

ADVERGAMES:
MARKETING
STUDY

IMPACT ON
REVENUE AND
BRAND ATTITUDE



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GAMING INDUSTRY REVENUE

- **Globally Growing Revenue.** The global gaming market has witnessed an unprecedented surge in revenue. In 2022, the gaming industry raked in over **\$180 billion**(1).
- **Mobile Dominance.** The advent of mobile games has changed the concept of accessibility. Mobile games accounted for a staggering **50% of industry revenue**, fueled by a large and diverse player base(2).

ABSTRACT



GAMIFICATION & BRANDS

- Gamification promotes a series of psychological outcomes, such as **enhanced motivation and engagement**(3).

BY SUCCESSFULLY SOLVING GAME TASKS, USERS FORM A BETTER ATTITUDE TOWARDS BRAND ELEMENTS IN THE GAME(4).

- **Advergames** are games designed to promote brands or products. These games seamlessly integrate advertising messages within a gaming context.
- The immersive nature of advergames facilitates an **emotional connection** and creates positive feelings associated with the brand(4).
- Advergames extend their influence beyond attitudes and show persuasive outcomes in **heightened purchase intentions**(4).

(1) Newzoo "Global Games Market Report", August 2023

(2) Statista "Video game market revenue worldwide in 2022, by segment," August 2023

(3) Journal of Business Research. "Enhancing user engagement: The role of gamification in mobile apps", August 2021

(4) Journal of Advertising "The gamification of branded content: A meta-analysis of advergence effects," January 2021

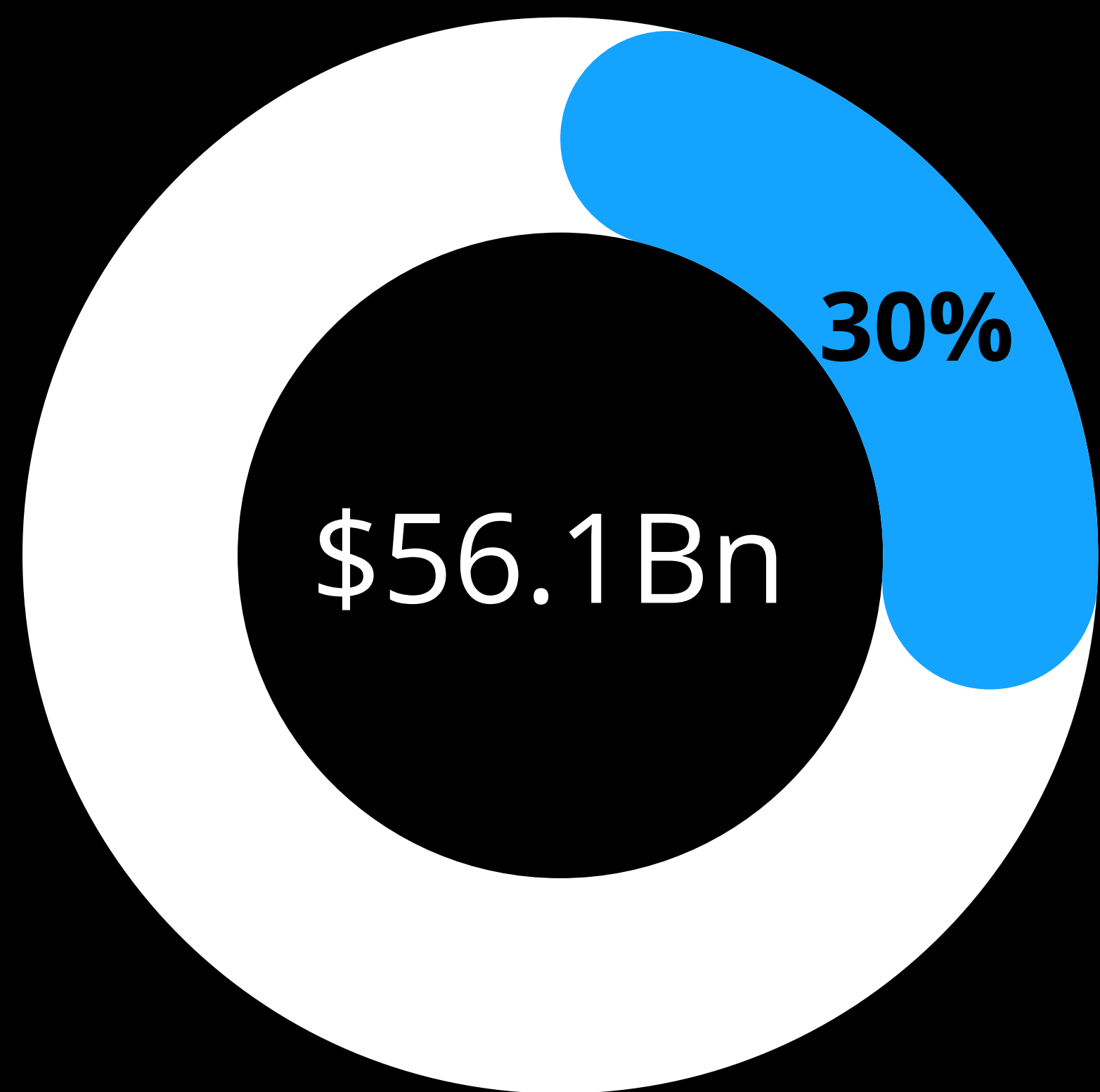
Advergaming: Marketing Study



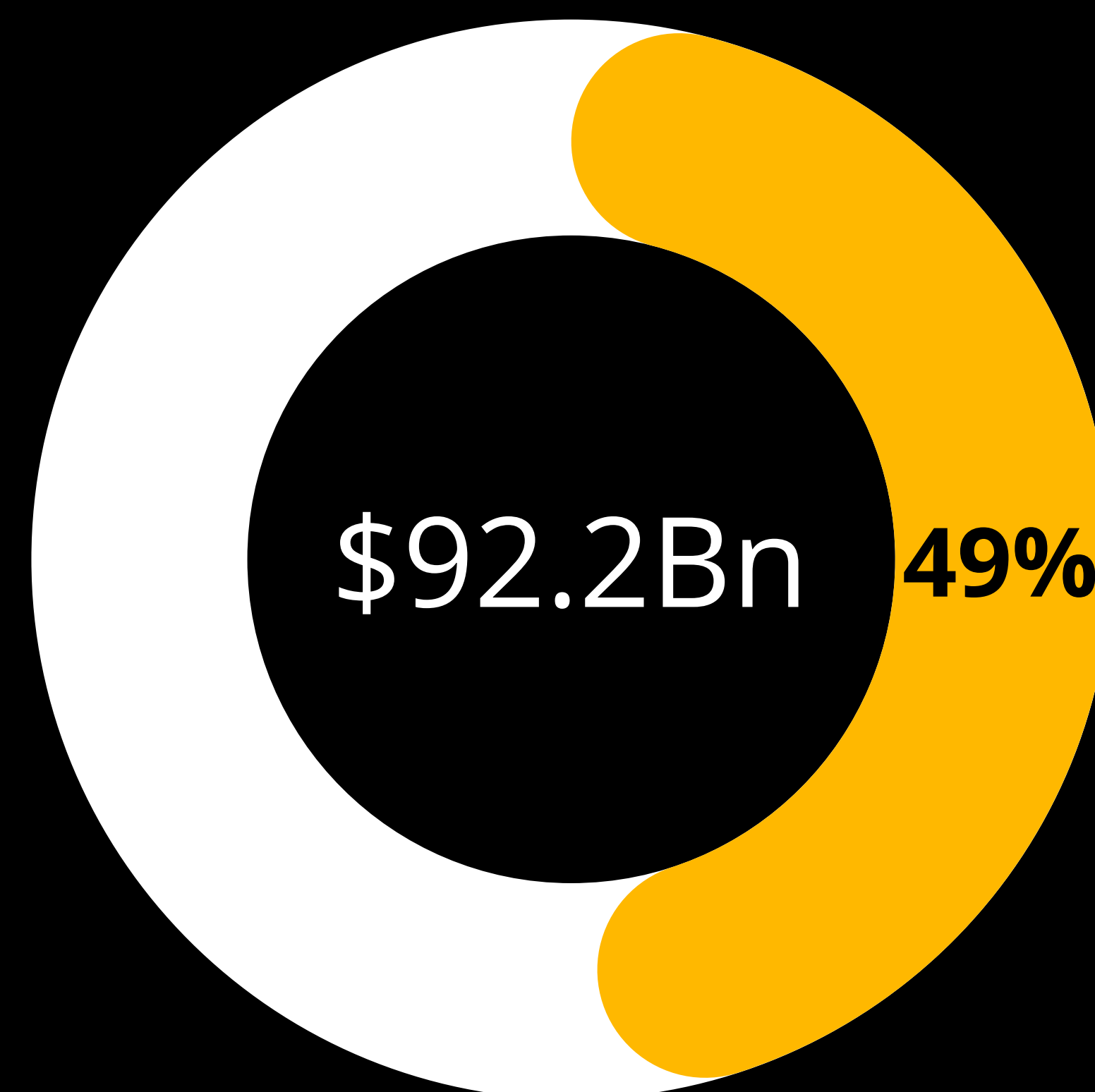
How is the gaming industry and its sectors developing?

3.09 billion active video game players in the world;
52% of gamers have at least one gaming service subscription;
1.17 billion gamers are **18-34 years old**(1).

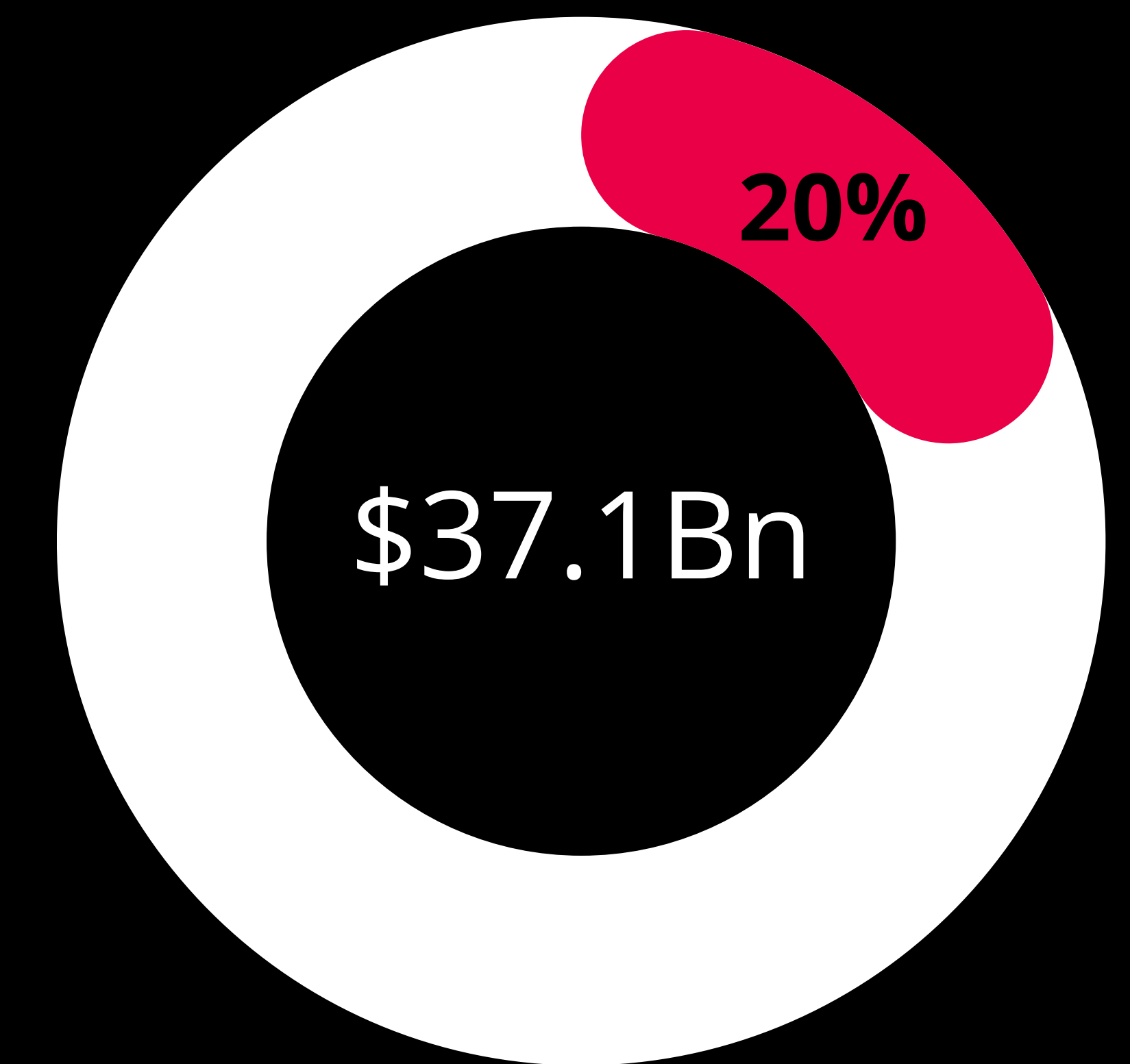
Console Games



Mobile Games



Downloaded/boxed PC Games



(1) Newzoo "Global Games Market Report", August 2023

(5) Exploding Topics "How Many Gamers Are There?(New 2023 Statistics)," August 2023

What Is This Study About?



This study by HitBerry Games explores advergames and their impact on brand attitudes. Our research assembles materials from such proven research platforms as Newzoo, Statista, ScienceDirect, and so on.

We will look at branded games from a marketing perspective and assess whether it is beneficial for a brand to use them for building a brand presence.

The study will consider 3 main aspects: the gaming industry revenue; gamification and games; advergames, and brand attitude. Further analysis will provide answers to questions such as:

- **What are the prospects for the gaming industry in the next years?**
- **What types of brand integration exist? What are advergames (cases)?**
- **How do advergames affect brand attitude and purchase intentions?**



1

Gaming Industry Revenue

What are the prospects for the gaming industry in the next years?



Why Are People Attracted to Games?



Gamers experience a sense of accomplishment as they conquer challenges.

ACHIEVEMENT

Games provide hours of engaging and captivating gameplay.

ENTERTAINMENT

Gaming offers an exhilarating arena to test skills and strive for victory.

COMPETITION



ESCAPE

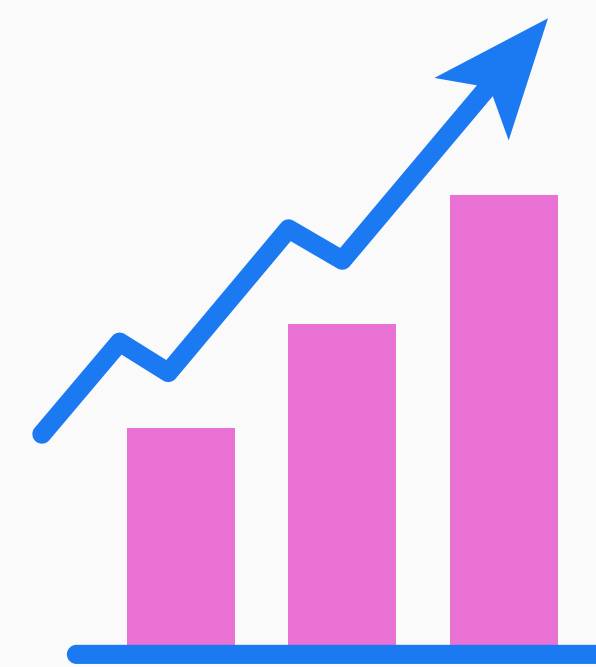
Games offer an immersive escape into worlds filled with exploration.

CONNECTION

Games provide a platform for friends and strangers to connect(6).



How Does It Reflect On Gaming Market?



The market is set to grow annually at **8.74% from 2023 to 2027**, reaching **US\$467.00 billion by 2027**.

The United States is expected to top the global revenue charts **in 2023 with US\$96,680.00 million⁽⁷⁾**.

The gaming market is expected to reach **\$665.77 billion by 2030**, growing at an average annual rate **(CAGR) of 13.1%**.

(7) Statista "Video Games - Worldwide," 2023

(8) Fortune Business Insights™ "Gaming Market, 2023-2030", 2023

Global Gaming Statistics Highway

The number of gamers will grow rapidly until the middle of the decade.

3.26 BLN

2023



3.68 BLN

2026



4



5



2027

3.8 BLN

Growth is likely to increase even further with the development of new technologies.

3.26 BLN

2023

1



3

2025

3.57 BLN

From the mid-20s it will be possible to predict further growth.



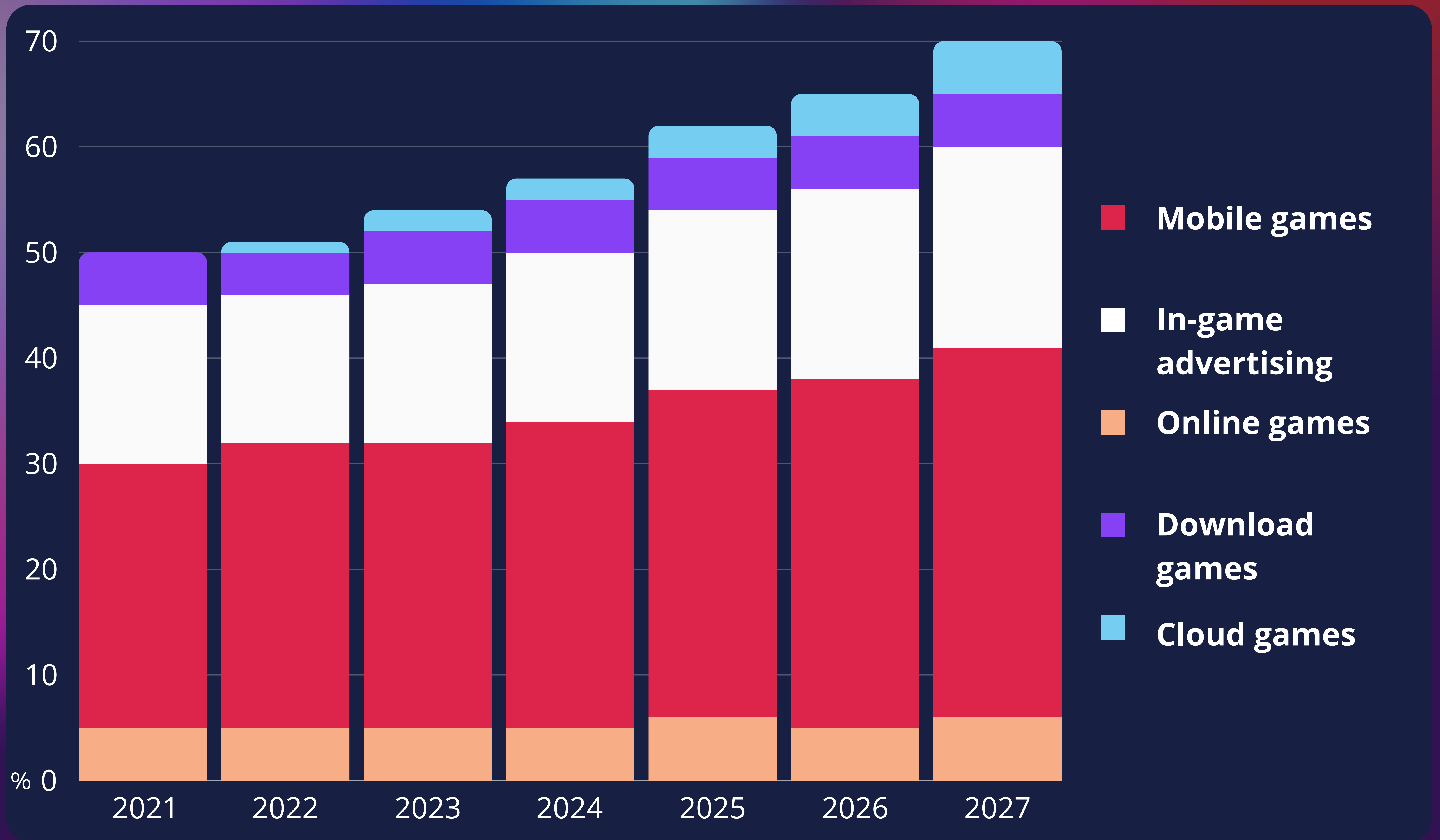
2

3.45 BLN

2024



Revenue by Market (2021-2027)



2



Gamification & Brands

What types of brand integration exist?
What are advergames (cases)?

Types of Brand Integration: In-Game Advertising



In-game advertising

(IGA) are all ads strategically integrated into games to generate revenue. However, it is mostly used for such types of advertising as:

- **Static and dynamic in-game ads**

fixed images (e.g. billboards) or videos/interactive elements that are displayed within the game environment.

- **Interstitial ads**

full-screen ads that cover the interface of their host app. They take **34% of all ad impressions**.

- **Product placement**

inserting branded products or services into the game environment in a way that doesn't disrupt the gameplay (e.g. a branded soda on a table in a café)(10).



"BRANDS GET NOTICED AND CONNECT WITH USERS AT A MOMENT WHEN THEY ARE IN A RELAXED AND POSITIVE STATE."

-Julia Zolotarenko, CEO of HitBerry Games

Types of Brand Integration: Sponsorships



Sponsorships

Type of advertising that involves **integrating branded products and/or services** directly into the game's content.

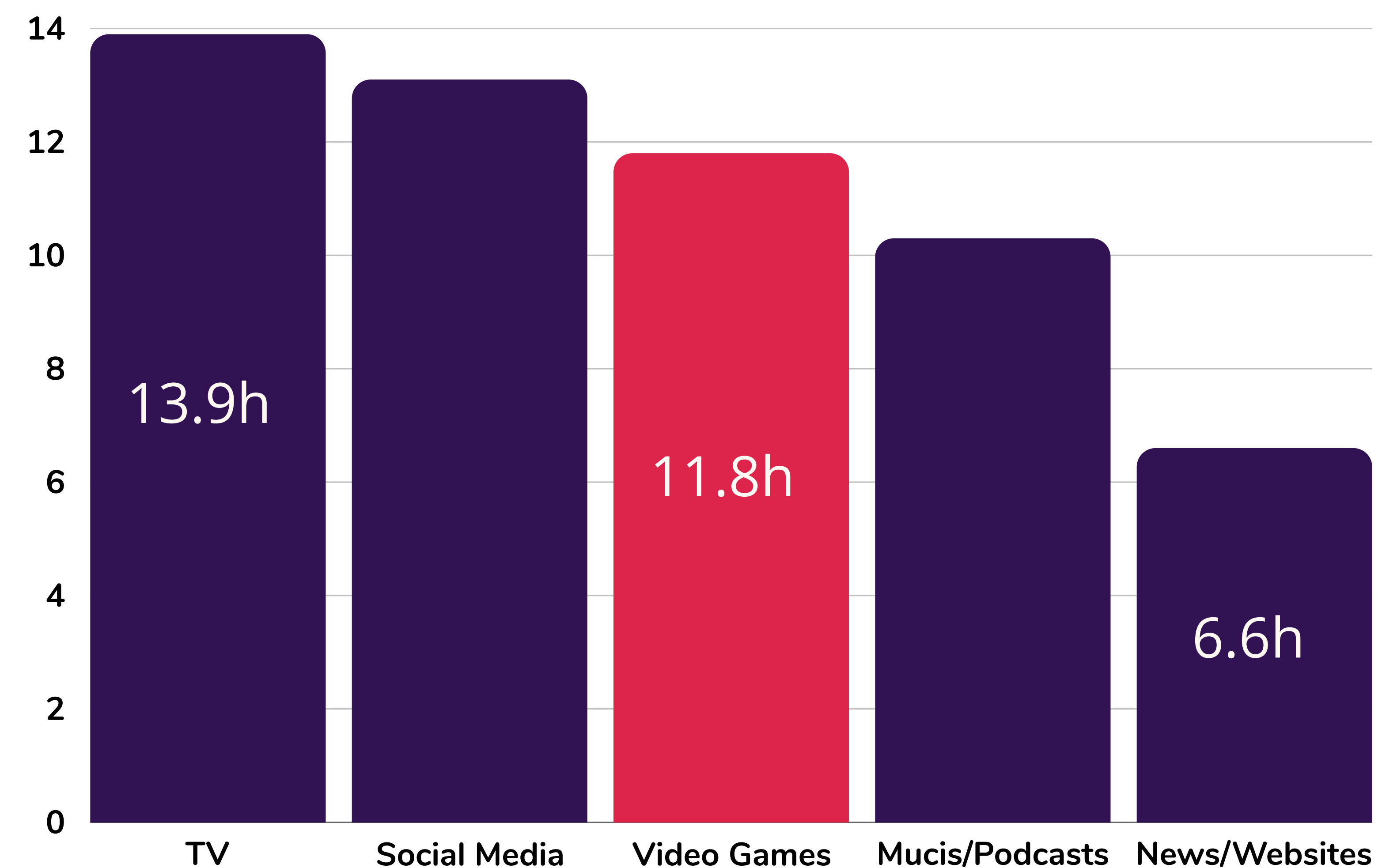
For example, a game might feature a branded car or product that the player can use or interact with.

Case: the sponsorship between the NBA (National Basketball Association) and the popular basketball video game series, NBA 2K.

NBA 2K game hosts NBA tournaments within the gameplay and includes NBA players' looks, team logos, and even detailed stadiums.

Game revenue was **\$1.21 billion in Q2 2023**, up from **\$833 million in Q2 2022**(11).

US Weekly Time Spent With Media



(11) Businesswire "Take-Two Interactive Software, Inc. Reports Results for Fiscal Second Quarter 2023," 2023

(12) Newzoo "Consumer Research, US Online Population Aged 10-50," 2022

Types of Brand Integration: Advergames



Advergames

(or “branded games”) mini-games developed specifically to promote a brand or product. They feature the brand prominently within the gameplay.

Louis Vuitton's The Game

- Louis Vuitton NFTs as game items
- **100K Downloads per month**

Lego City

- **2,96% CRT on complete engagement rate**
- **Revenue estimate: ~\$1.8M**

Lego Star Wars

- **Downloads: 10M+**
- **Consumer sales growth: 12% in 2022**

Roblox

- **Unilever's (AXE) game (2022)**
- **\$206.92M in the second quarter of 2023**

(13) Sensortower “Louis Vuitton Malletier Revenue,” 2023

(14) Sensortower “The LEGO Group Revenue,” 2023

(15) Statista “App revenue generated through Roblox worldwide from 1st quarter 2016 to 2nd quarter 2023,” 2023

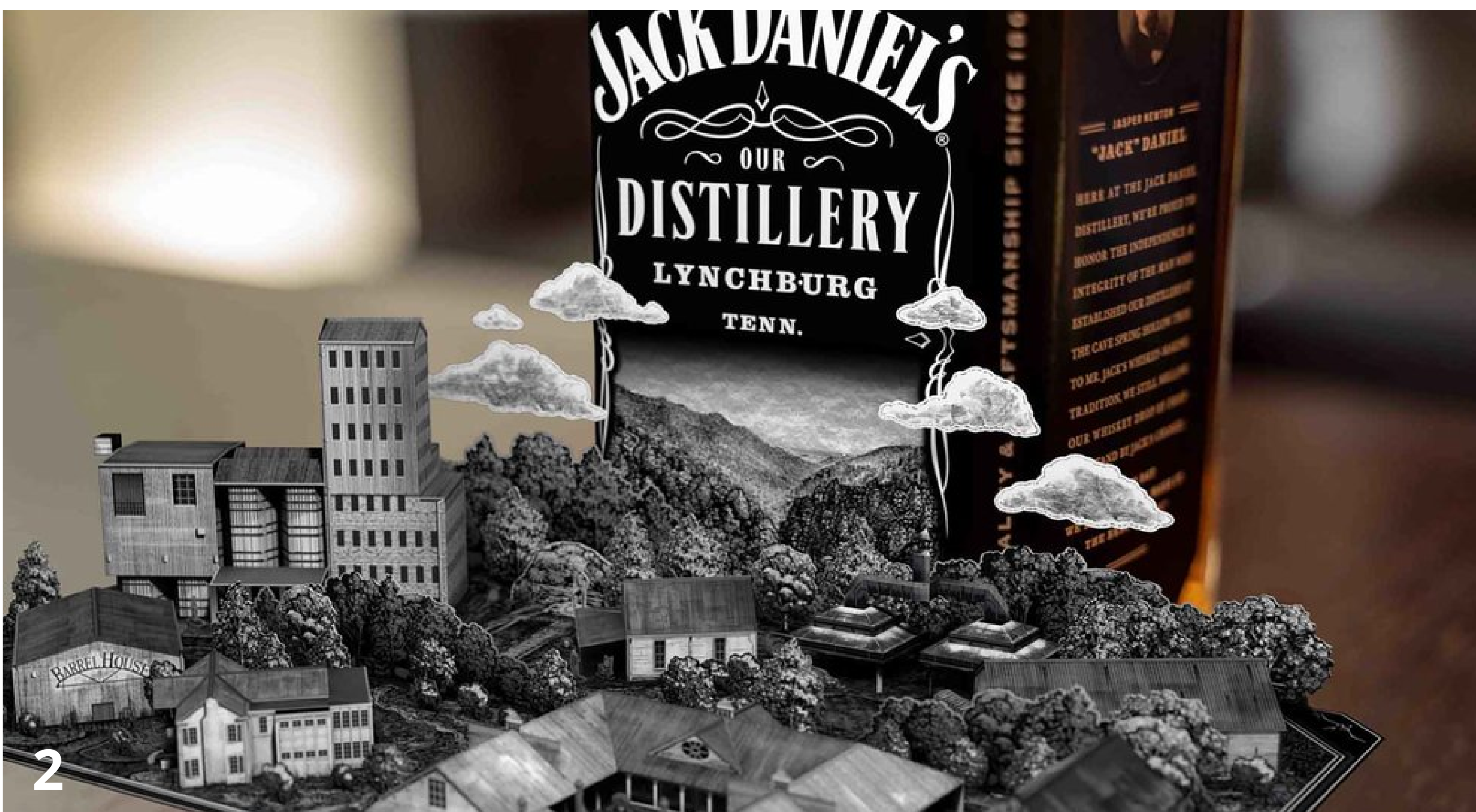
How Do Advergames Blend Brands into Gameplay?



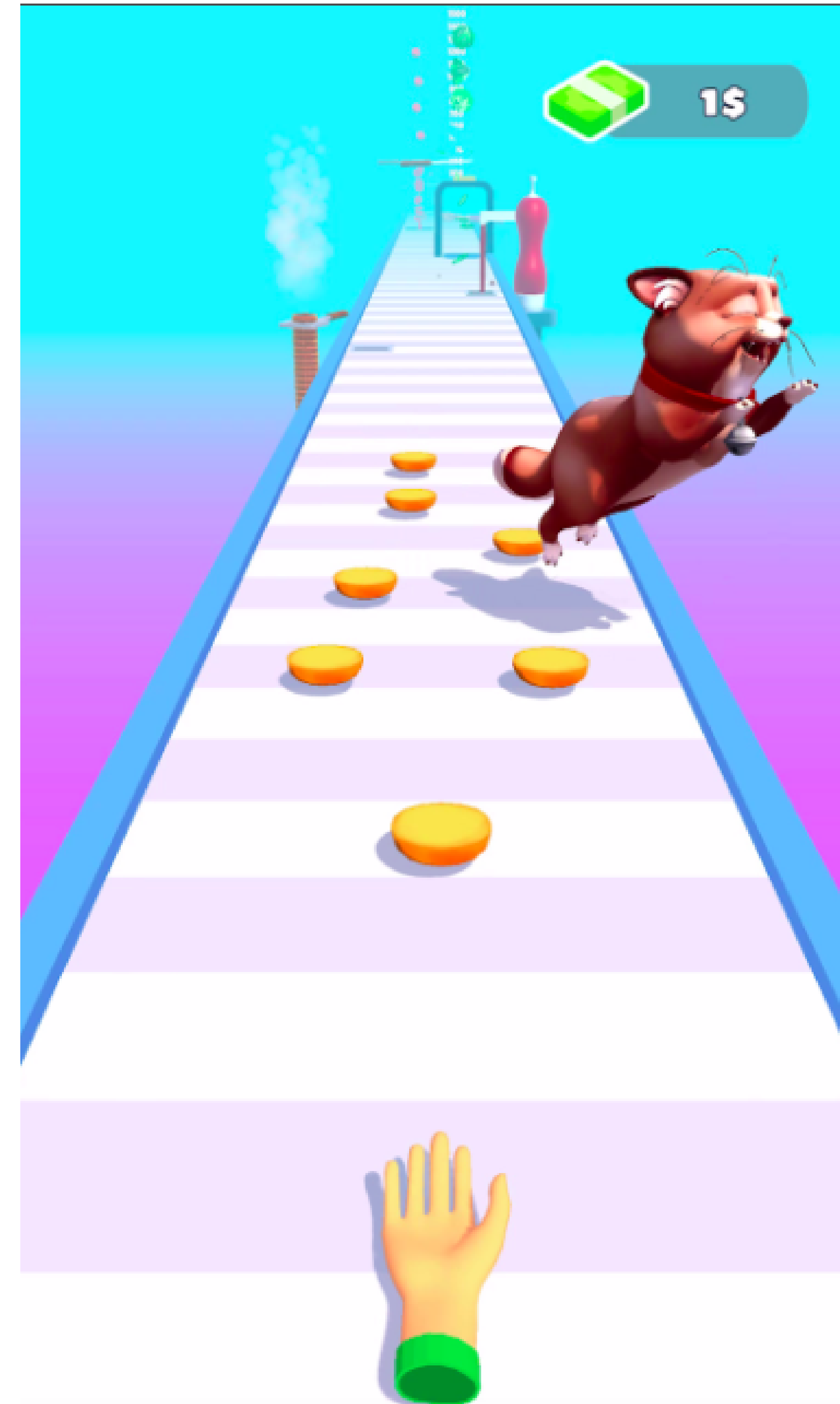
Advergames blend brands into gameplay in a variety of ways.

For instance, developers can implement the brand features into the gameplay itself or use new technological trends to increase engagement.

Examples: HitBerry Games' Touchfree project for Ameria AG (pic1) and Jack Daniel's AR Experience (pic2).



“Burger Queen” Advergame: HitBerry Games Case



Burger Queen is a successful case of a fan-runner game that was developed for a fast-food restaurant “Burger Queen.”

+ Brand integration
into game mechanics
+ Branded characters

+ Product placement
+ Branded quests
and storyline

Created by HitBerry Games, this game shows what it is like to be part of the “Burger Queen” experience.

The game offers an interactive and engaging experience that immerses players in the world of the fast-food business.

3

Advergames & Brand Attitude

How do advergames affect cognitive processes, emotional response, and brand attitude?



Advergames & Brand Attitude: A New Way to Engage



We live in an age where consumers are increasingly adept at tuning out traditional advertising. Marketers should find innovative ways to capture and retain their attention(6).

Thus, advergames, a creative blend of advertising and gaming, became a good solution to this problem.

Advergames are designed in a way that the game itself represents the brand message(17).

"THE MORE YOU ENGAGE WITH CUSTOMERS, THE CLEARER THINGS BECOME AND THE EASIER IT IS TO DETERMINE WHAT YOU SHOULD BE DOING."

-John Russell, former Vice President of Harley-Davidson

Advergames & Brand Attitude: Basic Psychological Needs

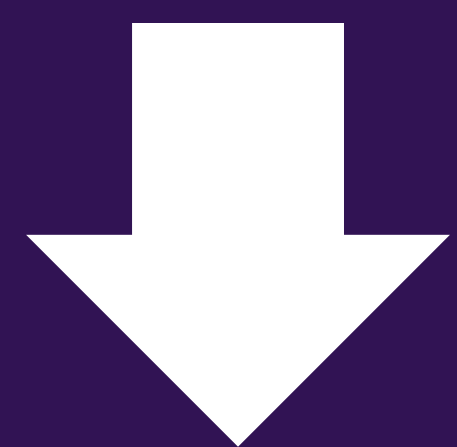


Advergames fulfill basic psychological needs: **Autonomy, Competence,** and **Relatedness**(18).

These needs are central to human motivation and well-being, and advergames, by their very nature, have the potential to impact these needs.

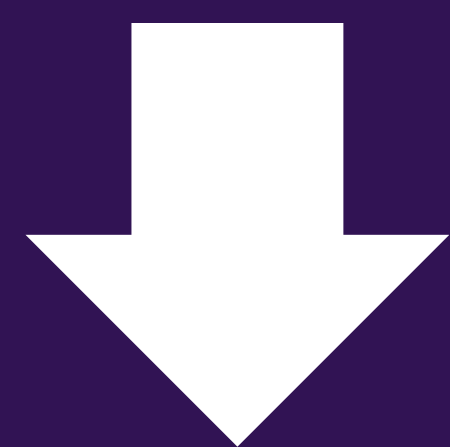
Advergames possess a unique potential to address fundamental psychological needs, thereby enhancing user engagement and fostering a positive brand attitude(4).

- strong imagery
- story line



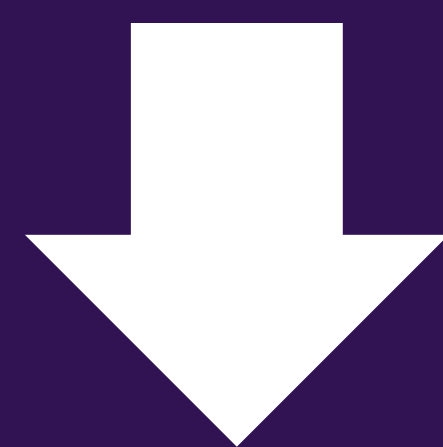
Attention

- interactivensess
- message decoding



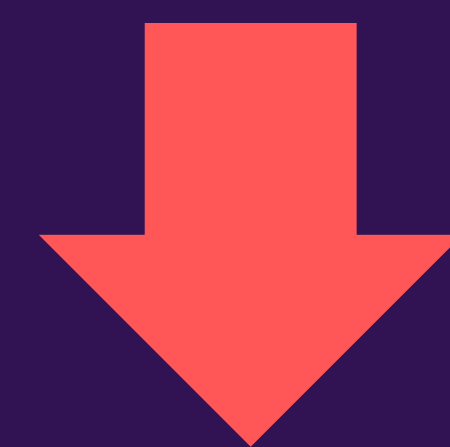
Interest

- autonomy, competence, relatedness



Desire

- brand engagement



Action

AUTONOMY

Advergames allow players to make choices within the game environment.

COMPETENCE

As players conquer in-game challenges, they experience a sense of accomplishment.

RELATEDNESS

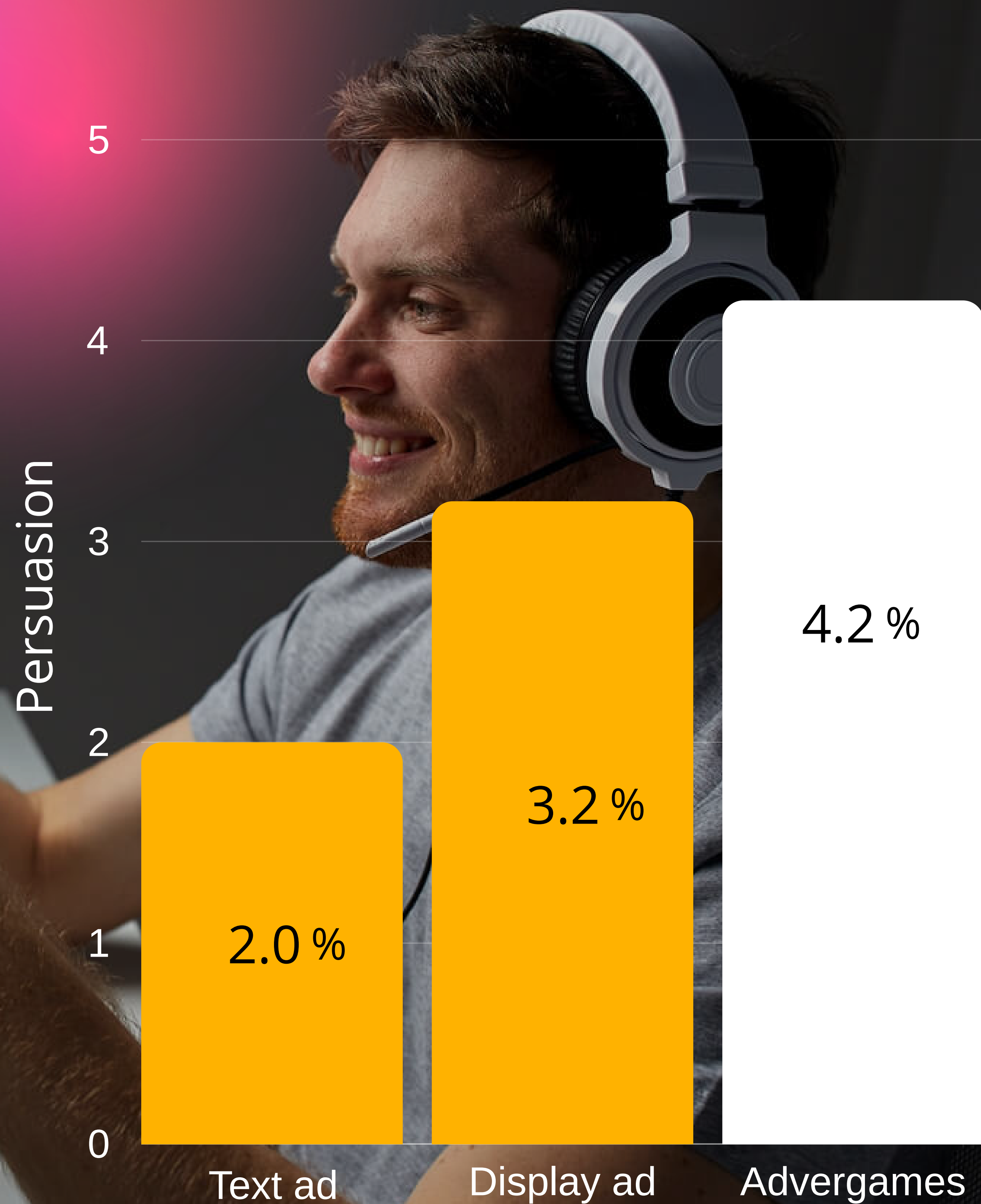
Multiplayer features and cooperative gameplay allow to connect and collaborate.



(4) Journal of Advertising "The gamification of branded content: A meta-analysis of advergame effects," January 2021

(18) Computers in Human Behavior "Is it a sense of autonomy, control, or attachment? Exploring the effects of in-game customization on game enjoyment," July 2015

Advergames vs. Other Ads. Purchase Intentions



Advergames are beneficial for online advertising as compared to text and display advertisements(19).

Cognitive processes involve the mental effort required to complete game-related tasks, which **enhances memory and attention** to the brand information(17).

Beyond shaping attitudes, advergames showcase a remarkable **impact on consumer purchase intentions**(4).

Individuals who play advergames demonstrate heightened purchase intentions compared to those engaged through traditional advertising formats(4).

(4) Journal of Advertising "The gamification of branded content: A meta-analysis of advergaming effects," January 2021

(17) Psychology & Marketing "Brands in a game or a game for brands? Comparing the persuasive effectiveness of in-game advertising and advergaming," November 2022

(19) Ergonomics for Improved Productivity "Advergaming Are More Persuasive Among Different Online Advertisements," March 2021

Solutions for Brands: How to Monetize with Advergames?



Gaming is a new way for brands to communicate with their customers.

Advergames, the strategic combination of advertising and games, is the best way to attract the attention of consumers and win new audiences.

HitBerry Games offers solutions that meet the interests of the brands and create a unique advergaming for brand marketing. We consider several aspects to be the most important when creating an advergaming.



THE ADVERGAMES MARKET:
US\$21.2 BLN BY 2028

CAGR: +15.6% FROM 2023 TO 2028

**Personalization for
Target Audiences**

**Aligning Game
Design
with Brand Values**

**Integrating
Branding Seamlessly**

**Cross-Platform
Accessibility**



WANT AN ADVERGAME? CONTACT US!



HitBerry Games is a mobile app development studio that specializes in crafting top-quality advergames.

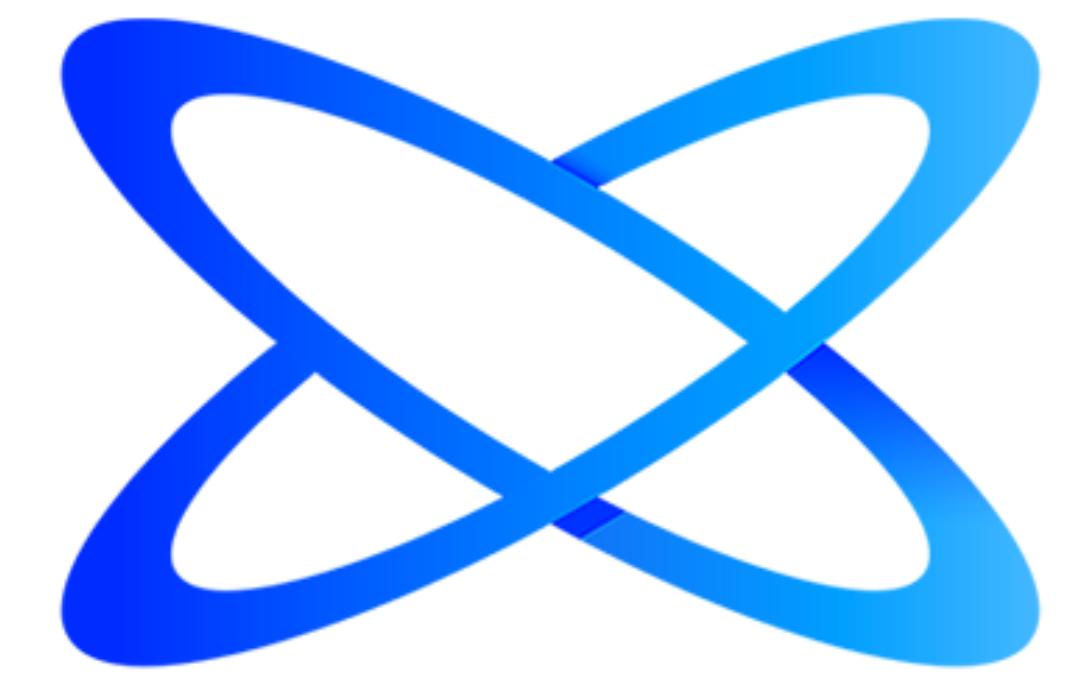
Contact us now to promote your brand on gaming platforms with billions of new customers.



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