# Chapter 22 Games and Advertising

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#### **ABSTRACT**

The use of games to deliver advertising messages is becoming an increasingly important trend in advertising since it allows for the reaching of certain targets which are difficult to reach with the traditional media, as well as engaging individuals through an interactive environment. This strategy is part of branded entertainment in which brands are inserted in content which consumers seek with entertainment purposes.

Initially, advertising in games was made solely through the placement of products or brands in existing games, and it could be done through around-game advertising or in-game advertising.

However, a new concept has arisen – the advergame – which is an advertising hybrid with the specific purpose of advertising a specific brand or product. In this new genre, the brand has absolute control over the game and doesn't have to compete for attention with other brands.

In this chapter we will review the state of the art in these areas and present some arguments for and against each of these strategies.

## INTRODUCTION

In recent decades, there have been numerous technological shifts that have had an impact in all sectors of society. Nowadays, at the beginning of

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the 21st century, we live in a "Wired-up World" (Chaffey & Smith, 2008, p. 5), in an interconnected society, flexible, participatory, mobile, creative, where information and knowledge are generated and shared in environments increasingly mediated by technology (Andrade, 2006). This interconnected world which is increasingly

dependent on new technologies and characterized by mass access to information has been called the information society. This is the society of the "Web 2.0" (O'Reilly, 2005) where the emergence of digital communities allowed collaboration on a scale never seen before which led to the choice for the *Time's magazine's Person of the Year 2006* the abstract entity "*You*", symbolizing the millions of anonymous users of the Internet (L. Grossman, 2006). In this new society, we face a totally new economic model for the media and entertainment industries – the emerging digital entertainment economy (Anderson, 2004).

And, it is in this context of rapid change that a new generation of children and young people totally different from previous ones emerges. In fact, this new generation has grown up in a totally different world from their parents. They are known as *Digital Natives* (Prensky, 2001), *Net Generation* (Tapscott, 2007) or *Screenagers* (Douglas Rushkoff apud Andrade, 2006), they are the first generation to grow up in front of a screen and they are used to interactivity and immediacy.

In this context, marketing communication also needs to evolve and to adapt to the new paradigm. It is imperative to abandon the old push system and to adopt other practices more in line with today's world.

While in the past mass communication was effective, as society has become more sophisticated, and has changed from a system of mass production to mass customization, we have entered an era in which that type of communication has become inadequate and obsolete because, nowadays, consumers value the uniqueness, the limited and often numbered editions, which shows a shift towards personalization, customization and one-to-one marketing.

There are many factors behind the decline in the effectiveness of mass communication. On the one hand, generalization and fragmentation of the media have made it increasingly difficult to reach a target, which is increasingly dispersed. On the other hand, technological advances such as the video, the remote control and recording devices like TiVO allow viewers to avoid ads. And, besides, nowadays, the traditional media attract less and less attention from the younger generation due to other distractions like the internet, music or messaging (Nissim, 2006).

Furthermore, there is still "uncertainty about what the audiences actually do with advertisements" as well as some "perceived consumer cynicism about advertising" (Moor, 2003, p.42).

Consequently, mass advertising is becoming more expensive and less effective. And "in the modern era of media inflation and audience fragmentation, the costs of keeping this just-in-case, push communications systems keep on escalating" (Mitchell, 2001, p.265). A paradigmatic example is that "in 1960 Procter & Gamble could reach 80 percent of American women with one 30-second Tide commercial aired simultaneously on only three TV networks (...) today, the same ad would have to run on 100 channels" (Kotler & Keller, 2006, p. 553).

Another tendency that has been possible to observe is that technical progress has contributed to the standardization of the products offered to the customer by making it easier to mimic the functional advantage. Therefore, competing products are becoming increasingly similar and, in fact, in many markets, the only distinguishing feature is the brand.

To counteract this phenomenon, the brand differentiators tend to rely more and more on emotional and relational aspects as it is becoming absolutely necessary to create "emotional bonds between brands and people" (Pawle & Cooper, 2006, p.38) in order to generate preference. As a consequence, "brand differentiators are becoming more emotionally based" (Chernatony, 2001, p.32) since the evidence shows that the presence of emotional content in advertising may increase the recall. On the other hand, the emotional response is important because the process in which

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