

IN THE GAME

Video games, virtual worlds and social media are taking over as the entertainment platforms of today. If your brand is not in the game in the digital age, then you're out in the cold, writes **James Grant Hay**.

For anyone who has ever played a massive multiplayer online game session of Counter-Strike, you would know that staying in the game is as much part of the fun as it is half the battle. For those brands that made the early leap with younger audiences to advertise in video games, the dividends of their first tour of duty are about to pay off.

Companies have been dabbling with virtual product placement for years, but the money advertisers are now spending in the space is rapidly heading north. According to The Yankee Group report, 'Advertising and Games: 2007 In-Game Advertising Forecast', "The market for in-game advertising, which was worth an estimated \$77.7 million globally in 2006, is growing exponentially, with spending expected to top \$971.3 million by 2011."

The study found that dynamic ads will supplant static ads, but fixed product placements will continue to grow through to 2011; the number of games with in-game ads will double annually through 2011, with PC-based games driving the market for dynamically served ads.

As a result of the significant shift in advertising expenditures in new media, in-game advertising budgets and networks serving these ads are also growing. In addition, internet connected game devices are becoming the foundation on which providers build dynamic in-game insertion.

In May last year, Microsoft acquired Massive Incorporated (the ad serving network) reportedly for between \$200 million and \$400 million. In June, this was subsequently matched by Intel's investment in rival in-game advertising network player IGA Worldwide. Not to be outdone, Google announced in February this year that it had acquired San Francisco-based interactive in-game agency Adscape Media for a cool \$23 million.

Massive is a New York-based technology company that has created its own ad-serving network based on the dynamic in-game advertising (DIGA) model. The network's technology automatically downloads advertising images after a gamer installs the video game on his or her PC. The game ships with the Massive Software Development Kit (SDK). The SDK is integrated with the game

to act as a client to Massive's ad servers. It allows the game to fetch the ad, display it on a surface, and analyse how the player acts around it. Massive refers to this as 'Phase II: Integration of the Software Development Kit'. The Massive network allows game developers to place advertisements within video games by providing the SDK and servers to host advertisements to be streamed to clients when the game is played. The streaming of advertisements allows old advertisements to be removed and more contextual ones applied in their place.

Ads can then be inserted and played online as well as games played on the user's PC. The Massive system can target campaigns geographically, by day parts, number of impressions served, reach and frequency.

DIGA offers several unique advantages, such as timeliness, scalability, measurability and flexibility. Until now, ads in video games have appeared only occasionally and rather haphazardly. Static in-game advertising or SIGA, which called for the advertiser to place its product, service or logo into the gaming environment shipped on its CD or DVD and permanently archived in the game, is now

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VIRTUAL GAMING.

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