

Researching the behavioral elements of online video game players. A detailed analysis using SPSS. Part I: A marketing approach to the video game industry

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Abstract

It is well-known that communication was always encouraged by interactivity generating knowledge and meaning, while active participation is enabling valuable content, deeper immersion being created by better video game players' experience. Marketers are challenged to reach online video gamers by leveraging new opportunities identified on the relevant market, the rapidly increasing video game industry offering an interesting example of relationship between the sales of both hardware, and software. The very competitive and dynamic video game market is influenced by both the continuous technological advance, and the changes in trends and preferences of video game consumers, who are attracted by innovation in this video game industry which has become one of the largest entertainment industries globally. That is why a coherent analysis of the video game users' behavior it is really useful. This paper is divided into four chapters, as follows. Part I is an introduction to the video game industry, presenting the economic power of the industry, the main factors influencing the video game consumers' behavior, as well as particularities of the marketing strategies in the industry. Part II presents the marketing environment of one of the largest video game companies, namely Ubisoft Entertainment S.A. The main aspects analyzed are the microenvironment and the macroenvironment of marketing, each with its particularities. The SWOT analysis of the company will also be presented. In Part III, the actual study of the paper is presented, starting from the formulation of the conceptual framework of the scientific approach, continuing with the list of the research problem and purpose, objectives and hypotheses, and the definition of research variables. At the end, the applied research method is exemplified and the results are analyzed and interpreted. Part IV contains the research conclusions and recommendations for Ubisoft Entertainment SA company based on the results obtained in Part III.

Keywords: Online video game players; Users' behavior; Video game market

JEL Classification: D83; L82; L83; M31

Introduction

Video games are known as a common form of entertainment and leisure, especially among children and teenagers. However, they have evolved over time and thanks to technological developments, more and more people have access to at least one device that can run video games. The video game industry has become one of the largest entertainment industries globally, the industry reaching in 2021, for instance, a value of 198.40 billion US dollars, and it is expected to continue to grow (Mordor Intelligence, 2022). The restrictions caused by the COVID-19 pandemic did not negatively influence the population's perception of video games,

they helped instead the industry grow due to the emergence of the need to spend free time at home. During the pandemic, socialization and human interaction proved to be some of the main reasons why more and more people started spending more time playing video games. In this Part I, the theoretical concepts related to the world video game industry will be analyzed. At the same time, the focus of the analysis will be on the factors that influence consumer behavior in the video game market and on the particularities of the marketing strategies used in the industry.

1.1 Video Game Industry Overview

Video games are a form of digital entertainment that can capture the attention of users with various interactions. They are meant to provide players with various feelings such as fun, engagement or enjoyment. Video games also require an electronic platform to be played, and these days, the most popular are mobile phones, personal computers (PCs), and game consoles (Owen, 2016).

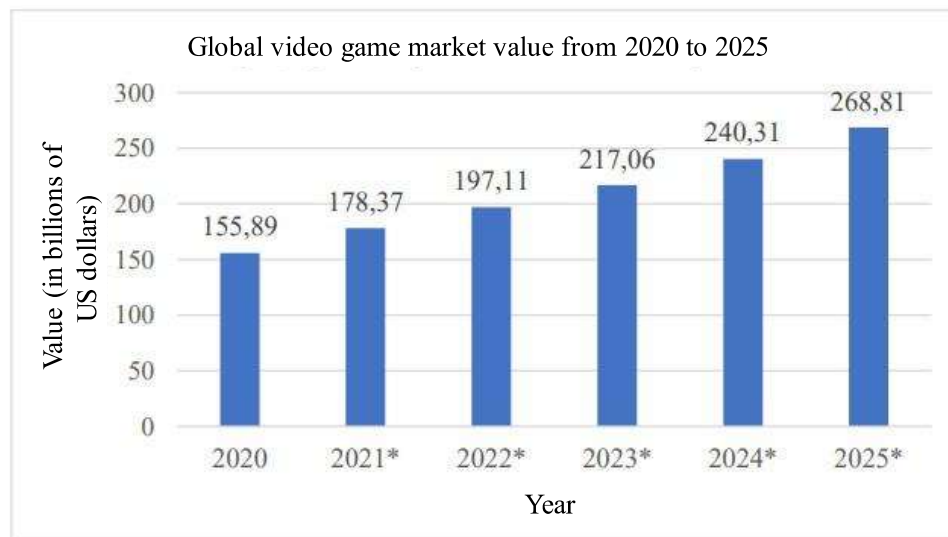


Figure 1.1: Global video game market value from 2020 to 2025

Source: Developed by the authors based on data published by Statista

<<https://www.statista.com/statistics/292056/video-game-market-value-worldwide/>> *Estimated data by Statista.
[Accessed 11 June 2022].

According to the above figure, the value of the global video game market is estimated to increase continuously year by year, which makes the industry more and more popular and competitive. Over the years, the video game industry has evolved with technological developments. As more and more people began to have access to the Internet and own a computer or smart device, the video game industry expanded, eventually surpassing the music and movie industries (Beattie, 2021).

1.2 Peculiarities of marketing in video games

Both the multitude of video games available and the very open market are important factors that have shaped the video game market to become a very competitive one. So, the main way video game companies can survive in the market is through continuous development, rapid implementation of new technologies and innovation. And to sell the final product to players, both current and potential, requires the implementation of marketing strategies specific to the video game sector (Zackariasson & Wilson, Editors, 2012).

Marketing strategy development starts as early as the game's pre-production period, with the main activities in this period being market research and distribution and public relations (PR) strategies. Then comes the production period, where the studios work on developing the game itself. This is the time when details about the game are announced to the general public, such as the title of the game, the genre of the game, and in some cases, a small video teaser is presented to arouse curiosity and excitement among players. And the last period is the post-production period, the period in which the quality and performance of the game are tested. From the point of view of the marketing strategy, the community management process takes place during this period. This process contains activities such as press conferences, releasing the game for reviews, and preparing for the game launch event (Ramadan and Widyani, 2013).

Marketing strategies have evolved along with the technological changes in the field, very much influenced to changing gaming trends and the ever-changing market. Mainly, the most used marketing strategies in the video game industry are advertising, sponsorships, digital marketing, especially through mobile advertising and influencer marketing. Thus, video game advertisements are present in all corners of the Internet, from banners' presence in social media to sponsored videos created by famous personalities.

In the video game market, not only playing a game itself has proven to be something fun and interesting to watch, but watching other people play and react to the game is just as fun in most cases. So, several online platforms dedicated to watching video game content have emerged. The largest platform is Twitch.tv, owned by Amazon, but other social networks such as YouTube and Facebook also have dedicated platforms for video game content (Gandolfi, 2016). Similar to the big social media platforms, on these platforms too there are various personalities who have become influencers, each with different followers. With the help of influencer marketing, companies can introduce and increase their brand presence among potential users (Johnson & Woodcock, 2019). Influencer marketing has proven to be a very successful tool in the marketing strategies of video game companies, as the association with a well-known person inspires trust in the product among that person's followers, and at the same time, helps to penetrate more easily to the niche users of the game the company wants for it (Jin, Muqaddam and Ryu, 2019). Another topic that marketing strategies need to consider is mobile devices and their huge potential to attract new users and allow more and more people to play video games. As can be

seen in the figure below, the market for video games developed for mobile devices is constantly growing.

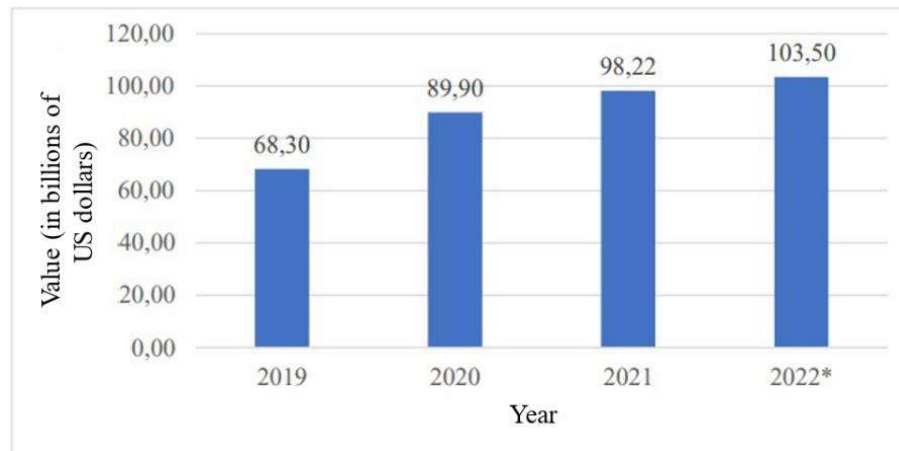


Figure 1.2: Global mobile gaming application revenue from 2019 to 2022

Source: Developed by the authors based on data published by Statista
<<https://www.statista.com/statistics/511639/global-mobile-game-app-revenue/>> *Estimated data by Statista.
[Accessed 11 June 2022]

One of the most used methods to increase the visibility of the game on mobile is to reward players when they share various key moments that they have had while playing the game. For example, when a player has passed a difficult level, they can share an image of their screen on social media platforms, and for this action, the game gives players a gift. In other situations, if players need one more chance to finish a level, they can watch an ad, and if they watch it all the way through, players get the chance they needed to finish the level. Such methods are usually practiced in the video game industry, but they have started to be used in other industries as well, taking the name of gamification.

1.3 Factors influencing consumer behavior in the video game market

Video games were created as a form of entertainment for those who prefer a dynamic interaction, but with the evolution of methods of human interaction with the virtual environment and artificial intelligence (AI), the boundaries of emotional understanding of different aspects of the digital environment have been expanded. Video games affect the psycho-emotional level through the process of playing the game itself and not through the material environment. Their essence is solving specific problems and actively involving players in this process, thus managing to create intense emotions for users (Yu, 2004). In the case of video games, the motivations behind the user's behavior can be analyzed in two ways: extrinsic motivation and intrinsic motivation (Legault, 2020). Extrinsic motivation refers to the motivation to play a video game for the somewhat material benefits it can bring, such as finishing the game in record time, achieving the highest score, or obtaining a very rare and valuable in-game item, in short, this

motivation being based on the reward that a game can bring. While at the opposite pole is intrinsic motivation which is not based on an external reward, but is based on the simple inner pleasure of playing a game because it is enjoyable to the person (in other words, it is based on the experience of playing a particular game).

Also, another important factor to consider is the different goals a player has when playing. These can be divided into three categories: the completion goal, the transitional goal, and the improvement goal (Juul, 2010). The goal of completion refers to the successful completion of the game without encouraging repeat play. The transitional goal refers to the successful transition from one stage of the game to another, with the task being to complete the next stage successfully. In this case, it is not possible to change the results from a previous stage. And finally, the improvement goal refers to the constant improvement of the results achieved by the player in highly competitive games. This goal is found among players who like to make records and break records.

Video games are capable of producing various emotions among players, both positive and negative, and another important factor that can influence player behavior is their mood. Thus, users can choose games based on various components to suit their mood, among the most important such components being imagination, story, complexity of game use, self-expression, socialization and immersion (Banyte & Gadeikiene, 2015).

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