

Automakers aren't playing games

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Video games have become as culturally pervasive as movies. In 2007 video games earned \$9.5 billion, while movies took in \$9.6 billion at the box office. Today players come from both genders and all age groups. With the introduction of Nintendo's Wii playing video games has become an activity for the whole family.

Gaming has also become a big business. The World of Warcraft, for example, is a game played over the internet that boasts more than 11 million subscribers paying \$15 US per month. Gaming has also persuaded young children to pick up a mouse and spend time online. At WebKinz.com players can build a home for and feed a virtual version of the stuffed animal they "adopted" at the local toy store. The first Webkinz toys were introduced in April 2005. Today, that brand has been valued at more than \$2 billion. Many of the most popular games and consoles have been difficult for retailers to keep on the shelf. Video games seem to sell themselves.

They also sell other things. Video games are a growing market for product advertisements. People playing Madden Football 2009 – one of the most popular game franchises of all time – will see a constant barrage of in-game ads for everything from chocolate bars to Electronic Arts (the company that makes the game). Car manufacturers have worked hard to ensure that their models appear in racing games. The world of Webkinz has ever-present advertising for the "pet of the month". Some of these ads, such as those in the Madden game, actually make the virtual world a little more authentic – just like real stadiums, the virtual stadiums and scoreboards now have advertising. Others are really quite incidental and probably go unnoticed most of the time, not unlike billboards on the side of the road we take to work every day. Then there are those games that were created primarily for advertising, such as at CandyStand.com or NabiscoWorld.com.

How effective is this type of advertising? My colleague Robin Ritchie, at Carleton University, and I designed a series of experiments to address this question. Our basic approach was to compare two groups of people. One person at a time, the first group played the popular car racing game Project Gotham Racing on the Xbox360. For each individual that played the game there was another person, sitting in a different room, who watched the action. These passive "watchers" were our second group and what they saw was very similar to an extended ad for the video game. Not surprisingly, we found that people who played the game enjoyed the experience more than those who passively watched. More interesting was the finding that playing the game significantly increased the players' attitude toward the brand of car they were driving relative to the watchers. That is, driving the virtual car in the video game increased how much players liked that brand of car in the real world. This was true even for those who had little experience with this type of game and, as a result, spent their playing time crashing into walls and taking wrong turns. Moreover, those who played the game told us they were 50% more likely to buy that brand of car in the future than those who simply watched.

Of course, this is preliminary research that is only a first step towards better understanding how advertising in video games affects consumer behavior. What our results demonstrate is that interactivity is a powerful way to connect customers to brands. This is not a novel idea – car dealers have been promoting test drives for many years. What is new is that interactivity with a digital version of a brand in a virtual world can impact how people feel about that brand in the real world and how likely they are to buy it. This might explain why, according to Massive Incorporated, a subsidiary of Microsoft that specializes in placing ads into video games, the market for in-game advertising is expected to grow to \$1.8 billion in the next couple of years.

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