Chapter 1

INTRODUCTION
1. Introduction

Online gaming is an intensely social phenomenon, with millions of young adults around the globe interacting constantly, not only to play, but also to share information and evaluate games.

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Gaming in itself is no new concept to mankind. The flare to churn scores and meet objectives has always been part of the human genome in one form or another. What was earlier characterised by cards, board games and gambling has evolved into different forms. The main objective of any gamer, even today, is to play their favourite games on various platforms for the purpose of entertainment. On the other hand, the purpose of the game provider is taking different shifts as the technology is evolving. This same gaming is no more just a tool for entertainment. Gaming is used as a tool for information dissemination, education, communication of social and civic messages and many may others. (Granic, Lobel, & Engels, 2014). Most difficult of concepts have been simplified and inserted in the minds of a people of all age groups through simple gaming techniques. Gaming in itself, even breaks the barriers of language as the graphical and colourful world of games is not bound by any language, caste, creed or religion. Owing to its nature of being easy to use and communicate, gaming is more often than not, associated with various marketing communication techniques.

A game can convey which is the best brand, how to use its products, how to make someone understand complicated insurance products and use the same too. The benefits of games are unending and had been well identified long ago. It is the transfer of games to new platforms that has changed the marketing landscape.

The advent of internet largely changed the landscape of marketing. It is the precursor of a wide variety of marketing communication techniques and creative selling in the virtual platform. Yet to discuss a new marketing tool such as Advergaming it is necessary and important to start from the beginning and trace the whole process of evolution of advertising.
1.1. From Advertising to Advergaming: Evolution of the concept

Advergaming as the name suggests is the combination of Advertising and Gaming. Coined in the year 2000, by Anthony Giallourakis, it is the new generation gaming trend in which marketing communication and brand presence is made felt to the customer through online gaming. While advertising has multiple forms and media, Advergaming is a unique approach which is marked by heavy engagement of the user in the game and a conceded persuasion by the marketer along with an addictive interest. The onset and invasion of broadband in all the homes has also made Advergames a form of “immersive advertising” (Wade, 2004). The use of broadband made it far easier to transfer large amounts of data in a short span of time and also transfer digitally heavy graphics and animations. This lead to the rise of heavy file transfers, onset of e-newspapers, e-books, movie and music downloads and heavily animated games, thus making the users’ time on internet more and more immersive. This in turn led to considering online gaming as an interactive tool for advertising which is now known as Advergaming. Yet, to understand the concept of Advergaming in depth it is essential to understand its evolution from the very beginning i.e. right from the advertising stage.

To build the concept of advertising, let us discuss advertising basics starting from the very definition. By definition, advertising is the mass communication of a message or an idea in a non-personal manner. Unlike other forms of promotion, advertising heavily relies on the non-personal form of communication where the message is sent to large number of prospective customers without any classification, clustering or segmentation of the same. While this broadly defines the concept, the type of advertising, the purpose of the advertiser, the media of advertising have all evolved over the years and if we try to trace its evolution and stages, we would find that advertising can be divided into seven eras. The demarcation of these eras also have a strong correlation to the advent of new and evolving technologies, various kinds of media as well as evolving and emerging business types. To appreciate them better we sail through the various advertising eras as enlisted below:

a) **Pre-printing era (prior to Fifteenth Century):** Thousands of years back, advertising was primarily a concept of a signage or an outdoor display,
usually in a differently coloured catchy paint. Egyptians started using advertising as a tool to announce reward for the return of runaway slaves using papyrus sheets. (Chauhan, 1995). This in its own way was a crude form of advertising. Ancient kings would have temples made, where each brick of the temple would carry the name of the king, just like today we have our modern architectural structures with a cornerstone or a stone tablet carrying the names of officials in the office when the structure was created. Soon the concept of “town criers” arrived which involved a person who was hired for the purpose of shouting out praises of a merchant’s wares (Presbrey, 1980). As one can notice, advertising of this era was plain, unadorned and used easily available simple media. There was higher focus of communication of messages by authorities (kings, church etc) and less commercial interests. This soon advanced to the next stage where the advent of printing press itself played an important role.

b) **Early Printing Period (Fifteenth century Upto 1840)** – In this period, the printing press was invented and the communication started through the print media on a large scale. Printing press allowed the easy of circulating messages to large number of people simultaneously. William Caxton, an English writer and painter of the 15th century, wrote one of the first ever ‘handbill’ or ‘poster announcement’ as displayed in Figure 1.1
The Translated version of the same which was made by Dr. Edward Pousland of Worcester Junior College would read as follows: "If anyone, cleric or layman, wants to buy some copies of two or three service books arranged according to the usage of Salisbury Cathedral and printed in the same desirable type in which this advertisement is set, let him come to the place in the precincts of Westminster Abbey where alms are distributed, which can be recognized by a shield with a red central stripe (from top to bottom), and he shall have these books cheap". (Sandage, Fryburger, & Rotzoll, 1989). The same advertisement was also followed by another warning message as: 'please don't tear down this notice'. The use of this hand bill not only shows the shift in the style of advertising but also reflects that the overall growth in the literate population in the 1700s had increased substantially which in turn led to an overall increase in the production of newspapers and print advertisements in general. The magnitude of the increase of print media can be judged by the simple fact that soon advertising were also brought under
tax scanner. This period of growth only increased more and more commercially as can be seen in the next era.

c) **Period of Expansion (1840 – 1900)** –The period of expansion was characterised by the presence of rail roads, which led to the expansion of markets and an indirect increase in amount of advertising. These improved means of transportation also led to increased distribution of magazines and print material. The advertisements during this period were marked with more trade related rather than just informative announcements. The late nineteenth century and early twentieth century witnessed an increase in consumer based products’ advertising as is depicted in Figure 1.2. The figure clearly shows the focus of the Coca Cola company on trying to raise the awareness, interest and desire of the customers towards its brand and product too. These type of advertisements were able to travel far all thanks to the improvements in the transportation techniques.

![Figure 1.2: Consumer goods advertising, an early ad of Coca Cola](source: (Coke/ Coca-Cola Advertisements))

d) **Period of Consolidation (1900 – 1925)** –One can notice that with the advancements in science and technology, each period size is decreasing. The onset of colour print ads made a remarkable change in the attractiveness of the advertisements. Yet at the same time, this was the era where
advertisements based on false claims were consolidated and put to rest. The Associated Advertising Clubs of America launched several campaigns to promote truthful and ethical advertising. It is in this era that the American Association of Advertising Agencies was launched in 1917. The agency emphasized on ethical advertising, but at this stage there was no focus on understanding the customer/ market or trends. It was much later that advertising agencies started to study customer needs, habits and desires. By the end of this era, a lot of advertisers had established their independent and unbiased investigations for advertisers and media which improved the quality of advertisements and their focus. After the World War I the entire focus of appeals on product quality shifted to emotional appeals such as fear, insecurity and hope. Figure 1.3 highlights the concept of use of emotional appeal in advertisements. The advent of Radio in 1920 completely changed the advertising landscape. The presence of audio, the immediacy of communication and the free transmission of messages made it the new “IN” thing with all classes of society irrespective of their literacy level. Thus the reach of advertising was far higher in this era even though there was no thought or background of research before advertising. As is visible, a successful advertisement was once which could make the right appeal to the audience.

Figure 1.3: Coca Cola ad highlighting emotional appeal
Source: (Coke / Coca Cola Ads)
e) **Period of Scientific Development (1925-1945)** – Unlike the period of consolidation, during this period serious attention was paid to the effectiveness of the advertisement. Some advertisements were so bold that it was made necessary to test the advertisements on a test group before launching them in the market. And this is how the trend of consumer behaviour and its analysis started off. Consumer research / audience research became a full time involvement organizations such as A C Neilson set up Audience Research Institute to bring about meaningful and ethical advertising. Advertising was not just run by creativity or intuition it was now a blend of all based on the study of effectiveness of a given advertising strategy, its media and copy. The onset of the World Wars slowed and stagnated the process of advertising era developments mildly, but also led to brand new concepts by the start of 1945.

f) **Period of Business and social integrations (1945-1980)** – Post the war years, there came a period of prosperity where advertisements were taking over television. Advertisements were used not only for promoting the products but also creating brand images and good will of the organizations. Advertisements were becoming common means of communication for churches, political parties, labor groups and trade associations. This is also highlighted in Figure 1.4 below: One can easily notice in Figure 4, that the stress is not just on highlighting the product or its features but also creating the brand, making its presence felt and increasing the valuation of a brand by reaching the masses.

![Coca Cola Ad emphasising on Brand Image](source(Coke/Coca Cola Ads))

**Figure 1.4**: Coca Cola Ad emphasising on Brand Image:

Source (Coke/Coca Cola Ads)
g) **Period of Intelligent advertising (1980 to present)**—A lot changed in every business with the onset of Internet and its irreplaceable, insatiable presence in our daily lives. The communication process accelerated and so did the advertisement process. Advertisements were now using the New Media\(^1\) and were able to reach out to a greater audience in a lesser amount of time. The advent of computers for home and personal use, communication through the internet on computers and soon on mobiles all these factors led to the use of New Media and correspondingly creative and intelligent advertising. The definition of advertising re-invented the concept of non-personal message into a customised message for each user. A blend of large number of creative and technically robust techniques now come under the umbrella of intelligent advertising. They encompass pop-up ads on web pages, blogs, social media advertising, in-game advertising and also Advergaming. While most of these tools use varied techniques of grabbing customer attention, Advergaming build the customers attention and engagement

1.2. **Paradigm shift to new age Advertising**

As we develop on the history of advertising we can clearly see that the newer tools of advertising using new media are sharply advantageous than the older technological platforms: The intelligent advertising tools have the following primary advantages:

a. These tools enable mass communication benefits of advertising yet customize the messages bringing about personalization which is admired by the users. (Tavor, 2011)

b. These tools help communicate the messages to the consumers using multiple formats simultaneously. (Zheng & Yeqing, 2002)

c. The content as well as the response to these advertisements is highly dynamic. This not only ensures latest content being delivered it also simplifies in measuring the impact of the tool. (Yoon & Klim, 2001)

Like most of the other promotional strategies utilizing gamification as a technique for building customer interest and increasing customer engagement, online advertising also moved to use the gamification

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\(^1\)New Media: while relative, the term refers to on-demand access to content anytime, anywhere, on any digital device. It is the real-time generation of new and unregulated content.
techniques by a tool which is now known as Advergaming. It is one of the many tools of intelligent advertising which tries to gain gamers attention and silently build the brand presence in the minds of the unsuspecting customers. Some of the highlights of this period of Advertising have been elaborated in Table 1.1 (Fox, 2011)

As is visible from the Table 1.1, virtual games became a hit as soon as the virtual world hit the market. By around the year 2000 there were billions of dollars riding on internet advertising. It was a clear indicator of the potential of the medium and the fact that somewhere people were getting addicted to it. The addiction of kids and students to cartoons, racing, online sports or even gambling has lead the advertisers to believe that there is scope of grabbing consumers’ attention through this distraction based method. An in-depth understanding of the same can be achieved by understanding the virtual world and its trends.

Table 1.1: Representation of key milestones of the current era of Intelligent Advertising
Source: Adapted from (Fox, 2011)
1.3. The world of Virtual gaming and its advantages

The virtual world is nothing but an extension of animations and close to reality graphics. A game in a virtual world gives the user the ability to become some/any character and live a fascination where they are able to achieve a given objective which may be something as simple as winning a car race. While virtual gaming and its use as an advertising tool started rising in the 2000s, using games to advertise was not a totally new concept. In early 1980s Atari cartridge games were sent to customers through mail order and would be used to advertise (Purswani, 2010). Later, Johnson and Johnson created the mail-order ‘Tooth Protectors’ game for the Atari, where one must deflect unhealthy snacks from falling onto teeth (Bogost, 2010). In the game, the teeth lie on the bottom of the screen and represent a mouth. After a tooth is hit by three snacks, it begins disappearing; and one may heal one tooth at a time which involves brushing, flossing and mouth-washing. It was impossible to deflect all the snacks, reflecting that it is impossible for all snacks to be avoided in real life, they must merely be controlled. This was an addictive and interesting game which was

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestone</th>
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<tbody>
<tr>
<td>1982</td>
<td>The network MTV launches, advertising music artists 24x7; consumers tune in for advertising messages instead of by product</td>
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<tr>
<td>1984</td>
<td>Apple sets a precedent at the Super Bowl with the most expensive TV ad for Macintosh - featuring Ridley Scott</td>
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<tr>
<td>1994</td>
<td>Hot Wired Site launches with the first banner ads from AT&amp;T, Sprint, MCI, Volvo and others</td>
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<tr>
<td>1994</td>
<td>Pay per click keyword advertising debuts on Goto.com (now a part of Yahoo!) It was widely mocked</td>
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<tr>
<td>1995</td>
<td>The first keyword ad, “Golf” is created by Yahoo!</td>
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<tr>
<td>1995</td>
<td>The first mobile ad is launched, a Finnish news provider offers free news headlines via SMS sponsored by advertising</td>
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<tr>
<td>1995-2000</td>
<td>Billions invested in online ads. The dot.com bubble soon pops</td>
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<tr>
<td>2000</td>
<td>Google rolls out AdWords, a pay per click service. A performance based ads service</td>
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<tr>
<td>2001</td>
<td>Pop up and Pop Under ads fill up users’ screens</td>
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<tr>
<td>2006</td>
<td>YouTube launches as we see the birth of video advertising, including in video ads, participatory video ads, pre roll ads and more</td>
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<tr>
<td>2006</td>
<td>Twitter’s global community makes viral marketing/advertising fast and free</td>
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<tr>
<td>2007</td>
<td>Facebook introduces the concept of behavior based advertising specifically targeting users’ social interactions</td>
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<td>2008</td>
<td>In-text advertising appears, matching double underlined words within the site’s content to relevant ad bubbles</td>
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<tr>
<td>2010</td>
<td>Viral advertising overtakes traditional marketing, Old Spice Guy campaign receives 30 million views</td>
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<tr>
<td>2011</td>
<td>Online advertising becomes a clear No. 2 in budget priority for advertising worldwide, typically at the expense of print and radio</td>
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successful in playfully communicating the brand image. While these are examples of advertising through games, use of online internet based games is the latest trend which is catching up with the masses. If we basically try to analyse the reasons for sudden emergence of this trend, we would be able to trace it down to the success of internet in being an essential part of our lives. The onset of Internet in our daily lives has speeded up the communication process as well as the advertisement process. Advertisements have started moving online. The trend and concept of online advertising started way back in 1994 (Burner, 2005), and had started off as simple pop ups and website banners. It had promised to roll in a lot of "eyeballs," "stickiness," "bleeding edge," but unfortunately the technology did not transform the advertising landscape much. Soon the major search engines such as Yahoo! And Google realized the power of online advertising through AdWords and unleashed the new concept of advertising through Pay per Click methodology. Internet became a source for networking and managing human connections as well. Large chunks of consumer information was available online which was used as well as misused (Howard & Komili, 2010) by Search Engines in advertising and proliferating information.

Today there are at least ten different types on online advertisements which range from pop ups to online videos to social network advertising to even online games and these games used for advertising are termed as Advergames. The biggest advantage of online advertising is that it helps in evaluating real time effectiveness of the advertisement (Tavor, 2011) Once this evaluation is done one can easily refine and readjust the advertising budget much before it’s too late (Palanisamy & Wong, 2003). The best way to appreciate these Advergames would be to sift through some examples and see the impact of these games as advertising tools.

In the recent past, there have been several instances of success of Advergames in different fields. American movie Hunger Games was a huge hit on the first day of its release not because of all the print advertisements electronic media used but also nearly a year long digital campaign which simmered and prepared fever for the movie amongst fans (Barnes B., 2012). For a year Advergames were launched and the youth were awaiting the launch of the movie. This generated the necessary hype for the movie and made it a box office success.
Similarly the Indian movie Barfi! (2012) generated a hype by launching YouTube application in which the protagonist would act as per the instructions typed by the user like laugh, cry, shout etc. (IANS, 2012). Another example of a contemporary Advergame ‘Red vs. Green’, a checkers type game programmed by M&Ms to advertise their candy (M&Ms). In the game you control either the Red or Green M&M, and have to convert the other side’s M&Ms to your color by surrounding them and positioning your pieces. The shape of M&Ms allows easy integration of the product into the game. The nature of Advergames is such that there is highest involvement of men and children (Purswani, 2010).

These success stories go on to showcase the fact that the time spent by the youth and its addiction to online gaming has significantly increased over the last decade or so. Advergaming which started with children is now starting to show its influence on adolescents and adults as well. This is the primary reason why it is being considered as a potential area different from regular advertising techniques. But why does someone get gripped in the game? This is a thought which can be understood analyzing the consumers’ online behavior.

1.4. Understanding Consumer’s Online Behaviour

Consumers are no easy to understand subjects. Their behavior in different settings and different environments works uniquely towards various products. To advertise to a particular target consumer, requires in-depth analysis and interpretation of the consumers’ profile and behavior towards various aspects. Thus, advertising in itself works on several scientific models where the influence of minor things such as weather, temperature etc. can change the buying behavior and decision. While these factors have a limited impact, the complexity of the situation increases from the fact that, online customers enjoy the anonymity provided by the internet and the virtual world. Hence their online behavior is far different from their off line behavior.

In the past, several process models of advertising have been proposed, which are linear and insist that the receiver of an advertising message moves through hierarchal stages such as Attention, Interest, Desire and Action (AIDA model); Awareness, Comprehension, Conviction & Action (DAGMAR model) and many others. But advertising and its impact on online customer can be much
better explained using the Double Helix model which emphasizes that advertising is a multidimensional concept which grows over a period of time within the limited parameters of medium and message. This can be further explained with the Figure 1.5.

![Figure 1.5: The Helix Model of Advertising](image)

This model in Figure 5 helps us to understand that the growing media types have a growing impact on the mind of the customers.

Traditional models of advertising such as AIDA or even the Hierarchy of Effects, all rely on advertising as a passive act of promotion where the advertiser does something to which consumer reacts (stimulus – Response). On the contrary today consumer is also a co-creator (Lusch & Vargo, 2006) and is actively involved in every stage of the marketing process including promotion (Huey, 1999). The changing lifestyle of today has made today’s consumers harder to define, understand and please than ever before (Ernst & Young, 2012). This is moreover prominent due to the growing presence of internet in our lives.

When people started using internet for non-commercial purposes, initially there was, high speculation regarding its acceptance as a tool as well as a medium. But soon internet completely took over our lives and became an inevitable part of it. The primary reason for the same was its ease of use and high utility. The
Technology Acceptance Model (TAM) proposed by (Davis, 1986) explains this further. TAM suggests that acceptance or rejection of a new concept/technology is dependent on two primary factors. Firstly, the perceived usefulness of the technology, which helps the user to feel/perceive the need and irreplaceable requirement of the technology. And secondly, the perceived ease of use of a technology, which ensures that everyone is able to use it comfortably. These are the primary reasons for the positive attitude of the consumers towards internet. This positive attitude makes internet an easy tool for reaching out to the consumers.

Infact, internet is becoming one of the most viewed and most popular medium which helps consumer in taking the purchase decision. And while online consumers are perceived to be fickle and brand switchers (Reichheld Frederick F., 2000) building new customers over the web is still almost five times more expensive than retaining old ones. (Harrison-Walker L. Jean, 2004). It has further been highlighted through several studies that the consumers’ prior positive experience while using the internet further heightens the positive attitude of the consumer towards the internet where are the presence of perceived risk draws the consumers away from the technology. A trust built between a consumer and an online store further amplifies the positive attitude of the consumer towards online purchases. (Hans van der Heijden, 2003). This behavior is analyzed and completely reflected by the U.S based research taken up by (Online Publishers Association, 2007). As can be seen from Figure 1.6, Internet dominates as the choice of media not just for searching alternatives but also for building initial awareness through various online advertisements.
Customers are no longer attracted by colorful posters, attractive images or emotional tag lines. What they look forward to is basically an interaction, entertainment and engagement. Traditional advertising medium are mostly away from creating engagement, and even if some form of engagement is created, it is not on real-time basis. Hence internet as a tool and a New Media has worked very successfully to build strong customer engagement.

Figure 6 also reiterates the fact that communication through the internet and new media has far more impact than any other print or outdoor media. It was felt that advertising in its most passive form was no more drawing attention from the consumer and it was time for some active and interactive mode of advertising which would draw more attention and better reception from its target audience. To enhance the engagement and increase the addiction, video games, have a tendency to grip the audience attention and also to help them interact. This concept is the actual base, which led to the amalgamation of new media and gaming: Advergames.

**1.5. Emotional Customer Engagement and Loyalty**

Online advertising provides us with various tools, and Advergames is just one of them. There are reasons why one tool proves its superiority over the other in given situation and circumstances. One of the primary criteria to analyze and judge advertising tools, is based on the kind of connect they build with the customers in the form of engagement and in turn loyalty. A strong customer engagement is required for a customer to feel gripped by the brand, which in turn compels the customer to stick to that particular brand and not view or evaluate products and offers from competitors. (Hudson Research and Consulting, 2011). (Blasingame, 2014) defines today’s world to be the age of the customer, where all marketers focus on building strong relationships with the customers. Relationship building is the key to success for most strong business houses and the way to maximize on these relationships is to build them with strong emotional connect as explained in figure 1.7.
The figure 7 shows that buyers pay keen attention on relationships and the emotional quotient while making the buying decision. Thus one can say that it is extremely important to build strong emotional engagement with the customer. Most social networking sites and social network marketing started off by building visibility but eventually they have also evolved into engaging the customer to improve the visibility of the brand.

Games and puzzles are all time favorite tools for engaging customers whether online or offline. It is common to see an emotionally engaged customer lost in thought to find answers to a puzzle or to win over to the next level of the game. This has also been a prime objective of Advergame: to build strong engagement. As Advergames can use various characters, real or imaginary and work on stories, fantasies and favorite pastime mode they have the ability to evoke positive emotions. The chief importance of emotional engagement is that it eventually leads to re-purchases and emotional loyalty. (Magneto)

A physically or transactionally engaged customer would quit a process as soon as it starts pinching the wallet, and hence the engagement would not convert into purchase very easily. But a customer who is emotionally engaged would be
ready to go an extra mile and pay an extra bit just to feel emotionally connected and to satisfy his/her emotional needs. This emotional engagement is the input and raw material which leads to emotional customer loyalty. To understand the same one needs to understand customer loyalty and its various types.

Customer loyalty is the base and the premise which strongly defines the usefulness of any and every marketing tool. It is a source of sustained growth and profits of any organization (Anderson & Mittal, 2000). Several theories work to define and explain the concept and the antecedents of customer loyalty. Traditionally many authors at various instances have defined loyalty into two dimensions – attitude loyalty and behavioral loyalty. (Day, 1969) (Dick & Basu, 1994) (Oliver, 1999) (Russel - Bennett, McColl-Kennedy, & Coote, 2007). In today’s setup, this has been further classified into four categories (MarketingNPV Journal).

1. Contractual Loyalty: This is a loyalty which generates out of a formal bond in the form of subscription or membership. It is highly profitable if looked upon in terms of net present value of the contract. But if competitors employ aggressive promotional tools and use similar tactics, it may not be so profitable in the long run.

2. Transactional Loyalty: Incase customers repeatedly buy from the same seller without any contractual obligation and purely out of the benefit of price, time, travel etc. it is known as transactional loyalty. In this the customers switch faster if offered a better deal by a competitor.

3. Functional Loyalty: This loyalty is developed by the superiority of the products attributes or functionalities because of which the customer is totally fixated to the particular brand. Here the deals offered by the competitors are not an influence at all.

4. Emotional Loyalty: This loyalty is developed when the customer’s values, ego, sensibilities, or other intangibles get associated with the brand. Emotional loyalty is far more sought after because of its ability to hold on to the customer even through price variations as well as service variations.
An emotionally loyal customer feels at home in the presence of their favorite brand and even forgoes minor mistakes. Thus for any organization, it will be important to build an emotional connect, emotional engagement and ultimately emotional loyalty to benefit from the customer relationships.

The positive consequences of high loyalty relationships is clearly visible in Figure 1.8 in the form of positive word of mouth, positive search motivation, and a high resistance to persuasion from competitors.

To check if Advergames are an effective enough tool, one needs to ensure that they are able to build emotional engagement and also emotional loyalty. For the same the thesis works through various emotional connectivity parameters and checks the impact of the use of Advergame on these parameters. And yet a high emotional connect is no proof that we are able to achieve monetary benefits out of using the tool. The attempt to analyze the financial implications of using this tool lead us to discuss the marketing returns on investment of using Advergames.
Figure 1.8: A framework of customer loyalty relationship

Source: (Dick & Basu, 1994)
1.6. Marketing Returns on Investment

No matter how engaging a tool may be, but the impact and measure of any tool is incomplete without measuring its impression to the wallet. To a marketer it is extremely important to know about the productivity of all the money which has been spent on advertising. As advertising spend doesn’t convert into instant return and its impact and effectiveness are hard to gauge over a given period of time, hence several complex techniques which measure the returns on investment for marketing are used.

Some of these techniques come under the umbrella of Discounted Cash Flow (DCFs). The DCF techniques take care of the time period for which the money is invested and calculate the ROI using tools such as NPV (Net Present Value), Brand Evaluation, Customer Lifetime Value and customer Equity. While this technique is feasible in some of the situations, a lot of online and new media marketing tools cannot be measured using discounted cash flow techniques. Under such circumstances, the marketer measures the value which a customer adds to the business and how using a particular tool adds or enhances that value. For this purpose various tools are used to evaluate customers and one such commonly used tool is Customer lifetime Value (CLV). Customer Lifetime Value is a tool which calculates the duration for which the customer is likely to be productive and spending with the marketer. This helps in the evaluation of the customers and identifying the regular and loyal customers. The loyal customers would be the ones for which extra marketing investment would be worth as they would be giving the company far better returns and profits. This technique also helps in evaluating those customers which are not profitable to the organization and one can evaluate whether to keep them or abandon them at the right time. (Haenlein, Kaplan, & Schoder, 2006). This technique has been tested with several data sets and also validated across various industries.

At the same time, like all good things, calculating customers’ lifetime value also poses us with certain ethical issues. There are several concerns which run around a customers’ free will to choose a particular brand or product and maintain privacy of his choice. (Bohari, Rainis, & Marimuthu, 2011). There are also some social groups which confirm that there is no surety that historically
measured CLV is an accurate projection of future trends. Many non-interested potential customers may convert into consumers while many consumers may leap over to the competitors based on any changes in the market and business environment. Though not completely free from flaw, this techniques is still considered by far safe, as it takes into consideration a large number of aspects of the customer before categorizing the same. (Hawkes V. A., 2000)

Based on the use of CLTV in various studies across industries (Bohari, Rainis, & Marimuthu, 2011), countries (Kahreh & Kahreh, 2012) and advertising techniques (Panda, 2003), it was found to be, by far suitable for our study of Advergames too. Thus, we would try to evaluate the impact that an Advergame creates on the return on investment, which would help us to justify the time, money and effort that a marketer spends on it.

1.7. Motivation for the study

From the above discussion, one can observe that in the recent past, a trend was noticed in which some professionals from the entertainment industry took up the new advertising tool called Advergames and focussed on it the most an reaped benefits. (Barnes B., 2012) reported that the success of the movie “The Hunger Games” lied in its advertising strategy which had launched an online game by the same name nearly a year before the launch of the movie and that time was what kicked in the necessary curiosity as well as craze for the movie. It was a strategy type of game which introduced the main character of the movie i.e. Katniss. In the movie as well as the game she has to fend for herself and survive a difficult and dangerous game. While playing the game the audience is able to connect with the character and also look forward to what happens in the movie and raises the curiosity for the climax of the movie.

A similar trend was noticed in India at the time of the launch of the movie Barfi! (IANS, 2012). In this case the makers of the movie had launched an interactive game on YouTube which would introduce the audience to the protagonist of the movie. In this game the users would type in any action for the protagonist i.e. Barfi and he would enact out the same action in a funny manner such as jump, laugh, run, kiss etc. This again raised the curiosity for the movie and made people connect with the plot of the movie.
Two different instances had been observed across geographies which were of similar industry and had similar focus. In one case a strategy based game was launched which was full of adventure while in the other case an interactive game was launched which was highly amusing and a brand new concept. Keeping in mind the similarities as well as dissimilarities of both it became evident that this was an upcoming trend and could be reason to investigate the reasons for its success along with understanding its utility and acceptability across different domains and demographic groups. This advertising tool was very different from the traditional advertisements and hence had certain advantages. Traditional forms of advertising help reach out to a larger audience but it was failing in the following aspects.

- Traditional advertising techniques send out a common mass communication which is not customised as per the users’ preferences
- Effectiveness of traditional advertising is far more difficult to evaluate than the advertising tools using new media
- Old advertising methods send out static and non-interactive messages which have far poor attention and engagement than the advertising methods using New Media.

To understand this new phenomenon it was essential to study its literature which pointed that these type of techniques are commonly used in specific demographics focussing on children and food industry. We wanted to explore if this tool built the required amount of engagement to different set of audience as well and was it able to get a good return on investment by increasing the respondents’ intention to purchase the product.

This study would prove fruitful in identifying the best fit and most easily convinced audience for Advergames. It also focusses on the characteristics and parameters of the games which need to be kept in mind while designing it in a way that would positively impact the image of the brand.
1.8. Conclusion

A brief look into the concepts of Advergaming, emotional customer engagement, loyalty and returns on marketing investments leads us to think if a new tool like Advergaming is essential and indispensable? Which are the best set of target customers for this tool? What are the advantages of this tool? Where and When can this tool be used at an advantage? And so on.

In an attempt to answer these questions we need to unleash all these concepts and study the relevant and existing literature about all these concepts so that we are able to identify the research gaps and areas which need special attention and analysis.

While we have sufficiently introduced the concepts of our study, it is essential to know that none of these concepts are untouched by researchers before. A lot of work has been done already in the field of MROI, customer loyalty and engagement but Advergames is a relatively newer concept. A through review of literature, which has been done in the next chapter reveals that there are lots of untouched areas of research which have been marked and identified as research gaps through a detailed matrix. Keeping these research gaps, existing literature and current IT trends in mind, we have threaded the above mentioned concepts in a way that they benefit gamers, entrepreneurs, game scientists and many other professionals whose lives will soon be touched by Advergames.