attitudes, which shows that, especially when consumers have little brand experience of their own, they are positively influenced by character endorsements. Their results imply that consumers who are new to a brand but see it being used by someone they consider trustworthy, even if that someone is a character in a video game, will form more positive opinions about that brand.

Game characters can act as product endorsers in the game, but game players can also identify directly with brands placed in the game. Many games function by casting the player into a character role in the game. Glass explains that game players may then imagine themselves as active characters in the game.¹⁹ For example, a popular genre is that of "first-person shooter" games. In first-person shooters, players take the perspective of their character, which creates a certain bond between the player and the character. Character development also occurs in MMORPG. In these large-scale games, players are particularly invested in their characters, because they spend weeks, months, and even years to build their character identity and develop the attributes that will enable the character to compete at the highest possible level of the game. Even the name of the genre itself, "role playing," implies just how involved players are with their characters. When brands are embedded using immersive techniques

like enabling players in a racing game to choose their brand of race car, the players can actively interact with brands during the game experience, resulting in a heightened sense of brand identification. Recognizing and leveraging the players' high sense of involvement enables advertisers to maximize the power of the game as an advertising medium. If the player in a sense becomes the character, he or she takes over the role of endorser or spokesperson for any brand the character uses. If we follow this line of reasoning using what is known about celebrity endorsements and message internalization, a virtual extension of the player that serves as the spokesperson for the brand should create strong, positive brand attitudes.

Game producers are actively investigating new and innovative ways of encouraging character immersion in games. At the 2008 Game On Finance conference, the focus was on learning about alternatives to packaging video game experiences. A possible development in the industry is the use of online social networks and virtual worlds tied to console games. The industry hopes to model the success of youth-oriented virtual worlds like Webkinz, which generate revenues through product sales.²⁰

For all the discussion on the benefit advertising offers players by enhancing game realism, games build on the narrative structure of literature and film. In many ways, games approximate the immersive experience of watching a movie. Games, like movies, are capable of transcending barriers of class and culture. This is a valuable attribute given the goal of encouraging players to share identity with their game character. However, games offer more than stories told through film and literature in that games include elements of interactivity. Interactivity should lead to improved brand attitudes. Jennifer Escalas posits that even imagined interaction with a brand can produce more positive attitudes and purchase intentions.²¹ If one considers the narrative transportation theory, it is clear how imagination can build brand attitudes. This theory proposes that mental stimulation through narrative storytelling encourages the player to become lost in the story. Once immersed in the plot, players are distracted from advertising embedded in the game. They do not elaborate on the message but rather rely upon the positive feelings evoked by the mental stimulation of the story to make determinations about the brand. So long as the stimulation of the game is positive, the attitudes toward brands embedded in the game should also be positive. Games can go even further than simple imagination because of the degree of interactivity and immersion possible. In addition, if the game is fun and the player is having a good time, positive feelings about the game should extend to the products advertised in the game.

All of this suggests that the basic characteristics of the medium offer great potential, but the industry is developing in other ways, too, that support advertising. Technological advances have improved the ability to embed ads creatively and to rotate and adjust ads within games. The advent of dynamic advertising delivery in game networks results in dramatic improvements in efficiency and effectiveness of game advertising. In the past, most advertising opportunities in games centered on static placements that were much like traditional billboard advertising. Delivering the ad in a game required hard programming of the ad into the game itself. Dynamic ads enable ads to be delivered electronically over time. Several ads can rotate within a game and across a portfolio of games, thereby delivering more ad impressions at a lower cost. Several networks already exist to provide dynamic advertising opportunities. Among the most powerful of these networks, Electronic Arts is partnering with IGA Worldwide to deliver advertising dynamically to Internet-connected console games.

“Advergaming” is another industry trend offering an effective utilization of game branding. Advergaming refers specifically to games that are developed by a brand with brand integration throughout the game’s setting, story line, and characters. Joseph Jaffe explains the appeal of advergaming, noting that it can involve users, allowing them to interact with the brand while being entertained and engaged.²² Jane Chen of Ya Ya Media, a video game developer, had this to say of advergaming’s potential, “It is one of the few advertising mediums that effectively reaches target audiences in all day-parts—including hard-to-reach at-work hours. . . . The most effective advergaming games push deeper down the purchase funnel and can serve to qualify buyers and incentivize consumers to visit retail outlets or even purchase directly online. The natural interactivity of games provides the perfect stimulus and ongoing communication channel between brands and their customers.”²³

For both game advertising and advergaming, the game environment creates a higher impression value for the ad compared to that earned from traditional media placements. This is attributed to the frequency of exposure, the potential for interactivity with the brand’s message, and the entertainment value of the platform. Millions of advertising impressions can be delivered in just a few weeks of game play at a cost as low as 25 cents per impression. That cost accounts for access to viewers as players are exposed to game ads. There is added value in the transference of meaning from game to brand and in the opportunity for players to feel engaged in a brand experience.

Games offer the benefit of accountability for advertisers, too. Game ad impressions are counted only when a gamer is actually there playing the

game and viewing the ad. There is an industry push toward measurement with Nielsen Media Research offering a service for game advertisers. Called GamePlay Metrics, the service will provide independent verifications of demographic data for games as well as analysis on how video game play complements or detracts from the use of other media. In terms of the costs of using games as an advertising medium, cost is relatively low. Executions featuring static, in-game advertising can run into six figures, while dynamic options are available for as little as \$10,000. There is little advertising clutter in games, particularly when compared to other media choices. The underutilization of game advertising is indicated by the average monthly household expenditure for game ads compared to television. Expenditures on game advertising amount to a paltry \$.50 per household while broadcast television is \$37.²⁴ Considering the audience size and time spent gaming, media spending is grossly underallocated.

There are downsides to placing adverts in and around games. One negative feature of in-game advertising is the market fragmentation. There are numerous games across multiple platforms and genres, and the audience is split among them. Another is scalability. Scalability refers to the ability of a system to adjust to increased demands given the system constraints. The issue of scalability has been a difficult one to overcome for many forms of online advertising with one notable exception. Search advertising with systems like those offered from Google and Yahoo! are highly scalable. They enable customized delivery of text ads based on targeting criteria with great efficiency and ease of operation. Game advertising, though, features product placements and in-game integrations, which require a long lead time and hard programming to incorporate individual ads into specific games. To make matters worse, there is the issue of inventory. Granted, there are numerous game titles and genres, but with the exception of dynamic ads inventory is fixed in supply. Only limited numbers of games are introduced each year. Consequently, publishers are constrained in regard to the number of campaigns possible on an annual basis.

In addition, research on the effectiveness of game advertising is mixed. Some studies show that players recall brands they saw in games and report that players' brand purchase behavior is influenced by in-game advertising.²⁵ A study of effects of in-game brand placements on memory found that in-game ads do influence memory.²⁶ But there are also as many studies that call into question the effectiveness of game advertising. One study found that participants in a first-person shooter game recalled their going past billboards in the game but had little memory of the specific brands or product categories promoted on the billboards.²⁷ Recall of

brand names may be lower when gamers are highly involved, a conclusion that is counterintuitive, given the beliefs about the value of involvement in vehicles. Dan Grigorovici and Corina Constantin found that the higher a gamer's immersion in the game, the worse his or her recall of brands placed in the game.²⁸ This is problematic given that generally we would anticipate higher levels of involvement to reflect positively on brand recall. They also found that frequency of play had no influence on player ability to recall brands in the game. Brands might be limited in the types of genres selected. Racing and sports games are the two genres thought to be most appropriate to in-game brand placements.

Despite these constraints, game advertising is ripe with potential. There are far more advantages than disadvantages for branding with this medium.

- Games are a mainstream entertainment medium with strong reach across demographic groups.
- Games are sticky. Players tend to play frequently and for extended periods of time.
- Games are not subject to surfing, zipping, or muting (unlike in TV and other media).
- Players tend to be in a receptive mood when gaming.
- Advertising in games tends to result in more positive brand attitudes.
- Targeting is possible with demographic and behavioral information available about game audiences.
- The game environment is still relatively clutter free.
- There are opportunities for brand exclusivity, as well as for display advertising, product placements, and immersive branding.
- Game advertising can be easily integrated into a brand's integrated marketing communications campaign with opportunities for cross-promotion.
- Brands can benefit from association with the game, including meaning transference and character-induced internalization.
- Game advertising is relatively low in cost.

■ Types of Game-Based Advertising Opportunities

There are many opportunities for game advertising. First, advertising with games can be categorized as *around game* and *in game*. Second, in-game advertising can be further segmented into in-game *environment* advertising and in-game *immersive* advertising. These distinct segments of advertising opportunities result in numerous executions, including

pre-roll, post-roll, and interlevel video ads, game Web site sponsorships, game tournament sponsorships, static in-game ads, dynamic in-game ads, game skinning, simple product placements, immersive product placements, and advergames.

Around-game advertising can include pre-roll, post-roll, and interlevel rich media advertising (video ads that run just before or after a game is played or between game levels), or sponsorship of game content Web sites (like Gamespot.com or Pogo) and gaming tournaments. In a survey by Macrovision, 83% of respondents said they would be willing to watch a thirty-second ad in order to be able to play an online video game for free.²⁹ Gamers are likely to visit game Web sites like Gamespot.com for the latest news in the gaming industry and reviews of games. These Web sites offer display advertising opportunities and enable brands to take advantage of contextual ad placements. Contextual advertising means placing advertising on a site in which the context of the ad matches that of the site. Contextual advertising enhances the likelihood that site visitors will notice the ad and elaborate on the brand's message. Display advertising on game-related Web sites offer a fairly large reach, short lead time, and targeting capabilities. The ads are limited in that they are simply online advertising as opposed to the immersive advertising featured in games and in other venues like ARGs.

A sponsorship of a game or game tournament gives the sponsoring brand 100% of the "share of voice" in and around the existing game. Share of voice refers to an organization's proportion of total promotional expenditures. Sponsoring brands earn brand exclusivity for the game during the sponsorship, with control over whether (and which) other brands have visibility. Sponsorships typically are sold at a fixed price, but other display advertising units are sold using traditional online pricing models, including CPM (cost per thousand impressions delivered), CPC (cost per click), and CPA (cost per acquired customer).

The NASCAR SimRacing Pedal to the Metal Challenge racing tournament, for instance, sponsored by Castrol GTX is a good example of leveraging an online game opportunity to create a branded sponsorship. The brand benefits from a sponsorship just as it would from any other event sponsorship. Those in the audience may feel a positive brand association because of the brand's support of something that is fun, enjoyable, and important to them. In addition, the sponsorship typically provides for several impressions of the brand's logo over the course of the sponsorship. Disadvantages are similar to those of off-line sponsorships. The reach is typically small per sponsorship and participants may not recognize the endorsement.

In-game environment advertising includes static ads, dynamic ads, skinning ads, and simple product placement. Static advertising has been used as a catchall term for all nondynamic advertising in games. Static ads include billboards, movie posters, store fronts, and other representations of branded products and logo-labeled areas. It includes logo placement within a game and “billboard” advertisements. Audio clips can also be broadcast within the game, including songs, public announcements, and radio ads when gamers are driving cars in a game. Static ads are essentially traditional display advertising within the game environment. These ads are hard-coded into the game and ensure that all players view the advertising. Static advertising does not enable tracking of ad viewing, and the advertising cannot be changed once the game is launched. Reach is limited to that of the game’s distribution, and ad placements must be purchased and executed for each individual game title to be used in the campaign. Skinning ads refer to opportunities to brand aspects of the playing field.

Dynamic advertising is like dynamic billboards but within a game’s environment. Different ads are rotated on the same fixed space within the game. This technique, managed by game networks, can be used for both online and console games when the gaming system is broadband connected. Ed Bartlett of *iMedia Connection* explains that dynamic advertising utilizes embedded software, a back-end infrastructure, and the Internet to update, change, and track the viewing of advertising placements in a game in real time.³⁰

Dynamic advertising is valuable just for the high degree of control and real-time measurement it offers, but it also makes it possible to develop an ad network within game families. It makes it possible to aggregate numerous games, platforms, and genres into an ad network, thereby counteracting the fragmentation that exists in the market. By using an ad network approach, it also aids in achieving relatively high reach (the average percentage of people in a target audience exposed to a message). Buying ad space in games that sell dynamic advertising space requires a short lead time, and the messages can be easily and rapidly changed. This is the most intrusive form of advertising available in gaming and could garner negative associations from gamers.

The in-game ad networks offer advertising opportunities across multiple games and provide insertion technology to use dynamic advertising. In-game ad networks include Adscape, Double Fusion, Engage, Grey-stripe, IGA Worldwide, and Massive Inc. The networks contract with game publishers to place advertising in their games. By combining games from several publishers, networks create a large portfolio of in-game

media opportunities for advertisers. The network will work with publishers to strategically embed advertising, sell the placement to advertisers, serve the ads into the games in the network, and manage the billing and accounting for the process.

Massive Inc. conducted a series of research tests to gauge the impact of dynamic in-game advertising. It found that in-game ads using dynamic advertising, brand familiarity, brand ratings, purchase consideration, ad recall, and ad rating increased significantly compared to a control group.³¹ The study involving more than 600 gamers across North America comprised tests of several advertising categories, including automotive, consumer packaged goods, and fast food.

Product placements can be embedded at various levels in a game's framework. In-game environment product placements are simple placements. Cristel Russell describes two levels of simple placements: (1) screen placements and (2) script placements.³² Screen placements refer to integrating the brand visually on the screen to enhance brand visibility and is perhaps the most common technique in game advertising. The brand is integrated into the visual context of the game much as it might be in a television program or movie. In *Tiger Woods PGA Tour*, for instance, Tiger is featured wearing his Nike brand clothing and using Nike golf equipment. Script placements refer to verbal mentions of the brand's name and attributes. Gamers note that product placements that are realistic enhance the game's realism, thereby making the game more enjoyable. In addition, the product placements can result in numerous advertising impressions. It does require lead time to ensure that the product placement can be embedded in a game, and it can be more expensive than other in-game options.

In-game immersive advertising opportunities include interactive product placements, branded in-game experiences, and sponsored extra levels. Simple product placements are common, but integration works best in games when product placements are interactive and immersive, meaning they enable a player to interact with the brand. Russell refers to this more immersive level of product placement as plot placement. Plot placements involve situations in which the brand is actually incorporated into the story itself in a substantive manner. They are more effective for generating positive brand attitudes, recall and recognition, and purchase intention in all uses of brand integration from television programming to movies to games.

Like static in-game advertising, product placements are hard-coded into the game and cannot be changed or tracked. It is also difficult to measure the return on investment with product placements. New technology

will make it possible to combine the benefits of dynamic advertising and product placement and enable tracking and measurement. Sponsored extra levels are additional levels of the game, which can only be accessed with codes provided from the brand.

Adidas used several advertising opportunities to strategically leverage game advertising in the multiplayer online game Power Football. The Adidas brand placement operates at several layers in the game. Players can choose from several Adidas shoe models, creating a form of virtual sampling. Sampling, a common sales promotion technique, involves offering consumers a free trial of a product. Adidas accomplishes the goal of sampling within the game, by assigning game-play attributes based on the model of shoes. As players evaluate which shoe model they want, relevant product information is delivered within the game. Adidas also includes basic product placement, including a branded Adidas football, Adidas signage throughout the game's setting, and Adidas apparel worn by game characters. Sponsorship is utilized through the Adidas instant replay sponsorship. Adidas offers a brilliant example in that the brand was linked to the underlying story of the game itself, executed in multiple ways, all of which were meaningful and relevant for the audience and the story. Adidas went beyond the basics of game advertising to ensure the brand lived in the game space with the players.

In addition to the around- and in-game choices, brands can also develop and offer advergaming. Advergaming is a technique for reaching gamers, but it varies from in-game advertising. With in-game advertising, the brand is embedding itself in a game. With advergaming, the brand is the context for the game itself. Advergaming involves creating an entirely new game that somehow relates to the brand. Advergaming are almost exclusively distributed online because of the desire to have a cost-effective method of distributing the game to a large audience. They tend to be casual games, as opposed to core games. Orbitz successfully uses advergaming. Highly addictive and fun, its online golf game links players to the Orbitz Web site at the end of each game session. Even Lifetime television uses advergaming. Its new series of games, entitled Lifetime Presents, come embedded with advertising fit for the network's audience of middle-aged women, along with Lifetime TV promos. In one Lifetime Presents game called "Sally's Salon," players win by directing the lead character through the daily operation of a virtual beauty salon.

Advergaming are brand experiences, and the popular ones have drawn a high level of reach. There are developmental costs to be considered, but advergaming are sometimes "reskinned" versions of existing games. Casual games also tend to target a different demographic than real games.

For brands, this type of game advertising offers the advantage of complete control of the brand's message. The game is designed by the brand in keeping with the brand's positioning statement.

Lifesavers illustrated the value of advergaming with its Candystand.com Web site (which is now branded with the manufacturer's brand, Wrigley). Candystand was attributed with revitalizing the Lifesavers brand, resulting in a growth rate of 15% over two years. The Candystand site boasts more than 4 million unique visitors monthly who spend thirty minutes at the site on average each month. Why the popularity and site stickiness? Candystand offers a diverse mix of online casual games. It also encourages participation from real gamers with its special microsite for Nintendo Wii users. This section of Candystand offers online games, branded with Wrigley brands like Altoids, which Wii users can play with their Wii remotes.

Chrysler successfully used advergaming to reach women. Designed by Blitz Agency to function like an online personality quiz that asked, "What's your travel personality," the game collected user information and introduced players to Chrysler's line of cars. Although games were thought at the time to reach a young male demographic, Chrysler's foray into advergaming yielded an average player age of 45, 42% women.³³ It included a viral component and tracking of the viral e-mails sent revealed a 66% open rate, far higher than the industry average for permission e-mail marketing; 15% of the games players requested vehicle brochures, a significantly higher percentage than those requesting brochures from Chrysler's Web site.

Toyota is another brand working to create its own content for video games. Its Yaris is promoted in part through an Xbox game called Yaris offered free to all Xbox 360 console owners who can download the game from the Xbox Live Web site. Burger King has also used the Xbox platform for its own advergame. The Sneak King Xbox game was available at Burger King restaurants for \$3.99 with the purchase of a BK value meal. Burger King reportedly sold 3.5 million games, resulting in an impression value of more than 1.4 billion thirty-second commercials.³⁴

The key to success in the advergaming market is the quality of the game. Gamers tend to be thought of as people who eschew traditional advertising, but they will welcome a good game, whether or not it is made as an advergame. Advergames and display ads in and around games (especially static ads) account for most of the current advertising spending, but the benefits of dynamic ads will likely change the allocation of ad spending in the short term.³⁵ Dynamic in-game ad serving in PC, console, mobile, and casual games is expected to grow from 27% of the

in-game market to 84% in 2012, or about \$805 million in advertising expenditures.

■ The Playbook for Game Advertising

Games offer many advertising opportunities, both those that mimic the traditional real world of advertising media and those that offer characteristics of engagement common to virtual worlds and social networks. This chapter concludes with guidelines for maximizing the effectiveness of game advertising.

Fran Kennish sets out several guides for the game advertisers' playbook.³⁶

- Don't assume video games are appropriate for any and every brand.
- Don't interrupt, delay, or alter game-play with ads in the game.
- Don't impose on a gamer's attention with communication that does not enhance the game.
- Don't assume that the brand's creative work used elsewhere will work in a video game environment.
- Don't think of advergames as an inexpensive way to target gamers.

John Broady, with CNET Networks Entertainment (which includes the Gamespot.com property), points out that while games are entertainment, gaming is quite different from other forms of entertainment like films and music.³⁷ Other entertainment sources tend to encourage passivity on the part of the viewer, but games are a task-oriented experience. Players consume games in order to challenge themselves and to compete with themselves and others. Brands marketing within the genre must ensure that the brand message is appropriate for the consumers' mind-set. The most important thing a marketer considering in-game advertising can do is to understand games. Play games and hire people who play games. The brand should enhance the game's experience, be relevant, serve as a conduit for gamer immersion into the game, and strengthen the game's sense of escapism.

To enhance the likelihood that the advertising will result in positive brand attitudes, consider ways for gamers to interact with the brand as a part of the game story. Follow the Adidas case study by finding experiences that involve the players and the brand. Build in surprises and positive reinforcement that links the brand to success in the game. This can be accomplished with the use of "Easter eggs." Easter eggs are hidden

features buried in the game's code. Programmers use them to reward players, and they can be an exciting method of engaging gamers.

Marketers must consider the game's purpose and plot, genre and format, profile of its gamers, how, when, and where the game is played, culture of the game, as well as the brand's placement opportunities within the game. Ultimately, the best game ads will not feel like ads. They will not be perceived as advertising, but rather the brands will exist in and around the game as a prop, a tool, an aspect of the game's setting and environment, and perhaps even as a character. In games, ads should not feel like ads, but like an organic, natural extension of the game.