Coming To Video Games: Live Ads

By Mike Musgrove
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Game publisher Electronic Arts Inc. announced yesterday that it has inked deals with two ad companies that will stream live advertising into its games.

Players of the latest version of EA's Need for Speed see the same billboard ads on the side of the virtual roads whenever they play the street-racing game. But with live ads streamed via the Internet in the next version of the game, players could see different ads every time they turn the game on.

In-game advertising company Massive Inc., which was acquired by Microsoft Corp. this year, will be streaming ads into Xbox 360 and PC versions of that game, along with up to three other EA titles, which were not announced.

"Some areas naturally support the advertising," said Chip Lange, EA's vice president of advertising, "and there's no advertising, the space feels naked -- and if the advertising is dated, the game feels old."

The privately held IGA Worldwide Inc. will stream advertising into EA's coming futuristic war game, Battlefield 2142, scheduled for release later this year. That company will also provide advertising in two other coming EA games, which were not announced yesterday.

No terms were disclosed, and Lange said neither advertising company has inked deals with two ad companies that will stream live advertising into its games.

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company has lined up ads for the coming games.

Lange would not say how much business in-game advertising represents for EA, the world's largest game publisher. But Nielsen Entertainment, which tracks movies, videos and music, has estimated that in-game advertising was a $75 million market in the United States last year and will grow to $1 billion by 2010.

Some players find such advertising objectionable -- after all, many games for the Xbox 360 cost $60 apiece. But many game fans say they like the ads because they contribute to the illusion of a realistic urban or sports-arena environment. Generally, publishers have avoided putting advertising in fantasy titles or other types of games where a billboard advertisement would seem out of place.

Lange said that, eventually, such advertising could lead to live, in-game product placement -- where cars or other products are put into games to coincide with an advertiser's marketing campaign. But that's a possibility that's still far down the road, he said.

"We've taken our time getting to here," he said. "We're beginning the learning process, as is the industry."