ADVERGAME: POTENTIAL AND PROSPECTS FOR ADVERTISING STRATEGY

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ABSTRACT

This paper aims to discuss the concept of advergames and its benefits from the marketing perspectives and also the future potential of advergames. It suggests that marketing communication by using games, as a medium will result into more effective marketing communication strategy to the brand developer. The concepts of advergames and its types were both discussed. Then, the advantages and disadvantages of using advergames were also explained and how advergames differs compared to other media. Finally, the potential and prospects of advergames that would give opportunities to marketing practitioner completes the discussion of this paper.

Keywords: Advergame, advertising, marketing

1.0   INTRODUCTION

Advergame is a new marketing concept that has appeared due to the fact that the young generation are always connected to the Internet, using mobile services such as SMS and MMS, or chatting with instant messenger services and spend too much time just playing in a stand alone way or in a network game (Santos, Gonzalo and Gisbert, 2007). Due to this, marketers take advantage of this opportunity to provide a new way to advertise their product in the game. This is because a new revolutionary service is the advergame, which is a game with advertisement capabilities (Santos *et al.*, 2007).

A straightforward definition of the advergame is a Web-based computer game that incorporates advertising messages and images. In other words, it considers as a tool that adds stickiness to our site as well as a little fun (Santos *et al.*, 2007). Another definition of advergaming is as "the use of interactive gaming technology to deliver embedded advertising messages to consumers" (Okazaki and Yagüe, 2012).

Besides that, other scholars attempt to give different perspectives of advergame. For example, Winkler and Buckner (2006) mentioned that advergames are normally commissioned by the marketing department of an organization to promote its own brand or product and the game can frequently be accessed via the organization's corporate website. The Advertising Standards Authority (ASA) defined "advergame" as being an "electronic game (that is used) to advertise a brand or product" (Hamblin and Poole, 2012). This definition is also consistent with Grossman (2005) which defines advergaming as a cross between advertising and computer games which the term 'advergaming' combines the word 'advertising' and 'video games' suggested advergames which a particular form of branded entertainment with insertion of a brand within

an entertainment property. It embedded product related messages from companies in the form of game piece, hidden treasures and other parts of the games (Neuborne, 2001; Nelson, 2002). In a simple way, advergame is a video game designed around a brand (Wise, Bolls, Kim, Venkatarman, Meyer, 2008) or specific type of online game where the brand itself is embedded in game-play (Gross, 2010).

In advergames the brand or product is generally a central feature of the game, whereas in in-game advertising products are more typically placed in the background of the game (e.g., as fast food restaurants in a street scene, on billboards around a sports stadium, or as logos on sports equipment) (Winkler and Buckner, 2006). Advergames is an interactive online games used by companies to advertise their products to consumers (Purswani, 2010). Advergame also use to boost sales of a product or service, whether through increased brand recognition, increase liking or other methods (Tähtinen, 2006).

2.0   TYPES OF ADVERGAMES

There are several types of advergames. Obringer (2007) classifies advergames into three general groups. First, games may be placed on a *company Web site* (or even a special gaming site owned or sponsored by the company) in order to attract Web visitors and entice them to remain on the site longer. The longer a visitor is on the site, the longer the company's message is in front of them. The games may or may not be related to the product. The second type is *closer to the traditional*, commercial video game developed and sold to be played on computers or game consoles, but the primary difference is that the games are developed with a specific purpose in mind. For example, the United States Army sponsored an extremely successful game called "America's Army" in an effort to increase recruitment. The third grouping of advergame is what we typically call *product placement*, or *in-game advertising*, where the product or an ad for the product is part of the game. For example, you might see a Ford Mustang cruising the game's virtual streets.

According to Chen and Ringel (2001), brand messages can be made into advergames in three different ways: *associative*, *illustrative* and *demonstrative*. *Associative* advergames are support brand awareness through lifestyle association. These kinds of games are frequently can be found which normally place the product or logo in a game that a consumer would play as a background or subtle ad within the game. In associative advergames, the idea is to make the consumer associate the product with the lifestyle that is depicted in the game. An example of this type of game is a Jack Daniel's promotion of their beer through a 3D pool game. In this advergame, there are pictures of Jack Daniel's advertisements on the walls in the room where the pool table is, and a prominent logo on the pool table itself. With associative advergames, the idea is to make the consumer associate the product with the lifestyle that is depicted in the game. In the Jack Daniel's pool game the choice of imprinting its logo on and around a pool table not only provided a natural setting for the advertisements, but also appealed to the demographic they were targeting with the campaign. This type of advergame is frequently found and it is a fantastic way of advertising because it allows the company to promote their product to the people who are most likely to be using it through a game that only shows the product as a background advertisement.

The second of advergames is *illustrative*, which is where the advergame prominently features the product itself in game play. An example of a game is General Mills' Cinnamon Toast Crunch game featured on Nick.com. In this game, the objective is to find and collect Cinnamon Toast Crunch, which makes sure that the consumer remembers which product they just played a game for. Illustrative advergames seem to be geared specifically, but not exclusively, towards children. This can be explained that when the product is the character, it is less believable and resembles a fantasy or a make-believe world rather than the real one. It simply offers added appeal to a younger and more impressionable audience.

The third type of advergame that Chen and Ringel discussed was demonstrative. This type of advergame aims to boost messaging effectiveness by presenting the product in its natural context and inviting the consumer to interact with it. Demonstrative games are very useful in allowing a consumer to try out a product on the Internet prior to purchase with hope that this advergame will be one of the final steps leading to a customer buying a product. An example is Nike Shox basketball shoe, which in the game is chosen by the consumer at the beginning of the advergame. Then throughout the game the consumer will be able to see the difference performance features of the shoe.

3.0   ADVANTAGES AND DISADVANTAGES OF ADVERGAMES

It has been argued that advergames may be more persuasive than traditional advertising, especially for young children (Pavlou and Stewart, 2000). An advergame can help generate leads, build long-term brand awareness, and increase site stickiness as well as repeat website visitors. Thus, it is a cost effective tactic, easy to adjust that any sized e-business should at least check into for possible inclusion in marketing efforts (Santos *et al.*, 2007; Purswani, 2010). Advergames are easily built around the product as flash games are not especially difficult to create and offer variety to consumers, which is relatively cheap for companies to use, and for consumers to play (Purswani, 2010). In another way, cost sharing, which, when advertisers get to promote their products, players can often get to play for free and this means proliferation of free online games sites could not exist if advertisers was not footing the bill (Obringer, 2007).

Another advantage of advergame is that the companies can advertise their product to specific segments (e.g. Children and teenagers) longer than they can on the other media. The cost of traditional media (e.g. TV) is very high and some companies could not afford to pay such cost for a limited time of exposure. Therefore, advergames offer the benefit to advertise which part of their appeal for advertisers are the prolonged brand exposure opportunities that the gaming environment offers (Dahl, Eagle and Fernandez, 2006). For example, a study conducted by Nelson, Keum and Yaros (2005) suggest that adults may spend up to 30 hours in total playing one specific game which creating different experiences each time the game is played.

Consumers can log onto advergames at any time, which is an advantage of the Internet, and the *replayable* nature of the games helps increase the time people are exposed to the ad, and keeps them coming back (Purswani, 2010). In contrast with other forms of advertising, advergames can create telepresence, which is the feeling of being present in the gaming environment, and this involvement in the goals of the game and the fate of the character can help ingrain the brand into the user's memory and experiences (Purswani, 2010). This emotional connection of telepresence, if developed strongly enough, create positive image of

the brand (Lee, Choi, Quilliam, and Cole, 2009). This will develop strong brand recognition. Evidence does show strong brand recognition is frequently gained from playing advergames, which yield into interactivity and the repetitive entertainment value (Cauberghe and Pelsmacker, 2010).

Another advantage is interactivity. The interactivity and elective involvement of advergames makes them different from more static internet advertising forms such as banner and pop-up advertising, whose initial promise as advertising vehicles has not been fulfilled (Dahlen, Rasch and Rosengren, 2003).

Besides that, games allow different level of *brand promotion*, from passive to active product placement. The passive placement is where the brand is placed in the background scenes in the games, while active placement is where the brand appears suddenly while you playing games. Of course an advergame is a game which main purpose is to boost sales of a product or service, whether through increased brand recognition, increased liking or other methods (Smith and Just, 2009).

In terms of *market research* opportunities, other companies have used the virtual world of advergames to get valuable feedback from potential customers about products they have not yet released (Obringer, 2007). For example, the car companies sometimes have virtual representations of car prototypes that players can interact with in the game and then elaborate on what they like and don't like. This is a kind of strategy used by the car companies to find out of what parts of the car that need to be sold than waiting until the car is coming off the assembly line (Obringer, 2007).

In this modern era of globalization, one of the benefits of advergames to the business and other organization is through *training and education* which they called as "edugaming" for new and fun ways to train employees, educate the public, or even campaign for public office. For example, IBM and Nokia are using games to test workers' knowledge of rules and regulations (Obringer, 2007).

In particular industry, advergames give some prominent advantages to the companies as a marketing tool. For example, Grossman (2005) suggests four major reasons why advergames have been embraced as a marketing tool in food companies. First, advergames are more cost-effective means of marketing than traditional types of advertising because they are cheaper to develop and the expense of hosting them on websites is minimal, especially in comparison to commercial time. Second, because children are spending more time on the Internet and playing games, advergames are a particularly effective way for marketers to reach young people and hold their attention. Third, according to some experts, as a result of the game's interactivity, players are more likely to retain the advertising messages of advergames than those of traditional commercials. Fourth, unlike traditional commercials, advergames is conducive to viral marketing: If players enjoy a game, they can forward it to friends through e-mail and encourage them to play.

However, we cannot deny the disadvantages that advergames may create. Indirectly, it is realized that advergames manipulating certain consumer desires (e.g. Children) to purchase a product or brand placed in the advergames.

Advergames need to create their own audiences, and those audiences need to be relevant and in sufficient volume to make the time and expense of developing them worthwhile (Barlett, 2007). People don't like advertisements on the television or on the radio. This is also applies in playing games because it will disturb their excitement. Because of this reason it's a very difficult job for marketers not exasperating the gamers.

Game developer needs to not only appeal to the target market for the product or service but also appeal to gamers, through being addictive, fun and highly interactive and finally something they will want to share with their friends. This means that advergames can only really be used as an effective marketing strategy if the target market for the product or service enjoys playing games, otherwise it will become a waste of time and money if the purpose of developing an advergame not for brand awareness; therefore, the campaign will not be successful (Gabriel, 2010).

4.0   THE DIFFERENCES BETWEEN ADVERGAMES AND OTHER MEDIA.

Winkler and Buckner (2006) compare between *advergames* and *in-game advertising*. Advergames are normally commissioned by the marketing department of an organization to promote its own brand or product and the game can frequently be accessed via the organization's corporate website. In-game advertising, on the other hand, is increasingly being coordinated through independent gaming organizations, such as Massive Incorporated (http://www.massiveincorporated.com/) (Winkler and Buckner, 2006) and usually brands is placed in the selected games (Yang, Roskos-Ewoldsen, Dinu, and Arpan, 2006).

Advergames are one of mobile advertising strategies which is much more interactive and more personal than traditional advertising (Tähtinen, 2006). In contrast to advertising, it is a one-way communication from the marketer to the customer, which seems to be much more restricted than what the use of mobile phones enables advertisers to do (Tähtinen, 2006).

Salo and Karjaluoto (2007) had suggested how advertising mediums enabled by mobile medium and their relation to other advertising mediums as presented in Figure 2. It is well known that mediums like TV, radio and newspapers are used to reach high number of people with low personalization. E-enabled mediums can be considered as halfway options between individualization and reach. For example, e-mails can be used to create personalized messages that include personalization such as respondents' name and other personal information related to customer data for instance. And m-enabled mediums including m-advergames can be used to reach higher individualization with a small amount of responses depending on the mobile application employed and game type (Salo and Karjaluoto, 2007).

Figure 1: Advertising mediums and their relation to personalization and reach
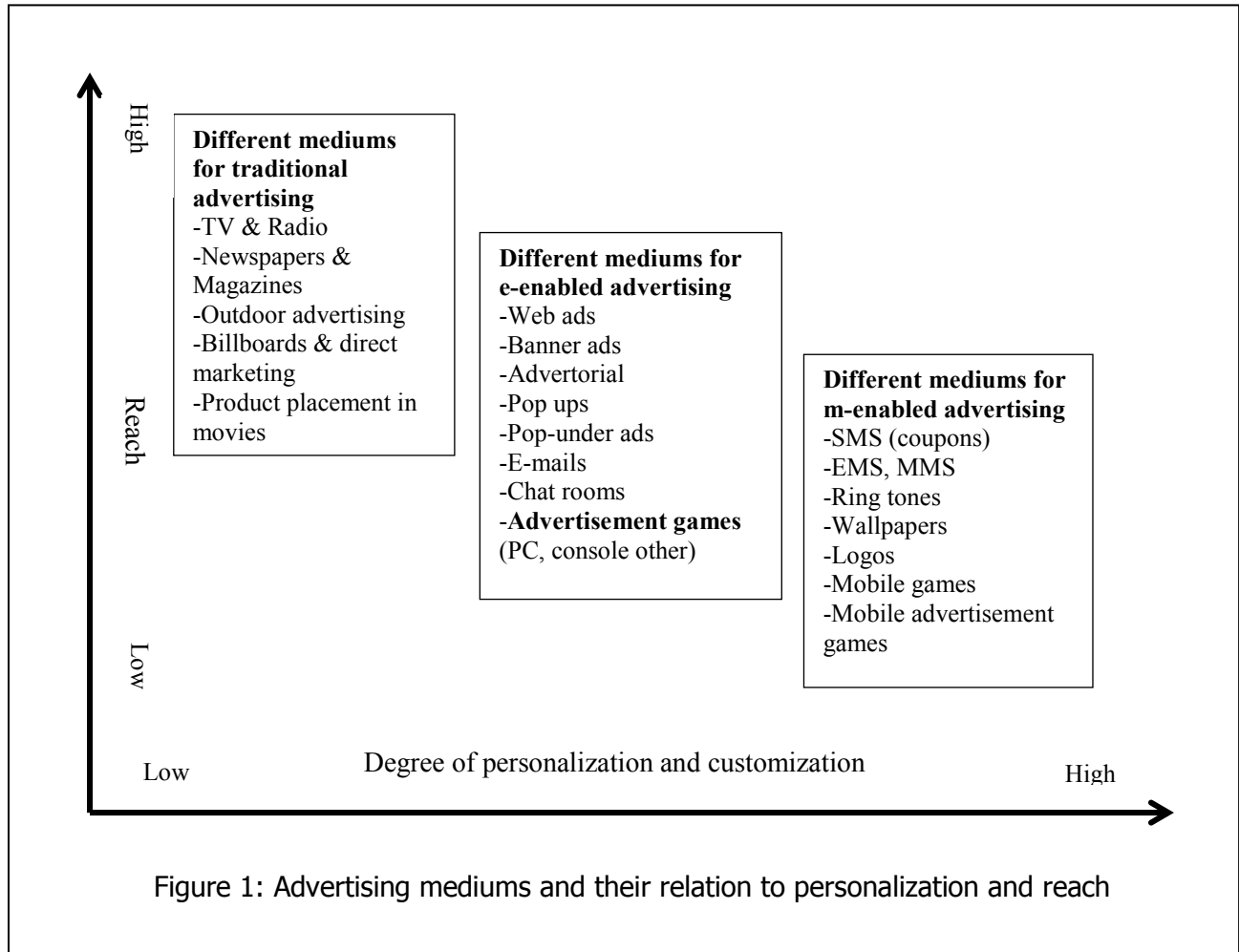
Source: Salo, J. and Karjaluoto, H. (2007).

Advergames are typically rudimentary, involving relatively simplistic animation and music as well as minimal plot or character development. They feature the product in a prominent role and are often made available on the company's website or on general online gaming websites (Grossman, 2005). Unlike other media activities which are very straight forward and old-fashioned product placement with a very limited time of exposure. This feature makes advergames more unique and interesting to explore by the companies.

5.0   PROSPECTS OF ADVERGAMES IN THE DIGITAL MARKETING.

As the fastest growing advanced information technology influences most of today's activities, it is relevant that advergames can be one of the powerful advertising tools for the marketers to promote their new and existing products to the target consumer. The growth of online user has received significant attention from marketing practitioners to develop effective advertising strategies. One of the reasons is to meet the needs with the current market situations and better understands the consumers' characteristics in using the internet and digital marketing.

The use of advergames can increase the time of exposure of advertising content to the target audience. The Dunkin Donut advergame for instance, was capable of expanding the time the surfer spent on their Web site to an average of four minutes (http://biz.gamedaily.com). Besides increasing the enjoyment and entertainment while playing games with gamers, marketers can transform product messages in a more entertaining way in advergames and increase the brand recall of the product towards consumers. This was confirmed by Abdul Adis and Kim (2013) which suggested that the entertainment value in advergames is very important to determine the level of enjoyment and pleasure experienced by gamers during game-play.

Every day consumers are overexposed to various commercials. To improve their communication and its impact, most of reputable brands increasingly use advergames, in response to the social trend called gamification. Integrating brands and games is a growing business for the marketers due to the need for the paperless advertising campaign and cost effective. PricewaterhouseCoopers for instance, predicts that in-game brand placements will be a $3 billion business by 2009 (Entertainment Video Software Association 2006). Strong brands such as Coca-Cola, Honda, Burger King, and Gillette have already invested in advergames (Shields, 2006).

A blog called Serious Factory (2013) discussed about the trends and practices of advergames by digital natives presents some fruitful understanding about the gamer's behavior in playing advergames. Most of the gamers play advergames on Facebook on their computers or mobile phones. In order to create buzz about their games, normally brands use social networks as a tool through advergames. For examples, Candy Crush or Ruzzle can easily testify in social networks with tremendous success. In France, 14.3 million plays on their mobile. This shows that through social media, it is a huge prospect to target people for brand recognition and leads generation.

In conjunction to social network services such as Facebook, players get to know about advergames by their friends. When the game has a particularity like innovation or new technology, information is shared and ultimately the virality is on. In this situation, players' endorsement and coincidence are the key factors to lead others to play at also. Brands used different ways to draw attention about potential gamers. But in social networks, sharing is still the main reason to access an advergame (Serious Factory, 2013).

As a consumer living in the digital world and internet savvy challenge today's marketers to be highly creative in promoting their products to the so called "fussy consumer" in the modern era. Marketers have to be more innovative and always eyeing for new opportunities in order to fulfill those consumer needs. Using advergames as two-way communication tool to interact with consumer via games is another fun way to stimulate interest to deliver brand message. In certain situations, advergame can be more successful in increasing brand preference and purchase intention through direct relationship with a potential customer (Edery and Mollick, 2009). Finally, brand appear in advergame could be a popular or dominant brand (Abdul Adis et. al., 2015).

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