

Exploitation of the advertainment value potential

1 Advertainment preface

1.1 Subject matter and objective of thesis

Technological progress enabled mankind to develop new means of production and to improve efficiency on a large scale, initiating a shift from physical to mental labour and in parallel reducing the required workforce. The 36-hour-week has been established in several factories allowing for more leisure time.¹ The battle for the people's spare time is fought by an assortment of parties such as tourist companies,² amusement parks and the media industry. In this context, only the attentively and consciously consumed part of the customer's spare time is of interest to the advertiser. From the opposite viewpoint, the consumer likes to be entertained and involved in promotional activities. However, it is a fact that the consumer is targeted by a wide range of impersonal media, and consequently develops a resistance against attempts to communicate with him due to information overload.³ "As the volume of information increases, conveying it becomes more complex."⁴ From the consumer's perspective, marketing communication has changed to a bitter pill, which he is understandably unwilling to swallow.⁵

So what is advertainment about?

To take the metaphor a little further, it is the sweetening of this same pill.

Advertainment is a neologism formed from the two terms "advertising" and "entertainment", and describes the integration of advertising information in an enhancing framework consisting of entertaining elements for perception-oriented product and service promotion. For this purpose, the software products of the electronic entertainment industry supply the creative input for advertainment which is predominantly distributed via the internet. Taking into account the increasing reluctance of the consumer to engage with commercial communications, and the rising demand for entertaining leisure activities, it seems reasonable to conclude mere traditional communication instruments are inadequate to the task of ensuring that the required message is conveyed. These cir-

¹ The DGB claimed already in 1977 the introduction of the 35 hour-week. VW introduced 1994 even the 28.8 hour-week and gained broad acceptance among the stakeholders, see DGB (2002).

² The Preussag AG generated revenue of €22 billion in 1999/ 2000, from which even 50% result from the TUI AG. In the future the revenue-share of the TUI AG is going to increase up to 80%, see TUI (2003).

³ See Kroeber-Riel, W. (1990), pp. 400; Wiedmann, K.-P./ Walsh, G./ Polotzek, D. (2000), pp. 16.

⁴ Yager, T. (1993), p. 4.

⁵ See Stuke, F. R. (2002), pp. 8.

cumstances generate a demand for communication instruments with a stronger focus on entertaining elements, in combination with a strong interactive component. Advertainment solutions therefore take on an economically relevant potential, which in practice is still only insufficiently realised and requires comprehensive exploitation. The central objective of this thesis is to examine in detail the professional landscape concerning mainly German advertainment solutions, and to analyse the subject of advertainment from relevant perspectives, including firstly an investigation of its potential in the context of contemporary advertising and, in a second step, the development of a method of leveraging this potential and thus ensuring successful implementation in practical marketing.

1.2 Methodology of the thesis

The second chapter forms the basis for the subsequent chapters and develops a fundamental theoretical framework. It is divided into three separate sections, the first portraying essential advertainment characteristics, whilst the second develops an advertainment framework, and the third focuses on the development of an interactive online communication model.

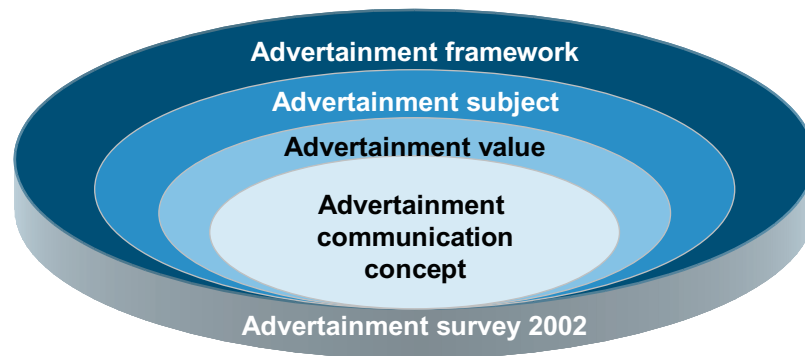


Figure 1: Thesis structure
Source: Own illustration

In order to provide an adequate definition of the term advertainment, a differentiation from related expressions such as infotisement, infotainment, edutainment, and benefitting is required. With the purpose of guiding the reader to the correct understanding of the subject, the two main characteristics of advertainment multimedia and interactivity are taken up and analysed thoroughly. In order to shed some light on the creative side of advertainment, the electronic entertainment industry as the pulse generator for advertainment solutions is also outlined briefly.

With the aim of giving the reader a holistic view of the subject, an advertainment framework is developed which opens with a presentation of the relevant stakeholders and their respective marketplaces, whilst giving an overview of the major external factors. Subsequently, the development process from the classical marketing approach to society-oriented marketing, which forms the basis for advertainment considerations, is outlined. Furthermore, the advertainment term is integrated into the communication policy, which is in turn situated within the marketing conception. A discussion of advertainment's normative layer will lead on to a consideration of its main components, corporate culture and identity. As a guideline for a communication strategy, the communication objectives are foregrounded and reciprocal effects of advertainment to the marketing-mix are taken into account. For the purpose of providing a more incisive definition of the term advertainment, an adequate model for interactive online communication is developed. Offline and online communication is defined and illustrated, and an account is given of the internet as an important infrastructure for the online communication. Chapter two comes to a close with a description of the particularities of online-communication with regard to push and pull information, as well as non-linearity.

Chapter three analyses various important aspects of the subject advertainment, beginning with advertainment content, which can be classified according to various genres. Examination of content demonstrates how the advertised product can be integrated into the advertainment solution as a central or a more peripheral element. Adequate media for advertainment solutions are also portrayed, and their specific advantages and drawbacks discussed. In addition to this, aspects such as audio-visual elements are analysed in detail. The functions of an advertainment solution are described, comprising aspects of interactivity as well as complexity and usability, whilst a closer look is taken at multi-user capabilities and means of data acquisition from the recipient. The technological discussion covers characteristics of online and offline availability of advertainment solutions, the amount of data required for attractive internet advertising games and the relevant advertainment software basis. The organisational structure for the development of advertainment solutions is also determined and potential segmentation variables for advertainment recipients discussed. In closing, the third chapter specifies the critical factors for success that should be taken into account when developing and implementing an advertainment solution.

The fourth chapter comprises an analysis of the value potential of advertainment, as well as the development of an integrated communication concept for the exploitation of this potential. Parallel to the development of an analysis model for the potential, areas are also identified where further investigation is required. With reference to the sales process, these areas are roughly separated into the pre-sales, the sales, and the after-sales phase. The pre-sales phase covers the global reach of an advertainment solution, targeted contact with the recipient and the psychological activation of the consumer. The potential of advertainment in the sales-phase can be ascertained by analysing to what extent the reception, processing and memorising of the information is facilitated. As far as the after-sales phase is concerned, potential such as improved customer relations by means of advertainment communities and the collection of recipient data relevant for marketing is examined. The second half of chapter four introduces an integrated communication model in order to further exploit the potential of advertainment. The point of departure is the analysis of the communication context as a basis for the positioning of advertainment. This is followed by the definition of the communication objectives, the identification of the relevant advertainment target group, the determination of a communication strategy, and the specification of the advertainment budget. With respect to the design of the advertainment, it is possible to analyse the content design and the integration of the functions. Following the finalisation of the design, the advertainment solution must be integrated into the communication landscape specific to the company. The communicative intention of the advertainment solution should consequently be observed, evaluated and adjusted.

The final discussion of the advertainment in the fifth chapter comprises a synopsis of the core statements and a prognosis of future advertainment trends. The appendix is subdivided into two parts. The first part gives information about the advertainment questionnaire and the second part of the appendix provides the condensed results of the quantitative survey.

As this thesis focuses on practical aspects of advertainment, the current status of the German communication landscape regarding this topic is of interest. For this purpose, a detailed survey covering all relevant aspects was designed, that follows the structure of the thesis described above. The empirical results of this survey have also been integrated as an underlying layer throughout the whole thesis in support of the theoretical

explanations. 186 German companies, all of which are listed on the German share indexes DAX and MDAX, as well as various other important firms, were initially contacted by phone and asked to participate into this empirical research project. Those who agreed received a questionnaire,⁶ with a given time limit by which they should respond. The response rate of nearly 50% exceeded expectations, and also underlined the interest of the surveyed marketing experts in this topic. The results were used extensively in order to illustrate the practical relevance of the theoretical models.

⁶ See Attachment 1, pp. A-1; most questions were structured according to a 5-item Lickert Scale comprising positive (1 and 2) and negative items (4 and 5) whilst considering one item as neutral or undecided (3).