Application of Knowledge in Advergaming as a Possible Source of Competitive Advantage

Mráček Pavel, Mucha Martin

Abstract

The article focuses on the question of the utilization of knowledge in advergaming (an original tool of the marketing communication) as a possible source of competitive advantage. Related terms are briefly described and the research was conducted within a group of young people in the Czech Republic. The research confirms that, just advergaming might have the potential for acquiring "consumers of the advertising message" and, consequently, the possible broadening of the knowledge of the company. The output then becomes the scheme for displaying the links and the utilization of the knowledge in the advergame itself.

Key words: Advergaming, Competitiveness, Competitive Advantage, In-Game-Advertising, Knowledge

1. INTRODUCTION

At present time, many companies rather hardly maintain their competitive advantage resulting from the marketing communication. Therefore, the maximum originality and uniqueness is necessary. Similarly important is the correct acquisition and utilization of the knowledge of product, environment, competitors or customers. Such acquired knowledge can be further used for the improvement of the marketing communication as such and, thus, the improvement of the possibilities of the acquisition and strengthening of the competitive advantage.

The authors aimed at the connection of advergaming as a unique marketing–communication tool, and knowledge management. As the review of databases did not show any article, involved in such a combination, they decided to specify such combination, including the establishment of the scheme of the knowledge application in the advergaming, by themselves.

2. COMPETITIVE ADVANTAGE

Provided that the competitiveness is generally understood as an attribute to the company, facilitating it to achieve the success in the competitive environment with the perspective of the long-term development, then such competitiveness is established by the competitive advantages (Zich, 2010). For such advantages can be accepted Porter´s characteristics that as such they offer the company the advantage before the competitors (Porter, 2004).

Nevertheless, according to Zich (2010) such delimitation represents only a certain logical framework, in which the competitive advantage can be perceived. The competitive advantage is perceived as a factor, which helps, resp. facilitates the company to achieve the success, but it is not necessarily its guarantee. We can not understand and identify the competitive advantage unless watching the company as a complex. Its source is the quantity of the independent activities, which the company performs when designing, introducing to the market and supporting its product (Porter, 2004). These individual activities can be drawn (according to Porter) in

each company by the so-called value chain, characterized by the depicting of the historical development, strategies, approaches to these strategies and the economy of the individual activities. One of the primary activities is the marketing and sales, being defined by the activity which should enable the customers to buy a particular product and to attract them for the buy, for example advertising, promotional events, activity of the sales managers, various offers, distribution routes etc.

We understand the competitive advantage as the partial activities of the company processes; however, the know-how is perceived as the output of the overall impression. Therefore, in the level of the functional strategies the analyses, planning, organizing, supervising, evaluation and effective utilization of the technological processes, which besides the managerial activities support the accomplishment of the company objectives, is necessary (Jemala, 2010). In this context the authors understand the function of the advergaming, utilization of knowledge and its technological-information management in the marketing-communication channel (which the advergaming undoubtedly represents) as the possibility for the development of the competitive advantage.

3. KNOWLEDGE

As well as in other specialized fields, the field delimitating the question of the knowledge is rather broad. It is established by the hierarchy of knowledge, its classification and many various definitions. According to Drucker (2001) the production facilities represented the most valuable assets of the company in the 20th century. The most valuable asset of the institution of the 21st century, either corporate or non-corporate, will be the staff disposing with the knowledge and their activity.

The hierarchy of knowledge includes data, information, knowledge and passes to the understanding and wisdom. The data can be defined as everything what we can monitor by our senses, i.e. everything what we can feel, taste, see and hear (Mládková, 2008). The information is understood as the summarized data, i.e. the data containing the purpose (Veber, 2008) and is spread by means of the technological or social networks. The knowledge is the level which contains something additional than the pure data and information; on the basis of this complex it serves for the final decision. According to Vejlupek (2005) the knowledge utilizes the information for the answering of the question: how? The knowledge is then the information plus our experience, skills, intuition, personal ideas and mental models. Finally, the wisdom is the covering position of the previous and Vymětal, Diačiková and Váchová (2005) delimitate it as the file of knowledge coming out from the understanding of the substance of the question in the particular links, from the use of both intellectual and emotional intelligence of the individual, his/her evaluation criteria and the individual relation to the surrounding environment, coming out from the high level of the human cognition.

The classification of the knowledge is accepted according to the various criteria; however, the most important classification is into two groups (Polanyi, 1966) and (Nonaka et al., 2000).

Explicit (formal) - such type of knowledge can be expressed by means of data, i.e. in a formal and systematic language. We can utter, write, draw or display the knowledge in any other way, the knowledge be saved and transferred. According to Nonaka (2000) the explicit knowledge

is expressed in the code or in the language. Such knowledge can be captured rather easily, and subsequently shared through the information and communication technologies. Formalization and documentation is relatively easy (Bureš, 2007) and (Mládková, 2008).

Tacit - established by the interaction of the explicit dimension and experience, skills, intuition, personal ideas etc. Connected with the activities, procedures, routines, ideas, thoughts, values and emotions of the individual person. Tacit knowledge is captured in the human mind, in the behavior of the person and his/her ideas. Based on these reasons, its formalization and communication is rather difficult (Nonaka, 1995) or its transfer to the explicit form is impossible (Polanyi, 1966).

Implicit knowledge should complete these two basic delimitations. The implicit knowledge is similar to the tacit knowledge, existing in the minds of the people; nevertheless, if necessary, such type of knowledge can be transferred into the explicit form, i.e. can be documented.

The knowledge goes through all company functions and the marketing activities operate in the environment of the knowledge sharing, too. The utilization of such knowledge is the pre-requisite for the building of the competitive advantage and strengthening of the competitiveness of the company. The marketing communication does not need to be viewed as a pure communication of the product towards the customer, but creates the space where the knowledge of customers can be captured and can be treated according to the needs of the company owners.

4. ADVERGAMING

The advergaming ranks among the marketing communication. Řehoř (2008) explains the term as the integration of the advertising principles directly into the computer games. Another definition states that these are the practices based on the creation and utilization of the computer games, making brands or products visible (Dahl, Eagle & Báez, 2009). The advergaming is then also perceived as the unconventional form of the marketing communication.

The advergame is perceived as a game established on the attributes of the brand (Kanth, 2010). The game should aim at the target, which the brand manager wants to hand-over to the public. The brand is then becoming the hero of the game; however, the customer should entertain himself/herself at the same time. After the finishing of the game, the player should learn something about the brand/product (Kanth, 2010). According to Schulz, Jöckel and Will (2007) the main intention of the game-playing is the entertainment, and not the search for the information on product or brand. Identically, Wise et al. (2008) assert that the remembering of the placed brand is not on the first place, as the primary focus of the attention is on the game. Moreover, he states that a careful attention should be paid to the relevance of the placement of the advertising message and the intention what we want to achieve by the placement of the brand or product with regards to the subject of the game itself. Svahn (2005) asserts that the advergaming is a phenomenon including the games which completely, or partially, transfer the messages designed for the persuasion of the player to the change of his/her behavior also over and above the circle of the game itself.

4.1 Advergaming Forms

Svahn (2005) identifies a three-step systematization of the advergaming, according to Jane Chen and Matthew Ringel.

Associative – connection of the lifestyle with the logo of the brand in the game subject. The search for the combination of the subjects of game and brand comes up. This is linked with the competition of two points of view. Both the perception of the brand image by the customers (players) and the aesthetics of the game itself. The products or brands are not prepared for the real game-playing. The best is then the placement such as for example to the billboards in the game.

Illustrative – the function of the product directly in the game in such a way that the player directly co-operates with the product in some way.

Demonstrative– designing of the playability and story for the revealing of the attributes of the individual products, e.g. a digital basketball game, where the success depends on the selection of the shoes (Svahn, 2005).

Not necessarily these three categories are downright independent – they can be mutually combined. (In the realistic game, where we can drive virtual vehicles of the real brand, the game is demonstrative as well as illustrative; with regards to the theme of the game also associative). (Svahn, 2005).

Schulze, Jöckel and Will (2007) describe the general classification of the digital games as the so-called in-game-advertising and so-called advergame.

Under the term "advergaming" can be understood the brand on-line games as the promotional tool, where the main objective of the game is the handing-over of message of the brand. The games then represent the advertising material, designed for the support to the product or brand (Schulze, Jöckel & Will, 2007).

In-game-advertising is mainly the placement of the advertising in the digital games, identically to the product placement in the movie or TV (Winkler & Buckner, 2006). More specifically, it is a planned, systematic and by the game inventors paid integration. The in-game advertising operates as a new communication tool, which tries, identically to the traditional advertising media, by means of planned and systematic utilization to influence the approaches and behaviors of the recipients. Thanks to the in-game advertising the companies are provided with the opportunity to present their products in the virtual integrated environment (Schulze, Jöckel & Will, 2007).

4.2 Advantages and Spreading of Advergaming

Should we understand the advergaming as the part of the viral marketing, the advergaming gains the advantage when compared to the most common current type of the viral (videos). At present time, one of the most famous viral video channels, YouTube, is rather oversaturated. Thus, making oneself visible just through this "classic" form is harder and harder.

According to Walklate (2009) the integration of the direct links into the viral games represents one of the advantages. It is far more probable that the player would click just when playing the game – in consideration of other advertising banners and links.

Thanks to its interactivity the advertising games strongly enhance the chance of the attracting of the interest of the customer in the product. Just the interaction of the viewer is important for better introduction and remembering of the brand. Besides classical advertising message there is also the possibility of the repeated playing – repeated perception of the brand (Walklate, 2009).

Another advantage is – according to Walklate (2009) – an easy method of the monitoring of the visitors by means of the monitoring services (for example also Google Analytics). Owing to it the monitoring of the success and spreading of the viral campaign (including the number of the clicks to the product web pages) is possible.

Moreover, the advergaming can be also beneficial for the maintaining of long-term good relations with the customers. The long-term good relations then influence the customer satisfaction (Šimberová, 2010). The advergame can be even perceived as a sort of the supplement to the product or service (by purchasing of a product you can play the game to win the ultimate prizes or to compete with the rest of the world). This can then result in the increasing of the procurement of the product and in principle to function as a form of the sales promotion. So as to strengthen the relationship with the customers, the quality of the advertising game (advergame) itself should be paid the attention in such a way so as the player would perceive it positively and as quality.

The advergaming can be spread by means of the internet. Both own web pages and the pages specialized in the advertising games can be used. Various internet forums can help the spreading, too. A significant advantage can be then also the viral spreading of the advergame among "players" themselves. The advergames can be also spread by means of the mobile phones – e.g. by way of the bluetooth technologies. The advergame can become viral, too.

For the transfer of the information from the advergame it is important the willingness of the recipient to start the game itself, to play it and to feel its message positively. Another essential precondition for the correct application of the advergaming is the meaningfulness and playability of the game. Should not the "player" see any meaning in the game, then the playing of such a game is wasting of his/her time. The same result can occur also in the event that the game could not be practically playable based on its difficulty (Mráček & Mucha, 2010).

4.3 Advergaming and Young People in the Czech Republic

According to some authors (e.g. Kanth, 2010; Dahl, Eagle and Báes, 2009) young people are the most usual recipients of the advergaming. For such a purpose, a sample of 199 respondents, aged from 19 to 26 years, was asked about the spending of the free time during the study and work, and the willingness to play some advergame. The objective of inquiry is the confirmation or rebutting of the hypothesis that most young people (students) spend their free time between study and work with the internet or the game playing. Moreover, another objective is the finding whether the students are able to share an interesting advertising message (or advergame) with their friends. The structure of respondents: 52% women and 48% men. The survey was carried-out by means of the questionnaire investigation among students of several faculties of the Brno University of Technology.

An interesting finding was the fact that the respondents prefer the active spending of their free time - ca. 30.5%. Second place is occupied – with indispensable 25% – by the surfing on the internet. The third place is then occupied by TV watching (ca. 13.6%). The results related to the spending of the free time - see Figure 1 (6 most significant activities are shown, other – less frequent – are summarized under the title "other").
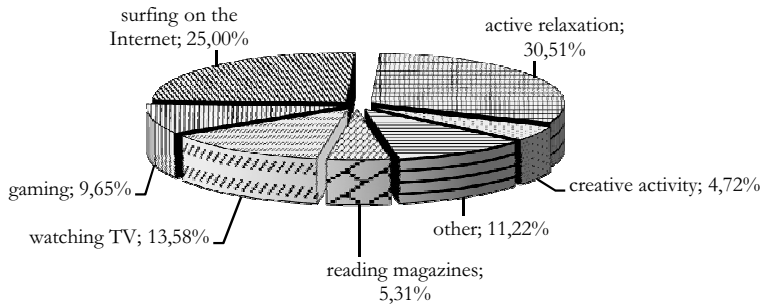
Fig. 1 – Spending of free time. Source: own

Another interesting finding is that as the relaxation during the work or study 44% of the respondents surf on the internet, 17% play games (out of them 12.5% on PC and 4.5% on mobile phone) and ca. 14% exercise. The Fig. 2 shows how the respondents relax during the work/study. Negligible is not the finding that ca. 8% of the respondents chat with friends as a relaxation.
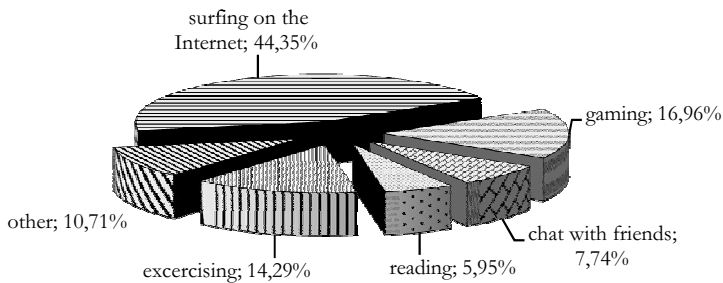

Fig. 2 – Relaxation during work/study. Source: own

Another objective of the questionnaires was the survey of the preference of the media perceived by the respondents as the most appropriate for the advertising spreading (Fig. 3). TV with 20% became the most popular, closely ahead of the internet advertising with 19.6%. As the third most popular was then untraditional (innovative) marketing. The press advertising and outdoor advertising are preferred slightly less. Completely useless seems to be the radio advertising and POP/POS materials (notes of the authors: however, we do not think these streams should be omitted, their importance in the point of the sale is significant. However, it is possible that people do not realize such advertising directly, which can be beneficial for the advertising itself).
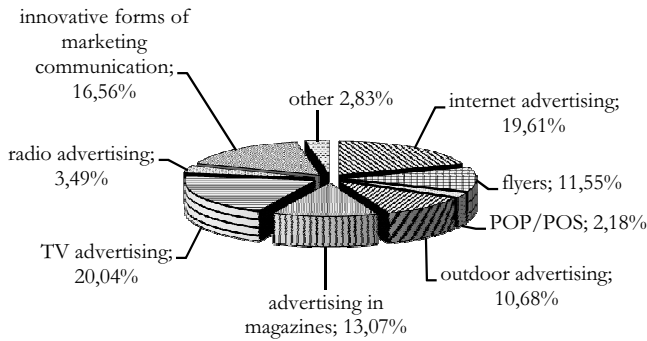
Fig. 3 – Preference of the marketing communication element. Source: own

A closer investigation further proves that if the respondents are captured by the advertising message or the presentation of a company, then they are willing to be involved in the message longer, or to recommend it to their friends (ca. 65% of respondents). Only ca. 2.5% of the respondents would certainly not recommend the advertising message to their friends. Moreover, ca. 90% of the respondents indicated to prefer the presentation of products and companies in rather an entertaining and playful form. 52% of the respondents then state to take a look at the advertising game (or possible to think about it) if available, 34% would try such a game and would play it and the remaining 14% would not play any such a game.

Hypothesis

The authors proceeded from the assumption that most young people (students) would spend their free time between study or work with the internet and/or by the playing games. Data (frequencies) were collected from the questionnaires as regards to the spending of free time (internet surfing, playing the games, chats with friends, exercising, reading and others). On the basis of pronounced presumption the first three classes were united into one. We can reformulate mentioned presumption into the hypotheses as follows. A zero hypothesis says that statistically important differences do not exist among the frequencies of the individual classes (no activity is preferred). On the contrary, an alternative hypothesis says that statistically important differences do exist among the frequencies of the individual classes (there are activities which are preferred). The frequencies gathered from the questionnaire survey and theoretical frequencies (frequencies with no significant differences among the individual classes) see following table (Tab. 1).

Tab. 1 – theoretical and achieved frequencies. Source: own

	Internet + games + chat	Exercising	Reading	Others	Sum
Found-out frequency	137	29	12	21	199
Theoretical frequency	49.75	49.75	49.75	49.75	199

On the basis of these frequencies the test criterion $\chi 2=206.929$ was calculated. A critical value $\chi 2(3)=7.815$ was specified for selected importance level $\alpha = 0.05$. As the test criterion is higher than critical value, we refuse a zero hypothesis and accept the alternative hypothesis (frequencies of the individual classes statistically significantly varies). In our case it means that there are activities preferred by young people. On the basis of detected frequencies we can say that these are activities connected with internet, playing of games and chatting with friends.

From the above mentioned described research clearly results that the advergaming certainly has the potential to address young people. However, the correct design of the advergame as such and the method of its spreading are very important. Especially in the moment when the young people try to blow off the steam from the work or study, this unusual advertising technique has a great chance to hit them.

5. KNOWLEDGE IN ADVERGAMING

As regards to the fact that the authors failed to find in the databases any theories involved in the interconnection of knowledge and advergaming, they decided to define and compile the scheme by themselves independently.

The good knowledge not only about the company itself or the product itself but about the target group, for which the advertising message incorporated in the advergame is included, is important for the correct setting and utilization of the advergaming. The scheme in the picture Fig. 4 shows the links and the application of knowledge and the advergaming itself.
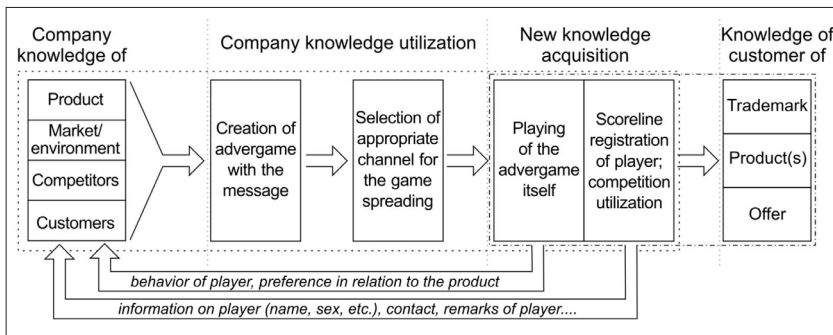

Fig. 4 – Scheme of utilization of knowledge in advergaming. Source: own

The knowledge in the process of advergaming, as the possibility of marketing communication, basically runs through four stages. Fig. 4 concludes that on one hand is the company knowledge and on the other the knowledge of the player/potential customer. Just in the beginning is the part of knowledge, which the company already achieved and is able to process it further. The company has the knowledge on its product, market/environment, its competitors and customers. Subsequent stage then utilizes "by company acquired knowledge". Owing to such knowledge the company is able to create the advergame with the advertising message, which should utilize the knowledge perfectly to focus the game directly on the factual target group (target groups). Moreover, the company can utilize the knowledge to the selection of the most

appropriate channel for the game spreading, which again uses previously acquired perfect knowledge. The game itself is then played in the third stage. Both company and player acquire new knowledge while playing the game itself. The company can "monitor" the player, their behavior or preferences in relation to the product. Either before the coming into play itself or after the finishing of the game, the information on the player can be acquired, for example in the form of the registration of the achieved score. Moreover, the registration can be motivated by the announcement of the competition in the highest score for some, even symbolic rewards. In the registration process the company can achieve other information on the player – name, sex, age, contacts or his/her remarks. Thanks to newly acquired information the knowledge of the company of the customers deepens. Thus, in principle the advertising message can be improved and can be better directed to the customers. The company should collect all acquired information in the databases so as to be able to utilize it correctly. Not only the company, but the customer himself/herself acquires necessary knowledge after the finishing of the playing of the advergame. By playing the game the player should acquire the knowledge on promoted brand, products and offer. Following the registration of the player, the company can send him/her various offers and information on products.

Genre as well as factual placement of product or advertising message can be selected adequately by the knowledge of the target group. According to the preferences of the target group adventures, puzzles, action games, arcades, strategies, simulators, RPG games or their various combinations can be compiled. Product or advertising message can be then distilled into the game, e.g. as billboard, product itself used as the part of a game, clothing of the main hero, color of cars, or just as a picture or wallpaper of the puzzle (Mráček & Mucha, 2011).

New knowledge on target group must be gathered all the time and must be applied into advertising message for the perfect utilization of the knowledge in advergaming. Strictly speaking, it is a continuous, forever improving and repeating process, forming a possible competitive advantage for the company.

6. CONCLUSION

In the article the authors point out to the fact that the utilization of the unique methods of the marketing communication for the attracting of the customers is advantageous today. As supported by the research, the advergaming, as the original form of the marketing communication, utilizing the internet and viral form for its spreading, certainly has an immense potential, and is far more advantageous than f.e. viral advertising videos.

The correct utilization of the knowledge of the company on its product, environment or customer for the targeted marketing communication is necessary for the establishment and maintaining of the competitive advantage by means of the advergaming. Thanks to the utilization of the advergaming as the part of the marketing communication the company knowledge can be also spread and thus, the other communication can be further improved.

Today, the market is supersaturated with the advertising; therefore, the focus on new and unique possibilities is advantageous. The involvement in the subject of the advergaming as an appropriate tool for the achieving of the new knowledge on the customers and, thus, possible competitive advantage, should be supported.

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Contact information
Ing. Pavel Mráček, DiS.
Brno University of Technology, Faculty of Business and Management
Kolejní 2906/4, 612 00 Brno
Tel: +420 541 146 920
Email: mracek@fbm.vutbr.cz

Ing. Martin Mucha
Brno University of Technology, Faculty of Business and Management
Kolejní 2906/4, 612 00 Brno
Tel: +420 541 146 915
Email: mucha@fbm.vutbr.cz