

How Marketers Can Experiment With Social Games

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Sizeable audience spells opportunity

Social gaming exploded in 2010. Addictive apps like FarmVille and Mafia Wars grabbed the attention of social network users, the press—and marketers.

eMarketer forecasts social gaming revenues will surpass \$1 billion this year.

Most of those dollars will come from virtual items purchased by the 61.9 million internet users who will play social games this year, according to eMarketer estimates. That represents 27% of the US internet audience and will rise to 29% by 2012.

“That is a spectacular number considering that this form of gaming took off in earnest less than two years ago,” said Paul Verna, eMarketer senior analyst and author of the new report, “Social Gaming: Marketers Make Their Move.”

“Next year’s growth will be modest compared with the meteoric rise of this form of gaming in its first two years, but the projected increase will be healthy enough to sustain multiple opportunities for game developers, publishers, investors and marketers.”

For that reason, eMarketer’s projections are cautious. Data from Inside Social Games shows there were sequential decreases in cumulative worldwide monthly active users for the top 15 games on Facebook in the last four months of 2010.

The index bounced back in January 2011 as a result of CityVille’s instant popularity, but there was a 9.6% year-over-year decline in January 2011.

Still, the diverse appeal and sharing aspects of social games have created multiple opportunities for marketers to use this channel as a branding vehicle.

As

games proliferate on social networks, game portals and other venues, there are five ways marketers can promote their brands through these games:

- * Integrate your brand into an existing game through virtual goods.

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- * Use display ads or sponsorships in an existing game.

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- * Create a hybrid campaign that combines elements of these branding approaches.

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- * Develop your own game.

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- * Participate in an offer wall.

“With so many titles to choose from and so many ways users can engage with the games—directly through Facebook or Myspace, on dedicated game portals, on mobile devices or through social network utilities such as Facebook Login—the only obstacle to brand marketing is finding the right fit,” said Verna.

“As long as a game is thematically consistent with the product or brand and the target audience is appropriate, there is no reason marketers should avoid getting involved.”

The full report, “Social Gaming: Marketers Make Their Move,” also answers these key questions:

- * What is driving the growth in US social gaming audiences and revenues?

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- * What are the top social games and publishers?

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- * How are social games monetized?

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* What opportunities and challenges do social games present for marketers?

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* How can marketers tap into the social gaming audience?

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