

Determining the Brand Awareness of Product Placement in Video Games

Bachelor thesis

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Abstract

This bachelor thesis focusses on the determination of the brand awareness of product placement in video games. The theoretical part includes information about marketing, product placement and video games. The practical part consists of evaluation of the market research about product placements in video games. Conclusion suggests the most important factors influencing the level brand awareness.

Keywords

Marketing, promotional mix, product placement, branding, video games, exploratory research, individual in-depth interviews.

Abstrakt

Tato bakalářská práce se zaměřuje na vymezení povědomého vnímání reklamy skrz product placement ve videohrách. Teoretická část obsahuje informace o marketingu, product placementu a videohrách. Praktická část se zaměřuje na analýzu provedeného marketingového výzkumu ohledně product placementu ve videohrách. V závěru jsou uvedeny faktory, které se nejvyšší mírou podílí na hladině povědomí o značkách.

Klíčová slova

Marketing, komunikační mix, product placement, branding, videohry, explorativní výzkum, individuální hloubkové rozhovory.

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1 Introduction

Nowadays, just simple advertisement is not enough. The marketers have to make sure, that the target market receives the message and interprets in the way, which the marketers want. Fill (2006) notes that they have to convince the user of the media for future action.

Both the video gaming industry and product placement are interesting for marketers: the amount of spending on product placement is rising, with a growth estimated around 10% and it is around 8,75 billions EUR. The video gaming industry consists of over 1,2 billion gamers around the globe who spend around 84 billions EUR on games each year and the number is still growing, Cresswell (2014).

The reason for choosing marketing, especially advertising and branding, as a branch for my thesis is, that it helps me to extend my view in the field of marketing, which I've already known from the opposite side, from the position of market researcher, so I get in touch with the different forms of advertisement on an everyday basis. The gaming industry is something, which our generation grew up with, and it's interesting and exciting to watch, how much the games developed in the past 10 years from simple pixel games to almost real life simulations.

The bachelor thesis focuses on determining the brand awareness of product placement in video games. In other words, how many brand communications people perceive in a certain video game and which feelings and emotions the advertiment evokes. So, we can estimate, based on the reactions in our experiment, whether the effort and financial resources spent on the product placement, accomplish its purpose.

2 Objectives

The main objective of the bachelor thesis is to determine the brand awareness of product placements in certain video games. The first partial objective of the thesis is to determine the connection between the brand awareness of product placement and the fact, that the volunteer of the experiment is not familiar with the brand. The second partial objective of the thesis is to determine the factors of the awareness of the certain product placements. The third connection of the thesis is to determine the connection between the times spent playing the video games and the awareness.

3 Literature overview

3.1 Marketing & marketing process

According to The American Marketing Association (2010), the marketing is defined as a business function or group of business techniques for creation, communication and delivering the value to the customers. The purpose of the marketing consist in the effort to establish and to manage customer relationships in the way that the organization and company stakeholders will benefit from the positive customer relationships.

“Today, marketing must be understood not in the old sense of making a sale—“telling and selling”—but in the new sense of satisfying customer needs. If the marketer understands consumer needs; develops products that provide superior customer value; and prices, distributes, and promotes them effectively, these products will sell easily. Selling and advertising are only part of a larger “marketing mix”—a set of marketing tools that work together to satisfy customer needs and build customer relationships. Hence, we define marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return”, Kotler, Armstrong (2014, p. 27).

Kotler, Armstrong (2014), describes the marketing process as a five-step model. The first four steps are intended for understanding the customers, creating a customer value and build possitive and strong customer relationships. The last step is intended for gathering the rewards for creating the additional customer values. These rewards could be captured in the form of sales, profits, and long-term customer equity.



Figure 1

Marketing proces, creating the value for customers

3.2 Marketing mix

NetMBA (2010) notes, that the first references about the marketing mix date back to 1964, when Neil H. Borden wrote and published an article: “The Concept of the Marketing Mix”. Borden stemmed of the work of James Culliton in 1940’s. James Culliton defined the marketing manager as a “mixer of ingredients”. Borden composed his marketing mix from a different set of activities, such as product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. The 4 P’s of marketing is a widely used term in marketing. It has been created by E. Jerome McCarthy in 1960. The 4 P’s of marketing consist of product, price, place and promotion and they have been created by grouping from Borden’s marketing activities.

1. **Product** – The definition of a product by Monger (2012): “*product is anything a prospective customer considers to be of value, a good, a service, a person a place or an idea*”. Monger (2012) says, that the purpose of the variability of the product is to match and to satisfy the different consumers’ needs and wants. The variability of the product increases the additional value for customers. This variability could be in a form of the product packages, different brand names, and longer guarantee period.
2. **Price** – According to Monger (2012), the modern marketing techniques target markets from the financial point of view, such as form of payment and cost to consumer. The variability of the price depends on chosen pricing policy and the product price, which is based on expenses connected with the production, distribution and promotion of the product. The price of the product is a crucial part of the whole marketing mix, because the consumers are cautious, what they pay for the product and related services. The price is widely used competitive method and sometimes could end in price wars.
3. **Place** – This part of the marketing mix focuses on the delivering the value to the customers, logistics, distribution channels and accessibility of additional value for the consumers. For customer satisfaction it is necessary, that the product will be in the right place in the right time. It is also necessary, that product will be available in the sufficient amount, which will satisfy the demand for the product, so marketers must choose the most suitable distribution channels in the lowest possible costs. Monger (2012)

4. **Promotion** – Promotion is the most important part of marketing mix for thesis, therefore it is described as a separate part in 3.2.1.

3.2.1 Promotion

According to Belch, Belch (2004, p. 16), “*promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. While implicit communication occurs through the various elements of the marketing mix, most of an organization’s communications with the marketplace take place as part of a carefully planned and controlled promotional program. The basic tools used to accomplish an organization’s communication objectives are often referred to as the promotional mix*”.



Figure 2 Promotional mix

3.2.1.1. Sales promotion

According to Boone, Kurtz (2011), which describes sales promotion as a combination or mix of the different forms of promotion techniques, such as advertising, personal selling, public relations, dealers' efficiency, and the stimulation of the purchasing behavior of the consumers. Sales promotion could have different forms, for example: participation on exhibitions, a part of the trade publications, free product specimens, public presentations, discount coupons or other selling efforts. The purpose of sales promotions is to increase the motivation of the consumers to purchase for a short period and support the goals set in the promotional program. One of the most common forms of the promotion is discounts for certain items for a limited time period.

3.2.1.2. Public Relations

Belch, Belch (2004) describe public relation as a business process, where marketers try to identify and understand the public attitude and create an adequate policy, which will be in the best interest of the general public. PR department aims to achieve a high level of public understanding by running the suitable policy

Kotler, Amstrong (2014, p. 472) define several techniques for PR departments, which will allow them effectively manage public relations. These responsibilities are: press relations or press agency, product publicity, public affairs, lobbying, development of relations with the customers and development of relations with the investors.

3.2.1.3. Personall selling

Boone, Kurtz (2011) says, that personal selling is one of the oldest techniques of the merchant's self-presentation to the buyer, which is usually performed face to face. It could be in the form of direct seller-buyer trade or via telephone, online interactive communication.

3.2.1.4. Direct marketing tools

Kotler, Amstrong (2014) describe the purpose of the direct marketing is to crate a direct connection with the targeted customers. It is usually performed on a one-to-one basis with interactions. An important tool is a detailed customer database, which allows marketers to create an individual strategy and approach for each customer. A key factor of direct marketing is to get immediate, direct and measureable feedback from the customer beyond the establishing and managing the relationships.

3.2.1.5. Advertisement

Boone, Kurtz (2011) define advertisement as “*any paid, non-personal communication through various media about a business firm, non-profit organization, product, or idea by a sponsor identified in a message intended to inform, persuade, or remind members of a particular audience*”. Boone, Kurtz (20011) also note, that thousands of organizations consider advertisement as the most important part of the promotional mix. A basic part of advertising is any form of mass media, for example: newspapers, television, radio, magazines, movie screens, and billboards, but also includes online forms of advertising such as web commercials.

3.3 Product placement as a tool of the promotional mix

Lehu (2007) says, that product placement or sometimes brand placement is the term, which describes the emplacement or situation of a product or brand into any form of media, such as film, TV series, video games, music videos. The connection of the entertainment industry and product placement (brand placement) is called “branded entertainment.

Stephen, Coote (2005) note, that the product placement gained popularity, because it allows exposure of potential consumers to the brand advertisement in the nature content of media.

Newell, Salmon, Chang (2006) say, that product placement is a very useful tool of advertising, not only for its main characteristics, but it allows to reduce expenses of the budget on advertising, that’s why widely used by entertainment firms, corporate brands, and agencies.

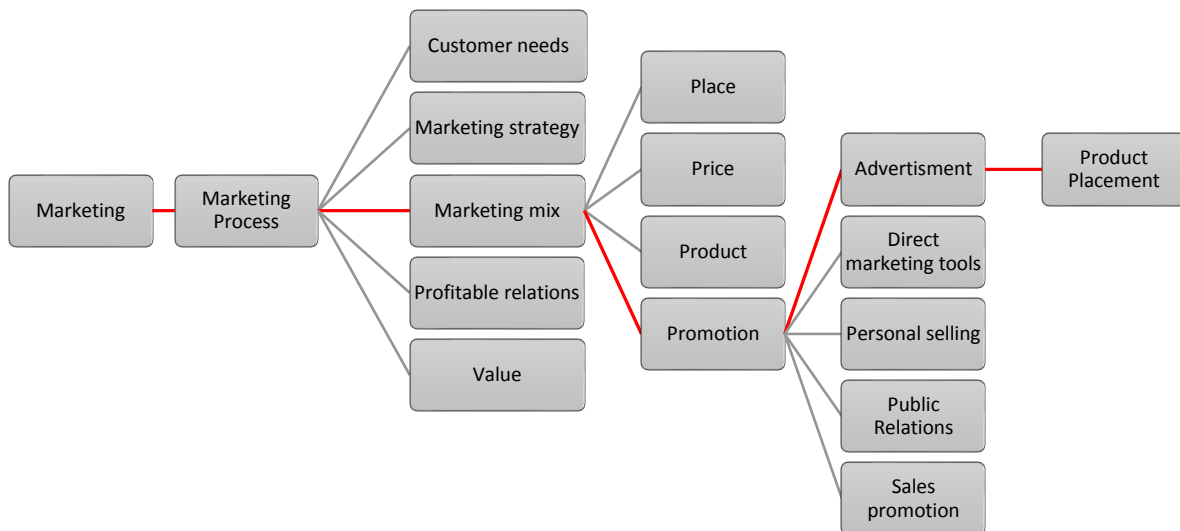


Figure 3 Product placement in the context of marketing

3.3.1 Potential of product placement

Following statistics from Marketingmag (2012) show the potential of product placement. In 2011, it was estimated, that spending on the product placement increase by 11.7% at \$8.25 billion and Australian market set to contribute just over \$100 million to the tally. Consultancy PQ Media's had forecasted, that grow continued also in year 2012.

According to Marketingmag (2012) statistically, the United States is the market with the largest volume of used product placements, which forms 57.6% of total spending in 2011. There wasn't any other market, which was able to generate more than \$1 billion. However, Brazil and Mexico each surpassed \$500 million, but other countries such as Australia, France, Japan, and United Kingdom reached only \$100 million. In 2011 China was the fastest growing market and expanded over 26% to \$81 million. Also Russia and India experience fast growth and surpassed 20%. The fastest growing industries were internet and mobile industry, which increased by 27% to \$188 million. This increase was caused by the increasing popularity of social media.

3.3.2 Advantages & disadvantages of product placement

Musing (2014) says, that the biggest advantage of this promotional tool is, that it is less likely that a viewer/listener/player will skip this type of the advertisement, because it would mean he will also skip a part of the movie, song or video game. Sometimes, it is almost impossible to skip this kind of advertisement. The realization of advertisement via product placement is cheaper for the company, instead of creating one of the of classical advertisement spot. It works on a barter basic, the company lends their product as the movie props for the film and producer of the film shows the label of the product in the film. Product placement could bring up to 10% of the budget. The product can also make the film/game more authentic for the user, because he uses it in everyday life.

Musing (2014) also notes, that the product placement has a couple of disadvantages. The first is the lack of control over the product in the film/game, because it depends on the producers and the directors. The product could be used by a negatively perceived person in the film. The most discutible thing about the product placement is its ethics, as it could influence social behaviour, for example excess eating of unhealthy food or drinking soft drinks, beers and other spirits, also before the ban in 1994, movies widely contain product placement for tobacco products.

3.3.3 History of product placement

Lehu (2007) says, that the beginning of usage of product placement goes back to the nineteenth century, when female singers and dancers at cabarets used certain brands of makeup in their performances. In 1873, Jules Verne faced lobbying of transportation companies, which wanted, that their brand names would be mentioned in his novel “Around the World in Eighty Days.” In 1882, Édouard Manet painted the picture “A Bar at the Folies-Bergère”, where the alcohol of different brands are situated on the table in front of barmaid, and this picture belongs to first visual product placement in history. The first movie with product placement was the French movie called “Lumiere films”, where the product of the British soap manufacturer “Lever brothers” was used.

According to RollingStone (2013) the big boom of product placement after the premiere of the movie “E.T.”, where viewers could see the chocolate brand Hershey’s. Steven Spielberg, director of the movie, spoke to Mars, Inc. company, but they refused and Hershey’s paid a huge amount of money for this product placement. Other famous examples of product placement include Top gun, Cast Away and Risky business.

3.3.4 Branding

Kotler, Amstrong (2014) say, that branding and managing the company’s brands belong to the responsibilities of the professional marketing manager. A brand is the combination of a name, term, logo, symbol, and sign, which identifies not only the product or service, but the whole company to the consumer. A brand is perceived as a very important part of the product, which gives additional value to the consumer. It is necessary to develop relationships between the brand and the customers, which will lead the brand beyond the physical borders of the product. Branding allows to simplify the identification of the product to the consumers and it also legally protects the product and its features using a registered brand name trademark. Each brand also represents the certain level of quality and the consumers expect sustainable quality and consistency of the product.

According to Elliot, Percy (2007, p. 20) “*emotion is a critical part of the consumer evaluation of brands. There are emotional associations linked to brands in memory, and these will influence how new information about a brand is processed, as well as mediate judgments about it during purchase.*”

3.3.5 Legal framework

Producers and creators of the games must fulfil the conditions set by the European and Czech legislature about the usage of the product placement.

In 1989, the European Communities adopted a directive, called Television without Frontiers, and it became the cornerstone of European audiovisual policy. It was updated in 1997 and works on 2 basic principles, European commission (2010):

- Free movement of European Movies, TV Shows, Music, Video Games within the framework of Free trade area.
- Establishing of transmission quotas

According to the European commission (2010), this directive doesn't directly address product placement, but sets an implicit prohibition if it is considered to be hidden advertising without caution to viewers.

Based on this directive, the Czech Parliament adopted law num. 132/2010 Sb. - Zákon o o audiovizuálních mediálních službách na vyžádání a o změně některých zákonů (zákon o audiovizuálních mediálních službách na vyžádání, which creates norms for product placement in the audiovisual media. It orders to warn viewers and users of audiovisual media of using the product placement by showing the shortcut of PP. Kůta (2010) divides this regulation into 4 pillars:

- 1st pillar: Defines media, in which product placement cannot be used. For example: product placement cannot be used in media aimed at children.
- 2nd pillar: Defines product placement, and amount of possible usage of the product placement in certain media. It means, that it shouldn't influence the content of media and the viewer/user cannot get the feeling, that the product is forced to him.
- 3rd pillar: Focuses on formal conditions, for example the shortcut PP, etc..
- 4th pillar: Defines the prohibition of usage of product placement for tobacco products and medicaments on prescription.

3.4 Video gaming industry overview

Okazaki in his publication *Advances in Advertising Research* uses a citation from a text by Wolf from 2008, where “A video game can be broadly defined as a game based on software played on an electronic device allowing the presentation of graphical imagery and the interaction of the player with the software”.

Grigorovici, Constantin (2004) say that the player in a game has to perform specified tasks and to fulfill certain objectives within the framework of established rules and other restrictions embedded in the software. The tasks set by the game depend on the target market for which it is determined. Games for children have different levels of the difficulty of the tasks, than games for adults. The tasks for adults are rather complex and require a higher level of concentration and skills. In case, that the player is full engaged with the game, the video game becomes regarded as an immersive virtual environment.

Statistics from Cresswell (2014) show the potential of the video gaming industry:

- There are 1,2 billion gamers worldwide and 700 000 play online.
- 52% are men, 48% are women.
- 39% are over 36 years, 32% between 35-18, 29% are under 18 years.
- The gaming industry produces 84 billion EUR in 2013 and in 2014, it is projected, that the gaming industry will generate 88 billion EUR.
- The value of global entertainment and media market is over 2 trillion EUR.
- Daily minutes spent playing video games per capita in USA is 23,2 minutes.

Mackay, Ewing, Newton, Windisch (2009) note that there is a significant difference between the game type and the game genre in video games. The game type describes the game play, the type of the game. The game genre describes the content of the games. There is the list of widely used game types: action games, adventures, role playing, simulation, strategy games.

3.5 Advertising in the context of the video gaming industry

Products and brands are expanding into video games and even creating their own games. There are 3 methods of advertising in the video games.

According to Obringer (2011) the first method is to place the video game on the website of the company. Sometimes, companies create specialized web sites for the game, which are owned and promoted by the company. The purpose is to engage the players on the company web site, so they can be exposed to the brand for a longer time period, which will increase the time, when the message of the company is transmission to them.

Delaney (2011) says, that the second approach focusses on developing and producing an own video game, which is based on the product. It could be sold as a full-value game or it is given for free as a gift or additional value to the product. The decision about the form of distribution is part of the promotional strategy. In 2006 Burger King launched their own 3rd-person video game on Xbox 360. The US Army tried to convince young adults to join the army, so they created their own realistic shooting game.

The third and most used method is in-game marketing, which allows advertisers to pay to have their name or products featured in digital games. It is described as a separate part in 3.5.1.

3.5.1 Product Placement in the context of the video gaming industry.

Mackay, Ewing, Newton, Windisch (2009) say that product placement can generate positive effects and attitudes among players, because placing a certain brand into a video game can increase the positive attitude about the brand comparing to the previous original attitude. A reason why product placement is so effective is because of the ability of the players to recall the name of the brand from their memory, so brand placement in video games is a powerful and influential promotional tool.

3.5.1.1 History of product placement in Video gaming industry

“During the 1980s, the first product placement, which occurred in video games, was a Marlboro banner, used by Sega video game producer”, Neer (2006).

According to Leeper (2004) game producers were obliged to get permission and to pay for the placing of a certain real branded product into video games. It wasn't anything extraordinary in the early stages of the development of product placement in computer games. The common practise today is, that the video gaming producers choose from different offers, usually based on the price.



Figure 4 First product placement in video games.

Source: <http://blogs.longwood.edu/mediaandsociety02fall013/page/4/>, (2013).

According to Freeman (2014) in 1983, Coca-Cola came up with their own adjusted version of Space Invaders, which is mix of product placements and advertgame. In the game, the aliens were replaced by the letters PEPSI and the players had to control a space ship, represented by the bottle of Coca-Cola and shot down the PEPSI letters.



Figure 5 Coca-Cola's version of Space Invaders

Source: <http://www.atariprotos.com/2600/software/pepsiinvaders/pepsiinvaders.htm>, (2008).

Lamar (2008) says, that McDonald launched their first game M.C. Kids in 1991 and 2 years later 1993 launched, McDonald's Treasure Land Adventures, where players play for the McDonald's clown, who is hungry for hamburgers. This game opened the discussion about the influence of fast food on kids.

3.5.1.2 Usage of product placement in the video gaming industry

According to Marketing-schools.org (2013) product placements could have different forms, such as billboards, signs and posters with the logos of the companies, the main character may use various electronic devices or drive some vehicle of certain brands. The marketers try to creatively implement product placement into the game, so that it would look natural and would not be too aggressive for the players. Interactions with product placement is good way, how to prevent the product placement from looking artificially and aggressive, which could lead to distraction of the player from the content of the game.



Figure 6 Axe billboard in the Splinter Cell: Chaos Theory

Source: <http://blogs.gamefilia.com/strelok-350/08-08-2010/34974/top-5-cagadas-publicitarias-en-videojuegos>, (2010).

Marketing-schools.org (2013) notes, that in-game advertising has the several advantages, the most significant advantage is the variability of the product placement. According to market research of the Diffusion group, 80% of all video games consoles are connected to the Internet, which allows marketers to adjust the used adverting to the individual interests of the players via regular patches and updates.

According to Freeman (2014) in 2008, the team of Barack Obama, which prepared his election campaign, used placement supporting the campaign of Barack Obama in the presidential elections. This deal was made with the company Electronics Arts, so campaign billboards appeared in its various sport games, such as Need for Speed and Burnout Paradise. This in-game advertising campaign targeted on young and undecided voters.



Figure 7 Vote campaign of Barack Obama in the Burnout Paradise.

Source: <https://holycowbranding.wordpress.com/2010/02/01/virtually-untapped-the-current-state-of-product-placement-in-video-gaming/>, (2010).

Freeman (2014) also says, that the iconic Tony Hawk skateboard video game series from the Electronic Arts studio showed the large scope of brand placement, because the whole series was full of the different sporting brands. They were everywhere ranging from clothing, billboards, posters to the skateboards with its features. It showed the possibility of implementation of product placement to real world simulation.

4 Methodology

The practical part of the bachelor thesis focusses on analysing the brand awareness of product placements in video games, consequently indicating factors of awareness of the product placements.

To gain this information, primary data had to be collected using in-depth interviews held by author in March and April 2015. This medium provides more accurate data than questionnaires, the bachelor thesis is focused on qualitative research, not on quantitative research.

4.1 Qualitative research

The purpose of the qualitative research is to estimate and evaluate reasons, emotions, feelings, opinions and motivations, which cannot be gained through statistical researches. It allows access into the heart of the problem and it allows to establish and develop new ideas or hypothesis, which could be researched and tested by quantitative research. Qualitative research can have a different forms, such as in-depth interviews, action researches, focus groups. Wyse (2011)

Reason for choosing the qualitative research is and allows me to deeply analyze the opinions and „brand traffic“ about each product placement. Qualitative research uses an induction principle, which is more suitable for my research, especially when I try to estimate the connection between brand awareness and unfamiliarity with the brands.

4.2 Target group

The target group consists of 35-50 volunteers. The main criteria for the target group is the age. The target group consists of people less than 36 years, because 61% of target market for the video gaming industry has less than 36 years, Creswell (2014). There are no other selecting criteria for the target group (as gender, previous experience in video gaming, etc.).

4.3 Guideline for the experiment

The market research doesn't begin with an introduction about the purpose of the research, because it could conduce to higher level of awareness, which could distort the results of the experiment. The respondents will be shown a mix of video games. Each respondent watches the video individually. After watching the video the respondents are engaged in in-depth interview, and the respondents answer the questions, which consist of closed and open questions.

4.4 Video games mix

The most important part of the experiment is the mix of the videos from different video games. The reason to choose the mix of the videos taken from games instead of allowing the volunteers to play the video games follows by the fact that, it would be impossible to provide same conditions for every volunteer, and this reality would cause problem in measuring the primary data. This method allows to have complete control on the product placements in video games (what, where and when the advertisement will take place). I'm using very similar method to the Fitch (2009). He was using random selected videos from youtube containing product placements. The difference is, that I edited the video into 1 video and not stream them directly from youtube. Also Blades, Oates, Blumberg, Gunter (2014, p. 2023) use short clips containing product placements, in this case they use film clips.

The length of the video is 11 minutes and consists of 8 examples of video games using product placements and 2 examples of video games, which don't contain product placement. The purpose of the using of video games without the product placement is to make sure, that the volunteers of the experiment will not realize, that the experiment focuses on product placement, which could lead to higher level of awareness. The selection of the video games represents different game types and different forms of product placement. The selected video games, which contain product placements are:

- Simcity – Nissan
- Burnout Paradise – Vizio, Nvidia, JL Audio, Intel X58, Diesel, Crash TV/iTunes, Garmin
- Dead Rising 2 – Playboy and fake brand Zombrex
- Allan Wake –Energizer, Verizon
- Homefront – Hooters, TigerDirect.com
- Fight Night – Burger King, Dodge, Everlast, EA sports
- NBA 2015 – Adidas, FedEx, Sprint, StateFarm, 2K sports, ESPN, Spalding
- Crime Science Investigation– Trend Micro Internet Security, Asus

The selected video games, which don't contain product placements are:

- Mafia 2
- WatchDogs

I choose these brands: Vizio, JL Audio, Sprint, StateFarm, TigerDirect.com, Hooters, Garmin, Spalding, Trend Micro as the representatives of brands, which aren't famous and familiar to many people here in the Czech Republic. It also should estimate an example of brands, which can potentially entry to Czech market.

I also add some brands, which won't be in the video mix, into the list of brands. These are: Absolyte, Avast, Duracell, Fors, Genius, HP, Intel, Kenvelo, KFC, LG, Lenovo, Magnum, Microsoft, Nike, Nokia, Panasonic, Pizza Hut, Porche, Radeon, Royal Bistro, Smasung, Shell, Sprite, Tesco, Under Armour, Yamaha and Zombrex. I added these brands, because I want to observed, if the respondents are able to correctly choose the brands, which they will see in the video.

4.5 Forms of observed brand awareness

Research focusses on 2 forms of brand awareness: Top-of mind awareness and aided awarnes. Top-of mind awareness observes the ability of resposdents to recall the names of the brands from their memory. In aided awareness, respondents have to choose the brands, which they saw in the video, from the list of the brands.

4.6 In-depht interview

According to Bradley (2007, p. 246) „*Depth interviews (often called „depths“)* are one-to-one conversations that do not use questionnaires. The structure must address the aims of the research, but is largely dictated by the situation, the researcher, and the willingness of the respondent to cooperate. The researcher and the respondent are alone, so there is no pressure from the group members“.

Crossman (2015) says, that the interviewing consists of open-ended questions, which don't have to be asked in the one specific form, but the questions will ensue from the situation and the answers of the respondents are recorded.

Here, It's a complete list of questions, which I will ask during the in-depht interview:

- Male or Female?
- How old are you?
- Where do you live?
- Occupancy?
- How many hours per week do you spend playing video games?

- Can you name as many brands as possible, which you remember from the video?
- Can you mark the brands, which you saw in the video, from the list of the brands?
- Do you feel positively or negatively about these brands? (*very positively, positively, neither positively/nor negatively, negatively, very negatively*) Why? (*ask this for each brand they saw, aided or unaided*)
- Can you briefly describe the field of business of these brands?
- Can you describe, where the product placement of the marked brands was situated?
- Why the product placements stand out from the video?
- How do you feel about product placement in general? (*very positively, positively, neither positively/nor negatively, negatively, very negatively*) Why?
- How do you feel about product placement in video games (*very positively, positively, neither positively/nor negatively, negatively, very negatively*) Why?

5 Practical part

The practical part will describe and analyse the data, which was gathered from the market research. The research took place in April 2015, when the respondents passed the in-depth interviews immediately after they watched the video. The practical part consists of the tables and graphs, which allow a better understanding of the gathered data. Results of the practical part will be used to establishing the key factors of the brand awareness.

5.1 Target group

This part provides an overview of the respondent group of the research. 46 respondents were part of the experiment and answered on the questions during the in-depth interviews. The target group consists of 30 men (65,22 %) and 16 women (34,78 %). The respondents can be divided into 4 groups according to their age and into 3 groups according to their occupancy.

Table 1 Target group divided by age

Age group	Absolute frequency	Relative frequency
< 18	1	2,17 %
18-20	6	13,04 %
20-26	38	82,62 %
> 26	1	2,17 %
Average age	21,63	

Source: In-depth interview, April 2015, n=46.

Table 2 Target group divided by occupancy

Student	25	54,35 %
Working student	11	23,91 %
Full-time employed workers	10	21,74 %

Source: In-depth interview, April 2015, n=46.

Respondents can also be divided into 4 categories, based on time spent playing video games during the week.

Table 3 Target group divided by time spent playing video games

Time spent	Number of respondents	Percentage
Participants spent 0-10 hours	22	47,83 %
Participants spent 11-20 hours	15	32,61 %
Participants spent 21-30 hours	6	13,04 %
Participants spent > 30 hours	3	6,52 %
Average time	12,13 hours	
Median	10,50 hours	

Source: In-depth interview, April 2015, n=46.

5.2 Brand awareness

Following part shows the overview on the brand awareness and describes the awareness for each brand.

Table 4 Overview of the brand awareness

Top-of-mind awareness		
Number of recalled brands, which was placed in the video	219	89,38 %
Number of recalled brands, which wasn't placed in the video	26	10,62 %
Aided awareness		
Number of chosen brands, which was placed in the video	374	87,17 %
Number of chosen brands, which wasn't placed in the video	55	12,83 %

Source: In-depth interview, April 2015, n=46.

Respondents were able to identify totally 245 brands in top-mind awareness, but only 219 brands (89,34 %) were actually in the video. Responds correctly identified only 374 brands (87,17%) from total amount of 429 brands in the aided awareness. These errors were made, because respondents remembered, that the certain product was placed in the video, but they chose the different brand from the industry. For example, they knew, that there was a logo of the fast food on the ground of the boxing ring, but choose KFC brand instead of Burger King. The reasons of making the errors are described in separate part 5.3.

Table 5 Awareness for each brand

Name of the brands	Number of recalls Top-mind awareness	Number of recalls Aided awareness
Adidas	17	26
Asus	6	19
Burger King	14	27
Diesel	0	2
Dodge	12	18
EA Sports	6	17
Energizer	25	31
ESPN	8	15
Everlast	14	23
FedEx	19	26
Garmin	4	4
Hooters	2	2
iTunes	0	0
JL Audio	0	0
Nissan	17	24
Nvidia	5	9
Playboy	28	34
Spalding	4	6
Sprint	8	13
StateFarm	8	14
TigerDirect.com	7	14
Trend Micro	1	1
Verizon	20	24
Vizio	4	7

Source: In-depth interview, April 2015, n=46.

Table above shows the level of top-mind and aided awareness for each brand placed in the video.

Table 6 Most recognized brands from top-mind awareness

Name of the brand	Number of named brands
Playboy	28
Energizer	25
Verizon	20
FedEx	19
Adidas	17

Source: In-depth interview, April 2015, n=46, total amount of brands gathered from top-mind awareness = 245

Table 7 Most recognized brands from aided awareness

Top brands – chosen from the list	Number of chosen brands
Playboy	34
Energizer	31
Burger King	27
Adidas	26
FedEx	26
Verizon	24
Nissan	24

Source: In-depth interview, April 2015, n=46, total amount of brands gathered from aided awareness = 429

The most significant increase between the top-mind awareness and aided awareness was in brands Asus and Burger King, both increased by 13 recalls. Respondents weren't able to recall 2 brands placed in the video at all: iTunes and JL Audio, which were both situated on the billboards in the game Burnout Paradise. Factors, which influenced the awareness of the certain brands are described in the special chapter 5.5.

5.3 Explanation for choosing the wrong brands.

There have been made 3 types of wrong answers:

5.3.1 Added a new product placement

This type of mistakes was caused by respondents, who named or chose the brand, because they thought, that there was an object with the brand in the video. However the object in video, does not contain any brand at all.

For example, in the video from Burnout Paradise, which contains a motorcycle race in the city, respondents thought that a Yamaha motorcycle is used in the race. However, the motorcycle did not contain any branding. In the game Mafia 2, respondents thought, that they saw a pizza restaurant or bistro and chose Pizza Hut or Royal Bistro, but the game Mafia 2 does not contain any branding during the whole video.

5.3.2 Mistake caused by choosing a different brand from the same industry

This type of the mistake was the most common. It happened, when respondents could not exactly remember the brand, but knew, that there was brand from certain industry and chose the wrong brand from the list or named

For example, there was a brand from car industry in the game SimCity, but they could not remember exactly, which brand it was and chose Ford, Porsche instead of Nissan. The same thing happened with the logo of Burger King, when respondents wrongly chose the KFC brand. Another example with the antivirus program in the game CSI, where the antivirus program was launched on the computer screen and respondents wrongly identify Avast instead of Trend Micro.

5.3.3 Choose a completely different brand not related to the video

This type of mistakes occurred, when respondents chose a brand such as Magnum, Microsoft, and Shell. These brands weren't placed in any part of the videos and there weren't any similar brands placed in the video.

5.4 Brand awareness by the time spent playing video games

The following table shows, the connection between the brand awareness and the time spent playing the video games. The results are from top-mind awareness.

Table 8 Connection between times spent playing video games and top-mind awareness

Group Number	Time spent playing video games (hours)	Number of chosen brands		Number of brands on 1 person
		Top-mind awareness		
1.	0 – 10	66	26,94 %	3
2.	11 – 20	86	35,10 %	5,73
3.	21 - 30	51	20,82 %	8,5
4.	> 30	42	17,14 %	14

Source: In-depth interview, April 2015, n = 46, total amount of brands gathered from top-mind awareness = 245.

Results of the experiment show that the brand awareness increases with the time spent playing the video games. There is a significant increase in the brand awareness between 1st group of respondents, which spent 0 -10 hours playing video games and the 2nd group. The increase was 91 % in average brand awareness on 1 person. Than the brand awareness rose slower. The increase between 2nd and 3rd group was 48 % and the increase between 3rd group and 4th group of respondents was 64%.

Following table show, the connection between the brand awareness and the time spent playing the video games. Results are from the aided awareness.

Table 9 Connection between times spent playing video games and aided awareness

Group Number	Time spent playing video games (in hours)	Number of chosen brands		Number of brands on 1 person
		Aided awareness		
1.	0 – 10	115	26,80 %	5,22
2.	11 – 20	171	39,37 %	11,4
3.	21 - 30	87	20,78 %	14,5
4.	> 30	56	13,05 %	18,6

Source: In-depth interview, April 2015, n=46, total amount of brands gathered from aided awareness = 429

Results of the experiment show that the brand awareness increases with the time spent playing the video games. There is major increase in the brand awareness between group 1st group and the 2nd group. The increase was 127 %. Then the brand awareness increases slower, but equally. The increase between 2nd and 3rd group was 27 % and the difference between 3rd group and 4th group of respondents was 28%.

Compering the brands awareness from the memory and the brand awareness based on a choosing from the list. There isn't a significant difference in brand awareness in groups 1 and 3. However, the 2nd group, who spent playing the video games 11 – 20 hours, was able to choose more brand from the list than name the brand in average on 1 person. The 4th group, who spent the most time playing video games were able to name more brands from the memory than choose from the list in average on 1 person.

Table 10 Errors distribution in a connection to times spent playing video games

Group Number	Time spent playing video games (hours)	Number of errors - recall from the memory		Number of errors - chosen from the list of brands	
		Count	Percentage	Count	Percentage
1.	0 – 10	12	46,15 %	23	41,82 %
2.	11 – 20	9	34,63 %	16	29,09 %
3.	21 - 30	3	11,53 %	11	20,00 %
4.	> 30	2	7,69 %	5	9,09 %

Source: In-depth interview, April 2015, n=46.

Results show that the number of made errors decreases with the time spent playing the video games. It decreases linearly. Respondents, who spent more time playing the video games, tend to be better in identifying, what belongs and does not belong to the game. 1st and 2nd group had less share of errors, when they chose from the list than in naming the brands from the memory.

5.5 Factors of awareness

This part analyses and evaluates the factors of the brand awareness and describes factors of the most recognized brands from the video.

Tables below show the most recognized brands from the video in top-mind awareness and aided awareness. Each brand has their own reason, why it stood out and why it was recognized by the respondents.

Table 11 Most recognized brands from top-mind awareness

Name of the brand	Number of named brands
Playboy	28
Energizer	25
Verizon	20
FedEx	19
Adidas	17

Source: In-depth interview, April 2015, n=46, total amount of brands gathered from top-mind awareness = 245

Table 12 Most recognized brands from aided awareness

Top brands – chosen from the list	Number of chosen brands
Playboy	34
Energizer	31
Burger King	27
Adidas	26
FedEx	26
Verizon	24
Nissan	24

Source: In-depth interview, April 2015, n=46, total amount of brands gathered from aided awareness = 429

There is a list of the brands with higher level of awareness appended with the factors influencing their awareness.

There is a list of the brands with higher level of awareness appended with the factors influencing their awareness.

- **Playboy** - There was a Playboy poster in the game Dead Rising 2, which is a game full of zombies. This posters doesn't support the content of the game and there isn't any interactivity with this poster during the game.



Figure 8 Playboy poster from the game Dead Rising 2
Source: Picture from mix of the videos used for the research

- **Energizer** – Energizer brand was used in the game Allan Wake in a form of flashlight. It was a scripted scene, where main character interacted with the flashlight. There was a special camera position on the flashlight and there wasn't anything else except the energizer flashlight.



Figure 9 Energizer flashlight in the game Allan Wake
Source: Picture from mix of the videos used for the research

- **Verizon** – Verizon brand was also used in the game Allan Wake, but in a form of large billboard. There was fixed camera angle, because the main character got into the car and the billboard took a big part of the screen.



Figure 10 Verizon billboard in the game Allan Wake

Source: Picture from mix of the videos used for the research

- **Burger King** – Burger King was used in the game Fight Night. The Burger King logo was situated on the floor in the boxing ring. It was situated in the middle of the screen for longer time period and the logo had a significant proportion to the reset of the screen



Figure 11 Burger King logo in the game Fight Night

Source: Picture from mix of the videos used for the research

- **Adidas** – Adidas brand was situated in the NBA 2015. It was used in 2 forms: as banner alongside the basketball pitch and on the LCD screen behind the hoop. Adidas was very familiar brand to many respondents. Adidas was also part of the scripted part, where Adidas logo was directly in the camera shot.



Figure 12 Adidas in the game NBA 2015

Source: Picture from mix of the videos used for the research

- **FedEx** – FedEx was also used in the game NBA 2015. It was situated on the both sides of the basketball pitch during the whole video. Respondents mentioned the size and colour compared to neutral colour of the pitch as a factor, which influenced their awareness



Figure 13 Fedex logo in the NBA 2015

Source: Picture from mix of the videos used for the research

Below, are the most significant factors, which influenced the awareness, based on the results from the in-depth interviews. For example: familiarity with brand, camera position, size and colour of the product placement or if the product placement belonged to the content of the game or not. Some of the product placements could contain 1 or more of these major factors.

Following table shows the rating of the factors, which influenced the brand awareness. Factors are listed from the most influencing to the less influencing.

Table 13 Rating of the factors of the brand awareness

Rating	Factors of the brand awareness
1.	Situation of the product placement
2.	Product placement does not belong to the content
3.	Familiarity with the brand
4.	Camera position
5.	Size of the product placement
6.	Colour of the product placement

Source: In-depth interview, April 2015, n=46.

5.5.1 Situation of the product placement

This was most frequent factor of the awareness according to respondents. It means, that the product placement was in a place, where the respondents expected to see some sort of advertisements. For example, the games NBA and Fight night are simulations of sport games, which try to realistically simulate the real context of the sport. Many real sports contain different places for advertising, such as banners around the pitch, branded equipment or the branded floor of the boxing ring and the respondents were acquainted with this type of advertising from the real life. This was a case of Adidas, FedEx, State Farm or Burger King.

However, it is possible, that it might not be a real product placement. Sometimes video games editors put the brands into the video game to support the realism of the game.

5.5.2 Product placement does not belong to the content

This form of the product placement disturbs the players from the content of the game. It means, the product placement does not have anything in common with content. This was a case of the Playboy product placement.

5.5.3 Familiarity with the brand

Results of the experiment showed, that there is direct proportion between familiarity with the brand and brand awareness. Brands, which aren't familiar to the Czech audience, were identified less times, than the brands, which are well known. Tables below show examples of familiar and unfamiliar brands with the number of recalls by respondents.

Table 14 Table of familiar brands

Name of the brands	Number of recalls Top-mind awareness	Number of recalls Aided awareness
Playboy	28	34
Energizer	25	31
Adidas	17	26
Burger King	14	27
Nissan	17	24

Source: In-depth interview, April 2015, n=46.

Table 15 Table of unfamiliar brands

Name of the brands	Number of recalls Top-mind awareness	Number of recalls Aided awareness
Trend Micro	1	1
Hooters	2	2
Spalding	4	6
Vizio	4	7
Garmin	4	4
JL Audio	0	0

Source: In-depth interview, April 2015, n=46.

The most significant results of unfamiliarity were with brands: Trend Micro, Hooters, JL audio, Vizio, Spalding and Garmin. Trend Micro is a provider of internet security solutions, Hooters is a restaurant chain, JL Audio is a manufacturer of car audio systems, Vizio is a manufacturer of various electronics, Garmin company focusses on navigation systems and Spalding is a manufacturer of different sport balls. These brands are unfamiliar to Czech audience, because they do not target Czech market. Czech audience do not have an opportunity to come to contact with these companies, because they do not sell their products and do not advertise their product here.

5.5.4 Camera position

Product placement had its own special camera position, it means that nothing else is in the shot of the camera. Usually, it is situated in the middle of the screen and the camera stays for a couple of seconds on the objects and the object is important for the content of the game and main character of the game interact with product placement. Energizer flashlight in the game Allan Wake is a perfect example of this factor.

5.5.5 Size of the product placement

Sometimes, the advertising is too large. It is caused by fixed camera view, when it isn't possible to zoom out the camera view or in the scripted sequences and the brand could be on $\frac{1}{2}$ or $\frac{3}{4}$ of the full screen. It could be some big billboard, a big logo on the floor of the boxing ring. Usually this type of the big product placements are shown in the background and stay there for longer time period. This is an example of Verizon's billboard in Allan Wake or Burger King, Everlast or Dodge on the ground of the boxing ring.

5.5.6 Colour of the product placement

According to answers from the respondents, the expressive colour of the product placement increased the brand awareness. However, only in case, if it is significantly different from the background of the game. For example, the colourful logo of the Burger King on the grey ground in the game Fight Night or yellow Sprint banner in the NBA game.

5.6 Brand awareness influenced by the emotion connection to the brand.

Table 16 List of brands and the reaction to them

Brand	Number of views	Very positive	Positive	Neutral	Negative	Very negative
Adidas	26	3	8	14	1	0
Energizer	31	0	7	22	2	0
Nissan	24	0	6	18	0	0
Playboy	34	0	14	20	0	0
FedEx	26	0	0	26	0	0
Burger King	27	0	5	19	3	0

Source: In-depth interview, April 2015, n=46.

- Adidas brand had the most positive comments, because the respondents had good experiences with the quality of the products. Respondents, which have Adidas as favorite brand, give Adidas positive/very positive comments.
- Energizer was evaluated positively, because the respondents had a positive experience with the Energizer's products and they also found the Energizer flashlight in Allan Wake as a good form of the product placement.
- The Nissan car brand was rated positively, because respondents evaluate Nissan cars as secure family cars.
- Playboy got all positive reactions only from male audience, which found playboy magazine as an interesting magazine.
- FedEx is an example of a brand, which is not very famous in the Czech Republic. The majority of the respondents did not have any experience with this brand, so they rated this brand neutrally.
- Burger King got mixed reactions. Some respondents like the food, but some respondents were strictly against fast-foods.

5.7 Feelings and emotions evoked by product placement as a form of advertising

This chapter was divided into two parts. One part was aimed at general product placement and one part at product placement in video games. General product placement is any form of product placement in any sort of media.

The majority of respondents evaluated product placement neither positive, neither negative. In the case of the general product placement 54,35 % of respondents found product placement neutral and in the case of the product placement in video games 50,00% of respondents found it neutral. However, they found general product placement more disturbing than the product placement in the video games.

5.7.1 Product placement in general

The question should an opinion on a product placement and what feelings does product placement evoke in them.

Table 17 Reaction to the general product placement

Emotions evoked by the product placement	Number of responses
Very positive	0
Positive	9
Neither positive, neither negative	25
Negative	12
Very Negative	0

Source: In-depth interview, April 2015, n=46.

There was one important factor, which influences the opinions about the product placement. It is the extent to which the product placement belongs to and support the content. Some respondents found product placement positive or neutral, when the product placement is part of the content or in a better way, supports it. Respondent gave product placement negative evaluation, because they found it disturbing from the content. Some of the respondents mentioned, that they do not like the product placement, because it could negatively influence people and their habits.

5.7.2 Product placement in video games

This part focused on emotions/feeling evoked only by the product placement in video games.

Table 18 Reaction to general product placement

Emotions evoked by product placement	Number of responses
Very positive	0
Positive	16
Neither positive, neither negative	23
Negative	7
Very Negative	0

Source: In-depth interview, April 2015, n=46.

The reason why respondents evaluated product placement in video games more positive, because they expected, that the game could contain some forms of advertising. They consider video games to be a good platform for product placement and some of the respondents said, that this platform is the only one, where they accept product placement. This could be caused only by the product placements used in the video of the research, or the low number of appearances of the product placement on my video.

However, there were answers that the product placement is disturbing and should not be used in any form. Mainly, when the product placement does not belong to the content.

6 Discussion

Interpreting the results of the experiment, the factors of the brand awareness were estimated, which increase the level of the brand awareness. These factors can be interpreted and used for creation of the own “ideal” product placements. These created product placements could be tested by replacing already used product placements in the video game and the results of the awareness of the ideal product placements could be compared with the level of the awareness of the real product placements in the game.

It could have a practical impact on companies, which use the product placements, because they could adjust their product placement to increase their efficiency.

The market research have the limitation in the gender structure of the target group, because it didn't allow me to compare the level of brand awareness between male and female audience. The second limitation was, that the target group wasn't able to play the real video game. However, the method used for gathering the data in the thesis allowed me to gather more data about different product placements in different video games and it allowed to provide same conditions in the market research for all the respondents.

7 Conclusion

The main goal of the bachelor thesis was to determine the brand awareness of the product placement in certain video games. The thesis composed from 2 parts, theoretical and practical. In the theoretical part, I defined the product placement in the context of the marketing in the structured way. In the practical part I focused on determining the brand awareness. In order to determine the brand awareness, I made a market research containing a mix of videos from different video games containing different kinds of product placements and the in-depth interviews.

Respondents were able to name brands from their memory. However, brand awareness will increase, when the respondents would have some other visualization of the placed brands afterwards. It will increase the potential of the product placement almost twice.

People tend to make mistakes in their choice, so it has to be secured, that the used product placement or the brand cannot be replaced by the different brand or other product of the other company. Sometimes it was possible, that brand was replaced by the another brand from the same industry, mainly when the product placement wasn't in the camera shot for a longer time.

There was also a significant difference in the level of brand awareness between people, who spent more time playing the video games. Not only brand awareness changes, but also the possibility to make a mistake in identifying the brand decreases with the time spent playing video games.

Based on the results, I was able to estimate the factors, which influence the level of the brand awareness. The most important factor was the actual location of product placement in the video game. Other important factors were participation of product placements on the content of the video game, familiarity with brand, camera, position, size, colour of the product placement, how long does it stay in the camera shot or if there is any interaction with product placement. People also tend to see brand, which they have some special connection with. They could have some positive or negative experience with brand.

The product placement should be personalized and match the target market, because it will increase the potential, that the product placement will be seen and interpreted in the way, that the company want. The product placement should correspond with intentions of the company to the selected national markets, because unfamiliarity with the brand will majorly decrease the brand awareness.

Ideal product placement should be made especially for the target group, for example in the case of a male audience some car brands, electronics brands and for female audience apparel brands. The product should have own special camera position or one of the main characters should interact with the product. If the product is placed in the background, it should have expressive color or have a significant size comparing to the other objects.

Some ideas about the ideal product placements: the character could wear branded clothes, using branded petrol stations in the open life simulations, use branded credit cards for paying or adjust the current product placements.

Generally respondents felt mainly neutrally or positively to product placements. Female audience was more negative about the feeling to product placement than the male audience. Respondent are more willing to have product placement in video games than in other types of media.

The results of the experiment or the bachelor thesis in general, could be used for establishing new version of the product placement, which will be more effective than the product placements currently used.

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Appendix

A. Guidline for the in-depth inter-views.

Introduction

1. Gender:
2. Age:
3. Occupancy:
4. Where do you live?
5. How many hours per week do you spend playing video games:

Questions related to the product placement in the video

6. Name as many brands as possible, which you can remember from the video:

7. Mark the brands, which you saw in the video, from the list of the brands:

- Absolyte
- Adidas
- Asus
- Avast
- Burger King
- Diesel
- Dodge
- Duracell
- EA Sports
- Energizer
- ESPN
- Everlast
- FedEx
- Ford
- Garmin
- Genius
- Hooters
- HP
- Intel
- iTunes
- JL Audio
- Kenvelo
- KFC
- LG
- Lenovo
- Magnum
- Microsoft
- Nissan
- Nike
- Nokia
- Nvidia
- Panasonic
- Pizza Hub
- Playboy
- Porche
- Radeon
- Royal Bistro
- Samsung
- Shell
- Spalding
- Sprint
- Sprite
- StateFarm
- TigerDirect.com
- Tesco
- Trend Micro
- Under Armour
- Verizon
- Vizio
- Yamaha
- Zombrex

8. Do you feel positively or negatively about these brands for each marked brand and why:

- very positively
- positively
- neither positively/nor negatively
- negatively
- very negatively

Why:

9. Briefly describe the field of business of these brands:

10. Describe, where the product placement of the marked brands was situated:

11. Why the product placements stand out from the video:

Product placement

12. How do you feel about product placement in general and why:

- very positively
- positively
- neither positively/nor negatively
- negatively
- very negatively

Why:

13. How do you feel about product placement in video games and why:

- very positively
- positively
- neither positively/nor negatively
- negatively
- very negatively

Why: