

Keeping it real

IN-GAME ADVERTISING BRINGS REAL-WORLD BENEFITS, AS SIMON BINNS DISCOVERS

REALISM. The most important thing that games developers try to achieve, and sometimes enhance.

Characters must move and act realistically. But, fantasy games aside, the environment in which they exist must also be realistic. In sports games this is especially true, although this has brought with it an added bonus and opened up a valuable revenue channel – in-game advertising.

Look around any sporting venue and you'll see hundreds of brands, competing for attention. Console games have already seen the benefits of tying advertisers into games with the twofold benefit of earning them money and faithfully recreating the inside of, say, a football stadium. Online skill games are now starting to do the same.

Companies are spending millions to advertise in online games. Microsoft recently paid \$400m for Massive Inc, a company that brokers adverts for video games.

Greentube's Ski Challenge 2007 was contested in Austria, Switzerland, Germany, Norway and Sweden. As a result, the game and its combined advertising power generated three million downloads, 13 billion generated advert impressions and 230 million online races during the season.

Advertisers such as Visa, Siemens, Reise.com, MyVideo, Tipp3, Swisscom, Kronen Zeitung, Uniq, Telenor, Audi and AON got

involved.

Greentube's Alfred Hofer says that sports games especially are easier to sell adverts around.

"The integration of sponsorships within the game is something that players demand to see," he says. "Due to the fact that sponsors are a fixed part of real-world sports, users would feel something missing if there were no sponsors present in the sport games.

UK-based Boxndice distributes downloadable sports games, the most popular being golf game Golden Fairway, developed by US-based MVP Networks. The game features three courses and offers users the chance to fully customise their golfer and communicate with each other through a chat function and Voice-over Internet Protocol technologies also set up private tournaments. The game can be tailored for clients through positioned advertising around the main action, on static panels on screen, and within the game environment, such as advertising hoardings, branded marquees, even blimps flying overhead.

There are 43 advert slots available on any one course, which are sold outright or split with third parties organising their own tournaments.

"We have been very careful to make sure we have a product and an infrastructure in place first" says the company's Bruce Lamb. "You can make a living from distributing these games, if you

have the right infrastructure.

"Online games offer targeted, unique promotional opportunities for interactive audience building. They build brand awareness and loyalty, extend brand messaging across the internet, generate low cost, high return investments and can be customised to fit specific business objectives."

For Hofer, games with some kind of dynamic in-game advertising possibility offer targeted advertising by country or by user-group.

"Naturally, companies heavily involved in real world sponsoring are showing a high interest in also sponsoring virtual sport events, especially if the sport event has the cross-media reach back into television," he says.

"Any other affinity of brand advertising is very much connected to the audience of the game itself and the changing environment of media usage. Younger audiences are massively shifting the average time for media usage towards the internet and games - with a major decline in television usage time. All sorts of companies that recognise this are now very interested. We are experiencing major interest from banks and insurance companies, for example, as they are refocusing on a younger audience."

Lamb also believes that the world of in-game advertising is still relatively untapped. "If you look at recent research, 30 per cent of all



advertising has shifted from TV to online," he says. "It makes sense that part of that online spend will be channelled through games, in environments that reflect real-world advertising opportunities, where brands are already recognised." With this in mind, MVP Networks also has NASCAR and football games in development, for release later in the year.

"Again, here are environments that lend themselves to in-game advertising, through advertising hoardings and sponsorships," says Lamb.

Recent trends suggest that worldwide in-game advertising expenditures are predicted to rise from US\$200m to somewhere near \$15bn by 2010, and Hofer believes that in-game advertising is gaining momentum.

"We still sometimes have to explain dynamic in-game advertising principles and advantages to agencies and companies, but if planned in the right manner and integrated into the games, users do like and accept advertising - especially within free games, as they know that their no-cost user-experience has to be financed somehow.

Distribution costs of free games are very limited as the games are usually distributed digitally via downloads - end users therefore

are able to access the games very easily around the world.

"The viral worldwide effect is astonishing - our games have a broad fanbase all over the world, but are only heavily promoted within central Europe," says Hofer.

"Giving access to the user is key by creating an infrastructure," claims Lamb. "This then makes it a more attractive proposition to advertisers.

"We're currently creating links and tournaments for Golfriends.com, among others, and in the US brands such as Wal-Mart have recently adorned the billboards of the Golden Fairways.

"Some leading bookmakers are lined up to run Golden Fairway through the casino games section of their websites and a demonstration tournament is currently under construction for use in May."

The company is currently setting up Golden Fairway for PGA Europe, which will be distributed to its members, including top professionals. "We're hoping to help PGA Europe raise revenues and encourage young golfers," says the company's Steve Brocklesby.

"With the PGAE deal, we will be creating both an everyday play and a tournament solution for members."

Looking further ahead, private golf clubs could buy a licence to run tournaments and sell adverts locally, then profit share with Boxndice, says Lamb.

Hofer says that from Greentube's perspective, main sponsors and advertisers are involved in the game-development process.

"Car racing games sometimes do have an early involvement of advertisers and brands in terms of the integration of different car-types, prototypes and special forms of advertising."

Boxndice now plans to take Golden Fairway to the European market in the summer, where UK based servers will decrease download times of the game.

Looking further ahead, Brocklesby claims that China is a huge growth market for golf and football games. "We need the product to be scalable and long-term, especially for this sort of market," he says.

With such growth predicted and viral marketing already playing a part, advertising in virtual environments could well be as lucrative as real world revenues. Games, it seems, could become just another marketing arm to some companies; with access to a worldwide audience. I think that's called a win-win situation. ■