

# **Exploring Product Placement in Video Games: An Investigation of Recall Effects**

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## **Abstract**

Despite its growth and prominence, product placement is generally under-researched and this is even more apparent in the area of placement in video gaming. This paper presents exploratory focus group research into this practice. Findings indicate that the introductory footage to a game provides placement opportunities with the highest level of recall, while peripheral non-action is the worst. Interestingly, recall also appears to be higher for individual brands as opposed to manufacturer brands.

## **Introduction**

Product placement involves incorporating brands into media content, usually in return for money or some promotional or other consideration (Gupta and Gould, 1997). Although it emerged in film in the 1920s (Galician and Bourdeau, 2004), it is only recently that the strategy has gained popularity as a way to overcome problems inherent with traditional advertising such as increased clutter, fragmented audiences and zipping and zapping behaviour (Lawrence, 1989; Olney, Holbrook and Batra, 1991). The growth of product placement in recent times however has been phenomenal.

In 2004, product placement spending increased 30.5% (Graser, 2005), at the same time advertising and marketing expenditure grew just 7% (Friedman, 2005; Klaassen, 2005). This was represented by significant growth in television placements, up 46% to \$1.88 billion, and theatrical film, up 15% to \$1.25 billion (Friedman, 2005). Other media such as games, music and books grew 20% to \$326 million (Friedman, 2005). Surprisingly these figures indicate that the growth of placements in other media is outpacing that for film - traditionally the medium of choice for placement messages.

Video gaming in particular is one medium that is attracting attention. Estimates of current spending on in-game advertising range from \$27 million to \$34 million, though by 2010 this could rise to anywhere between \$800 million to \$2.5 billion (Anderson, 2006; Keighley, 2004; Shields, 2005). Game placements represent the largest alternative marketing segment, in terms of the concentration of marketing expenditure in recent years (PQ Media, 2006). Despite impressive growth however, product placement remains a communications strategy that is still little understood. This is particularly true in the case of emerging interactive media such as video games, where only a handful of studies have attempted to investigate the effects of placements on players. This paper presents an exploratory study of placements in games and explores their effects on brand recall, as well as reasons for such effects.

## **Background to the Use of Games for Placement Messages**

Recently, Kuhn, Love and Pope (2004) called for research into the emergence of brands in electronic gaming. A multi-billion dollar industry, video games have been experiencing strong and rapid growth in recent times, rivalling other forms of entertainment. Video games have grown to become a key segment in the entertainment category (Williams, 2002), drawing an increasing number of gamers who are choosing to spend more time playing (Lewis, 2004). Attracted by the expanding demographic of gamers and an industry which is becoming more structured and stable (Van Tassel, 2003; Williams, 2002), marketers are now using games as a medium for brand and product placements.

It has been suggested that games are becoming the most powerful marketing medium ever created (e.g., Nelson, 2002), but there is a lack of work to validate their use as a promotional tool. There is also a lack of academic research into the effects on consumers of placements in the medium. This is particularly true in the case of video games, defined here as those played on console systems such as PlayStation and Xbox. This is surprising as consoles represent the dominant platform for video game play, they have demonstrated stronger growth than computer or handheld games, and marketing in console games is far more advanced than in the other platforms (Taub, 2004; Williams, 2002). In 2004, the three major consoles - Sony PlayStation, Microsoft Xbox, and Nintendo GameCube - accounted for 80% of all game revenue (Taub, 2004).

## **The Effects of Product Placement on Brand Awareness**

In the context of traditional media, a number of studies have investigated the effects of product placement on brand awareness. Some have found high levels of recall and recognition for brands placed in film and television programs (Babin and Carder, 1996a; Baker and Crawford, 1996; Vollmers and Mizerski, 1994; Zimmer and DeLorme, 1997), though other investigations have demonstrated inconsistent or insignificant effects (Babin and Carder, 1996b; d'Astous and Chartier, 2000; Karrh, 1994; Ong and Meri, 1994). In a game context, however, the literature is even more scant.

The first study to investigate the effectiveness of product placement in console video games on brand recall was that of Nelson (2002). Using recall measures directly after game play and after a five-month delay, Nelson (2002) found that players were able to recall the brands of vehicles driven and brands on peripheral billboards in a car racing game, even upon playing for the first time or for only a limited amount of time. Brand usage/ appearance was found to be important for recall superiority with brand relevance particularly important for long-term recall. Local brands fared better than national brands, while novel brands fared best (suggesting differential memory effects based on product life cycle stages). Brand familiarity as well as brand name size did not appear to have an affect.

More recently, Schneider and Cornwell (2005) investigated the effectiveness of different brand banners in a car racing game in terms of their effect on recall and recognition. They found male players are able to recall and recognise placed brands, particularly prominent ones. This is contradictory to the findings of Nelson (2002) who found no effects of brand name size. Expert gamers also had higher recall and recognition of banners than novices, demonstrating that previous game experience was positively associated with recall ability.

The findings of Nelson (2002) and Schneider and Cornwell (2005) are supported by Molesworth (2006) who concluded, after a series of focus groups with gamers, that players can recall encounters with brands during game play. Some support is also found in the literature concerning online and computer games, however generally these studies have recorded only a small effect on explicit, conscious memory of brand placements, such as recall and recognition (e.g., Chaney, Lin and Chaney, 2004; Grigorovici and Constantin, 2004; Yang *et al.*, 2006). Yang *et al.* (2006) reported an influence of computer game placements on implicit memory, finding that respondents could unconsciously remember placed brands in a word-fragment test. When these brands were presented in a list however, only a small effect on brand recognition was detected. The current study builds on these findings.

## Method

An exploratory research design was selected for the current study. This research design was appropriate since the current study sought to identify and clarify issues surrounding placements in games, and to generate insight and comprehension concerning effects (Hair, Bush and Ortinau, 2000). A focus group was deemed the most appropriate technique since this would allow for detailed insights to be gained and probing techniques to be employed.

A sample of seven students were randomly selected from a third year marketing course at an Australian east-coast university and asked to participate in a focus group, which lasted approximately 40 minutes. This was held in a lecture room on campus. Respondents were shown a one-minute trailer for a new car racing video game and asked which brands they could recall from the trailer immediately following. Respondents were asked to list these brands on a piece of paper, which they supplied to the researcher at the completion of the focus group. Summary statistics were derived from these responses by calculating the frequency of brand mentions.

Respondents were then provided an introduction to the video games industry and of product placement in games. Respondents were asked if they play games and to what extent they were aware of product placements during their interaction with them. They were also asked whether they believe gamers in general would notice placements. The personal feelings of respondents were relevant since all participants were third year marketing students, and all had played games. Notes taken from this discussion were later transcribed into ordinary word processing files, and conclusions drawn.

A car racing game was selected for investigation in the current study for a number of reasons. First, automobiles have traditionally been one of the most common product categories used for product placement (Devanathan *et al.*, 2003). This has been shown in content analyses of film (Sapolsky and Kinney, 1994) and television (Fawcett, 1993; Ferraro and Avery, 2000; La Ferle and Edwards, 2006). Further, sports games are one of the most common genres used for marketing messages, particularly car racing games which often replicate the sponsorship that appears at real events (Lienert, 2004). Finally, Nelson (2002) claims these games might be most suited to product placement. The game selected features a number of placements including vehicle manufacturer brands, as well as those from related product categories which feature peripherally alongside the racetrack. The trailer itself is dense with placement messages.

## Results

A review of responses revealed that vehicle brands were among the most commonly recalled. This finding is not surprising since the stimulus was a car racing game featuring many such brands. In some instances respondents referred not just to the manufacturer brand, but to the specific product brand (e.g., Nissan Skyline). Most brands featured alongside the racetrack were not recalled.

The top three brands most commonly recalled were Vodafone, Subaru and Castrol. Both Vodafone and Subaru are prominently featured in the trailer. Vodafone is shown in several instances - as peripheral track signage and as windscreen and front spoiler signage on at least six separate cars, all of which were featured close up. In one instance, exposure to the Vodafone brand lasts for four seconds. Two separate Subaru vehicles are shown, in action, and without clutter (these vehicles are shown on the race track with no other brands in the shot). Both Subaru WRXs also feature no vehicle signage - only the Subaru logo and brand name is displayed on the vehicle door. Interestingly, Castrol was not featured in the trailer, yet three respondents could recall seeing it. It may be the case that respondents expected to see it and drew on their past knowledge of motorsport races to construct the belief it was there.

Overall, despite the fact that the trailer lasted only one minute, every respondent could recall at least one brand placement. Recall however was not particularly strong. When respondents were asked to list the brands they recalled seeing, one respondent laughed stating, "I didn't know we were supposed to be looking at the brands!" Subsequently the only brand this respondent recalled was the name of the game which was shown at the completion of the trailer.

In attempting to understand these findings respondents were asked if they play games and to what extent they were aware of placements or advertising when they play. All respondents played games, two of which indicated they play regularly. Subsequently, these were the two respondents who recalled the most placements, suggesting that memory effects may be most significant amongst more hard core or regular gamers. These respondents recalled 12 and seven brands respectively, while the other respondents named only 1 to 4 brands. Two respondents recalled only one brand each, one respondent recalled 2 brands, one recalled three brands and one recalled four brands.

When asked to what extent they are aware of placements in games respondents provided some interesting insights. First, they indicated that they do not pay attention to such messages. One stated, "I don't know, I'm not really paying attention." In a similar vein another commented, "I don't concentrate on all that peripheral stuff." This suggests that in an interactive environment where players are engaged in game play they may not notice background placements. However, this may change as players become more familiar with the game and with the frequency of brand exposure. One respondent stated, "The first couple of times you play you don't really notice those things." It may be the case then that as players become more familiar with the game and their skills improve, they may be more likely to process placement messages. Repeated exposure to the brands may also enhance their recall. Finally one respondent indicated that perhaps one would be less likely to notice these placements when playing.

## **Discussion**

The current study demonstrates that product placement in games may have the ability to influence brand recall. The findings lend support to existing product placement research in the area of games and film, which has found that prominent placements (where the brand is highly visible and/or central to the story) elicit higher recall and recognition than subtle placements (e.g., Brennan, Dubas and Babin, 1999; Gupta and Lord, 1998; Nelson, 2002; Schneider and Cornwell, 2005). Further, the study points to the potential for differential memory effects among subsets of players. Several respondents highlighted that since the brands were shown so quickly they were not noticed, however they pointed to the fact that after playing for an extended period one would get used to the brands and detect them. Heavier game users, who subsequently receive multiple brand exposures, may therefore demonstrate higher brand recall. Also, as a player becomes more confident in playing, it may be the case that they pay more attention to placements and have greater cognitive resources to dedicate to their processing. A player's skill level may, therefore, play an important role in this regard and may co-vary with any main effects. Exploration of this construct represents a future research opportunity.

Finally, the fact that respondents incorrectly recalled seeing Castrol in the trailer, points to the problem of sponsor misidentification which has been reported in other product placement studies (e.g., Nelson, 2002; Schneider and Cornwell, 2005) and sponsorship research (for a complete discussion, see Johar and Pham, 1999). This too presents an opportunity for future research.

## **Limitations and Ideas for Future Research**

Performing a focus group for the current study provided the opportunity to discuss video game product placement and identify potential variables that may affect its influence on brand awareness. The current study however is exploratory in nature and suffers limitations as a result of the sample selection. The fact that only a small group of student respondents was tested means the results are potentially externally invalid. Further research is therefore necessary to provide more conclusive evidence of the effects of game placements on brand recall. In this pursuit, there are some specific areas worthy of attention.

The current study provides evidence that different types of placements may produce different effects. To date, no content analysis has been performed of games to identify the ways brand messages may appear. Work needs to begin in this area to understand the types of placements so that their influence on players may then be explored. Second, the current study highlights that brands in games may be recalled, but perhaps for subsets of players. A key research question becomes then, what is the difference between hard core gamers and more casual users? Differential memory effects may be evident between these groups. As a related area, skill level may also prove useful to investigate as an intervening variable in future studies. Finally, the study has presented evidence that consumers can incorrectly identify brand sponsors. This points to the need for research that uses implicit memory measures, such as word-fragment completion tasks, to test unconscious memory retrieval of placed brands. Research that addresses these issues will have important theoretical and managerial implications for an industry that is continuing to grow rapidly.

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