The plot thickens: How brands can integrate into in-game environments and build relationships

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New research from Nanyang Business School, NTU in Singapore outlines how well consumers respond to in-game brand interactions.

- In 2019, the gaming industry earned US$150 billion worldwide and the current forecast is estimating this will leap to US$260 billion by 2025.
- There are now over 2.7 billion gamers globally across multiple gaming apps.
- In-game integrative advertising is perceived as less interruptive and in fact, helpful to achieve current in-game player goals.

Why it matters

As consumers spend more time at home exploring virtual game worlds, brands need to reconnect and integrate in new digital environments. And it turns out, some tactics do translate from offline to online.

Takeaways

- Observing game characters interacting with branded products can indirectly influence not only brand awareness and recall, but also brand selection.
- Brands placed as in-game products were recognised and subsequently recalled 30.8% higher than those placed on billboards.
- When gamers witness the utilisation of useful branded game items by their game character, this implicitly increases positive perception toward the brand.

While COVID-19 has wreaked havoc across most industries worldwide, others have inadvertently benefited from the global pandemic. One of these is the gaming industry which saw share prices soar as consumer demand for in-home entertainment reached new peaks during imposed global lockdowns. The massively multiplayer online

(MMO) game Fortnite has a staggering 350 million players alone, and worldwide there are now over 2.7 billion gamers across multiple gaming apps. And there’s no sign that this demand is going to abate any time soon.

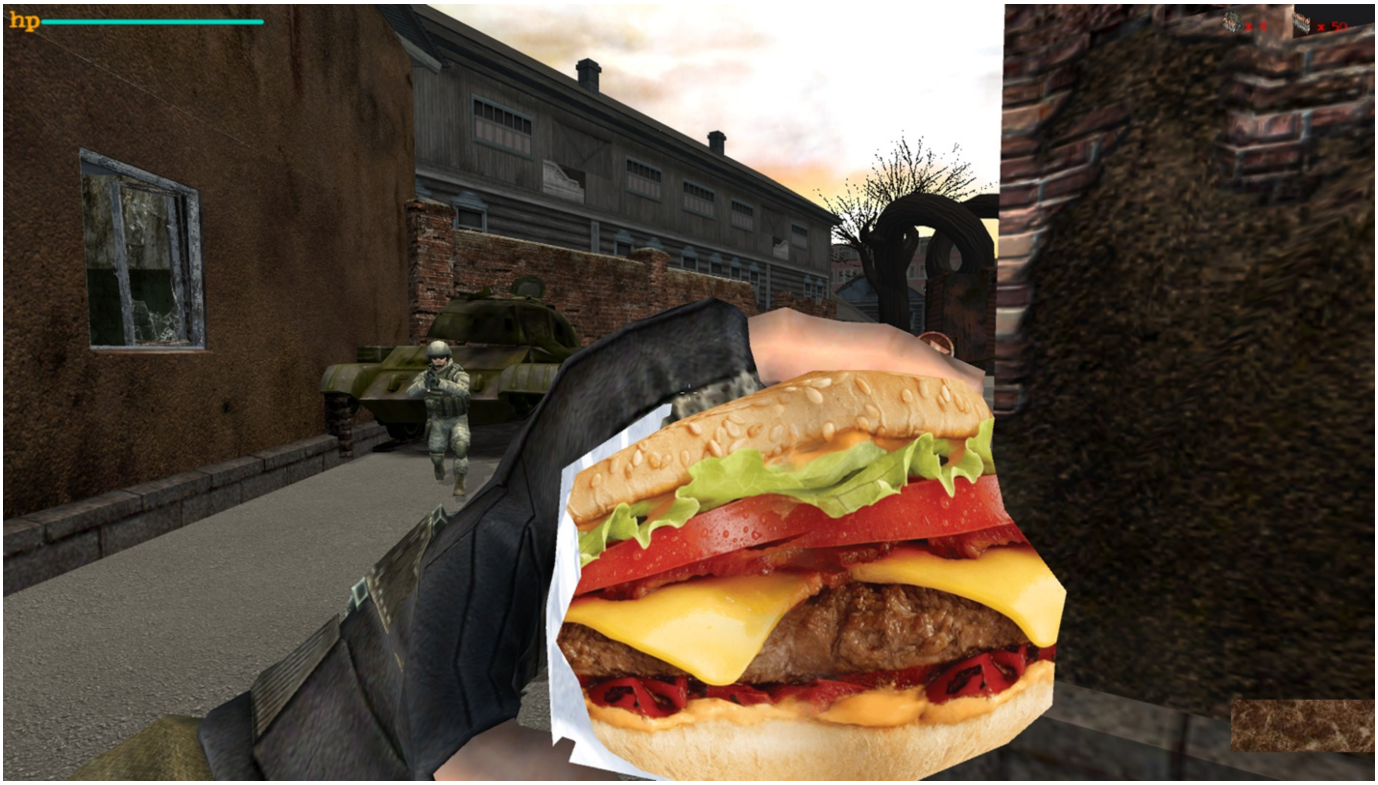
In 2019, the gaming industry earned US$150 billion worldwide and the current forecast is estimating this will leap to a staggering US$260 billion by 2025. As the retail sector struggles to adapt to changing consumer needs and behaviours, and brands scramble to rebuild relationships with their customers, our scientific research has identified some very specific opportunities by which brands can reconnect with consumers via MMO gaming apps.

The strategy of integrating brands into online gaming plots and game characters offers an unrivalled opportunity for brands to communicate with the vast global community of gamers in a way that is relevant for their ongoing experience. In contrast to other advertising platforms (e.g. display ads, pop-ups, TVCs etc) in-game integrative advertising is perceived as less disruptive and in fact, helpful to achieve current in-game player goals. This means brands have a better chance of building valuable relationships based on shared goals and mutual benefit. In-game brand placement (disguised in the form of in-app purchases, or in-plot achievements) is a tactic that not only benefits brands but also boosts the gaming sector’s revenue.

Furthermore, research has shown that in-game advertising affords a unique opportunity not only to target specific consumers but importantly, has a much longer shelf life which yields a higher return on investment compared to more traditional advertising platforms (Nelson, Keum, & Yaros, 2004; Schneider, Systems, & Cornwell, 2005).

Given the massive expansion of interest in in-game advertising, we designed a first person shooting game to examine the effect of plot-brand integration on brand awareness and brand selection by comparing brands presented as products which are used by the game character (high integration), e.g. eating an A&W hamburger to recover health points, or using a Lenovo laptop to open a door to access the next stage in the plot, versus brands presented as static billboards (low integration), e.g. the logo of A&W or Lenovo on a background billboard (Techawachirakul, 2020).

Examples of the placement of branded and unbranded products and branded billboard backgrounds are shown in Figure 1- 3:


hp
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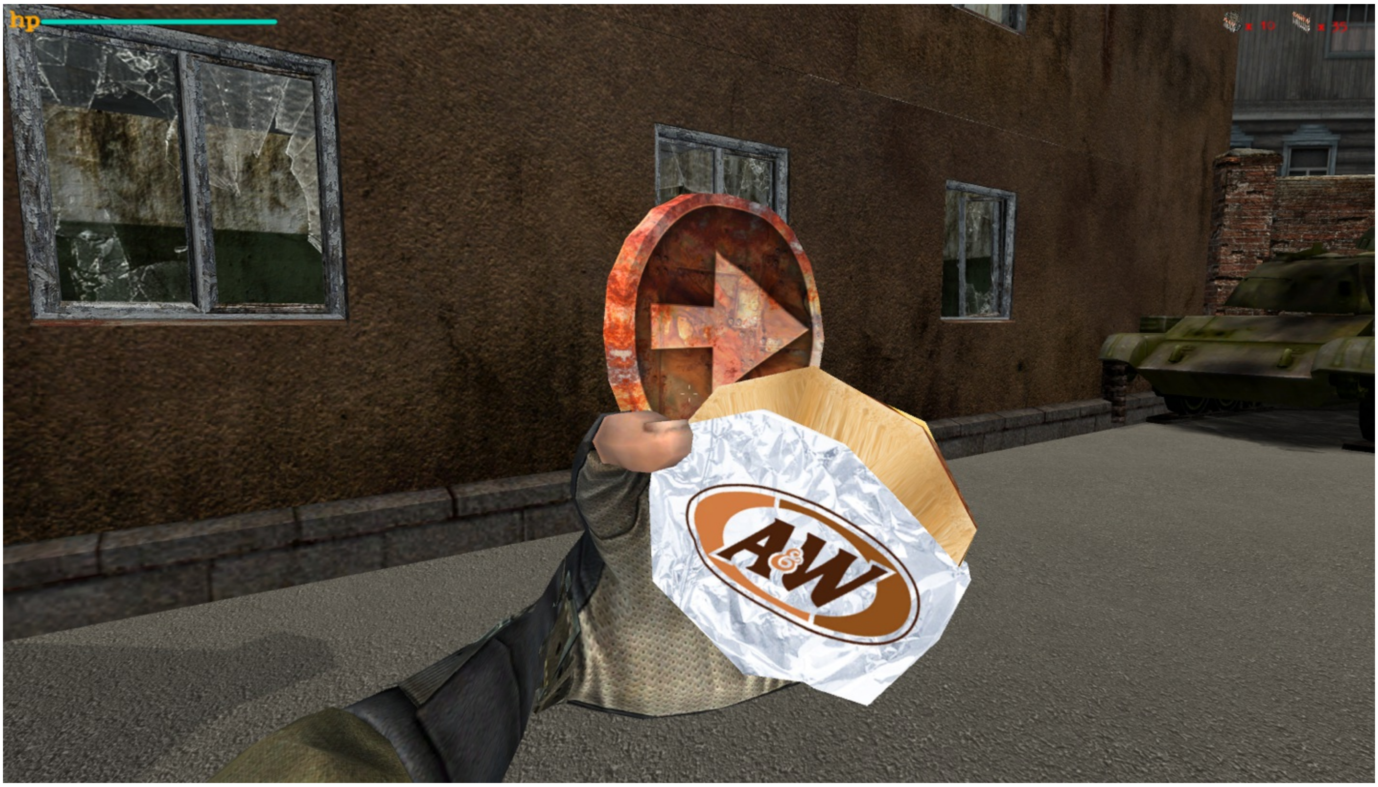
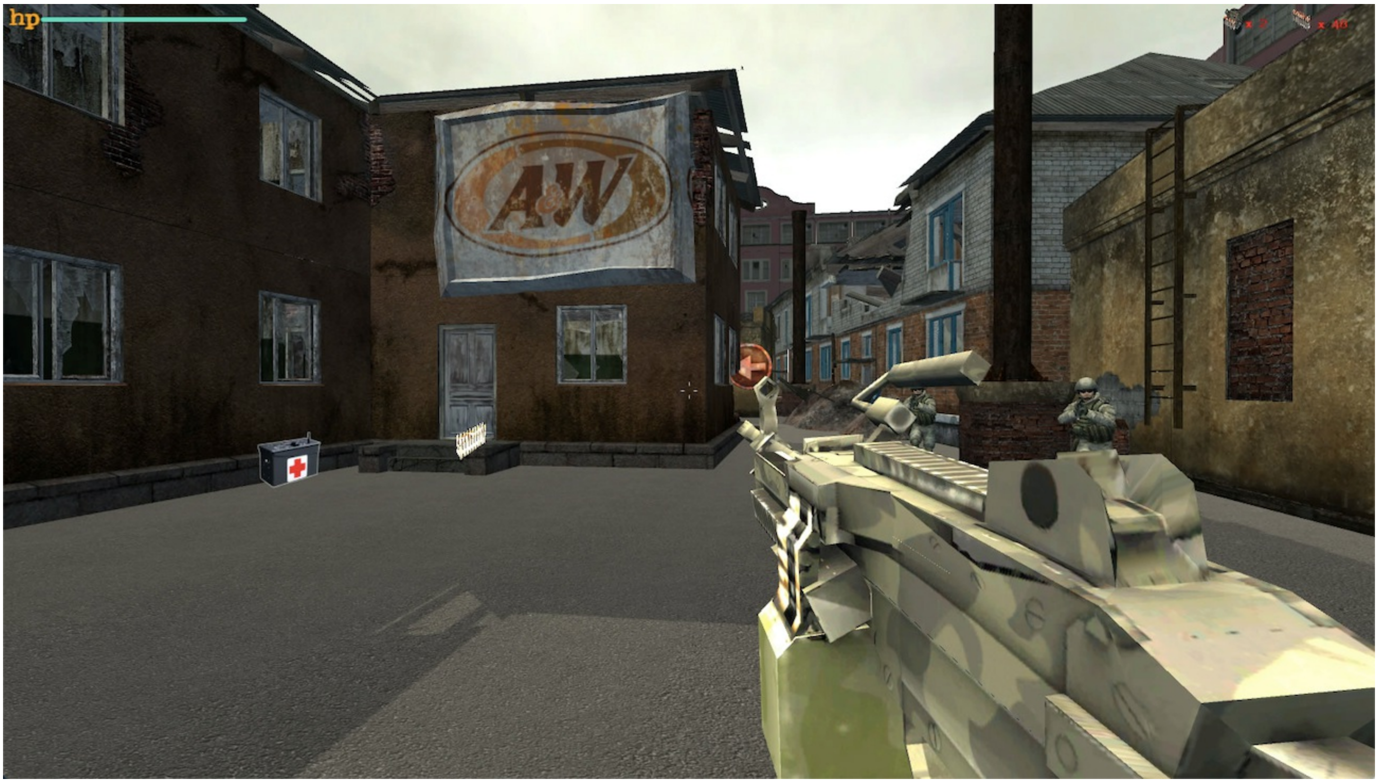

hp
x 10
x 35
A&W



Figures 1-3: Examples of branded and unbranded in-game placement in high plot (consuming an item to gain health points) vs low plot (logo placed on background billboard) conditions.

Brands were from four different product categories were included to ensure generalisability of the results and included beverages, fast food, snacks and laptops. One hundred and twenty (120) respondents were recruited to play the game and were subsequently tested on their ability to recognise and recall brands shown in the game amongst a range of foils (equally familiar brands in the same categories but that were not shown in the game). Pre-and post-brand selection was also measured by asking respondents to choose one brand out of five in each category, two of which appeared in the game.

The results of our study identified a clear winning strategy:

- Brands placed as in-game products were recognised and subsequently recalled 30.8% higher than those placed on billboards. Moreover, brand selection for these high plot-related brands was 27% higher than low plot placement.
- Analysis of pre- and post-game attitudes towards in-game brands increased by 53% compared to foils (matched brands not included in the game), and positive attitudes to product placement brands were 56% higher than for background brand placements.

Psychological models of semantic relevance suggest this is because branded in-game items become meaningful concepts that aid and abet achievement of the primary task (or in-game goals) which requires high cognitive resources (Lee & Faber, 2007). Our results are also consistent with previous studies examining the impact of in-movie advertising which found that brand recognition scores were highest for brand placements that were both highly prominent and strongly plot connected (Dens, 2012).

In contrast, branded background billboards which do not influence the game’s storyline are less relevant to ongoing player goals and are less prone to processing due to limited attentional resources (Lee & Faber, 2007). Brand placement on background scenes are therefore less effective at creating brand awareness and recall and prior research has shown that game players exhibit a low intention of purchasing products or brands that simply appear on in-game billboards (Chaney et al., 2004)

There is now considerable evidence that observing game characters interacting with branded products can indirectly influence not only brand awareness and recall, but also brand selection, through vicarious learning experiences (Zhang, 2010). Specifically, when gamers witness the utilisation of useful branded game items by their game character, as a potential influencer, this implicitly (and unsurprisingly) increases positive perception toward the brand. Humans learn about product qualities through interaction as well as others' decisions (Zhang, 2010). They also perceive product usefulness by observing the interactions between models (avatars) and products (Nord & Peter, 1980). In the context of our simulation, observing that a branded hamburger (for example) was useful in recovering health points for the main character helped build a positive perception towards the brand.

As global trends have shifted to new digital advertising platforms, in-game advertising is becoming more mainstream. Coupled with the rise in ad-blockers and consumers expectations in content consumption, mobile advertising is clearly going to be part of the "new normal". Our research has shown, together with commercial ROI data, that in-game advertising represents a much more targeted form of advertising and specific in-plot strategies that are constructive and useful, represent one of the best ways forward for engaging with consumers.

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