Luxury in Battle: Exploring Balenciaga's In-Game Advertising and Advergaming in the World of Fortnite

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Abstract. This study examines the innovative collaboration between Balenciaga and Fortnite, two giants in their respective fields, to explore the dynamics of in-game advertising, specifically in-game advertising and advergaming. With a particular focus on the Peruvian gaming community, the research aims to understand how this audience perceives the integration of a luxury brand in a competitive virtual environment. Using a qualitative methodology employing in-depth interviews with gamers selected for their engagement and experience with Fortnite, this study reveals a generally positive perception of collaboration, highlighting the acceptance of innovative advertising practices within virtual gaming spaces and their potential to enrich the gaming experience. However, it also underscores the importance of maintaining a balance between brand integration and preserving the authenticity of the gaming environment. Preliminary findings suggest that in-game advertising strategies, such as the one undertaken by Balenciaga, can be effective if executed in a way that respects and enhances the gaming culture.

Keywords: In-game advertising, Advergaming, Gamers, Perception, Advertising strategy, Luxury brands.

1   Introduction

The advent of the 21st century has witnessed an unprecedented transformation in the advertising landscape, marked by an increasingly deeper incursion into digital entertainment, with video games emerging as a new bastion for marketing strategies. This phenomenon has intensified after the global pandemic, where internet connectivity has become the primary conduit for consumer interaction [1]. Video games, in particular, have experienced a dramatic increase in users, with Fortnite leading the field as one of the most popular games with a monthly active user base exceeding 250 million [2].

In this context, strategies such as In-game advertising and advergaming have taken center stage. The 2022 collaboration between Fortnite and Balenciaga is a paradigmatic case study that deserves special attention, not only for its uniqueness but also for the research gap in understanding the perceptions of gamers in emerging markets like Peru. Previous studies, predominantly focused on Spain and Mexico, offer a partial view of the phenomenon that requires more geographically inclusive exploration [1].

Therefore, this research aims to elucidate the perception of Peruvian gamers regarding these digital marketing strategies implemented by Balenciaga in collaboration with Fortnite. Through a qualitative approach and in-depth interviews, it seeks to understand how the integration of a luxury brand into the gaming culture is perceived and what implications it has for future marketing initiatives.

This study is built on the foundation of literature that distinguishes between advergaming and In-game advertising, specifying their definitions and contributions to consumer behavior in the realm of video games [3], [4], [5]. Contrasting with previous studies, this research focuses on an audience that has so far been little explored, providing critical insights for a holistic understanding of the subject.

This article not only contributes to the academic literature by offering a fresh and contextually rich perspective on digital marketing in video games, but it also provides practical implications for luxury brands and game developers looking to merge fashion and entertainment in Latin American markets. In conclusion, the research question guiding this work is: What is the perception of Peruvian gamers, both men and women aged 18 to 26, about in-game advertising and advergaming in the case of Fortnite and Balenciaga?

2   Theoretical Framework

2.1   Advertising in Video Games: Evolution and Relevance

In-game advertising has evolved from mere peripheral appearances to a deeper and more experiential integration with game content. This phenomenon is amplified as technology enables more sophisticated interactions between the player and the virtual environment. The transition from static advertising to interactive experiences highlights the growing sophistication and potential of these digital spaces as strategic marketing platforms. Rios and Almeida [4] suggest that advertising should be subtle to integrate into the game environment and avoid rejection, while Ingendahl et al. [6] propose that advertising should be a central part of the game experience, especially to connect with the target in a meaningful way. This dichotomy highlights the need for a balanced approach, tailored to the specific context of each game and audience.

2.2   Theory and Contextualization in the Current Study

The understanding of consumer behavior in virtual environments is essentially based on the theory of "in-game advertising" and "advergaming". These concepts, further elaborated by Congo and Gonzales [3] and Mut [7], provide a framework for understanding how in-game advertising can influence user perception and brand image. This study appropriates this theory to explore how the divergent strategies of "in-game advertising," defined as non-modifiable advertising around the game, and "advergaming", understood as the creation of immersive brand worlds [3], [7], impact brand perception and brand image in the audience. By analyzing the relationship between the brand and its integration into the game, this theoretical framework seeks to understand the psychology behind the effectiveness of immersive advertising, as suggested by Rios and

Almeida [4], and how its impact can be measured beyond mere exposure. Bonales et al. [1] contribute to this understanding by examining how the advergaming environment influences consumer perception, blurring the lines between the persuasive brand message and the fun of the game.

2.3   Critical Analysis of In-game Advertising and Advergaming

"In-game advertising," also known as "static in-game," refers to advertising elements fixedly integrated into the game, such as logos and props [3]. Although their static nature might suggest limited effectiveness, Aktan and Koçak [8] argue that their organic integration can leave a more lasting impression in the consumer's mind. An example is the collaboration between PUBG Mobile and Tesla [9].

Fig. 1. The collaboration between PUBG Mobile and Tesla, with its Model Y, which allowed the player to enjoy autopilot during games.

On the other hand, advergaming involves a deeper immersion in a world built around the brand [1].

Fig. 2. Nikeland case in Roblox. Nikeland involved a development of stores, games and sport courts in their world, where the challenge was for gamers to perform certain mini-games that provided them with rewards such as increasing their score and game coins. With this, they could go to the Roblox store and buy the clothes, pets or accessories of their choice. Nike's goal was to transform the idea of gaming and sports into an updated lifestyle.

While these methods are distinct, they both share the goal of creating an advertising experience that will resonate with the user. Research should critically balance these approaches, assessing their applicability in different game contexts and demographics.

2.4   Human Behavior and Video Games

Video games satisfy several fundamental psychological needs and are an extension of personal identity [10]. This paper addresses how these basic needs are reflected in consumer willingness to interact with in-game advertising, and how brands such as Nintendo use nostalgia to create deep connections with their audience [11]. The analysis will explore how avatar humanization and personalization increase user engagement and receptivity to branded content.

2.5   In-game Advertising and Advergaming in Fortnite and Balenciaga collaboration

Balenciaga's insertion into the virtual world through "Fortnite" illustrates a unique case of advergaming that merges high fashion with mass gaming. This segment analyzes the impact of such a union on brand perception, investigating whether positive sentiments in networks translate into real engagement and lasting purchase intent, as suggested by [12].

Balenciaga, rated as one of the most prominent luxury fashion brands by Lyst [13] and no stranger to controversy, has managed to stay relevant with bold actions that generate broad public debate, such as the "Gift Shop" campaign and the launch of avant-garde products [10], [14], [15], [16].
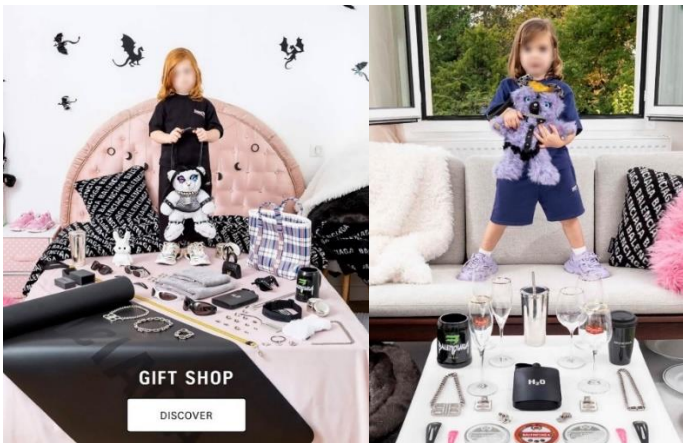

Fig. 3. Photographs from the "Gift Shop" campaign by Balenciaga, where children can be seen in an environment alluding to BDSM and with elements for adults.

Fortnite, on the other hand, stands out for its broad player base and adaptability, evidenced by its title of the most popular game in 2022 and the introduction of innovative modes that continue to capture players' attention [2], [17]. The collaboration with Balenciaga manifested itself in customized in-game elements and in the Strange Time Hub world, where players interacted directly with the brand. In addition, the campaign

was extended to the physical sphere with the sale of garments from the collection at premium prices [18], [19].

Fig. 4. Skins from the Fortnite and Balenciaga collaboration, and the Strange Time Hub with the different spaces on the map that contained the pairs of sneakers from the challenge.

3   Methodology

An interpretive paradigm was adopted to understand the perceptions and experiences of Peruvian gamers in relation to the collaboration between Balenciaga and Fortnite. This approach was aligned with the objectives of analyzing individual and collective responses to video game marketing tactics and how these influence the image of a luxury brand.

The qualitative approach was justified due to the complex and multifaceted nature of human attitudes and perceptions. Semi-structured interviews provided the flexibility needed to gain an in-depth understanding of participants' perspectives.

Table 1. Interview question guide.

Topics	N°	Semi-structured Questions
Prior Knowledge	1	What was the period when you dedicated the most time to video games?
	2	What do you enjoy most about playing video games?
	3	What are your favorite brands and titles, and why?
	4	What type of video game do you like most, and why?
	5	Have you ever seen brands within video games? Can you remember any of them? Could this be called advertising? When would it be or not be advertising?
	6	Have you ever used any of these branded items or objects in video games? What were they useful for? Were they useful?
	7	Have you ever entered a world/map/video game of a specific brand? What was the experience like? How do you think this helped or harmed the brand?

8	Have you ever bought something from a brand that you saw in a video game, or do you know someone who has? What are your thoughts on this?
9	After playing a video game featuring a collaboration, did you ever make a comment about it on social media? Was it positive or negative?
10	Have you ever seen advertising that felt intrusive? How does this make you feel? Have you ever noticed this in video games? Did it change how you view the brand/game title?
Balenciaga x Fortnite case 11	Are you familiar with the brand Balenciaga? What industry is it in? Do you consider it a mass-market, mid-range, or luxury brand? What is the last thing you remember about it?
12	Do you know the video game Fortnite? Have you played it? What do you remember most about it?
13	Do you recall any collaboration the game had or has with any brand/company/franchise? Which one or ones do you remember?
14	Do you remember the collaboration between Fortnite and Balenciaga? What do you remember most and liked about it?
15	What did you think of this collaboration? Did you feel it was well-developed? Why do you think the brands decided to do this collaboration?
16	Did you ever take on a challenge or enter creative mode to win Fortnite x Balenciaga accessories? How did it go? Was it difficult or easy?
17	Did you end up acquiring any of the skins within the game or any Balenciaga product after seeing it in Fortnite? Why? Do you know anyone who did?
18	What type of economic and social impact do you think Balenciaga received after the collaboration? And in the case of Fortnite?
19	Did you ever make a comment about this collaboration on social media? If you had, what would you have said?
20	Who do you think contacted whom to make this collaboration happen? Why would Fortnite, being the brand it is, decide to collaborate with a controversial brand like Balenciaga?
21	What do you think is the reason why Balenciaga, despite its main consumers not being within the Fortnite audience, decided to be part of this collaboration?

The sample focused on 20 gamers aged 18 to 26 years old living in Lima, Peru, of NSE B, and belonging to selected districts, with an interest in video games and knowledge of the Balenciaga brand. It was divided into communicators and non-communicators to capture a wide range of understanding about advertising strategies.

Purposive sampling was used to select participants who would provide a rich variety of information. This technique was crucial to ensure diversity within the demographic and gaming experience framework.

To confirm scientific rigor, data triangulation strategies and researcher reflexivity were implemented. Data analysis was conducted using thematic analysis methods to organize, code, and synthesize qualitative information. This process allowed the identification of patterns and themes related to attitudes towards in-game advertising and advergaming.

In summary, the methodology applied provided a balanced approach that allowed interpreting gamers' experiences in a context of digital marketing and luxury fashion.

4   Results

4.1   Prior Knowledge

Most participants expressed a clear preference for group play, citing interaction and shared fun as key factors. This phenomenon was observed across a variety of video game genres, especially those that facilitate group play, such as shooters and strategy games.

Regarding brand recognition within video games, responses varied. While some indicated that games tend to promote themselves, others noted references to products with altered or parodied brands. In games such as FIFA, significant visibility of trademarks in the game environment was identified.

In Fortnite, the presence of a wide variety of collaborations and "skins" associated with movies, series, anime, and artists was highlighted, reflecting an inclination toward in-game advertising. Respondents indicated that while they recognize these inclusions as advertising, they do not find them distracting during gameplay.

Table 2. Frequency of brand recognition in different video games in the interviews.

Video game	Brand	Brand recognition (%)
Fortnite	Collaborations with artists such as Travis Scott, Ariana Grande, Marvel, Star Wars, etc.	100
Pepsiman	Pepsi: Brand positioning game	55
FIFA	Sport related brands: Nike, Adidas, Puma	50
Call of Duty	Assorted	35
Counter-Strike y GTA	Various	30

4.2   Use of Advertising Elements

Participants described two main types of advertising elements in games: those that can be interacted with and that empower the player or help to accomplish a challenge, and those that are merely decorative or are integrated into the character's clothing. It was

observed that, while decorative elements are appreciated aesthetically, interactive elements are valued for their functionality.

Skins in games such as Call of Duty (COD), Fortnite, and Fall Guys are acquired primarily for personal tastes and aesthetic preferences, without conferring competitive advantages. In contrast, in games such as Free Fire, it was noted that certain skins provide unique abilities, offering in-game advantages.

Table 3. Classification of advertising elements in video games and their frequency of mention.

Advertising Element	Fortnite	FIFA	COD	Free Fire
Decorative - Clothing	85	8	3	1
Decorative - Environment	7	5	1	-
Interactive - Competitive Advantage	-	-	1	2

4.3   Fortnite x Balenciaga collaboration

The research found that most of the interviewees had prior knowledge of Balenciaga as a luxury clothing brand, often associating the brand with its appearance in the lyrics of reggaeton or rap songs. Participants expressed familiarity with Fortnite, highlighting the game's wide range of collaborations that appeal to various tastes. It was observed that skins associated with famous characters or brands are acquired not only for affinity towards them but also for the status they confer within the gaming community.

Regarding the specific collaboration with Balenciaga, while not all interviewees were previously aware of it, they evaluated it positively, noting that the inclusion of elements in the game and promotional actions such as a customized room in creative mode and associated merchandise represented a broad and attractive implementation. Participants identified the Shady Doggo skin as one of the most popular and played during the games.

Furthermore, interviewees suggested that the collaboration could pave the way for new modes of online purchasing within video games, where physical products could be acquired during gameplay.

The interviewees posited that Balenciaga likely took the initiative to contact Fortnite for this collaboration, given the game's extensive history of partnerships and the fashion brand's strategy to expand its presence and appeal among younger consumers.

Table 4. Fortnite x Balenciaga collaboration and the brands involved.

ID	Expressions about Balenciaga	Expressions about Fortnite	Expressions about the collaboration
E09	Trap or hip-hop artists often mention luxury brands in their songs.	The dynamics of Battle Royale is very well known, it is a popular shutter.	The use of the creative mode was important to make the collaboration stand out from the others.

E03	It is an expensive brand with an extravagant style that likes to attract attention.	What I like the most is the possibility to play with my friends.	Its development is not forced and the rewards for challenges given to the player generate motivation.
E10	It's a brand to differentiate itself by the outlandishness of its garments. It doesn't look luxurious, but it is.	You show who you are by the way you dress in a video game. In this way you differentiate yourself from others.	It is strange how a luxury brand tries to reach young people who may not have enough money to buy it. I understand it is more brand recognition.
E06	While I don't remember much about the brand, it rings a bell from songs, and I know it has a higher price point than others.	It has a very varied audience in age, but children are also the most popular in this one.	It may give way to a future of real sales within video games.
E07	Balenciaga has different styles that can go with different audiences.	I came to play the game mostly because of the variety of events and collaborations it had.	The goal was to position themselves as the future possibility for the public to choose them when they have enough money.
E14	The style is somewhat like streetwear, but many times the clothes are out of it, which makes it confusing.	It is a super dynamic game that is quick to understand and get used to the execution.	What Balenciaga was looking for with the collaboration was to get into the buying decisions of young people.

5   Discussion

The preference for playing games in company and recognizing brands within video games aligns with existing literature that suggests shared experiences are a central component of enjoyment in gaming. Moreover, the in-game advertising identified by participants appears to be balanced with gameplay, supporting the notion that effective advertising in video games should be integrated organically and non-disruptively [4].

Contrary to the suggestion by Ingendahl et al. [6] that proposes the centrality of the brand in the gaming experience, the findings of this study indicate that advertising which does not dominate the game is better received. This result provides a new perspective on the subtlety of in-game advertising and its acceptance by users.

The distinction between advergaming and in-game advertising was not widely recognized among the interviewees, which indicates an opportunity to increase awareness and understanding of different advertising strategies in the context of video games.

The recollection of "Pepsiman" as an effective case of advergaming highlights the power of nostalgia and the long-term impact of integrated advertising in video games.

This finding paves the way for future research on the enduring impact of advertising campaigns in video games released in past decades.

Perceptions of the collaboration between Fortnite and Balenciaga revealed that, although most were not familiar with the specific campaign, they recognized it as well-executed and in line with current advertising practices in video games. Those who purchased items from the collaboration did so motivated by their liking for the designs of the skins or by the desire to associate with the luxury brand.

6   Conclusions

This research focused on exploring how Peruvian gamers perceive in-game advertising and advergaming resulting from the collaboration between Fortnite and Balenciaga. The findings met the research objectives, revealing that the integration of Balenciaga into Fortnite was perceived as an effective and well-received advertising approach that aligns with the concept of accessible luxury.

Contrasting these findings with existing literature, there was alignment with previous studies that identify the importance of organic brand integration into the game. However, a difference was noted in the perception of in-game advertising, which, far from being intrusive, was valued for contributing a sense of closeness with the brand. This perspective enriches the current understanding of in-game advertising and adds a new dimension to marketing strategies in video games.

The conclusions highlight that while Fortnite benefited economically, Balenciaga gained significant social impact, expanding its recognition among a young and potentially new audience. However, almost no interviewee differentiated between advergaming and in-game advertising, indicating an area for future consumer education and research.

Methodological limitations were identified, such as challenges in coordinating interviews and a sample biased toward young and extroverted players, which may have influenced the variety and depth of the responses obtained.

For future research directions, it is suggested to examine the lasting impact of iconic campaigns like Pepsiman in video game culture, as well as advertising practices that manage to be subtle and well-received. Additionally, research on advertising disappointment and its impact on brand perception is recommended.

In summary, it is concluded that the collaboration between Fortnite and Balenciaga was perceived as an innovative and resonant campaign, and it is indicative that luxury brands can find a new home within digital spaces, provided that the integration is perceived as an authentic and appealing extension of the gaming experience.

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