

Get brands into games for an immersive brand experience

Branded games have become a highly effective way to reach new audiences with brand advertising and offer a new revenue stream, says **Matt Willifer** nDreams

EARLIER THIS YEAR, in an act of uncharacteristic bravery, I gave up my job as head of planning at M&C Saatchi and threw in my lot with games developer nDreams. Their mission is to create better games for brands. The chief executive has creative-directed 14 worldwide number-one games, so I figured he knew what he was talking about.

Bizarrely enough, the time felt right. Recessions tend to be times of change; they are times when the best companies look ever closer for unexploited opportunities and new ways of making money. Video gaming fits this well.

First, it is a relatively untapped opportunity. In its various guises, it is now properly mainstream, but only rarely exploited well by brands. Second, for the right brands, the financial arguments can be extraordinarily strong.

If you create something people value, you make money from it. This is the model marketers have always applied to their products, but only rarely to their communications. The goal is to be financially, as well as creatively, cutting-edge.

Over the past five years, gaming has hit the mainstream and is popular with men and women, young and old. The industry is now worth \$34bn worldwide (the same as the worldwide box office for films). It is one of the few industries growing in the recession. In the UK alone, 22 million people play games on console, 19 million on the PC and 14 million on handhelds.

Games look and play better than they have ever done. There are more ways of accessing them, both in and out of home. There are now more types of game - literally something for everyone. Traditional games (the kinds that cost £30-£50) are not just confined to first person shooters, such as Halo 3, but have extended to more emotive franchises, such as The Sims, opening up a new female demographic.

Casual gaming - the kind of game you can pick up and put down easily - has grown exponentially with Wii games and puzzles, such as Bejeweled and Solitaire. Casual gaming websites attract 125 million unique users each month - and skew female and older.

Over the past few years, the internet



has added a whole new dimension to gaming by making it more interconnected and social. This is typified by virtual worlds (such as Second Life, Home and Club Penguin) and 'massively multiplayer games' (such as World of Warcraft), in which you hang out with real, rather than computer-generated, people.

There is also a wonderful new form of gaming called alternate reality gaming (ARGs). This is the gaming equivalent of a multimedia campaign - a gripping story that unfolds in real time, and in which traditional gaming elements mix with other forms of media and entertainment.

In March this year, we launched an international and multi-language ARG called Xi in the heart of Sony PlayStation's new virtual world, Home. The ARG encompassed not only virtual worlds and casual games, but also real-world events, videos planted on YouTube, the commissioning of a song with clues held in the lyrics, real-life advertising, the creation of an entirely fictional company,

Titles such as The Sims (top) and Bejeweled (above) are played by huge audiences of 'casual' gamers

replete with website, corporate identity and recruitment campaign, and much more - multiple touchpoints that people seek out, rather than try to avoid.

Gaming is even big among non-gamers. Question a non-gamer and the chances are they will admit to a periodic addiction to their PC's Solitaire, an application downloaded on Facebook or iPhone, or an afternoon spent on their nephew's Wii.

Gaming is diverse, immersive and interactive. It is not just the future - it is the present. And it may be time that brands better exploited this opportunity.

Untapped opportunity

The brand division of nDreams has two aims - to make amazing games and to create them around a brand. We believe this is the way gaming will most benefit brands, but it is also a model that is under-exploited. Existing models have

been half-hearted, although not without their merits.

For simplicity's sake, we can divide advergaming into four sectors, defined by their quality and way the brand is integrated (Figure 1). In the top left, brands are sold space in existing and often very high quality games, such as a fleeting hoarding in a football game or around an Fi track. The game is not about the brand in any way: the brand is peripheral, tacked on purely as an afterthought, and is easily missed (if it is seen and internalised, it probably works best purely as a form of brand salience).

In the bottom right, a brand creates a bespoke game, but of low quality - both in terms of appearance and playability. Typically, these games are churned out cheaply, often by digital generalists, rather than gaming specialists. Even though they are bespoke, it often seems that little thought has been given to the exact role of the game within the brand's fuller marketing mix.

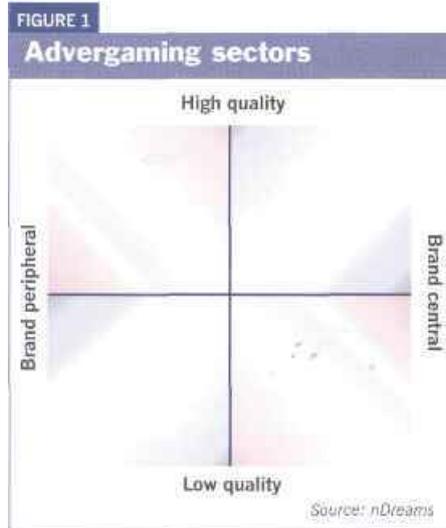
The key sector here is the top right - creating great quality content and making the brand central to the creative idea. To date, very good examples have been rare (and predominantly in the US). However, when they are done well, the results have been astonishing.

The US Army famously created an exciting video game to recruit soldiers. The America's Army series taught potential recruits about what army life was really like, exciting those who were best suited and frightening off those who were not.

This wasn't just about potential recruits self-selecting - the Army was able to track every bullet fired and every manoeuvre in the game, so that it knew which players were the most promising.

This game had more impact on recruits than all other forms of Army advertising combined, but cost just 0.25% of the total comms budget.

Another famous example is Burger King, which worked a couple of years ago with a games developer in the US to create and sell a console game featuring the BK King from its advertising. This raised sales by an amazing 40%.



So, when done well, the results can be hugely rewarding. This leads us to the financial case for creating fantastic bespoke gaming experiences.

We believe that, if a game is great and built around a brand, it will benefit both the brand and its balance sheet. Compared with more traditional elements of the marketing mix, a great game can generate higher revenue at a lower cost.

High revenue

Simply speaking, there are three (mutually compatible) ways gaming can create revenue.

- **The advertising model** A good game has the potential to be an extraordinarily potent form of brand advertising. It is the most immersive form of brand communications, bar none. It is the ultimate example of a sit-forward activity and can hook people in like nothing else. It is a form of communication that people

want to engage with, not avoid: it does not interrupt what people want to do, unlike most conventional communications. It hangs around living rooms and hard drives. It is something people will play for lengthy periods of time, and which they will return to of their own accord.

It is still a novel approach, and will stand out a mile from what the competition are doing. And it is cutting-edge - something many brands yearn to be.

- **The promotional model** Because the game is valued, it can be given away or subsidised in exchange for brand purchase. This purchase might enable customers to access the game in its entirety, or to unlock areas or features in a game that were originally given away with no strings attached.

The promotion might be ongoing, rather than a one-off hit, with customers incentivised over time to upgrade to a series of further levels.

This model would typically add to the advertising model. Here, the game would be both a direct promotional incentive and also a brilliant form of brand advertising - a fairly unusual combination.

- **The retail model** In this model, the game itself is retailed, opening up a new revenue stream for the brand. It is unlikely the brand game will be able to compete on price point with the next generation of console games, but a price point between £5 to £20 could generate significant revenue.

Because the brand puts the money up-front and often provides a route to market, you can normally cut out games publishers and retailers. This shortened supply chain means you can offer the game at a competitive price from the consumer's point of view, while still generating significant margin.

Low cost

On the other side of the equation, a good game can be created and distributed extremely cost-effectively.

Production cost varies. However, perhaps surprisingly, a good game can be created at costs not incomparable with the production costs of a single TV ad. For example, using an engine such as Unity,

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one can create games very cost-effectively that open straight into the browser of a PC or an iPhone.

However, the real savings are not that a good game costs less to make (it doesn't), but that it costs less to distribute. The main costs associated with traditional communications are involved with getting it out there - and, crucially, you can get a good game into people's hands extraordinarily cheaply.

Good games are valued, sought out, recommended, hosted and passed on in a way that most brand communications are not. And because they are digital, the marginal costs of distribution are effectively zero. These cost-effective ways of getting it out there can, for simplicity's sake, be split into three:

• **Distribution using gaming channels** These are the routes to market used by the games industry. If the game is retailed, you can sell it via games stores, such as Game (or indeed Tesco), or online games retailers, or casual games sites, which retail games instead of giving them away for free.

It is now possible to have great games that open in the browser of the world's biggest social networking sites, such as Facebook, Bebo and MySpace. You can distribute the game as an app for the iPhone or other mobiles and handhelds. You can make the brand an amazing part of an existing virtual world that people already play, such as PS3 Home. You might be able

to use the hugely popular free gaming websites, such as MiniClip. And the game can be seeded on opinion former influential blogs and websites.

• **Distribution using brand channels** Branded games have a big advantage over non-branded ones in that they can use a brand's communication channels and routes to market to publicise and distribute the game. The game might be played or bought via the brand's website. It could be emailed to all existing or potential customers as an exclusive present. The game, or a code unlocking it online, could be included in DM. The game might be advertised on packaging, pointing people towards the web, or physically attached as a disc, or ordered through coupons. You might distribute the game via your brand's network of stores, or the outlets of a retail partner. Or you could team up with an appropriate media partner to give the game, or a taster of the game, away for free.

• **Viral distribution** Last, but by no means least, is the viral effect. The above methods are ways of seeding the games. From here, the hope is that the game takes on-a life of its own.

Good games are valued, and so are far more likely than most communications to be talked about and recommended. And, given that games exist via computers, phones and consoles, the game can spread quickly online. This is not just about hoping people will forward a free

Brands in the game: (clockwise from top left) US Army recruitment game America's Army; Sony's Home virtual world; Xi, the alternate reality game that exists within Home. **Opposite page: Burger King's Big Bumpin' game for X-Box**

version of the game - it's about building in community aspects to the game experience, challenging friends, leader boards, multi-player options, and so on.

Conclusion

• Gaming is exploding. Over the past five years, it has become properly mainstream across a much broader demographic, and is delivered across a larger number of platforms and game types. It is amazing what is now possible.

• With a few notable exceptions, brands have yet to fully exploit this opportunity. On the occasions when brands have used games, they have tended to be of poor quality or have rendered the brand peripheral. A more effective model is to make the games amazing and create them from scratch around a brand.

• Gaming can create significant revenue and be delivered at low cost. If done right, gaming has the potential to be, at worst, a highly cost-effective and immersive form of advertising and, at best, a whole new revenue stream for a brand.