



Winning Versus not Losing: Exploring the Effects of In-Game Advertising Outcome on its Effectiveness

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Abstract

Prior literary works on product placement in games predominantly focus on a host of game and brand characteristics to eventually explore their effects on consumers' psychological responses and behavior. One primary facet of in-game advertising (IGA) that has largely been ignored is game outcome in terms of winning and losing and its effect on consumers' nature of information processing. This article explores the effect of IGA outcome and performance feedback shown to players on their motivation expressed in terms of induced regulatory focus. Further, the effects of regulatory focus are examined on players' implicit and explicit memory, game and brand attitude, and emotions. A conceptual framework highlighting afore-mentioned relationships is developed and empirically tested which reveals that IGA outcome and performance feedback in the form of game messages plays a major role in explaining players' motivation which in turn also affects their memory and attitude. Managerial implications, limitations, and scope for future research are also discussed.

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Keywords: In-game advertising outcome; Performance feedback; Motivation; Regulatory focus; Implicit memory; Explicit memory; Game attitude; Brand attitude; Emotions

Introduction

For decades marketers have lamented over the effectiveness of television and print advertisements. When spending for these advertisements upfront and realizing their benefits later, marketers are vulnerable to nonperforming or low-performing advertising materials. Against this backdrop, Internet-based marketing appears to offer a stimulating change because of the wide-spread reach and rapid proliferation of the Internet. Nonetheless, the success and persuasive strength of digital media has frequently been questioned because of online clutter that results in issues like diminished advertisement claim and brand name recall (Pieters, Wedel, and Zhang 2007), banner blindness (Sun, Lim, and Peng 2013), and consumers' avoidance of digital advertisements (Hussain and Lasage 2013). Therefore, as the pursuit of identifying new sources of persuasion continues, one of the contemporary media channels that has been exploited by marketers more frequently is product placement in online

games, more commonly referred to as in-game advertising and advergames. Advergaming are “computer games specifically created to function as advertisements to promote brands, where the entertainment content mimics traditional game forms” (Kretzmer 2005, p. 7). This format is distinguishable from in-game advertising (IGA) which follows a more traditional pattern of product placement within a gaming environment (Caugherghe and De Pelsmacker 2010). These games are available in both online and offline environments and provide an opportunity for long-term, focused exposure of the embedded brands in a reward-driven environment (Evans, Carlson, and Hoy 2013). Due to the emergence of this new advertising platform, game developers command additional revenue from companies for placing their brands in customized computer games. The IGA and advergaming expenditure across the globe was \$2.84 billion in 2014 and is expected to reach \$4.75 billion by the end of 2019 at a compounded annual growth rate of 10.8% (PWC 2014) followed by an anticipated expansion of the gaming audience from 198 million in 2012 to 327 million in 2016 (eMarketer 2012).

Impelled by this upsurge, academicians explored the persuasive efficacy of IGAs and advergaming. Studies were conducted to

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investigate effects of playing brand-embedded games and their various characteristics (e.g., type of game, technical platform, game genre, nature of congruity and prominence of game), on consumers' psychological responses like cognitive, affective, and conative reactions as well as behavioral outcomes (Terlutter and Capella 2013). Despite this research emphasis, one primary facet of gaming that remains largely unexplored to date is consumers' reactions to game outcome and game messages shown to them at the end of playing. In the extant literature, Steffen, Mau, and Schramm-Klein's (2013) work is one of the few studies which postulated effects of advergame outcome, victory or defeat, on players' mood, experience of flow, and brand and game perceptions. However, their results were inconsistent. For example, while winning the game affected brand and game perceptions, no such effect was evident in the case of losing. Furthermore, no systematic correlation was found between game outcome and players' mood (Steffen, Mau, and Schramm-Klein 2013).

Our study addresses this research gap by exploring the effects of game outcome on players' motivation and information processing. Indeed, players pursue winning as a specific goal which provides them the opportunity to perform better or worse (Caillois and Barash 2001). However, it is unreasonable to conclude that IGAs and advergames should be built overly easy so that they facilitate winning followed by the transfer of this positive outcome on players' brand perceptions. According to the flow experience theory, a certain level of challenge or difficulty is required that allows players to experience flow — a mental state where they are completely absorbed in the game (Schneider and Cornwell 2005). Brand attitude of optimally challenged players was also found to be higher than those of under- or over-challenged players (Waiguny, Nelson, and Terlutter 2012). Though these studies evaluated the influence of game challenge on players' behavior, the subtle effects of victory or defeat on players' motivation and behavioral outcomes were ignored. Therefore, the primary objective of this research is to examine the effects of IGA outcome and performance feedback, i.e., game messages, on players' motivation which is accomplished by drawing the conceptual fabric from Regulatory Focus theory (Higgins 1997, 1998).

Another loophole present in extant literature is regarding the conceptualization and measurement of consumers' memory as a result of playing these brand-embedded games. While players' explicit memory, i.e., recall and recognition, has been regularly examined (Jeong, Bohil, and Biocca 2011; Lai and Huang 2011; Lee and Faber 2007; van Reijmersdal et al. 2015), little is known about their implicit or unconscious component of memory barring few studies (van Reijmersdal et al. 2015; Waiguny, Nelson, and Marko 2013; Yang et al. 2006). This measurement bias arises from the predominant assumption that learning requires effort, attention, and concentration. The primary take away for product placement researchers is that to be effective a placement ought to be consciously recalled. However, informational cues might also impact consumers' implicit memory (Jacoby 1983; Lee 2002; Roediger 1990) and purchase decisions in stimulus-based situations (Holden and Vanhuele 1999; Lee 2002). Law and Braun-LaTour (2004) suggested that

explicit memory measures are not capable of detecting the subtle effects of product placements. Rather, impact on implicit memory is more salient when consumers' attention is divided between primary and secondary activities (Shapiro and Krishnan 2001). According to the limited capacity model of attention, players' cognitive resources are limited and essentially get distributed between the primary task, i.e., playing the game, and the secondary task, i.e., noticing brands embedded in it (Lee and Faber 2007) with majority of the share of resources being occupied by the primary task. Thus it provides a perfect opportunity to examine whether, with limited cognitive repository, embedded brands are processed thoroughly so as to reflect in players' implicit memory. Therefore, the second objective of this research is to examine the effects of IGA outcome-induced motivation on players' implicit and explicit memory. This innovative combination of variables, i.e., IGA outcome and performance feedback, motivation, and implicit memory, would contribute to literature dealing with subtle implicit memory effects of product placement in games initiated by selected researchers mentioned earlier. In order to tap players' other psychological reactions, we also explore how their emotions, brand attitude, and attitude toward the game are affected by the afore-mentioned motivational factor.

In the following, two strands of literature, namely regulatory focus theory and implicit memory are discussed. These strands of literature are then used to generate hypothesized relationships and a research framework exploring the effect of IGA outcome and performance feedback on players' motivation measured through regulatory focus, and the subsequent psychological reactions of outcome- and feedback-induced motivation. Finally, an empirical model is developed and tested that examines the validity of the framework.

Theoretical Background

Regulatory Focus

Regulatory focus (RF) is a motivational construct that explains people's approach and avoidance behavior in the context of any task given to them (Higgins 1997, 1998). The tasks can be anything related to performance such as solving a puzzle, taking a comprehensive exam, and playing a computer game. RF is considered as an individual trait which distinguishes between two types of self-regulation — promotion focus and prevention focus (Crowe and Higgins 1997; Manczak, Zapata-Gietl, and McAdams 2014). Promotion focused individuals are sensitive to presence and absence of positive outcomes, are motivated to approach these positive outcomes, and self-regulate themselves in terms of ideal standards, i.e., advancement, goal, and accomplishments (Crowe and Higgins 1997; Higgins 1997, 1998). Alternatively, prevention focused individuals are sensitive to absence and presence of negative outcomes, are motivated to avoid these negative outcomes, and are self-regulated according to ought standards, i.e., duties, obligations, safety, and responsibility (Crowe and Higgins 1997; Higgins 1997, 1998). Since almost all IGAs provide situational positive or negative outcome

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