



Stockholm School of Economics  
Department of Marketing and Strategy  
Master Thesis

# IN-GAME ADVERTISING

MAKING OR BREAKING THE COMPUTER GAMING EXPERIENCE?

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Presented on January 27, 2006, 15.15-17.00.

## ABSTRACT

The practice of placing advertisements in computer and video games is referred to as in-game advertising. Due to an increase in the number of internet connected gaming devices, in-game advertising is by many analysts expected to become an important marketing tool for reaching the elusive target group of males aged 18 to 34; a group that watches less television in favor of playing more computer and video games. Previous studies on in-game advertising have focused mainly on attitudinal effects and exposure outcomes in terms of recognition and recall. The conclusions of these studies have almost unequivocally showed that in-game advertising is not only effective but also enjoyed by gamers due to the ability of advertisements to enhance game realism. What we found missing in these studies was an interpretative perspective where game-players opinions and beliefs about the practice could be heard. The purpose of this paper is to, through in-depth interviews; examine opinions and beliefs about in-game advertising, across different game genres, among Swedish core gamers. Furthermore we study some of the underlying reasons for those opinions and beliefs.

Rather than discussing in-game advertising in relation to its possible affect on game realism, most comments from the respondents in our study were made relative to its affect on the immersiveness of the game environment. In-game advertising had the potential to add to the immersiveness of games that were perceived to take place here and now through its ability to lend authenticity to the game environment. In games that do not strive to accurately portray the real world, in-game advertising could potentially destroy the feeling of being present in the game environment. Thus instead of focusing on the ability of advertisements to enhance game realism we believe that deeper understanding of the phenomenon is achieved through asserting how in-game advertising affects the level of immersion experienced by the gamer. We have found that opinions about in-game advertising are determined by the level of persuasion knowledge held by the gamer, the interactivity of the game and the perceived sanctity of the game environment.

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## 1. INTRODUCTION

### 1.1 Background

Product placements in movies have been around since the 1940s (DeLorme and Reid 1999). According to the Entertainment Resources and Marketing Association, ERMA,<sup>1</sup> paid brand placements are designed to increase awareness and build brand equity. This practice has now begun to appear on a large scale within the computer gaming industry and is referred to as in-game advertising.

In-game advertising is not new, it has been a part of sports and racing games for more than ten years. However, until recently game publishers were not getting paid for the placements (Austin 2005:1). What is new is the increasing number of gaming devices with internet connections and the ability for companies to, through brokers such as Massive Inc.<sup>2</sup>, place dynamic advertisements<sup>3</sup> in computer and video games<sup>4</sup>. The ability for companies to utilize dynamic ads has led to a dramatically increased interest in in-game advertising from major corporations. Companies will naturally strive for maximum reach of their in-game advertisements and in order to do that they will have to look beyond the familiar arena of sports and racing games.

In-game advertising offers the potential for companies to reach the elusive target group of males aged 18-34, a group that spend less time watching television and more time using the internet and playing computer and video games (Lopez 2005, Keighley 2004, Hesseldahl 2005, Case 2005, The Economist Technology Quarterly 2005, Shields 2005, Lawton 2005, Gentile 2005, Delaney 2004, Anderson 2005, Bogost 2005, Dudley 2005, Nutley 2005, Kepghley 2004 and Devaney 2005). According to Nielsen Entertainment<sup>5</sup> TV viewing declined by 12 % in this target group in 2004 while computer gaming, at the same time, increased by 20 % ([www.advertisinggames.com](http://www.advertisinggames.com)). Nielsen entertainment, in cooperation with Activision<sup>6</sup>, has also made two studies, one in early 2004<sup>7</sup> and one in December 2005<sup>8</sup>, on the effectiveness of in-game advertising and the perceived appropriateness of it among gamers.

In 2004, 250 million computer games were sold with over \$25 billion in revenues and the electronic gaming sector is now the fastest growing sector in the entertainment industry ([www.advertisinggames.com](http://www.advertisinggames.com)). The Yankee Group forecasts that in-game advertising will reach \$800 million in spending by 2009, while Massive CEO Mitch Davis claims that ad revenue will skyrocket to \$2.5 billion by 2010 (Shields 2005).

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<sup>1</sup> An American association comprised of product placement agencies, corporations, production companies and studios, working within the field of entertainment marketing and brand integration ([www.emainc.org](http://www.emainc.org) 2005).

<sup>2</sup> Massive Inc, market leading in-game advertising firm. Massive acts as a broker between advertising companies and game developers. Claim to be live in 110 games by 2006, with exclusive relationships with 24 game publishers (Austin 2005).

<sup>3</sup> Dynamic advertising in games allows publishers to insert new advertisements at any time via the Internet, just as they would insert ads into a web page (Austin 2005). Static advertisements, on the other hand, are hard coded into the game and can not be changed or updated.

<sup>4</sup> Throughout the paper we will use the term "computer games" instead of the longer "computer and video games."

<sup>5</sup> Nielsen Entertainment consists of businesses dedicated to providing information and analysis tools and marketing solutions to the global entertainment industry ([www.nielsen.com/nielsen\\_entertainment.html](http://www.nielsen.com/nielsen_entertainment.html)).

<sup>6</sup> Activision, an international publisher of interactive entertainment software products

<sup>7</sup> [www.pgnx.net/news.php?page=full&id=6674](http://www.pgnx.net/news.php?page=full&id=6674)

<sup>8</sup> [www.joystiq.com/2005/12/05/study-results-justify-in-game-advertising/](http://www.joystiq.com/2005/12/05/study-results-justify-in-game-advertising/)

## 1.2 Problem

With only one exception<sup>9</sup> academic researchers have neglected to address the issue of game-players' interpretations of in-game advertising. Instead, questions about the relationship between game-players and in-game advertising have been reduced to attitudinal, cognitive effects and exposure outcomes measured as recognition and recall (Nelson 2002, Chaney et al 2004, Schneider and Cornwell 2005, Grigorovici and Constantin 2004). Along the lines of the DeLorme and Reid (1999) paper on product placements in movies, we believe that an empirically driven qualitative study, through its first person accounts of experiences with and opinions of in-game advertising, will give voice to the game-players themselves and offer an interpretive perspective absent in previous research. We believe that there is a knowledge gap on gamers' opinions about in-game advertising. As the use of computer games as an advertising media begins to increase we believe this knowledge gap could cause trouble for industry actors working with in-game advertising.

## 1.3 Purpose

The purpose of this paper is to examine opinions and beliefs about in-game advertising, across different game genres, among Swedish core gamers. Furthermore this paper aims at determining underlying reasons for those opinions and beliefs.

## 1.4 Delimitation

### *1.4.1 Opinions and Beliefs*

Instead of attitudes we have chosen to explore the more research neutral terms opinions and beliefs. Our reason for this is that the term "attitudes" is so closely linked to a specific research stream. It is also often associated with quantitative studies and thought of in terms of being a mediator of recognition and recall.

### *1.4.2 In-Game Advertising*

When talking about in-game advertising in this paper we refer to paid for and commercially intended static as well as dynamic placements of brands and products in computer games.

### *1.4.3 Different Game Genres*

Comparisons of in-game advertising across different game genres have been virtually neglected in previous research. Our definitions of a few broad genres instead of many narrow ones are empirically based and are not suggested to encompass all existing games. Our four major genres are; story based action games, competitive action games, role playing/fantasy games and sports and racing games. These genres will be further defined in the section on empirical findings.

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<sup>9</sup> Nelson et al. (2004)

#### *1.4.4 Core Gamers*

The respondents belong to a group of gamers often referred to as core gamers. Core gamers spend a lot of money and leisure time playing computer games and if they don't play, they read about games, talk about games, think about games and visit game stores. To core gamers computer games are not only their favorite source of entertainment but also a hobby that requires dedication (Adams 2000).

### **1.5 Contribution**

The main goal of this paper is to broaden the research stream within the field of in-game advertising. We aim to accomplish this through the creative application of theories neglected in earlier studies on the subject. We want to get close to the actual gaming experience and create a better understanding of the underlying reasons for the opinions and beliefs about in-game advertising among Swedish core gamers. We also pinpoint differences in opinions about in-game advertising across different game genres.

Viewed from an academic perspective our study offers theoretical generalizability whereby relevant theoretical concepts are linked to the field of in-game advertising. Viewed from a business perspective our study can increase the understanding of the opinions held within the core gamer community and, even though our work is not check-list oriented, it still offers some dos and don'ts in relation to the implementation of in-game advertising.

### **1.6 Disposition**

The disposition of this paper is somewhat deviant from the standard outline. In the following chapter we will describe the methodology used to collect data as well as issues relating to the quality of the research. Following that chapter will be the first part of the theory, a section about previous research. We have chosen to place this part prior to the presentation of our empirical findings since we believe that our readers thereby will be better prepared to understand the structure and the content of our empirical findings. In the chapter following the empirical findings, we will present the theoretical framework. We believe that the theoretical framework, as a second part of the theory, has a natural position after the empirical findings since our readers thereby, after having read about our findings, will more easily be able to identify the connections between these two parts of the thesis. The next part is the analysis where we will connect our findings with previous research and the theoretical framework. In the final chapter we conclude our main findings across different game genres, discuss implications for the industry and offer suggestions for future research.

## 2. METHODOLOGY

In this chapter we explain our choice of method and describe the process of data collection for both primary and secondary data. We end the chapter with a discussion on generalizability and quality of our research.

### 2.1 Research Design

According to Malhotra (2004) there are two main types of research design, conclusive and exploratory. Since we had to gain insights into the research problem before being able to approach it theoretically, we chose an exploratory research design (Malhotra 2004).

We have found earlier studies on the subject rather narrow in that they have had a focus on effectiveness. We explored our respondents' opinions and beliefs and by conducting long interviews, as one way of exploratory research (Malhotra 2004), we were able to capture the gamers' feelings and identify underlying reasons for their opinions and beliefs about in-game advertising. We believe that by conducting interviews we were able to get more nuanced data than surveys or other forms of quantitative research would have provided. Meeting the respondents also gave us the opportunity to show them a video with examples of in-game advertisements. Since in-game advertising is not yet very common, showing the video made sense in that it made our discussions less hypothetical. Furthermore we did not know which aspects of in-game advertising that would be critical to our respondents' opinions, which we believe further justifies our choice of research design.

### 2.2 Data Collection

In line with what Malhotra (2004) recommends, we collected secondary data before we started collecting primary data. We did this to gain insight into the area of research and to be able to form a structure and strategy for the primary data collection.

#### 2.2.1 Secondary Data Collection

To gain basic industry knowledge we made a web search for articles on in-game advertising. This search yielded results in the form of business related articles and articles from trade press. We used the SSE Library<sup>10</sup> web resource to gain access to articles in journal databases and search for academic literature and articles on the subject of in-game advertising. Based on this literature we made the earliest drafts to outline what we wanted the paper to be about and we also used this data in developing our interview guide. Subsequent to structuring our empirical findings we once more returned to gathering secondary data, this time aimed at providing theoretical explanations for our findings that the literature we had already gathered did not provide.

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<sup>10</sup> [www.hhs.se/library](http://www.hhs.se/library)



### 2.2.2 Primary Data Collection

There are several reasons for our choice of respondents. Male core gamers aged 18-25 are part of the target group that many brands want to reach through in-game advertising. Core gamers are also those who “are most likely to be sensitive to game producers selling out” (Nutley 2005). What also makes this group of gamers interesting to our study is that they are early adopters that often crave new experiences and most importantly that their interests and needs, according to some analysts, drive much of the industry (Case 2000). However, there are also practical reasons for our choice of respondents:

- i. *Experience:* Due to the fact that in-game advertising is not yet common practice in many computer games we wanted experienced respondents with the capacity for hypothetical elaboration on perceived fit of in-game advertising within different games. We did not want to run the risk of gathering inadequate empirical data which could have been the case if we had only interviewed casual gamers who might have less distinct opinions about the subject. In addition, according to Söderlund (2001:218), experts tend to have more extreme attitudes in general compared to novices, which we thought would increase the usefulness of our empirical data.
- ii. *Accessibility:* The fact that all respondents resided in Visby made it easy for us to collect a fairly large amount of usable data in a fairly short time.

We collected our primary data through eight in depth interviews<sup>11</sup> with core gamers from the College of Visby; Gustaf Berg, Nicklas Johansson, Markus Krantz, Victor Magnuson, Niklas Norin, Staffan Persson, Samir El Yahiaoui and Johan Ögren. All of the respondents are students at the college’s computer game design program. As an incentive to participate in our study we informed all potential respondents that, if they participated, they would have the chance to win the latest version of the popular game Splinter Cell: Chaos Theory<sup>12</sup>. We had no problem getting a sufficient number of respondents but just like DeLorme and Reid (1999:74f), we over recruited two people to cover for possible cancellations and “no shows.”

The interviews were conducted in an apartment, close to the college, belonging to one of the respondents. All of the respondents had been there before, minimizing the risk of anyone feeling uncomfortable in someone else’s home. Prior to our arrival in Visby we asked two of the respondents, Gustaf and Victor, what they thought would be the best setting for the interviews and both of them preferred the informal atmosphere of a friend’s apartment to a borrowed classroom at the college.

Before commencing each interview we informed the respondents that we were marketing students at the Stockholm School of Economics and that we were working on our major thesis. We also told them, in general terms, that our paper was to be about their opinions on different aspects of computer gaming. We wanted to keep the specific purpose of the interview hidden (Russell 2002) in order to make the interview feel as spontaneous and relaxed as possible. We also did not want them to prematurely begin the cognitive

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<sup>11</sup> A long and well prepared interview, not unlike a regular conversation, where the respondents do most of the talking ([www.pra.ca/resources/indepth.pdf](http://www.pra.ca/resources/indepth.pdf)).

<sup>12</sup> Splinter Cell: Chaos Theory, (Ubisoft 2005): An action game where one plays the part of a secret agent traveling to various parts of the world to perform missions.

process about our area of research before the interview had started. Our interviews lasted between 50 and 80 minutes with a mean of 60 minutes. We tried to make the interviews as similar as possible to a regular conversation. The interview guide consisted of open-ended questions on the different areas of interest to our research. We used prompts, words or gestures aimed at stimulating further elaboration on a specific subject (McCracken 1988), so that we would not have to ask all questions explicitly. This reduced the risk of us leading the respondents in a specific direction. The sequencing of questions was largely determined by each interview situation (DeLorme and Reid 1999). However, Schager was guiding the discussions with the respondents and Berg was taking notes. Since Schager, at the time of the interviews, had limited experience from computer gaming in general, his participation stimulated the respondents to be clear in their reasoning and explanations which we believe gave us an extended and more nuanced range of empirical data. To aid us in structuring and transcribing the empirical findings the interviews were also audio-taped.

#### 2.2.2.1 Framework of the Interviews

In line with Holme and Solvang (1997) we wanted the respondents to rule the interview as much as possible but without straying from the topic of our study. To be able to guide the discussions and cover the most important areas of interest to our research we created an interview guide according to different themes.

The interviews started with a general presentation of ourselves followed by a few short questions about the respondents' backgrounds. The purpose with this part was to stimulate a friendly and relaxed feeling and to get the discussion started. The first theme for the conversations was gaming preferences, experience and the properties of a good game. Since we believed the respondents later would imagine in-game advertising in relation to what they considered important aspects of a game, we wanted to identify what the respondents appreciated and expected from games. We also thought that opinions about in-game advertising in general would to some degree depend on game preferences. There could also be a chance that, when elaborating upon in-game advertising, one automatically would imagine its fit within ones favorite games. The second theme related to experiences with real as well as fake brands in computer games. The purpose of this theme was to guide them towards elaborating on in-game advertising and the differences between using real or fake brands. Since we wanted to know whether their opinions about advertising in general would correlate with opinions about in-game advertising, the third theme related to experiences of and opinions about advertising practices in general. The fourth and final<sup>13</sup> theme related to opinions about product placements in movies as well as in-game advertising. We wanted to stimulate the respondents to compare the perceived fit of advertisements within these media. There are similarities between the two but integration of real brands in movies is a more common practice than in computer games.

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<sup>13</sup> We also had themes relating to our respondents purchase intentions and propensity for word-of-mouth. However, as the work on this paper progressed we came to the conclusion that these themes were not essential to our topic of research and were therefore dropped.

Since our interviews were loosely structured the boundaries between the different themes were not clearly defined. Subsequent to our data collection we therefore had to reorganize our findings according to the mentioned themes in order for us to facilitate the interpretation of the gathered material. During the latter part of our interviews, a six minute video was used as an autodriving technique (McCracken 1988:36) to further stimulate elaboration on the subject. The video showed examples of in-game advertising from several different games and genres. In order to find different examples we made a web-search on advertising in computer games. When we had acquired a number of game titles we used the website Game Spot<sup>14</sup> to gather screenshots and video material from the games. To stimulate the respondents' elaborations we wanted the video to show a wide range of different ways in which advertisements can be incorporated into games. We included:

- i. Billboard/poster advertisements for real as well as fake brands
- ii. Product placements animated into cut-scenes<sup>15</sup>
- iii. Customization related product placements such as clothes and apparel
- iv. Action related product placements such as cars in racing games
- v. Unintegrated services available online through the game client

## **2.3 Quality and Generalizability**

### *2.3.1 Quality of the Study*

The purpose of this study is to explore core gamers' opinions about in-game advertising and underlying reasons for these opinions. Thus we are concerned with understanding and exploring a phenomenon rather than representing it statistically. This means that issues relating to reliability do not hold a central position in our study (Holme and Solvang 1997). When it comes to validity Holme and Solvang (1997) conclude that the problem of getting valid information is substantially smaller in qualitative studies than in quantitative. There are however some aspects of quality that we saw fit to pay specific attention to.

Since in-game advertising is an emergent phenomena it is likely that most of the respondents have not yet realized the impact that it will have on the computer game industry. As the number of games containing in-game advertisements grow it is likely that our respondents' views on the subject will change. Nevertheless we do believe that our study can have long term relevance in that it addresses psychological factors important in shaping perceptions of in-game advertising. Also core gamers are early adopters (Case 2000), and their views and opinions might thus resemble those that casual gamers could come to hold in the future. Since our interviews were not driven by a set of hypotheses we believe that we did not guide our respondents towards providing us with comments in line with any possible preconceptions of ours, thereby increasing the reliability of our data. We were also well aware of the importance of not performing

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<sup>14</sup> Game Spot, ([www.gamespot.com](http://www.gamespot.com)): A web page for gamers with information about games and other game related issues.

<sup>15</sup> A non-interactive game sequence often serving narrative purposes

what McCracken (1988) refers to as “active listening”; being obtrusive as interviewer, reading between the lines and pulling desired comments out of the respondents.

We were well prepared for the interviews and well aware of the importance of letting the respondents to do most of the talking. The fact that both of us were present further improved the quality of the data collection. Schager could be totally focused on communicating with the respondent and Berg could focus on taking notes on what was being discussed.

The video made many comments and reflections less hypothetical in character and the audio-tape helped in the process of transcribing the data. We believe that the data we present in this paper reliably and accurately represents the respondents’ opinions and beliefs about in-game advertising and we believe that our detailed description of how this study was made will further help the reader to assess its reliability.

### *2.3.2 Generalizability*

When we talk about generalizability it is important to note that we do not mean statistical generalizability, that of cases to a population, but rather a theoretical generalizability, that of cases to theoretical propositions (Silverman 2000:105). What we hope is that theoretical connections made in our analysis can be used widely to shed light on gamers’ perceptions of in-game advertising in a broad perspective. This said, we do believe that the issues brought fourth in this paper can be relevant in that they highlight areas of interest to other researchers as well as to industry experts. Using appropriate sampling techniques one can obtain generalizability in qualitative studies based on relatively small amounts of data (Silverman 2000:104). In order for us to obtain generalizability we used purposive sampling. This method involves seeking out the settings where “*the processes being studied are most likely to occur*” (Silverman 2000:104). For us this meant selecting individuals that we believed most likely to be familiar with, or at least have opinions about, the phenomenon that we were going to study.

### 3. PREVIOUS RESEARCH

Firms wanting to expose information to their customers have historically relied on two communication devices; advertising and publicity. However, there are both pros and cons related to these two ways of communication in terms of control over the content being communicated and perceived credibility among the media audience. Balasubramanian (1994:29) concludes that *“neither advertising nor publicity provides the desirable ‘benefit mix’ whereby the sponsor retains control over the message while the audience perceives the message as credible.”* This explains the growing popularity of the marketing communication methods labeled hybrid messages of which product placements in movies as well as in computer games are examples.

Hybrid messages are *“all paid attempts to influence audiences for commercial benefit using communications that project a non-commercial character; under these circumstances, audiences are likely to be unaware of the commercial influence attempt and/or to process the content of such communications differently than they process commercial messages”* (Balasubramanian 1994:30). Thus, according to Balasubramanian, hybrid messages are marketing communication tools that offer the key advantages from both advertising and publicity but avoid their disadvantages. Hybrid messages are *“hidden but paid for”*, thereby controlled by the sponsor and credible due to the disguise of the commercial intent (Balasubramanian 1994:31). According to Balasubramanian, a hidden message is a message well integrated into the media context. However, he emphasizes that integration is not about hiding the product placement itself, *“but to hide its’ commercial intent”* (Balasubramanian 1994:37). The first part of this chapter deals with product placements in computer games and the second part with product placements in movies. The reasons for the inclusion of research into product placements in movies are that; i. research within the field of in-game advertising is relatively thin and ii. product placements in movies share common traits with in-game advertising

#### 3.1 Product Placements in Computer Games

Apart from being useful in the analysis, this theoretical section on product placements in computer games provides valuable insight into the area of research outlining what has and what has not previously been explored.

Nelson’s (2002) article on *“Recall of brand placements in computer/video games”* was the first research piece on brand placements in computer games. The subject of the paper is short and long term effectiveness of brand placements in racing games. However, the respondents also received questions about their attitudes towards in-game product placements. Results showed that players were generally positive, *“indicating that they did not consider the practice deceptive and that brands can enhance game-realism”* (Nelson 2002:80). The questionnaire also included open ended questions which showed that gamers’ attitudes towards product placements in games *“depended upon the game genre and how and where the brand appeared”* (Nelson 2002:80). Nelson also concluded that the respondents did not think that product placements *“interrupted or impaired the experience [...]”* (Nelson 2002:86). She finally suggested that future research should explore *“attitudes toward brand placements across other game genres, such as fantasy”* (Nelson 2002:90).

When Nelson states that gamers perceived in-game advertisements as enhancing game realism we find it important to note that the respondents in the study had only played a racing game. Viewed in that context it is hardly surprising that their opinions were favorable. Everyone who has ever seen a race, in real life or on TV, knows that there are ads in abundance, on the cars as well as along the track. Secondly, when asking whether real brands added or did not add to the realism of the game, the study implicitly assumes that realism is something that gamers want and that it is an adequate measurement with which the fit of in-game advertising in the game environment can accurately be determined.

In 2004 Nelson et al. produced a second paper called *“Advertainment or Adcreep?: Game-players’ attitudes toward advertising and product placements in computer games.”* This time they used a method called netnography<sup>16</sup> and a questionnaire to examine how commercial practices are interpreted by electronic game-players. Postings on a web forum called Slashdot were used to gain insight into gamers’ beliefs about, attitudes towards and interpretations of, the effectiveness and appropriateness of marketers’ tactics regarding product placements in games. Nelson et al. concluded that players were fairly positive when brands in games added realism. They also found that players who were negative about advertising in general were also negative about product placement in games. *“Most of the negative comments related to growing trends toward commercialism or to overuse of specific placements, while positive discussions focused on the realism offered by using real brands [...]”* (Nelson et al. 2004:6). Furthermore, this is the only comparative study made to assess attitudes towards in-game advertising across different game genres. Their conclusion is that real brands can enhance realism in some games but that other games could be better off with fake brands or no brands at all. Finally some brief comments reflected *“the function that real brands allow for greater immersion because they do not psychologically ‘launch [gamers] out’ of the game”* and that *“the simple observation that brands lend realism to the game is not sufficient”* (Nelson et al. 2004:7). This is the only interpretive study done within the field of in-game advertising and we find it unfortunate that issues relating to immersiveness and realism were not further explored. Concluding that real brands “sometimes” could bring realism to “some games” is simply not enough.

Grigorovici and Constantin (2004) and Chaney et al. (2004) were the first studies to explore the immersive nature of the computer game environment. Grigorovici and Constantin (2004:2) explain that *“it is only recently that research on more immersive media environments has directed its attention to marketing and persuasion implications.”* Their study is an exploratory one aimed at testing brand attitude and effectiveness in a 3D immersive environment on the Web. The authors found that 3D virtual environments stimulate a high level of immersion and sense of presence which, in its turn, affects how advertisements within these environments are being processed. This is yet another study on effectiveness and it does not address the issue of how the gamers themselves actually interpret the advertisements.

During the fall of 2004, Chaney et al. wrote a paper on *“the effect of billboards within the gaming environment.”* Their results showed that *“the embedded billboards within the game had very limited impact on either the enhancement of the game experience or on product purchase intentions”* (Chaney et al. 2004:1). The authors argue that

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<sup>16</sup> Netnography is a method for collecting empirical data from web forums rather than through interviews.

the fact that gamers had difficulties remembering what brands or products they had seen during the experiment could be due to the “*immersive nature*” of the computer game. However, just like Grigorovici and Constantin (2004), the game-players’ opinions about the billboards were not studied. This study is a thorough one but when examined more closely it leaves much to ask for. Primarily, the game environment was severely outdated, closely resembling the first-person-shooters of the early nineties such as Castle Wolfenstein and Doom.<sup>17</sup> Secondly, the brands that were tested were fake ones poorly integrated into the game environment.<sup>18</sup>

In the most recent paper on product placements in computer games, “*Cashing in on Crashes via Brand Placement in Computer Games*”, Schneider and Cornwell (2005) explores “*the effectiveness of different banners, in terms of recall and recognition*” and “*the effects of computer game experience on participants’ memories of banners*” (Schneider and Cornwell 2005:1). The authors performed an experiment with 46 male college students who played a computer game called Rallisport Challenge<sup>19</sup>, followed by a questionnaire.

This is the second academic study devoted to advertisements in racing games and we do understand the appeal of studying in-game advertising in this genre. Primarily, in-game advertising was first conceived of in sports games and they have been around for quite some time. This means that for a researcher wanting to study the phenomenon, sports and racing games with real advertisements are readily available. Secondly, due to their linear construction all players see the same things in the same order eliminating some of the measurability issues associated with non-linear games. Even so, there are limitations as to what can be achieved by studying sports and racing games. For example, studying attitudes towards in-game advertising within sports and racing games is unlikely to yield any ground breaking results. Advertisements in sports and racing games are, and will always be, accepted simply because they make the game more closely resemble reality.

Realism seems to be the dominating benchmark against which aspects of the gaming experience are to be measured. A common question in the studies is to what extent real brands added realism to games (Nelson 2002, Nielsen Entertainment 2004 & 2005), implicitly it is assumed that realism always matters and always is a good thing. In appraising overall game quality we find realism to be a strange choice of measurement. What is realism in a fantasy game, a role-playing-game, a platform game or a science fiction game? Does realism really matter that much, or is it in fact in many cases an inconsequential term? We will return to these issues in the analysis.

### 3.2 Product Placements in Movies

This part of the paper describes relevant previous research on product placements in movies. The main findings concerning opinions about product placements in movies are divided into three themes; realism, integration and persuasion knowledge.

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<sup>17</sup> Castle Wolfenstein, (Muse Software: 1992) and Doom (id Software: 1993): Legendary first-person-shooters

<sup>18</sup> E.g. the questionable placement of a billboard advertisement for a digital camera in a sewer.

<sup>19</sup> Rallisport Challenge, (Digital Illusions, 2002): Racing game

### 3.2.1 Adding to the Realism

In 1999 DeLorme and Reid wrote a paper based on an extensive study on moviegoers' interpretations of brand props in movies. Their results show that the moviegoers were active in their viewing as well as in their interpretations of brands within the movies. Just like in their somewhat similar study from 1994, DeLorme and Reid (1999) discovered that moviegoers appreciated the sense of realism that real brands could add to the movie. One of their respondents said that *"we're trying to put ourselves in the movies. We just want to become absorbed in the movies and [brand props] makes it more realistic..."* (DeLorme and Reid 1999:77). More respondents were of the same opinion and stated that real brands could enhance the feeling of reality and intensity. This is in line with the findings of Gupta et al. (2000) and Gupta and Gould (1997).

### 3.2.2 The Importance of Integration

The moviegoers in the study by DeLorme and Reid (1999) claimed to be impressed when real brands were integrated in such a way that they were regarded as a part of the movie. They believed that the brands had to harmonize with the story and be *"blended into what's going on"* (DeLorme and Reid 1999:77). This is in line with Gupta et al. (2000:51) who found that *"the use of product placements should be realistic within a movie's context."* They also found that moviegoers felt interrupted when brands were used excessively or in an inappropriate way destroying the scenery of the movie. Moviegoers generally agreed that brands placed in inappropriate sceneries or brands placed in unnatural ways were not wanted. Such brand placements were identified as persuasion attempts that destroyed movie realism as well as the movie-going experience (DeLorme and Reid 1999:78). The integration of brands is brought up in Balasubramanian (1994) as well. He concludes that integration is not about hiding the product placement itself but rather its commercial intent (Balasubramanian 1994:37). D'Astous and Chartier (2000) also discuss the importance of having well-integrated brand placements in order for the audience to be able to develop positive attitudes towards them.

### 3.2.3 Persuasion Knowledge

DeLorme and Reid (1999) found moviegoers to be well aware of the commercial intent of brand placements. Interesting however is that the moviegoers considered themselves to be *"immune to the persuasive power of brands encountered in films..."* (DeLorme and Reid 1999:78). They thought brand props were harmless and neither deceptive nor manipulative. Gupta et al. (2000), on the other hand, discussed critical opinions of product placements in movies because of the commercial message being hidden and not clearly announced. They also elaborated on whether the audience identified persuasion attempts or not. They found that moviegoers that feel misled by disguised brand placements developed negative attitudes towards product placements in general (Gupta et al. 2000:49).

DeLorme and Reid (1999) found some differences between younger and older moviegoers. According to them, older moviegoers associated brand props with *"feelings of insecurity, frustration, and fear of change. They interpreted encountered brands as threats to, infringements on, and pollutants of the sacredness of the viewing experience"* (DeLorme and Reid 1999:82). One of the older respondents for example stated that the movie makers in the old days *"were really trying to keep things a little purer..."* (DeLorme and Reid 1999:82). When it



came to younger moviegoers, DeLorme and Reid concluded that they made no distinction between what is sacred and commercial, as the older ones did (DeLorme and Reid 1999:84).

## 4. EMPIRICAL FINDINGS

In this part of the paper we present our empirical findings sorted in accordance with the most important themes from our interviews.

### 4.1 Properties of a Good Game

The respondents were asked to elaborate on the properties of a good game. They were encouraged to speak in broad, non-genre specific terms and, if they had trouble identifying specific qualities, we asked them to tell us about what they liked most about their favorite game genre or favorite game.

There were many common denominators among the respondents. One was the apparent importance of consistency, that no single element of the game should be incoherent, or in disharmony, with the rest of the game. The importance of consistency, according to all of the respondents, overshadowed the significance of technical quality and refined graphics. The overall style and feeling of a game appeared to be essential, as Nicklas put it; *“[the game] doesn’t have to be that technically refined, but it has to be homogeneous, nothing should stand out.”*

Despite similarities we found that the respondents divided the aspect of the game they valued highest into three main themes. They talked about the importance of a solid storyline and a vivid in-game environment, the quality gameplay or the possibility to develop the physical game-playing skills. These categories are in no way suggested to encompass all aspects of what makes a good game, nor do we imply that all gamers would fit into them. Also, it is in no way our intention to suggest that any statistical conclusions may be drawn from this material. The reason for this categorization is merely to see if a specific respondent’s views on the topic of in-game advertising depend on what kind of games he prefers and why. Also this section will serve as the basis for the analysis of the sacred properties of the gaming experience.

#### 4.1.1 Storyline and Environment

Five<sup>20</sup> respondents felt that the story and the game environment was the most crucial parts of a game. The reason for bringing storyline and gaming environment into the same category is that the majority of the respondents, due to the visual nature of the media, regarded these two elements as deeply intertwined. One may compare this duality to that of a comic book or a movie, where the story is told through images as well as words, making the two inseparable. Concerning storyline, Niklas said that *“a strong story is the core of the game”* and Markus claimed that *“the story is the most important thing, more important than the interactivity.”* One of them also compared the importance of the story in a computer game to the importance of the story in a book or in a movie. When it comes to the style of the game environment World of Warcraft<sup>21</sup> was mentioned by two respondents as a telling example. Victor said; *“it has a nice style, it’s pretty, cozy and*

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<sup>20</sup> Victor, Gustaf, Markus, Niklas and Samir

<sup>21</sup> World of Warcraft, WOW (Blizzard 2004): Massively-multiplayer-online-role-playing-game set in an immense fantasy world.

takes place in a vivid and cool world.” Worth noting here is that the respondents in this category listed role-playing-games<sup>22</sup> and adventure games as their genres of choice.

#### 4.1.2 Gameplay

Some respondents cited “Gameplay”<sup>23</sup> as the most important aspect of a game. Gameplay, according to the Wikipedia online dictionary, is used to describe the overall experience of playing a game excluding the factors of graphics, sound, and storyline. These respondents also favored role-playing-games but they wanted more action oriented games and showed less interest in storyline and character development. Staffan said that what he wanted from a good game was “*flow, the perfect challenge... good controls*” and “*...no unnecessary bull.*” For him it was important that the gaming experience was “*tweaked to fit the learning curve.*” Johan pointed out that within the game “*...nothing should feel superfluous or unnecessary.*”

#### 4.1.3 Improvement of Personal Game-Playing Skills

Nicklas preferred games that would allow him to physically improve his playing. He was the only one in our study who enjoyed the competitive side of gaming and took part in larger online tournaments; “[...] *when you feel that you’re becoming more skilled, physically speaking, improved aiming skills, better technique and the ability to do all the cool stuff.*” In contrast to the other respondents he favored first-person-shooters with a virtually non-existent storyline, such as Counter Strike<sup>24</sup> and Quake Arena<sup>25</sup>.

## 4.2 Advertising and Persuasion Knowledge

In this section of our findings we have gathered themes from the interviews concerned with the respondents’ perceptions and interpretations of persuasion attempts<sup>26</sup>. The focus lies on our respondents’ opinions about advertising in general and their ability to spot commercial intent. The purpose of this section is to provide empirical evidence for the level of persuasion knowledge held by the respondents and it also gives the reader an opportunity to become familiar with the respondents’ opinions about advertising in general and product placements in particular.

#### 4.2.1 Opinions about Advertising Practices

The respondents displayed a wide range of opinions about advertising across different media. Markus was cautiously positive stating; “*I’m not really bothered by product placements unless they’re really disturbing... I think [in-game advertising] will be necessary. People download games and there is pressure from the market. Besides, it’s a good thing if it leads to more games being made. The alternative [to in-game advertising] might be not to play the game at all.*” He continued; “*Well I don’t really mind commercials. I’m pretty neutral. It’s ok in movies as long as it’s neatly done.*”

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<sup>22</sup> Roll playing games are turn based action/adventure games often set in a high fantasy environment. They were originally developed as board games but are now a popular computer game genre.

<sup>23</sup> The term has been criticized for being an empty one, along the lines of cinema not requiring “movie-watch” nor novels “book-read” in order to be described formally (Wikipedia). We however will use it anyway as it is commonly used among gamers themselves in lack of a better summarizing term for the denoted experience.

<sup>24</sup> Counter Strike (Valve Software, 2004): Tactical first-person-shooter and one of the most popular online competitive action games

<sup>25</sup> Quake Arena (id Software, 1999): First-person-shooter

<sup>26</sup> The term “persuasion attempt” stems from the persuasion knowledge model devised by Friestad and Wright (1994) and is used to describe “a target’s perception of an agent’s strategic behavior in presenting information designed to influence someone’s beliefs, attitudes, decisions or actions”.

Others were negative; *“I don’t have anything to gain from product placements [in computer games], it just feels wrong! I’ve gotten used to seeing brands in movies but that’s really just as bad. I’m sure they’re going to need it though... they need more money. But I’m the one being manipulated [...] I don’t even watch TV. I choose not to because of all the advertising. It’s a sort of exploitation and it’s nothing but disturbing”* (Johan).

However, the most commonly expressed opinions were ambiguous ones expressing two-sided views where dislike of advertising was mixed with an understanding of its necessity. For example, Niklas stated the following; *“I wouldn’t like [in-game advertising] but it could work. If it’s in a good game I’m willing to take the good with the bad. I guess it’s like TV commercials [...] people complain but they still keep watching. I don’t like commercials, but in a way they’re more honest than product placements. With product placements you are trying to sneak in the message. It’s like, [...] Roy Andersson<sup>27</sup>... he makes commercials but he would never use product placements in his movies. But then again, product placements aren’t as bothering [as commercials]; they just pass by in the background.”* Gustaf said that *“Advertising in games is good in a way as well. It’s going to be a necessity in order to afford the development of new games. It’s a necessary evil. I think games and movies will become more and more alike.”*

All respondents seemed well aware of the commercial practices used by firms to get their messages across to the consumer. And, whether they liked it or not, they all expressed some degree of understanding for the economic rationale behind decisions to advertise.

#### 4.2.2 Perceived Recipient of the Commercial Message

All advertisements in a game are of course intended for the player. However, some of the respondents stressed the importance of advertisements being integrated into the environment and storyline in such a way that the persuasion attempt would not be perceived as directly aimed at them. Markus said that if you have advertising within a game the *“ads must always be a part of the game, they should only be indirectly aimed at me as a gamer. It’s the same thing with movies; you should never perceive ads to be aimed at you as a viewer.”* Johan put it like this; *“I really hate commercials [...] I feel like they’re really trying to push me into buying stuff. It destroys the environment in which I’m trying to become absorbed, it’s aimed at me personally, not at the person in the game.”*

#### 4.2.3 Perceived Impact of the Commercial Message

During the course of our interviews thoughts emerged on the perceived impact of commercial messages in computer games. Two contrasting views were expressed by the respondents. The first, and most common one, considered the cognitive process triggered by a commercial message to be a conscious one. Respondents in this category thought themselves to be affected by advertising only as far as they could remember what the advertisement was for. Like Staffan, who said that *“I think that ads in games will affect you in much the same way as ads do in general. The only difference is that you’re exposed to them much longer in a game... but I don’t know if it really makes any difference when you’re in the store.”* He continued; *“I can imagine that if it’s a really good game the positive feelings from the game might transfer to the product.”*

Victor noted that *“sometimes you see a funny commercial but you can’t remember the actual product... I bet marketers make annoying commercials just so that you will remember them.”* Respondents in the second category

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<sup>27</sup> Swedish film director famous for movies such as *“Sånger från andra våningen.”*

believed there to be subconscious effect of advertising exposure. Gustaf said; *“I think that I’m probably affected [by advertising] to a greater extent than I’m aware of, especially when it comes to stuff that you really don’t care about.”*

#### 4.2.5 Faith in the Game Developers

One noticeable finding from our interviews was that the respondents seemed to put much faith in the judgment of their favorite game developers. They generally believed that good developers knew and cared about their preferences. Victor said; *“[...] of course they care. They want all players to buy their next game. Blizzard is known for making good games, it’s the same with Valve. I buy all their games.”*

The designer and the developer of the game were apparently critical to the respondents when faced with the decision whether to buy a game or not. On the issue of how in-game advertising could be integrated into the games, Nicklas put it this way; *“The producer is very important; I for example have confidence in Blizzard. I definitely think that the game developers can do it in a smooth way, they will surely not put advertising all over the walls...I believe the artistic freedom will still be there.”*

### 4.3 The Game-World as an Illusion or a Mirror of Reality

Staffan had a firm position on in-game advertising stating; *“I fear for the future, it will be advertising everywhere. I think it is terribly sad. For me games should be games. I like them as clean as possible. I fear that it’s going to be so hollowed out...real brands could be there for the worst of reasons and maybe they won’t fit in the [game-]world. Fake brands are adapted to the [game-]world and can enhance the illusion of the [game-]world. [...] it’s never good when commercial interests overshadow the artistic interests [...].”*

The general opinion among the respondents was that in-game advertising works in sports and racing games because they strive to be as similar as possible to the real world. The word realism was hardly ever used by the respondents as a justification for in-game advertising, however Nicklas said that *“real brands could even be good if put into a game that strives for real world authenticity.”* The same goes for racing games, Markus said that *“here it doesn’t disturb too much [...]. You’re sort of disappointed when it’s not real brands.”* Some of the gamers considered real brands to be something that could bring a certain authenticity to a game. For example Niklas argued that *“Ads and soda machines add to the authenticity...in the right type of game.”* Real brands effect on perceived realism did not seem to be the most important issue for the respondents. What seemed to be more important was the possible impact of in-game advertising on the illusion of the game.

#### 4.3.1 Escaping Reality

Many of our empirical findings stress the importance of games offering an illusion to the gamer; a way to relax and escape from reality. Johan summarizes the gaming experience as an illusion; *“I see gaming as relaxing and an escape from reality. ...I enjoy getting immersed into a fantasy world...”* The respondents seemed to be looking for games that take them away from the real world and into an alternate reality. Nicklas said that *“You want to escape into the gaming reality”* and *“When you’re playing you just want to become immersed in the game...”* Markus was of the same opinion stating that *“The illusion is the foundation for most games...”* As will be shown

in other parts of this chapter the importance of the illusion was continuously brought up by the respondents.

#### 4.3.2 Real versus Fake Brands

Among the respondents there seemed to be a general idea that both real and fake brands could fit into games depending on the environment and story of the game. Fake brands in for example Grand Theft Auto<sup>28</sup> are there to “[...] create an illusion” or “[...] add to the illusion” as Markus put it. He continues; *“Fake brands are adopted for the [game-]world and can strengthen the illusion of the [game-]world.”* When it comes to real brands in games depicting the real world Niklas argued that in a city environment *“It would feel strange with fake brands compared to real ones.”* *“Times Square in New York just has to have [real brands].”* Victor was a bit more neutral stating; *“In GTA there are radio commercials and other commercials to create the illusion of you being in a real city [...] I wouldn’t be bothered by [in-game advertising] in GTA since it takes place in our world anyway.”* *“The most important thing is that it doesn’t break the illusion.”*

#### 4.3.3 Breaking the Illusion

As our discussions went on it became clear that when the respondents played a game, they did not want to be pulled out of that game and back into the physical reality. We also realized that in-game advertising was often perceived as something that could potentially break the illusion of the game. As Nicklas put it; *“when you’re playing a game, you want to become absorbed in the game environment and not be disturbed, I don’t want the illusion to be disturbed.”* He continued; *“If you’re in a fantasy world you don’t want to be reminded of buying or consuming in the real world...”*

Comments during our interviews indicated that the respondents felt disturbed and pulled out of the illusion of the game if advertisements were poorly integrated and seen as obvious product placements aimed at the player and not the in-game character. Markus thought that in order for in-game advertisements to be accepted; *“they will have to be integrated into the environment and they may only be indirectly aimed at me as a player. Directly aimed ads destroy the illusion [...] the illusion is the foundation for most games and bad ads are those that don’t speak to the character in the game but to me as a gamer.”* Johan did not like the feeling of companies or brands, intruding in “his” game-world, pushing him to buy and consume in the real world.

Niklas, on the other hand, who had a relatively tolerant attitude towards advertising and product placement in general stated that; *“I’m not really bothered by product placements...as long as they don’t disturb too much...”* Victor stated; *“as soon as it gets too obvious I think people will start to protest. It could be there but it can’t be in the way...”* Gustaf gave us a pretty clear example of this after having seen the AirWaves chewing gum product placement in Splinter Cell: Chaos Theory. This is a modern example of in-game advertising, with a movie like and graphically sophisticated integration of a package of chewing gum, in the first cut-scene of the game; *“[...] a little bit too much. It broke the illusion. It’s not important for the character that he’s chewing gum.”* The in-game advertising in Splinter Cell prompted reactions from other respondents as well. Markus for

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<sup>28</sup> Grand Theft Auto, GTA, (Rockstar Games 2005): Popular and controversial action/adventure game

example, thought that; *“The chewing gum was strikingly out of place.”* Staffan was also negative and said that it was *“a typically ugly product placement like the ones you see in movies, the kind you react to... it’s so obvious...”*

But as we shall see next, in the section on genre-specific opinions, an important finding concerning in-game advertising is that all opinions appear relative to the genre in which the advertisements are placed as well as how the advertisements are integrated into the environment.

#### 4.4 Genre-Specific Attitudes towards In-Game Advertising

After the general discussions on in-game advertising we guided the dialogues in a more genre specific direction. We discussed whether their opinions were depending on which specific genre, or game, an advertisement was placed in. What we soon found was that most of the respondents had yet to play a game, apart from sports and racing games, containing real advertisements or product placements. To aid us in this part of our interviews we used a video including screenshots<sup>29</sup> and screen captures<sup>30</sup> from games containing in-game advertising. After each game clip, we paused the video to allow for comments and reactions to what they had seen.

Genre divisions can be made in a number of ways depending on the level of detail required. Rather than using narrow definitions, resulting in a number of different genres (such as first-person-shooters, real-time-strategy, role-playing-games, massively-multiplayer-online-role-playing-games, adventure games, platform games etc.), we chose to define four broad genres encompassing several of the more narrow ones:

- i. *Story based action games*: Including single player action games and first-person-shooters with narrative elements, such as Max Payne<sup>31</sup>, GTA and Splinter Cell.
- ii. *Competitive action games*: Including multiplayer first-person-shooters without narrative elements, such as Counter strike and Quake Arena.
- iii. *Role playing/fantasy games*: Including both single and multiplayer games mostly with strong narrative elements, such as Baldurs Gate<sup>32</sup> WOW and Final Fantasy<sup>33</sup>.
- iv. *Sports and racing games*: Including pure sports games such as FIFA<sup>34</sup> and NHL<sup>35</sup>, lifestyle oriented sports games such as Tony Hawk Underground<sup>36</sup> and racing games such as Need for Speed<sup>37</sup>, Project Gotham Racing<sup>38</sup> and Gran Turismo<sup>39</sup>.

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<sup>29</sup> A digital snapshot of the computer screen using the “print screen” command.

<sup>30</sup> A movie clip capturing a sequence of events taking place on screen.

<sup>31</sup> Max Payne (Remedy Entertainment, 2001): Action/adventure game

<sup>32</sup> Baldurs Gate (Bioware, 1998): Role-playing-game

<sup>33</sup> Final Fantasy (Square Enix 1991)

<sup>34</sup> FIFA (EA Canada, 2004): Sports game, soccer.

<sup>35</sup> NHL, (EA Canada, 2005): Sports game, ice hockey.

<sup>36</sup> Tony Hawk Underground, (Neversoft Entertainment 2003): Sports and lifestyle game, skateboarding.

<sup>37</sup> Need for Speed Underground, (Electronic Arts 2003): Street racing game.

<sup>38</sup> Project Gotham Racing, (MS Game Studios 2003): Street racing game.

<sup>39</sup> Gran Turismo (Rockstar North, 1998): Racing game

Of course there is bound to be some overlapping. Sports and racing games may have a storyline, there might be a competitive side to story based games and virtually all games contain action elements. In spite of this we felt that four broadly defined genres served our investigative purposes best. Our choice of genres is also based on the preferences of the respondents since we found it important that they had experience of, as well as opinions about, the genres we were discussing. This approach also allowed us to avoid any hair-splitting regarding nomenclature that narrow definitions might have demanded.

#### 4.4.1 Story Based Action Games

We got a wide range of comments about in-game advertising within action games. GTA, which contains an abundance of fake products and advertisements, seemed to be a popular game among the respondents. Victor stated; *"I wouldn't be bothered by [in-game advertising] in GTA since it takes place in our world anyway. Say that you walk into a drugstore, then it's definitely ok with real products. It doesn't matter if it's Coca Cola or 'Coca Boca'. GTA has food chains and I don't know if it would seem strange with McDonalds. But sometimes [developers] do it to make fun of different companies but I still think it's a good thing in a game that takes place here and now."*

Gustaf expressed a more critical view; *"If you for example saw a large and neat looking Coca Cola billboard in Max Payne, that wouldn't be ok, on the other hand if it was a gritty poster... it would work. They could have ads for booze, guns and cigarettes, stuff that fits... [GTA is] supposed to take place in the real world. But it's tricky stuff. I think there would be a negative difference, a part of what makes it cool is that they've made San Andreas and not San Francisco, and then it makes sense to use fake brands."*

Concerning the hypothetical inclusion of real brands in GTA Nicklas stated that; *"In GTA advertising would feel totally called for, but GTA is so violent that I don't think that anybody would want their products in it. I don't believe that many players see a moral conflict when it comes to games. Stuff happens but it's not real. If I run over a bunch of hookers in GTA with a Ferrari, I don't like Ferrari any less because of it. I don't think companies have to be afraid of that."*

Markus stated; *"In GTA there are radio commercials and other commercials to create the illusion of you being in a real city. For the simulation to work perfectly they need commercials... I would probably notice it more [if it was real commercials]; maybe it would strengthen the illusion... GTA has made up cities but if you really were in LA it would be better with real commercials."* On the other hand, concerning the advertisements for AirWaves in Splinter Cell, he said that *"The chewing gum was a bit too much; you're used to seeing posters, like in sports games. I think it's about getting used to it... but it's not like 'macho secret agent' to chew citrus gum!"* Markus also said the following about the in-game advertising in Devil May Cry II<sup>40</sup>; *"It's nice that they place their clothes [on the main characters] without making fuzzi about it. I may not think it's that much fun, but there are those who finish games really fast in order to unlock all options and play the game all over again with a wider range of choices."*

Staffan also had experiences from this game genre; *"GTA is very satirical... McDonalds would never want someone to stand there, all bored, hating his job. Like, 'would you like that super size... you fucker?!' like he says sometimes. ...and the guys working at KFC<sup>41</sup> has to say like 'coo coo, how do you do?' they're totally unenthusiastic and*

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<sup>40</sup> Devil May Cry II, (Capcom, 2003): Story based action game

<sup>41</sup> Referring to the mock version of Kentucky Fried Chicken in GTA.



*they have to stand there in large chicken suits. It benefits the game.*” In response about the AirWaves chewing gum advertisement in Splinter Cell he said; *“It’s typical of the kind of ugly product placements you see in movies, the stuff you react to, it’s so obvious.”* He continued about Swat 4<sup>42</sup>; *“I think this works since it’s so well executed. It was dark and had this tacky lighting; it would have been different if it was well lit neon. The soda machine might as well have been real, stuff like that is always around.”*

In Splinter Cell there are also posters advertising a Mötley Crüe greatest hits album. Niklas argued that; *“The poster is better... it appears in the background in a more natural way... it just looks right.”* About the in-game advertising in Devil May Cry II he said that *“It’s something the developers will have to think about, the clothes have to fit the characters.”* Johan was of the same opinion as Niklas regarding the AirWaves placement in Splinter Cell stating that it was *“very ugly”* and *“an obvious product placement.”* He added; *“the poster is better, after all he’s living in our world. I understand the purpose of the ads but I want to remain immersed in this world and I don’t want to be bothered. What does Splinter Cell have to do with chewing gum? It’s not relevant for the character. You want to be an agent, not chew gum! They should make up their own commercials.”*

#### 4.4.2 Competitive Action Games

This genre did not seem to be very sensitive to in-game advertising. Only Nicklas had this genre as his favorite and he said that *“when you’re playing to compete you don’t give a crap if there’s commercials in the game or not... as long as they’re not disturbing.”* Victor had also played this type of games and argued pretty much along the same line; *“I don’t think you will be bothered by ads in games such as Counter Strike, where it doesn’t interrupt the gameplay.”*

Nicklas, Victor and Gustaf seemed to be of the same opinion, claiming that you do not play these kinds of games for the story. Instead they are more about physical game-playing skills. However, Gustaf said that; *“It might be distracting. If you look a little too long at something you’re dead. All the details are important and it’s important that you’re not interrupted. Everybody plays for different reasons and there are games that don’t need to be an experience.”* We were also told that some gamers download software to shut down some of the games’ graphical features in Counter Strike. This is done in order to make the opponents more visible and easily targeted.

#### 4.4.3 Role Playing/Fantasy Games

The general opinions regarding in-game advertising in role playing/fantasy games were that it’s virtually impossible to implement. In this case well integrated advertisements would only make the matter worse. However, one way to get around this was devised by Sony Online Entertainment. In early 2005 their massively-multiplayer-online-role-playing-game Everquest II<sup>43</sup> made a deal with Pizza Hut (Lopez 2005). The deal enables players in the USA to type *“/pizza”* in the chat window and get instant online access to Pizza Hut’s home delivery service.

Three of the respondents’ comments relating to this deal had to do with the morality of selling fast food to young online gamers. Nicklas for example said; *“I read about Pizza Hut and Everquest on some web site.*

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<sup>42</sup> Swat 4, (VU Games, 2004): Modern first-person-shooter

<sup>43</sup> Sony Online Entertainment 2004

*Talk about morally ambiguous! Many people who play these kinds of games play a lot and they really need to get out of their chairs.” Niklas was also concerned about these gamers; “The idea is pretty fun but it’s maybe not that great from a physiological standpoint.”, Markus as well stating; “I think it could work... but you shouldn’t encourage people to have pizza every day.”*

#### *4.4.4 Sports and Racing Games*

Many of the respondents, when asked to elaborate on their attitudes towards advertisements they had seen in computer games, had trouble coming up with examples. But, as our discussions continued and became more genre specific, all of them sooner or later remembered seeing advertisements in sports and racing games. From the players’ point of view there appeared to be little or no controversy surrounding the idea of advertisements in sports and racing games. To all of them advertisements were essential to the accurate portrayal of sporting environments such as football stadiums, ski slopes or racing tracks.

For example Markus, Niklas and Samir all elaborated on the appropriateness of real brands in this genre. Markus thought it was natural; *“You don’t even think about it in sports games, it’s there all the time in real life... It’s natural, it’s always been like that.”* Niklas believed it could add to the realism of the game; *“It lends authenticity... to use the real stuff. It would feel weird to drive a car that looks almost like a Ferrari but has a pony instead of the horse.”* In relation to advertisements in racing games Samir said; *“It fits the picture, it didn’t break me out of the game... and the ads on the sides of the track are supposed to be there.”*

Another aspect of in-game advertising within sports games also emerged during the interviews. It had to do with the product and brand oriented lifestyles associated with certain sports. For example we showed images from Tony Hawk’s Underground, a popular skateboarding game with numerous product placements. Johan and Niklas respectively commented on this; *“It’s the skate culture, it benefits the game. You want to be a skater and wear skate clothes; it’s like a substitute for reality! It doesn’t feel like the ads are the purpose of the game, it merely reflects the skateboarding community.”* *“It feels like the entire game is trying to sell a lifestyle. They have their own music and their own clothes to go together with this culture. It feels like the game is trying to sell an image rather than the specific products within the game.”*

A third aspect of in-game advertising within sports games had to do with issues surrounding game interactivity; the possibility of making active choices that will affect the outcome of the game. Several of the respondents commented on the importance of the interactive nature of computer games. They enjoyed playing games where you can create your own characters or when the interactivity was used to enhance the gaming experience. In games like Tony Hawk Underground, the integration of brands and the possibility to choose between them was considered positive. Nicklas said that *“It’s only positive that there are so many things to choose from.”* He meant that *“In for example Tiger Woods [...] you can choose what to wear and as long as you can choose, [in-game advertising] is only positive.”* In many sports and racing games it is possible to customize the character or vehicle according to your own preferences. In many racing games the gamer often has the possibility to choose between different cars, but Markus gave us an example of this type of interactivity being disturbed. He said that *“It was some racing game where you couldn’t crash the cars because the manufacturers didn’t want to see their cars being destroyed.”* Staffan brought up the same issue; *“In Gran Turismo*

*you're still not allowed to do any damage to the cars. [The game developer] has agreements with Toyota and they don't want to see their cars destroyed. It sucks. I think it's we're going to see more and more of that.*" This limitation of the interactivity was apparently not appreciated.

## 5. THEORETICAL FRAMEWORK

The theoretical framework is divided into three parts. The first part explains the persuasion knowledge model. The second part explores the concepts of telepresence and sensory immersion in mediated virtual environments. The third and final part of the chapter explains the anthropological concepts of purity and impurity.

### 5.1 The Persuasion Knowledge Model

According to Friestad and Wright (1994:1) “*one of a consumer’s primary tasks is to interpret and cope with [...] advertising.*” The persuasion knowledge model deals with how people develop personal knowledge about persuasion agents’ goals and tactics and how people use this knowledge to better cope with persuasion attempts. We do not aim to use the model in its entirety; however we find it useful in that it provides a framework for the understanding of the respondents’ perceptions of persuasion attempts. In order for us to gain a deeper understanding of the respondents’ beliefs about in-game advertising we have to know to what extent in-game advertisements are perceived as having commercial intent.

The model emphasizes the consumer’s capacity to learn about persuasion over time. This knowledge is derived from a multitude of sources; first hand experiences of marketing, the public debate about marketing in various news media as well as discussions with friends, family and co-workers (Friestad and Wright 1994:1).

The persuasion knowledge model is made up of two elements; the agent and the target. Based on knowledge about the target, the agent will develop a message, e.g. an advertisement or a product placement, tailored to influence the target’s beliefs, attitudes and/or behaviors. The target, on the other hand, will interpret the message based on; i. beliefs about the goals of the agent, ii. knowledge derived from previous persuasion episodes and iii. knowledge of the topic with which the message is concerned (Friestad and Wright 1994:2f).

At the core of the persuasion knowledge model is the target’s interpretations of the persuasion tactics used by agents.<sup>44</sup> That is, what the target believes that an agent will do or say in order to “*influence psychological activities conceived of as instrumental to persuasion*” (Friestad and Wright 1994:12). At the point in time when a target interprets an event as a persuasion attempt, the meaning of that event is altered. This “change-of-meaning” activates the target’s persuasion coping behavior. It is important to note that the coping behaviors, or coping tactics, are both individual and flexible. Thus “coping” with a persuasion attempt can result in anything from dislike and avoidance to liking and purchase.

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<sup>44</sup> Note that our focus lies on the target and that we have paid little heed to describing in-game advertising as seen from the agents’ perspective.

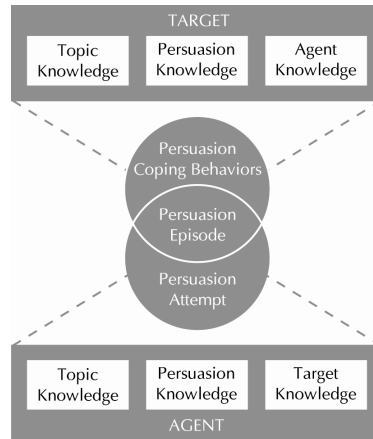


Figure 1: The persuasion knowledge model (Friestad & Wright 1994:2).

We have chosen only to use the target side of the model leaving out all aspects of agent knowledge. The rationale behind this choice is that we are concerned with exploring the opinions of core gamers, and these are formed regardless of the intentions on the part of the agent.

## 5.2 Telepresence and Sensory Immersion

During our interviews many respondents described computer gaming as experiencing an illusion. To understand what the respondents meant when talking about the game-world as an illusion we refer to the theoretical works of Steuer (1992), Vorderer (2000), Greenbaum (1992:58) and Grodal (2000) dealing with the issues of telepresence and immersion. We believe that a deeper understanding of the term is crucial to research on core gamers' opinions about in-game advertising.

### 5.2.1 Immersion

Grodal (2000) and Vorderer (2000) argue that the level of “involvement” during gameplay could be so high that one could describe the experience as immersive. Vorderer describes the term “immersive” by quoting Biocca and Delaney (1995:57); *“Immersive is a term that refers to the degree to which a virtual environment submerges the perceptual system of the user in computer-generated stimuli. The more the system captivates the senses and blocks out stimuli from the physical world, the more the system is considered immersive.”* The nature of computer games is such that it requires a high level of interaction. If an experience requires a substantial part of the player's capacity in terms of perceptions, cognitions and emotions, the player will have less capacity to focus on the game as “just a game” enabling him or her to become immersed (Grodal 2000:204) and absorbed in the game-world.

### 5.2.2 Telepresence

Steuer (1992) describes virtual reality in terms of technology and human experience.<sup>45</sup> The term presence is defined as *“the sense of being in an environment”* and telepresence as a *“mediated perception of an environment”* or a *“medium induced sense of presence...”* (Steuer 1992:74f). Telepresence is described as a sense of being transported from the physical world to a *“virtual world synthesized by a computer game”* (Steuer 1992:75).

<sup>45</sup> Steuer (1992:8) claims that *“telepresence is a function of both technology and perceiver”* meaning that player characteristics as well as technological refinement affects the level of telepresence. In Grodal (2000:202) it is also obvious that the characteristics of the player are crucial in the build-up of immersive gameplay.

Greenbaum (1992:58) gives us further understanding with the definition of virtual reality as an *“alternate world filled with computer generated images that respond to human movements.”*, what Steuer (1992:73) calls something more than just a *“collection of hardware.”*

#### 5.2.2.1 Interactivity

There are inherent differences between active media, such as computer games, and passive media, such as TV and films. One of the main differences is the level of interactivity (Grodal 2000). We will highlight only those aspects relevant to the topic of in-game advertising; causality in the virtual world and customization. In the articles we refer to in this section, the interactive nature of computer games, is considered to be an important component affecting the level of telepresence and immersion felt by the gamer. However, for our purposes, we will only look at the issue of interactivity briefly, because it i. affects telepresence and immersion and ii. can have implications for the level of tolerance towards some forms of in-game advertising.

According to Grodal (2000) interactivity is to what extent the player can communicate with the environment and other in-game characters and to what extent the player can *“actively participate in shaping the games”* (Grodal 2000:197) thus changing the way the story evolves. Vorderer (2000) is of the same opinion summarizing the computer gaming experience as offering users *“an opportunity not only to select specific content and respond to it, but also to modify the content that is presented to them.”* He also states that interactivity is about action and reaction, which is relevant in the section of the analysis that deals with the possibilities for players to choose among alternatives in the games and the negative aspects of limiting the gamers in their ability to effect the game environment or its attributes.

According to Steuer (1992), interactivity and vividness are two determinants of telepresence. The first one, interactivity, represents to what degree the player can affect the content of the game environment. Interactivity, in its turn, has three determinants. The first one, mapping, refers to the way in which actions performed on the controls of the media are presented within the mediated environment. Actions could either produce a natural reaction within the game environment or a completely arbitrary one, meaning that the game environment and its' features will either react as the gamer expected them to react, or not. Mapping is a function of the controls, the gamer that interacts with the environment and *“the ways in which the actions of these controllers are connected to actions within that environment”* (Steuer 1992:87). The second determinant of interactivity is range, which basically is the number of features and attributes that can be affected or manipulated by the gamer and the amount of possible variation within each attribute; *“The greater number of parameters that can be modified, the greater the range of interactivity of a given medium.”* (Steuer 1992:86). The third one, speed of interaction, represents the time it takes for the mediated environment to change due to the action of the media user, in our case the gamer. Response time is an important feature in an interactive media and Steuer (1992:86) claims that; *“[...] immediacy of response is one of the properties that makes even low-resolution video games seem highly vivid.”* Each three of these variables effect the level of interactivity which, in its' turn and together with vividness, effect the level of telepresence felt by the gamer.

### 5.2.2.2 Vividness

Vividness is defined as *“the way in which an environment presents information to the senses”* (Steuer 1992:81). According to Steuer, vividness is driven by stimuli within the medium that are depending upon the technical characteristics of for example a computer game. There are two technical determinants of vividness; breadth and depth. The breadth of the media basically depends upon how many of the user’s senses that are being stimulated. Depth, on the other hand, could be referred to as quality. An image or a game environment with greater depth is considered to be of higher quality than one with less depth. Steuer (1992:83) says that *“depth depends directly upon the amount of data encoded and the data bandwidth of the transmission channel”*, which is pretty much the same as resolution and technical sophistication of the media.

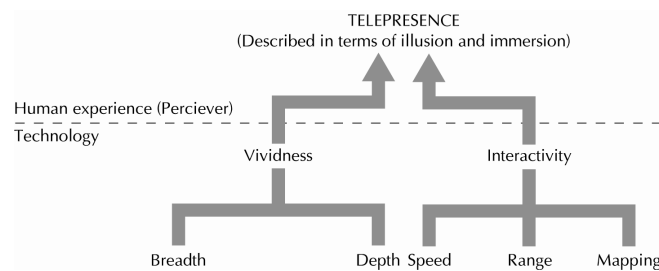


Figure 2: Technological variables influencing telepresence (Steuer 1992:81).

## 5.3 Purity and Impurity

Previous studies on in-game advertising have neglected the concept of telepresence and immersion. Nor has anyone tried to create deeper theoretical understanding of why in-game advertising could appear disturbing to the gamer. Since we found the level of telepresence and immersion felt by the gamer to be crucial factors of the gaming experience we are interested in how in-game advertising might affect these factors. We believe that theories on purity, represented by sacredness, and impurity, represented by dirt, serves our purposes well in that they;

- i. offer an explanation for the possible dislike associated with the introduction of foreign matter, such as advertisements, into a familiar system, such as the game-world.
- ii. might offer an explanation for the possible tolerance of in-game advertisements that are well integrated in the game environment.

### 5.3.1 Purity as Sacredness

The purpose of this section is to provide a theoretical framework for our effort to describe the gaming-experience as a sacred experience and the game-world as a transcendent place. In a paper called *“The Sacred and the Profane in Consumer Behavior,”* Belk et al. (1989) states that an ongoing process of sacralization of the

secular is taking place in contemporary culture.<sup>46</sup> Belk argues that for many people in our secularized world, consumption has become a vehicle for experiencing the sacred. The article explores the ritual aspects of consumption and the processes through which objects and experiences can achieve sacred status.

#### 5.3.1.1 Properties of Sacredness

The concept of sacredness has several different properties. Of relevance to our study are the following:

- i. *Opposition to the profane*: Sacredness is often defined by its opposition to the ordinary; the profane. This means that any mixture of the sacred and the profane might destroy the essential attributes of that which is considered sacred. As a consequence of this, an important social function is the protection of the sacred against the profane (Belk et al. 1989:6).
- ii. *Commitment*: Commitment has to do with the feeling of emotional attachment to the sacred object or experience. The commitment makes individuals focus their attention towards the sacred turning it into an integral part of their identity (Belk et al. 1989:7).
- iii. *Ritual*: Rituals are rules which stipulate how individuals should act in the presence of sacred objects. Rituals bring order and protect the sacred from contact with the profane (Belk et al. 1989:7). Rituals also help individuals in the construction of “*safe havens*” in an otherwise threatening environment (Ger and Baskin 2004).
- iv. *Communitas*: Communitas has to do with the social structure built around the sacred object or experience. This structure is separate from regular social structures in that it stems from shared ritual experience rather than class, age or gender (Belk et al. 1989:7).
- v. *Ecstasy and Flow*: Ecstasy is a term used to describe the self-transcending feeling that sacred objects and experiences are capable of producing (Belk et al. 1989:7f). The psychological interpretation of ecstasy is “flow” or “optimal experience”. In order for an experience to induce a state of flow it has to offer clear goals and feedback as well as be challenging and require skill. The experience also has to require concentration on the task at hand and be autotelic; meaning that the experience is its own reward (Csikszentmihalyi 1998:72-95).

Finally, sacredness is linked to concept of high enduring product involvement within the field of consumer behavior. However, the two are distinctly separate concepts. Sacred consumption is not restricted to physical objects, “*it may also attach to people, places, times and experiences*” (Belk et al. 1989:13). It also provides “*self transcending, extraordinary experiences*” (Belk et al. 1989:13, Csikszentmihalyi 1998) and can be profaned.

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<sup>46</sup> This process is according to Belk et al (2001) parallel to the secularization of religion. He is inexplicitly hinting at the possibility that we humans have a sort of need for regarding some things in our lives as sacred; be they gods or goods so to speak.



### 5.3.2 Impurity as Dirt

The purpose of this section is to provide a theoretical base for the understanding of why in-game advertising could appear disturbing to gamers cherishing the immersiveness of the game environment.

*“The first entry in the Webster Dictionary for the word clean is ‘free from dirt or pollution...’”* (Ger and Baskin 2004:462). As a foundation for our explorations of the causes and effects of disturbances to the immersive game-world, we have chosen the work of Douglas (1991) whose book is a *“symbolic interpretation of the rules of purity and pollution”* (Douglas 1991). We also find similar reasoning in the work of Ger and Baskin (2004:463) who claim that if something is disturbing to the balance of the world it will be *“interpreted as being dirty.”* Douglas elaborates on the concepts of purity and impurity from a cultural, religious and societal perspective and uses the word “dirt” as a symbolic rather than a functional term, to describe impurity and disorder.

All humans share a propensity for classifying objects as well as ideas.<sup>47</sup> Any classification process has to do with ascribing, to a certain category or system, certain matter sharing common traits. Doing this implicitly places all other matter outside the system. Disorder is that which appears when matter, unfamiliar to a specific system, is introduced into it. Thus, dirt is not an absolute term but rather something that exists in the eyes of the beholder; *“a by-product of a systematic ordering and classification of matter”* (Douglas 1991:36). In short, dirt represents disorder within a system, and nothing is dirty in itself (Sjödin 2006). This is relevant to our study in that it offers an explanation for the possible dislike associated with the introduction of foreign matter, such as advertisements, into a familiar system, such as the game-environment.

Our senses are constantly fed with millions of impulses, or stimuli, from the world around us. To make sense of it all we focus our attention only to those which are of interest to us. According to Douglas our interests are governed by our *“pattern-making tendency, sometimes called schema”* and *“In perceiving we are building, taking some cues and rejecting others. The most acceptable cues are those which fit most easily into the pattern that is being built up. Ambiguous ones tend to be treated as if they harmonized with the rest of the pattern. Discordant ones tend to be rejected”* (Douglas 1991:37). This is relevant to our study in that it might offer an explanation for the possible acceptance of in-game advertisements that are either well integrated in the game environment or perceived as fitting into the schema.

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<sup>47</sup> Henceforth physical objects as well as mental constructs will be referred to simply as “matter.”

## 6. ANALYSIS

The first part of the analysis deals with our respondents' overtly expressed opinions about advertising, how it works and to what extent they consider themselves to be influenced by it. In the second part of the analysis we develop a model on how in-game advertising affects the level of telepresence and immersion felt by the gamer. In the third part of the analysis we apply theories on sacredness and dirt to our empirical findings in order to provide possible explanations for the underlying reasons behind our respondents' opinions about in-game advertising.

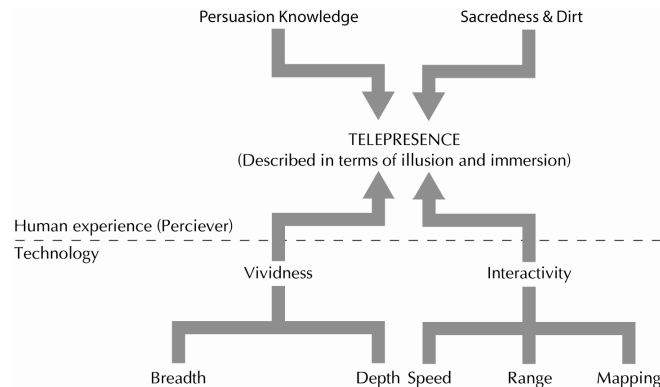


Figure 3: Graphical outline for the analysis based on the model developed by Steuer (1992:81).

This model is only to be used as a graphical illustration of the basic proposition of the analysis and we do not suggest it to be all-inclusive. There are other variables, outside of this model, that affects the level of telepresence experienced by the gamer. Also, the variables in the model can have consequences for other things than the experienced level of telepresence.

*The model reads as follows:*

How in-game advertising, in relation to the level of persuasion knowledge held by the respondent, affects the level of telepresence experienced by the gamer.

How in-game advertising, in relation to the perceived sacredness of the game environment, affects the level of telepresence experienced by the gamer.

How in-game advertising, in relation to the technological variables vividness and interactivity, affects the level of telepresence experienced by the gamer.

## PART I

### 6.1 Persuasion Knowledge

In the process of studying opinions about advertising in games, it is of interest to discern to what extent hybrid messages are interpreted as actual persuasion attempts. If the respondents were to have limited knowledge about advertising practices, persuasion attempts might either pass them by unnoticed or be noticed but not interpreted as advertising. Thus we saw fit to delve deeper into our respondents' knowledge of advertising practices as well as try to determine their ability to spot commercial intent. Our aim in this section is not to test the persuasion knowledge model in its entirety but rather to use parts of its framework in asserting how targets' opinions about advertising practices in general may influence their opinions about in-game advertising.<sup>48</sup> We focus solely on the target's role as a receiver of a commercial

<sup>48</sup> Another reason for us using the persuasion knowledge model is that it concerns thoughts, feelings and beliefs about advertising rather than attitudes about it (Friestad and Wright 1994:1).

message, and we do not consider the possibility of the target's role to change into that of an agent in the process of passing on information to others.

The empirical base for this section is our general discussions on product placements in movies and computer games and the analysis is divided according to the three forms of knowledge held by targets in the persuasion knowledge model.

#### *6.1.1 Persuasion Knowledge: Are In-Game Advertisements Deceptive?*

We asked the respondents how and to what extent they believed themselves to be affected by advertising in general and product placements in particular. Among the respondents we found two slightly contrasting views where some thought that product placements were deceptive and others did not.

The definition of hybrid messages, as embedded persuasion attempts likely to project a non-commercial character (Balsubramanian 1994:30) implies that individuals may be unaware of the commercial intent of product placements (Gupta 2000:44). If this is the case, the target of the persuasion attempt will not utilize his or her persuasion knowledge to consciously cope with the commercial message (Friestad and Wright 1994). In our interviews some respondents voiced fears of being subconsciously, and to an unknown extent, affected by advertising. Their concerns had to do with the presumably subliminal effects of product placements and the way in which they are “snuck” into games (Nebenzahl and Secunda 1993, Gupta and Gould 1997:38). Their fears were that they, without knowing, were manipulated to choose certain products that they otherwise would not have bought (DeLorme and Reid 1999 quoting Berkowitz 1994). This group typically expressed concerns such as; “*I think that I’m probably affected [by advertising] to a greater extent than I’m aware of*” (Gustaf).

The other group claimed to be affected by marketing efforts only as far as they could remember the advertised product. Typical of this group were comments such as; “*Sometimes you see a funny commercial but you can’t remember the actual product... I bet marketers make annoying commercials just so that you will remember them*” (Victor). Respondents in this group had a more positive attitude towards advertising in general and they also, to a greater extent, did not mind product placements in movies.

Finally, regardless of beliefs about the effects of advertising, all respondents displayed proficiency in recalling product placements from both games and movies. When asked about their opinions about product placements in movies all of them recalled good as well as bad examples of the practice. Good examples were often those in which the brand or product made a statement. For example the huge Coca Cola billboards in *Bladerunner*<sup>49</sup> and the abundance of Pizza Hut restaurants in *Demolition Man*<sup>50</sup> were viewed as symbols of corporate power in a heavily commercialized future. *Cast Away*<sup>51</sup> and the *Vendetta*<sup>52</sup> were deemed bad examples due to their overuse of a single, poorly integrated brand.<sup>53</sup>

All respondents knew that advertisements ended up in games because companies paid game developers to put them there and our conclusion is that developers will have a hard time sneaking

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<sup>49</sup> *Bladerunner* (Scott, 1982): Science fiction

<sup>50</sup> *Demolition Man* (Bramilla, 1993): Science fiction

<sup>51</sup> *Cast Away* (Zemeckis, 2001): Drama

<sup>52</sup> *Vendetta* (Häfström, 1995): Action

<sup>53</sup> UPS in *Cast Away* and Statoil in *Vendetta*.

products and brands into games unnoticed. The respondents in our study were all heavy media consumers and thus subjected to a virtual barrage of commercial messages on a daily basis. The respondents' negative opinions about advertising were not primarily politically motivated.<sup>54</sup> Instead their dislike seemed to stem from a general fatigue over the abundance of commercial messages aimed at them through TV, movies, magazines, radio, the internet and now, computer games. However, as we shall see next, there were some ethical issues.

#### 6.1.2 Topic Knowledge: Ethical Concerns about Products in Games

The second type of knowledge held by targets in the persuasion knowledge model is topic knowledge; knowledge about the product or service being marketed. Gupta and Gould (1997) found that attitudes towards product placements in movies were generally positive, apart from the inclusion of "*ethically charged products*" such as alcohol, tobacco and guns. In our study this was not necessarily the case. Ethically charged products were by two<sup>55</sup> respondents perceived to constitute a better fit with the environment of the game than more neutral ones, Gustaf said; *"If you for example saw a large and neat looking Coca Cola billboard in Max Payne, that wouldn't be ok, on the other hand if it was a gritty poster... it would work. They could have ads for booze, guns and cigarettes, stuff that fits."* Thus, at least to some gamers, the visual and conceptual integrity of the game environment outweighed the importance of ethical neutrality.

On the other hand products that we believed to be neutral were, to our surprise, viewed as ethically charged by some respondents. In the spring of 2005 Pizza Hut struck a cross-promotion deal with Sony Online Entertainment (Lopez 2005). The deal enables players of the massively-multiplayer-online-role-playing-game Everquest II to get online access to Pizza Hut's home delivery service without exiting the game client.<sup>56</sup> The only thing the player has to do is to type *"/pizza"* in the chat buffer.<sup>57</sup> Some of the respondents thought this practice immoral. Nicklas said *"Talk about morally ambiguous! Many people who play these kinds of games play a lot and they really need to get out of their chairs."*, and Marcus said; *"I think it could work but it's a bit silly, you shouldn't encourage people to have pizza every day."*

We believe it is important that these findings are observed in a cultural context. In Sweden most people never consider buying a gun. Thus seeing an advertisement for a gun was probably not believed to cause people to actually buy one. On the other hand, a convenient way to order pizza was believed to have undesirable real life effects on the gamers' health and therefore generated dislike.

#### 6.1.3 Agent Knowledge: Faith in the Judgments of Game Developers

The third type of knowledge in the model is agent knowledge; the target's knowledge about whomever is identified as being responsible for the design and construction of the persuasion attempt (Friestad and Wright 1994:2). The agent is usually the company responsible for an advertising campaign or an individual salesperson. When it comes to product placements the target is, as we see it, faced with dual agents. The

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<sup>54</sup> With "politically motivated" we mean motivated by a dislike of commercialization, globalization or major international companies and brands in general.

<sup>55</sup> Gustaf and Victor

<sup>56</sup> To our knowledge this service is to date only available in the USA.

<sup>57</sup> The on-screen chat-window in which all communication between players take place.

first one is the company whose product or brand is on display. The second one is the individual or individuals responsible for how the product or brand is presented. Companies such as Microsoft were by some respondents seen as a nuisance due to their allegedly excessive display of products movies such as *The Island*.<sup>58</sup> The game developers, on the other hand, were viewed in a different light. Our respondents gave us comments such as; *"I for example have confidence in Blizzard [...] they will surely not put advertising all over the walls...I believe the artistic freedom will still be there."* (Nicklas), or; *"As long as they have the freedom to make the game and place the commercials where they want to it's not necessarily a bad thing"* (Markus).

Belonging to this knowledge category is also the understanding of why advertisements are put in games. Some of the respondents pointed at the fact that the development of computer games is becoming increasingly costly and that in-game advertising will be necessary in order for developers to keep putting out new games. Thus, it seemed as the respondents put a lot of faith in the judgments of game developers and we believe that they will have to live up to their reputation or run the risk being viewed as ignorant. This issue is emphasized by Nutley (2005) who states that core gamers are *"most likely to be sensitive to game producers 'selling out'."* Nutley compares the computer game industry to the music industry which has suffered due to its lack of understanding for its audience as well as its reluctance to embrace new technologies. According to Nutley this issue is especially pertinent in the computer games market since it is so community based.

## PART II

### 6.2 Telepresence and Immersion: The Game-World as an Illusion or a Quest for Realism?

Results from previous research show that attitudes towards product placements, in movies as well as in games, are generally positive due to the ability of real products and brands to enhance realism (Gupta et al. 2000, DeLorme and Reid 1999, Gupta 1997, Nelson 2002, Nelson et al. 2004). What we ask ourselves is the following; if realism is as critical an issue as the research community has made it out to be, we believe the respondents would have mentioned it in our discussions on the properties of a good game. They did not, instead most comments regarding in-game advertising were made in relation to its possible effects the "illusion" of the game-world; the feeling of being absorbed in the game. As described in the theoretical framework section we found that the term illusion, as used by the respondents, to be closely linked to the theoretical concepts of immersion and telepresence. Biocca and Delaney (1995:57) define immersive as *"a term that refers to the degree to which a virtual environment submerges the perceptual system of the user in computer-generated stimuli."* Telepresence, the feeling of being transported inside the game, is defined by Steuer (1992:75), as *"the extent to which one feels present in the mediated environment."* In order to describe how in-game advertising can affect the level of telepresence experienced by the gamer we use the model developed by Steuer (1992:81).

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<sup>58</sup> Victor thought that the product placements in the movie benefited its depiction of an over-commercialized future while others, such as Nicklas, Marcus, Staffan thought that it looked too paid for. Nicklas said that *"the Island is the worst example, with ads for X-box 360 and MSN. It's so obvious that they just want to show their brand."*

### 6.2.1 Vividness

Vividness, as described in the model by breadth<sup>59</sup> and depth and by the respondents as “quality” and “resolution”, entered into our discussions as a basic condition in order for in-game advertisements to work at all. With regards to depth, or quality, of the advertisements some of the respondents stressed the importance of advertisements having the same resolution as the rest of the game. Markus said; *“It has to blend in and become a homogeneous part of the game-world.”* When asked what he would think about photographic ads in a 3D game Gustaf answered; *“It’s not necessarily a bad thing [...] but it’s important to be consistent. I don’t think you could blend photographic ads, illustrated ads and 3D product placements in the same game.”* The importance of consistency in quality was related to all the graphical elements of the game, not specifically to in-game advertising. In conclusion vividness may thus be seen as a prerequisite, stipulating that which is necessary but not in its own right enough, in order for advertisements in games to be accepted.

### 6.2.2 Interactivity

While our general discussions about advertising in games yielded many negative or ambiguous results our genre specific discussions gave us a more nuanced view of when and why real brands in games actually could work. As we have said earlier, advertising within sports and racing games is a no-brainer. However, if we delve deeper into why exactly there is so little opposition to advertisements in sports and racing games we might learn something about in-game advertising that could be applicable to other genres as well. The key here appears to be certain aspects of the game’s interactivity. All games are interactive, that is what makes them games, but what we will take a closer look at in this section is the interactivity related to the development of the in-game character. The model names three determinants of interactivity; range, mapping and speed.<sup>60</sup>

#### 6.2.2.1 Range

So, why do gamers feel immersed in their games? According to Steuer (1992), vividness and level of interactivity are the two determinants of telepresence. Interactivity is to what extent the player can communicate with the environment and other in-game characters and to what extent the player can *“actively participate in shaping the games”* and *“change the course of the narrative”* (Grodal 2000). In many games, gamers have the possibility to modify and customize their characters, select the level of difficulty and thereby affect the outcome of the game. Our findings also suggest that in-game advertising could more easily be accepted in games if the gamers have the possibility to choose between different alternatives. The respondents enjoyed the ability to customize their characters, in that way turning something generic into something unique. Markus claims that there are players who *“finish the game really fast in order to unlock all options and play the game all over again with a wider range of choices.”* Nicklas said that *“It’s almost only positive that there are so many things to choose between... In for example Tiger Woods...you can choose what to wear, and as long as you can choose, [in-game advertising] is only positive.”* What made this kind of in-game advertising acceptable, even

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<sup>59</sup> Breadth, the number of senses involved in perceiving a virtual environment, was not mentioned at all during our interviews. We believe the reason for this to be that no one would expect advertisements in a game to be perceptually divergent from the rest of the gaming experience.

<sup>60</sup> Speed is an important issue in all interactive media but of no specific consequence to the issue of in-game advertising, and therefore disregarded in this study.

desirable, was the element of choice. A wide range of possible choices, or attributes that could be controlled and changed within the game environment seemed to be appreciated by the respondents creating possibilities for creative integration of in-game advertising. An in-game character pre-fitted with branded clothes was considered “bought” while the ability for the gamer to choose from a range of branded equipment and clothes was considered a good thing.

We find it possible to extend this line of thinking beyond sports and racing games. In the game Devil May Cry II, the player has the possibility to dress his or her character in various Diesel clothes. When we showed the respondents clips from this game most of them thought that the idea was quite creative. To say that they were enthusiastic about it would be an overstatement but, compared to their preconceptions about brands and advertisements in games their opinions about this kind of implementation was certainly more positive. The difference between sports and action games, in this regard, appear to be that action games are more sensitive. Among those respondents critical to the inclusion of Diesel-clothes we find Niklas. He had played and enjoyed the previous installment in the Devil May Cry series and complained about the clothes not being in line with the gothic atmosphere of the game. Another respondent, Johan, just thought that the clothes looked silly. What we noted here was that the criticism was not directed towards the fact that Diesel had paid to have their clothes put into the game, but rather concerning whether there was a fit between the clothes and the game environment.

#### 6.2.2.2 Mapping

We saw more examples of the importance of interactivity in relation to in-game advertising when we talked about racing games. Two respondents brought up the popular racing game Gran Turismo as an example of how commercial interests can have negative impact on the interactivity of a game; *“It was some racing game where you couldn’t crash the cars because the manufacturers didn’t want to see their cars being destroyed”* (Markus). Staffan brought up the same issue. *“In Gran Turismo you’re still not allowed to do any damage to the cars. [The game developer] has agreements with Toyota and they don’t want to see their cars destroyed. It sucks. I think it’s we’re going to see more and more of that.”* What the gamers liked was that they had the opportunity to choose between different cars, what they didn’t like was that they couldn’t damage the cars, even if they wanted to. This brings us to Steuer (1992) and his thoughts about mapping as a function of the gamers and their actions connected to what happens in the game environment. If the gamer crashes his car in a racing game, he wants natural reaction in the game environment which in this case should be a car with serious damages from the crash. Interactivity in computer games is about action and reaction (Vorderer 2000) and if commercial interests are allowed to affect the interactive features of the game, at least our respondents, were not late to notice. The interactive nature of the game could be a resource for advertisers but restraints in the interactivity could quickly turn around the positive feelings about the incorporation of real brands and products.

Our conclusion is that the interactive nature of computer games allows developers to incorporate in-game advertising in a creative way. The trick appears to be to offer a range of choices in connection to its implementation. It also seems important that the actions of the gamers effect the game environment in

the way the gamers expected. If not, gamers will feel disturbed and annoyed. If in-game advertising could be integrated in a way that increases the number of choices for the gamers, and thereby the range of the interactivity, the level of telepresence will be stimulated making this type of in-game advertising more easily tolerated.

## PART III

### 6.3 Sacred and Profane

An ongoing process of sacralization of the secular is taking place in contemporary culture (Belk et al 2001). Belk argues that for many people in the secularized world, consumption has become a vehicle for experiencing the sacred.<sup>61</sup> If we can show that our respondents, at least to some extent, regard the gaming experience as sacred, that might offer an explanation for their reluctance to see advertisements in games. If the gaming world is viewed as a “safe haven” (Ger and Baskin 2004:462), a place void of real life influences, it might be logical for gamers to regard persuasion attempts in the gaming environment as intrusive and disturbing.

#### 6.3.1 Properties of Sacredness

i. Quoting Durkheim (1953:70), Belk et al. (1989) states that “*The sacred is in opposition to the profane.*” and that “*The sacred [...] cannot, without losing its nature, be mixed with the profane. Any mixture or even contact, profanes it, [...] destroys its essential attributes.*” Many of the comments on how the game-world could be destroyed by real life brands had to do with role-playing-games and other games set in a fantasy environment. For example, Samir stated that; “*any connection to the real world... would destroy the fantasy world.*” Of course one does not need a theory about the sacred and profane in consumer behavior to understand that a Coke billboard simply will not fit in an ancient world of warriors and witchcraft. However, comments similar to this one were also made in our discussions of fake versus real brands in games set in a modern day environment. Event though we did not explicitly bring it up, views and opinions about the game GTA: San Andreas surfaced in all our discussions. This is a popular and controversial game set in California in the early nineties. The developers have created the city of San Andreas by combining features of Los Angeles, San Francisco and other Californian cities. Those respondents who viewed San Andreas as a real city<sup>62</sup> were generally more open to real brands and advertisements in the game than those who viewed it as a fictional city. Gustaf, a rather skeptical respondent said; “*...its tricky stuff... a part of what makes it cool is that they’ve made San Andreas and not San Francisco, and then it makes sense to use fake brands.*” Staffan said that the mock versions of McDonalds and KFC were satirical and offered comic relief to the game which real brands could, or rather would, never have done. On the other hand, Victor, one of the more positive respondents said; “*I wouldn’t be bothered by it in GTA since it takes place in our world anyway. Say that you walk into a drugstore, then it’s definitely ok with real products. It doesn’t matter if it’s Coca Cola or ‘Coca Boca’. GTA has food*

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<sup>61</sup> Belk states twelve properties of sacredness of which we consider five to have relevance for our topic.

<sup>62</sup> Some referred to it as LA and others as San Francisco.



*chains and I don't know if it would seem strange with McDonalds. But sometimes [developers] do it to make fun of different companies but I still think it's a good thing in a game that takes place here and now.*" The majority of respondents, with regards to this particular game, actually belonged to the latter category stating that real brands and advertisements could potentially benefit the gaming experience.

ii. *Commitment*: This aspect of sacredness shares some common traits with the involvement construct within the field of consumer behavior. It is expressed through a "*focused emotion or emotional attachment*" (Belk et al. 2001:7) to that which is considered sacred. We identified two forms of attachment among the respondents. The first one is the attachment to the avatar.<sup>63</sup> This attachment is based on the ability to shape the character and watch its skills evolve during the course of the game. The second form of attachment, found in online games in general and massively-multiplayer-online-role-playing-games in particular, is that to other players on the same server with whom you share your in-game experiences. Commitment was also expressed in terms of time spent with the game. This was especially true concerning massively-multiplayer-online-role-playing-games. Victor, referring to WOW said; "*it takes a hell of a lot of time, but it has to because otherwise you don't get as much out of it.*" Since the plot of an online role-playing-game is constantly evolving, simply playing once in a while does not give the gamer the full experience of the game. A commitment to the game appears necessary for the enjoyment of it.

iii. *Communitas*: Communitas denotes "*a social antistructure that frees participants from their normal social roles and statuses*" (Belk et al. 2001:7). Online game-players appear to be judged on a different set of criteria than individuals in real life. Victor put it like this; "*it's quite strange really... it's this Danish guy that I've been playing WOW with for like six months... I have no idea what kind of a person he is in real life, and I wouldn't want to know. The strangest thing is that I probably spend more time with this guy than with many of my real friends...*" This is a telling example of how the community frees its members of social barriers. Instead, Victor claims that decisive factors in the social interactions among online game-players seem to be civility, a sense of humor and, as we shall see next, familiarity with the language and codes of conduct associated with online gameplay.

iv. *Ritual*: Rituals are codes or rules of conduct prescribing how individuals should act in a certain situation (Belk et al. 2001:7). The world of online gaming appears to be full of both codes and rules. The most striking feature to the inexperienced is the plethora of abbreviations used to describe anything from objects to actions both within and outside of the gaming environment. Victor described how hard it can be when you play WOW for the first time. He told us that if you join a party of more experienced players to perform a task together, you are expected to be familiar with the role you are supposed to play within that group. If the other players are impatient, any deviations from the code might result in you being either verbally reprimanded or just generally frowned upon.

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<sup>63</sup> The playable character in a computer game

v. *Ecstasy and Flow*: Ecstasy and flow has to do with the experience, of that which is considered sacred, taking on a life of its own; a self transcending feeling going beyond what can be experienced in everyday life (Belk et al. 2001). Flow has been described in psychological terms as an elevated state of mind achievable under certain circumstances and consisting of several psychological components (Csikszentmihalyi 1998:72-95).

In order for an activity to create the feeling of flow, it has to be challenging and require skill. Thoughts on challenge and skill surfaced in many of our discussions about the properties of a good game. The challenge-skill duality appeared especially important for those respondents who considered gameplay and the improvement of personal skills to be the most compelling aspects of a good game. Staffan, apparently familiar with the concept of flow, said that the most important thing about a game was its ability to create flow by offering *“the perfect challenge.”* However, among the respondents favoring storyline-oriented games there were also comments hinting at the importance of the challenge-skill duality; *“You should never feel that you’re either too skilled or too inexperienced, you should always progress at the same rate as the game”* (Victor), and *“you should never get stuck because of goals that are set too high”* (Gustaf).

The flow-experience requires concentration and is facilitated by clear goals and feedback (Csikszentmihalyi 1998). Here, as well, computer games seem to be an almost ideal catalyst for the flow-experience. Concentration is obviously needed to perform well in any game but the challenges faced in computer games are, as Staffan said, *“tweaked to fit the learning curve”* meaning that as your skills develop and you progress through the game the obstacles encountered become increasingly difficult, constantly keeping the gamer on his or her toes. When it comes to feedback computer games share a common trait with sports in that they offer a direct response to all actions. Since feedback is instant the gamer always knows how well the task at hand has been performed.

The key element of an optimal experience is its autotelic quality (Csikszentmihalyi 1998). This means that the experience is its own reward. There is no question that this holds true for computer gaming. Even though games are goal oriented it is the road leading up to that goal which makes up the gaming experience. In fact all forms of entertainment are autotelic, but what sets computer games apart is the interactivity. The person playing a game is not a passive receiver of entertainment, but actively taking part in the creation of the gaming experience.

Flow, in its own right, might explain much of the appeal of computer games. But, viewed apart from the other properties of sacredness, the possibility to experience flow hardly serves as an explanation for gamers attitudes toward in-game advertising (see Schneider and Cornwell 2005). We do not conclude that all games are sacred to all gamers. Rather we argue that to different gamers, different elements of the game or gaming experience are regarded as more or less sacred. The ability for the game to induce a sense of flow was especially important to those gamers concerned with gameplay and improvement of personal game-playing skills, the community, or “communitas”, was especially important to players engaged in online gaming and the commitment to the game was prevalent in particular among the gamers who preferred role-playing-games.

Our findings show that the respondents who favored games with a strong storyline and vivid environment are more likely to regard the game-world as sacred than the respondents favoring gameplay and improvement of personal playing skills. The latter two groups, even though they had negative attitudes towards advertising in general, claimed that advertisements within games would be acceptable, as long as they did not impair the players' performance in the game.

## 6.4 Dirt

To most of the respondents, computer gaming is about escaping reality and entering an illusion. The possibility to become immersed in the computer game environment is what many of them consider being the basic reason for devoting a substantial part of their leisure time and cognitive resources to computer games. Earlier we have concluded that in-game advertising could either "make or break" the immersion of a game. Gamers could, depending on various factors, feel disturbed and interrupted by the inclusion of advertisements in games. In this part of the analysis we take an anthropological approach to the problem by using the concepts of purity and impurity to create understanding of why our respondents feel, or think they would feel, bothered by in-game advertising. Our goal in this section is to gain understanding of the underlying psychological factors shaping our respondents' opinions about in-game advertising.

### 6.4.1 In-Game Advertising: A Disturbance in the Game-World?

As we described in the section on persuasion knowledge, the respondents are heavy media consumers and well aware of the commercial motives governing decisions to advertise. Some of the comments regarding advertising in general suggested that it is perceived as disturbing regardless of the context in which it is presented; that it is disturbing in itself. However, most comments pertaining to advertising in games were made relative to its possible affects on other factors. According to this more nuanced view, advertising becomes disturbing when it appears in a context in which it is believed, or perceived, not to fit. Such a context could be computer games as a medium, a certain game genre or a specific game environment.

Douglas (1992) talks about the human predisposition for order and cleanliness in terms of an innate "*pattern making tendency*." These individually constructed patterns, often referred to as schemas, are used to facilitate the cognitive process of categorizing objects and ideas (Douglas 1992:37). If something is perceived not to fit into a schema it creates disorder, i.e. is perceived as dirty. We believe one could consider a game to be a system made up of elements<sup>64</sup> fitting together creating an experience that gamers enjoy consuming; a piece of machinery that runs smoothly and where all elements are perceived to be relevant. If something interferes, it creates disorder and we believe that the fear of disorder and disruption plays a significant role in forming core gamers' opinions about in-game advertising.

DeLorme and Reid (1999), in their study on product placements in movies, found that older respondents associated brand props with "*feelings of insecurity, frustration, and fear of change. They interpreted encountered brands as threats to, infringements on and pollutants of the sacredness of the viewing experience.*" One of their

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<sup>64</sup> E.g. storyline, environment and gameplay

respondents concluded that “...people who made the movies back in the olden days were really trying to keep things a little purer...” One of our respondents seemed to have similar feelings to those of the older movie goers in the DeLorme and Reid study stating; *“For me games should be games. I like them as clean as possible. I fear that it’s going to be so hollowed out... real brands could be there for the worst of reasons and maybe they won’t fit in the [game-]world. Fake brands are adapted to the [game-]world and can enhance the illusion [...]”* In this quote Markus expresses general as well as game-specific skepticism towards advertising in computer games. He considers games to be a pure medium that should be free from what he believed to be irrelevant things such as advertisements. In accordance with what Sjödin (2006) found in his work on the perceived misfit between the Porsche brand and their Cayenne SUV, we observed that several of the respondents felt that there was an inherent misfit between advertising and computer games on a general level. This view emerged mostly during our initial non-genre specific discussions. But, as our discussions became more genre or game specific we found that the issue was not that clear cut. In-game advertising, to most respondents on a genre specific level, was not necessarily perceived as disturbing and dirty in itself. In-game advertising could be accepted as a “clean” feature in a computer game, as long as there was a perceived fit between the brand and the game environment and the advertisements were well integrated i.e. did not break the immersion of the game.

#### 6.4.2 *When Do Real Brands Break the Immersion?*

Just as people want to escape the polluted and dirty cities during weekends we believe that playing computer games can be seen as an escape to a clean and unspoiled environment. Nelson (2004) found that *“real brands allow for greater immersion because they do not psychologically launch them out of the game.”* Contrary to Nelson (2004), we found that fake brands are more easily integrated into many games, with a smaller risk of disrupting the gaming experience. Fake brands could make a point in a game such as to offer comic relief, be satirical, or simply be put there for aesthetical reasons. Regardless of the rationale behind a specific placement all fake brands in games share a common purpose; to enhance the gaming experience. Real brands on the other hand serve a different purpose, a commercially motivated one. These two purposes are not necessarily mutually exclusive but only when a game benefited from increased realism did real brands have the potential to add to the immersive nature of that game. If put in the wrong place or in the wrong game the respondents believed it would break the immersion and psychologically launch them out of the game. Also, fake brands are not required to be easily spotted, remembered and recalled by the gamer allowing for a more subtle approach to their in-game placement on the part of the game developer.

#### 6.4.3 *Obvious Persuasion Attempts, Poor Integration and Irrelevance are Disturbing*

One of the reasons for dislike of in-game advertising was if it was identified as an obvious persuasion attempt aimed directly at the gamers themselves. As Markus put it; *“in-game advertising must always be a part of the game and it can only indirectly be aimed at me as a gamer...directly aimed in-game advertising destroys the illusion.”* In-game advertising also has to be well integrated into the game-world and be of relevance to the context of the specific game. This is in line with the findings of DeLorme and Reed (1999) on brand placements in

movies. Just like our game-players, the moviegoers did not like excessive and inappropriate brand placements. There are more similarities in the fact that in order to be accepted, brand placements had to be a part of the story and be *"blended into what's going on"* (DeLorme and Reid 1999:77). One example from our study was the inclusion of AirWaves chewing gum in Splinter Cell: Chaos Theory. The placement was considered to be, as Gustaf put it, *"a little bit too much. It broke the illusion. It's not important for the character that he's chewing gum."* The importance of integration is also brought up by d'Astionius and Chartier (2000) who claim that if advertisers want to change consumers' attitudes towards the placements, they should focus on creating well-integrated placements.

The following passage from Douglas (1992:37) offers an explanation for the importance of integration and relevance. *"In a chaos of shifting impressions, each of us constructs a stable world in which objects have recognizable shapes, are located in depth, and have permanence. In perceiving we are building, taking some cues and rejecting others. The most acceptable cues are those which fit most easily into the pattern that is being built up. Ambiguous ones tend to be treated as if they harmonized with the rest of the pattern. Discordant ones tend to be rejected."*

We will begin by looking at the acceptable cues. A person's schema for, say racing, might include concepts such as car, driver, speed, track, audience and sponsors. The schema for racing is developed through all experiences of the phenomenon regardless if they are derived from first hand contact or from secondary sources such as television, magazines or movies. Viewed in this context, a racing game is expected to be congruent with beliefs held about what racing is like in general. Thus, in racing games, and other sports games as well for that matter, advertisements or sponsors can be regarded as acceptable cues that fit into the psychological pattern constructed around the phenomenon. The empirical support for this notion are quotes such as; *"you don't even think about it in sports games, it's there all the time in real life... It's natural"* (Markus) and *"it fits the picture, it didn't break me out of the game, and the ads on the sides of the track are supposed to be there"* (Samir).

When it comes to discordant cues the first thing that comes to mind is advertising in fantasy games where there is an obvious misfit between the environment and the advertisement. Just as strongly as advertisements were believed to belong in sports and racing games they were believed not to belong in fantasy games. Fantasy games are however not the only ones set in an otherworldly environment in which advertisements might cause disharmony. Platform games, such as Nintendo's legendary Super Mario<sup>65</sup> series and more recently Super Monkey Ball,<sup>66</sup> are other examples. However to some of the respondents there were distinct differences in how advertisements were perceived in these different genres. In fantasy games the environment is highly immersive and advertisements were considered to be a threat to the visual integrity of that environment. In platform games, on the other hand, gameplay was more important than graphics in the creation of an immersive experience. This resulted in respondents, such as Staffan and Niklas, being more than skeptical towards advertisements in fantasy and role-playing-games while at the same time fairly tolerant of the advertisements in Super Monkey Ball. What we conclude from this is that advertisements are perceived as "dirty" when they threaten those features of a game that are most

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<sup>65</sup> Super Mario Bros, (Nintendo, 1985): Platform game

<sup>66</sup> Super Monkey Ball, (Amusement Vision, 2001): Platform game

crucial to the creation of an immersive gaming experience e.g. advertisements that ruin the player's concentration in a competitive action game or advertisements that ruin the visual integrity of the environment in a fantasy game.

Finally, in between the acceptable and the discordant cues lie the ambiguous ones. We believe that this category should be of great interest to advertisers since it holds the promise of the successful integration of advertisements into games where they traditionally might have been frowned upon, at least by core gamers. For example, the game SWAT 4 includes real as well as fake advertisements. This resulted in some of our respondents being unsure whether the advertisements they saw were for real products or not. What we know from our interviews is that fake advertisements are acceptable cues in that they are designed to fit in the game environment. Therefore, in a game incorporating fake as well as real advertisements, the real ones might also be accepted due to the game player's cognitive preference for treating them in the same way as the acceptable ones; as if they harmonized with the rest of the pattern.

As we have mentioned there is not necessarily a misfit between advertising and computer games but, when boiled down to the individual placement there is an inherent conflict facing game developers. In order for the in-game advertising not to be viewed as disturbing, the commercial nature of the placement must sometimes be hidden (Balasubramanian 1994:37), but at the same time, in order for the brand to be remembered, it has to be seen. Knowledge about the psychological principles that govern how different cues are perceived and categorized might deepen the understanding of why in-game advertising can be interpreted in a number of different ways depending on how it is executed and in what games it appears. Our findings show that in-game advertising for various reasons might constitute a threat to the "safe haven" (Ger and Baskin 2004: 462) of the game-world but also that knowledge about what makes the game environment immersive to the gamer can offer guidance to when and why such interpretations might occur.

## 7. CONCLUSIONS & DISCUSSION

### 7.1 Conclusions

Instead of wanting realism in computer games, as earlier studies have suggested, the respondents in our study wanted escapism, the ability to become immersed in a virtual environment. Many of the respondents' comments regarding the phenomenon of in-game advertising were made relative to its possible effects on the "illusion" of the game-world. In order for us to come to terms with this expression we have used the theoretical concepts of immersion and telepresence borrowed from research on mediated virtual environments. These concepts constitute the core of our analysis and in practical terms they are to be interpreted as the possibility for the gamer to become absorbed in the game.

Forming the basic condition for the respondents' ability to identify the commercial intent of in-game advertisements is their level of persuasion knowledge. That is, their knowledge of products, advertisers and advertising practices. Our results show that the level of persuasion knowledge held by the respondents is relatively high based on their aptitude to spot product placements in computer games as well as in movies and also due to their ability to elaborate on the possible motives and strategies behind such commercial activities. The reason for our interest in the respondents' level of persuasion knowledge is that we find it to have wider implications for their opinions about in-game advertising. A critical view of advertising in general seems to easily transfer into a critical view of in-game advertising. We also found that regardless of the individual respondent's position on the subject, knowledge about the increasing costs of game development resulted in a greater tolerance for seeing advertisements in games.

The second part of the analysis dealt with two technological properties of computer games which affect the ability of the medium to induce a sense of presence. The first one was vividness or quality. We found that vividness, to our respondents, was neither more nor less important in relation to in-game advertisements than in relation to any other graphical feature of the game environment. By this we mean that all objects in the game environment have to appear in the same resolution in order for the game to produce a homogeneous and likable experience. Thus vividness is more of a prerequisite or condition that has to be met in order for an in-game advertisement to be accepted at all. The second technological property is interactivity, the extent to which the player can communicate with the environment of the game as well as other in-game characters. The level of interactivity is determined by three factors; speed, range and mapping. Of consequence to the respondents opinions about in-game advertising were the latter two, range and mapping. Range, the number of attributes of the mediated environment that can be manipulated, was found to be of great consequence to the respondents' opinions about brands in games. The ability to customize in-game characters and vehicles was enjoyed by most of the respondents and we conclude that these features probably could be successfully transferred from sports and racing games to other genres such as action games. What made this type of in-game advertisements acceptable to the respondents was the element of choice. To be able to choose from a range of branded equipment induced a sense of control, a feeling that the products were not showed in the face of the gamer. Mapping, the second determinant of interactivity, refers to the ability of a system to map its controls to changes in the mediated environment in a natural way. In the same way as the gamer expects a car in a game to turn in

the direction that the game control has been pushed, the gamer expect a natural reaction when the car crashes into an obstacle along the course. To the respondents, causality in the game-world was regarded as an important feature. When commercial interests were perceived to interfere with this feature, such as in the game Gran Turismo, where the cars remain undamaged despite the most reckless treatment, some of the respondent reacted with dislike. Thus we conclude that companies should be careful in imposing restriction on developers that impairs the interactivity of the games.

In the third and final section of the analysis we explored some of the underlying reasons that we believe affected our respondents' opinions about in-game advertising. To begin with, and based on similar observations from studies on product placements in movies, we built the case that several aspects of computer gaming appeared sacred to the respondents. Taking a check-list oriented approach to the subject we compared aspects of sacredness in consumer behavior to our empirical findings and came to the following conclusions:

- i. The game-world is fragile and any connection between it and the real world has the potential to destroy its essential attributes. However if the game is perceived to take place in the real world, such as most sports and racing games, real world props were likely to harmonize with the game environment and thus be accepted as integrated parts of the game.
- ii. Games in general, but especially massively-multiplayer-online-role-playing-games, were subjects of a great deal of commitment from the respondents. The commitment was expressed in terms of emotional attachment to the games as well as time and money spent on them.
- iii. The community plays a central role in computer gaming culture. The community frees its members from the socioeconomic barriers associated with everyday life. Issues such as class, age and gender are downplayed in favor of game related ones such as familiarity with the language and codes of conduct expected from members of the community.
- iv. The world of online gaming is full of rituals. These rituals prescribe how individuals within the community should comport themselves in the presence of others and they also form barriers keeping uninitiated gamers out.
- v. Finally we found that the gaming experience, to many respondents, had the ability to take on a life of its own. The respondents could achieve a sense of flow as a result of games being challenging, offering clear goals and feedback and requiring concentration. Playing computer games is also its own reward.

Some of the properties of sacredness, in themselves, could account for gamers' opinions about in-game advertising but, more importantly, viewed all together they form an empirical as well as theoretical base supporting our argument that the respondents regarded certain aspects of the gaming experience as sacred.

Given that certain elements of the computer gaming experience are regarded as sacred, any matter constituting a potential threat to the sanctity of these elements was, by the respondents, perceived as disturbing i.e. had the potential to break the immersion of the game. We used the anthropological concept



of dirt in order to describe the way in which gamers might be bothered by in-game advertising. We concluded that respondents found in-game advertising dirty when it appeared in a context in which it was believed, or perceived, not to fit. We also found that fake brands were almost always believed to constitute a better fit with the game environment than real brands. The reason for this was that fake brands were explicitly put in the game by the developer in order to enhance the gaming experience. The exception to this rule was in sports and racing games. In these kinds of games the situation was the direct opposite and real brands, rather than fake ones, were believed to allow for greater immersion. Other reasons for dislike of in-game advertising among the respondents were if the advertisements were poorly integrated, irrelevant or seen as obvious persuasion attempts. Finally we explored how our psychological pattern making tendency, sometimes referred to as schema, could influence interpretations of brands in computer games. According to the theory, acceptable cues are those that easily fit into the pattern built up around a certain phenomenon, discordant cues are those that do not fit with the rest of the pattern and ambiguous cues tend to be treated *as if* they harmonized with the rest of the pattern. Based on this we concluded that advertisements were accepted if they harmonized with the pattern, or schema, for the specific game or game genre and rejected if they did not. We also found support for ambiguous cues, such as advertisements for real products mixed with advertisements for fake ones, being accepted among our otherwise quite skeptical respondents.

## **7.2 In-Game Advertising across Different Game Genres**

Largely absent in the previous research on in-game advertising is the immersive nature of computer games as well as the mediated sense of presence induced by the computer game environment. Building on our empirical findings we have established how the respondents believed real brands to affect the gaming experience across different genres.

### *7.2.1 Sports and Racing Games*

When talking about product placements in sports and racing games the respondents were without exception positive. They all thought real brands should be there and that they added to the gaming experience. This concurs with the findings of Nelson (2002) and Nielsen Entertainment Studies (2004 & 2005) that real brands are accepted, even desired, in games striving to accurately portray the real world. What these studies however fail to address is that it is not increased realism, in itself, that makes gamers happy about advertisements in sports and racing games. It is the fact that realism, in these kinds of games, increases the level of immersiveness of the game environment giving the player a stronger mediated sense of presence. Our respondents wanted to drive real sports cars and, even though they were not very interested in sports games, expressed an understanding of why people would want to play golf as Tiger Woods, soccer as David Beckham or ride a skate board as Tony Hawk. One respondent explained that a real sports fan knows exactly which companies that sponsor a specific team or player and in order to accurately portray that team or player, developers will naturally have to use the same sponsors. Thus in the

case of sports and racing games realism, interpreted as “*depicting persons and scenes as they are believed really to exist*”<sup>67</sup>, adds to the immersiveness of the game and gives the player a feeling of telepresence. A prerequisite for in-game advertisements to work was that they were properly integrated into the game environment and that a single brand was not used excessively<sup>68</sup>.

### 7.2.2 Role-Playing/Fantasy Games

In the case of fantasy and role-playing-games the term realism, in relation to brand placements, is an inconsequential one. Apart from ethical issues real brands can be tolerated as long as they are *not* integrated into the environment. Victor explained that an online role-playing-game consists of two distinctly separate parts. One part is the actual game environment in which the story unfolds and the characters interact with each other and the environment. The other part is the chat window, or chat buffer, where conversations between players take place. Selling pizza to the online players, however unethical it might be, did not compromise the visual integrity of the game environment, and thus did not break the immersion of the game.

### 7.2.3 Competitive Action Games

When it comes to competitive action games the use of real brands, fake brands or no brands at all did not seem to make much difference. As our competitive player explained people playing to compete are interested in the element of competition, in itself, rather than the visual style of the game environment. The immersive nature of competitive games thus stems from the possibility to improve personal game-playing skills and put those skills to the test against other players. We were told that some players even hack games such as Counter Strike, making all visual elements in the game except the characters; appear only as single colored blocks. This makes targets more visible enhancing the game-player’s performance. It is clear to us that the kind of player that prefers a crude game environment made up of lines, dots and colored blocks is one for whom realism is simply not an issue.

### 7.2.4 Story Based Action Games

In story based action games we found storyline and game environment to be the strongest mediators of immersion and telepresence. What we found was that if the game environment is interpreted as a depiction of a fictitious world, fake brands appeared best suited to enhance the level of immersion and telepresence felt by the gamer. If, on the other hand, the game environment is interpreted as a depiction of reality real brands could, if suitably integrated into the environment, add to the immersive character of the gaming experience.

Regardless of game genre the respondents’ opinions about in-game advertising appear to be based on whether they believe it will deepen or break the illusion. We believe that it could be real brands, fake brands or no brands at all that help in the development of a game environment that stimulates telepresence in the minds of gamers.

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<sup>67</sup> [www.english-test.net/sat/vocabulary/meanings/008/sat-words.php](http://www.english-test.net/sat/vocabulary/meanings/008/sat-words.php)

<sup>68</sup> As an example of excessive use of a single brand two of our respondents said that the boxing game Fight Night (EA Sports 2004), heavily sponsored by Everlast, sometimes felt almost like a commercial.

### **7.3 Industry Reflections**

Will the need and desire among game producers and developers to earn more money render games unplayable due to the abundance of in-game advertisements? Or, will the game developers and producers work with in-game advertising in line with the results and implications of this study and respect the immersive nature of the game environment. Should they decide to do the latter we believe that in-game advertising truly has the potential to become an effective marketing tool. We also believe that the most successful in-game advertisements will come from companies that are not afraid to give up some measure of control over their brands turning it over to the developers. Gamers expect their games to be entertaining and a developer that has the authority to use brands creatively will more likely create unobtrusive, entertaining and effective placements.

The ability to utilize dynamic advertising in games have spawned a number of firms working exclusively with in-game advertising, each of which are trying to sign up as many companies and game developers as possible. Forecasters say that there is money to be made but we would like to issue caution to developers. Our respondents had great faith in their favorite game designers and developers. And, in the long run, we believe that the developers will be better off keeping a close eye on the opinions of their audience rather than looking to make a quick buck. The company that chooses to advertise in a game only runs the risk of not getting its money's worth of sales from the campaign. The developer, on the other hand, runs the risk of alienating their loyal customers and destroying their reputation.

Without exception the respondents claimed that advertisements would not keep them from purchasing a game that they really wanted. But, if the advertisements became so numerous that they would harm the overall quality of the game, the respondents thought that they would hear about it right away and refrain from purchasing the game. Test panels are always used in the development of computer games and we believe that these panels could be a valuable tool in ensuring quality in the implementation of in-game advertisements.

### **7.4 Critical Review**

In this section we will highlight some of the issues that we believe could have had negative effects on the quality of our study. To begin with our conclusions are drawn from a relatively small sample of only eight respondents. The respondents also had rather limited experience from first hand encounters with in-game advertising in other than sports and racing games. When it comes to our empirical representations we want to stress that our interviews were conducted and transcribed in Swedish only to be translated into English when actually incorporated in the paper. We have tried our very best to give a faithful representation of our empirical data, we believe that we have done an adequate job.

Finally we would like to draw the attention of our readers to the fact that the opinions of the respondents in our study are not generalizable in the sense that they are presumed to be valid for all core gamers. However we do believe that issues brought up in our study are important ones that could be significant to game developers as well as to firms wanting to utilize computer games as an advertising

media. From a theoretical point of view our study also identifies theories we believe to be highly relevant for future studies on the subject.

## 7.5 Suggestions for Future Research

We believe it is safe to say that corporate spending on in-game advertising will grow in the near future. According to industry experts in-game advertising is not only an effective marketing communications tool but also accepted and even desired among gamers. A recently released study by Nielsen Entertainment once again found that gamers actually *like* in-game advertising because of its ability to add realism to games (Lees 2005). Once again the respondents played sports and racing games; MTX Motortrax, Tony Hawk's Underground 2, Need For Speed Underground 2 and NHL 2K6. We believe that the choice to devote yet another study to sports and racing games severely reduces the potential of such a study to provide nuanced data. In this belief we are not alone. A newly released study from Mediaedge:cia (2005) as well as a great number of postings on different web forums suggest that in-game advertising is perhaps not the surefire hit it is often made out to be. *"Nielsen Entertainment found that gamers actually like in-game ads, as they provide added realism." It looks like Nielsen Entertainment also found that the gamers they surveyed are pathetic corporate whores. Seriously, I wonder how they phrased the question? I bet it was something along the lines of, "Is seeing a Starbucks more realistic than seeing a fictional coffee shop that is made up and completely fake? Maybe with the name 'No Such Coffe [sic] Shop Exists?'"*<sup>69</sup> We do not know how Nielsen Entertainment phrased their questions but we suggest that future research on in-game advertising should utilize other methods of research such as experiments and interviews rather than questionnaires and we also hope that this study can inspire others to extend their areas of research beyond sports and racing games.

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<sup>69</sup> Posted at [www.joystiq.com/2005/12/05/study-results-justify-in-game-advertising/](http://www.joystiq.com/2005/12/05/study-results-justify-in-game-advertising/), Dec 5, 2005, 3:44 PM, by "Sloopydrew."

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Gustaf Berg  
Nicklas Johansson  
Markus Krantz  
Victor Magnuson  
Niklas Norin  
Staffan Persson  
Samir El Yahiaoui  
Johan Ögren