

entertainment software

IN-GAME ADVERTISING



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As the video game playing population expands and diversifies, in-game advertisements and advergames are expanding as well. Massive, Inc., a creator of dynamic video game advertisements, estimates the in-game advertising market could grow to \$1 billion globally by 2014.



STATIC ADVERTISING

The first examples of in-game advertising were static, or unchanging, consisting of virtual billboards or in-game product placements. Artists or programmers placed these advertisements, which could not be altered, directly into a game. The first example came in the 1978 computer game *Adventureland* by Scott Adams, who inserted an advertisement for his then-forthcoming game *Pirate Adventure*. The trend continued throughout the 1980s and 1990s when Anheuser-Busch, Inc. and Adidas Ltd., included advertisements in Bally Midway's *Tapper* and Moby Game's *FIFA's International Soccer*. In 2002, South Beach Beverage Company (SoBe) paid Ubisoft Entertainment to have the main character in *Tom Clancy's Splinter Cell: Double Agent* reach for a SoBe drink when he got thirsty in the hope that gamers would do the same.

While these types of video game advertisements are static, they provide advertisers and developers with a variety of options not available in a traditional billboard. For example, Ubisoft's *Splinter Cell: Chaos Theory* features a large glowing advertisement for AXE deodorant that acts as an obstacle for the player's character to maneuver around.



DYNAMIC ADVERTISING

Advances in technology now allow in-game advertising to be more interesting and entertaining. Many of today's in-game ad campaigns use dynamic advertising which, unlike static advertising, an advertising agency can alter remotely. Firms

1 billion

Expected global market, in dollars, for in-game advertising by 2014, according to Massive, Inc.

1983

The year Anheuser-Busch, Inc. first included advertising in Bally Midway's game *Tapper*.

24

The percent increase in Gatorade sales generated by the company's in-game advertisements placed in Electronic Arts titles.

can tailor these ads to geographical location or time of day, allowing more flexibility for time-critical campaigns, such as movie or product launches. Because dynamic ads do not have to be hard-coded into the game by programmers, advertisers no longer need to formulate and insert their messages months in advance.

Dynamic advertising also allows ad companies to track and receive information from a player's console about the advertisement. Advertisers can record data – such as time spent looking at the advertisements, the most-viewed advertisements and viewing angles – to determine the most successful ads, providing valuable insights for future campaigns.

New console technologies also enable gamers to interact with advertisements. Microsoft Corporation launched a new suite of advertising tools called NUads in 2011 for its motion-sensing Kinect for Xbox 360. NUads allow gamers to use voice and motion commands to access additional information about the product or service advertised, post messages about an advertisement on Twitter, and maps of related retail locations nearby.

These virtual techniques translate to real-world results for companies. In 2010, The Nielsen Company worked with Electronic Arts to examine how Gatorade's in-game advertising featured in titles such as *NHL 10*, *NBA LIVE 09* and *NBA Street Homecourt* impacted sales. Nielsen's study concluded that these advertisements increased sales of Gatorade by 24 percent.



ADVERGAMING

Advergaming refers to the practice of using a video game to advertise a product. The games usually feature a company's products prominently. According to Jupiter Media Metrix Research, 50 percent of recipients who receive an advergame will play it for an average of 25 minutes.

Film production companies may use these games to promote their films, such as Sony Pictures' release of a nine-week episodic online game to stir audience interest in "Salt" before it hit theaters in July 2010.

In addition, Home Shopping Network, Inc. (HSN) added an online HSN Arcade to its main website in hopes of attracting customers. Site visitors may choose to play one of 25 different games while viewing live streaming video of HSN's main television channel.

One game, *Today's Special Puzzle*, is a jigsaw puzzle that pictures an item HSN features repeatedly within a 24-hour period. Those who complete the puzzle fastest are eligible to receive a variety of prizes. Hairstyling products company Redken sponsored a video game for Nintendo's Wii and DS platforms that teaches players hairstyling techniques while exposing them to Redken's products.

Food and beverage companies also use video game advertising to attract customers. In January 2010, Coors Light unveiled a video game shortly before Super Bowl XLIV called *1st and Cold*, a single-player game for iPhones and iPod Touches in which a player must drive a football down a 50-yard field as many times as possible in two minutes. The company deployed "brand ambassadors" to sports bars and restaurants across the country to offer patrons the opportunity to play the game, focusing on geographic locations that had a football team in the NFL playoffs.

Other companies incorporate game-like elements into their broader marketing campaigns. Ford Motor Company launched a "Start More Than a Car. Get More Than a Test Drive." program in 2011 that incorporates interactive game-like elements into a test drive of the 2012 Ford Focus. Potential customers navigate a test track outfitted with electronic markers, and receive scores based on the accuracy of their driving. Drivers also hear the sounds of a crowd cheering when they precisely hit a target.

72

The percent of American households that play computer or video games.

PRODUCT DEVELOPMENT

In some instances, games provide inspiration for companies to develop new products. In 2010, Chrysler Group LLC began selling a limited edition 2011 Jeep Wrangler *Call of Duty: Black Ops* model based on Activision Blizzard, Inc.'s popular video game by the same name. The vehicles featured graphics from the game on their roofs and front quarter panels.

In addition, Konami Digital Entertainment partnered with merchandising company Musterbrand to develop a line of clothing based on *Metal Gear Solid: Peace Walker*. Musterbrand previously worked with Sony Computer Entertainment and Eidos Interactive to develop similar lines based on their respective game series, *Gran Turismo* and *Deus Ex*.



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