

The Impact of Marketing Strategy on Consumers' Purchasing Decisions in the Computer Gaming Aspect

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Abstract. Video game marketing strategies, particularly concerning social media and E-sports culture, have become a focal point of contemporary research. Researchers have highlighted the potential and progress in utilizing these digital platforms to engage consumers and enhance game popularity. However, there remains a significant gap in understanding the specific mechanics of how such strategies lead to commercial success and the extent to which they influence consumer behaviour. This study delves into the multifaceted dynamics shaping consumer behaviour in digital gaming. Drawing from the Cognitive Evaluation Theory, it explores how intrinsic motivations like autonomy and engagement drive consumer behaviour. It also examines innovative in-game purchase strategies, notably the Battle Pass and loot boxes, and their profound influence on player spending. Social media is scrutinized as a critical marketing tool, with user and expert reviews shaping purchase decisions. The importance of vibrant gaming communities and E-sports culture is highlighted, underlining their contribution to a game's cultural significance. Lastly, the study considers brand building in E-sports, shedding light on how renowned brands foster emotional bonds with consumers, ultimately securing loyalty and enhancing their market position. The goal is to provide industry players with a holistic understanding of the evolving digital gaming industry, aiding them in devising effective strategies to navigate this complex terrain.

Keywords: Consumer Behavior, social media marketing, digital game marketing, In-game purchase strategies.

1. Introduction

In today's digital era, the global gaming industry has become a socio-economic and cultural phenomenon, prompting interdisciplinary research and interest. The video game industry, valued at tens of billions of dollars, has been prevalent longer than most would typically imagine. This vibrant sector encompasses various platforms, genres, and game classifications, ranging from AAA titles, characterized by high value, large budgets, and significant revenues, to the more obscure landscape of independent games created by indie developers [1]. This research paper aims to delve into various aspects of the gaming industry, primarily focusing on consumer behaviour, digital game marketing strategies, and the impact of social media and E-sports culture on brand building. The significant growth of this sector and its evolving strategies necessitate a deeper understanding of its dynamics.

The study's primary focus is to understand the cognitive and motivational factors affecting consumer behaviour, primarily through the lens of the Cognitive Evaluation Theory. The research also seeks to comprehend the growth and impact of digital game marketing with the proliferation of new technology and the advent of the casual revolution. This revolution signifies the normalization and integration of digital games into daily life, thus becoming a primary marketing strategy.

Furthermore, the rise of social media marketing and E-sports culture has dramatically influenced the dynamics of the gaming industry. User reviews, expert opinions, and community discussions have become crucial determinants of a game's success. Similarly, the explosive growth of E-sports, driven by brand sponsorships, has redefined the gaming landscape.

This research paper seeks to provide a comprehensive exploration of these areas, shedding light on the complexities of the gaming industry. The article is divided into distinct sections discussing consumer behaviour, digital game marketing strategies, social media's role, and E-sports' influence

on brand building. By conducting this study, the paper provides a more detailed insight into the marketing techniques included in digital gaming industry.

2. Dissecting Key Trends in the Modern Gaming Industry: Monetization Strategies, Social Media Influence, and the Emergence of E-sports

The global digital gaming industry is a remarkable manifestation of technology's interplay with entertainment and cultural production. As the chronology of gaming unfolds into the present era, the emergence of a sophisticated and highly dynamic market becomes evident. The contemporary gaming landscape has significantly evolved from its early roots, showcasing advancements in game design and mechanics and monetization strategies, community-building efforts, and marketing techniques. With an estimated market worth over \$159.3 billion in 2020 [2]. This industry has permeated various social, cultural, and economic aspects of modern life. This paper considers three primary aspects that embody the transformations and challenges within this field: the Battle Pass monetization strategy, the influence of social media in gaming, and the rise of E-sports culture in the development of brand identity.

2.1. Battle Pass Monetization Strategy

The first case focuses on the innovative 'Battle Pass' monetization strategy, initially employed in Free-to-Play (F2P) mobile games and later adopted in full-priced console and PC games. The Battle Pass, priced at approximately \$10, allows players to unlock game content by completing challenges over a specified season, offering a more accessible alternative to direct payment for game content [3]. This strategy and the 'loot box' model have generated substantial revenue for popular games such as Fortnite and Dota 2. However, the model has also faced controversy, such as the dispute over Star Wars Battlefront II's profit strategies. A thorough analysis of the Battle Pass strategy is essential, offering key insights into current and future trends in digital game monetization.

2.2. Social Media's Role in Gaming

The second instance investigates the influence of social media on gaming, mainly by examining user and specialist evaluations. Platforms such as Steam play host to a vast array of game reviews that significantly influence potential players' purchasing decisions. The Witcher 3 exemplifies a game that has gained massive popularity through positive user and expert reviews, highlighting the immense power of social media in shaping a game's success [4]. Beyond reviews, interactions within the gaming community, including sharing experiences and strategy discussions, are integral to a game's cultural impact. This case underlines the necessity of exploring the dynamics between social media and the gaming industry.

2.3. E-sports and Brand Building

The final case study delves into the surging trend of E-sports and how it is being leveraged for brand building. At the heart of this trend are some basic psychological needs that make E-sports an attractive arena for consumers. Among these are skill enhancement, a process in which fans can refine their gaming abilities by emulating professional players. This not only consumers to upskill but also adds a sense of involvement as they perceive themselves as part of the E-sports ecosystem [5].

Additionally, E-sports facilitates socialization. This platform enables people to connect with others with the same interests, nurturing a feeling of belonging and social acceptance. As of 2020, the global E-sports audience was estimated at a whopping 495 million people, showcasing the vast opportunities for digital advertising and brand promotion [6].

Several brands have recognized this potential and have initiated strategies to tap into it. Companies such as Red Bull and Marvel Entertainment have adopted sponsorship and character inclusion methods to strengthen their brand image among consumers. With the dawn of E-sports, there is a new

avenue for brand building, necessitating a more thorough examination of the involved strategies and their implications.

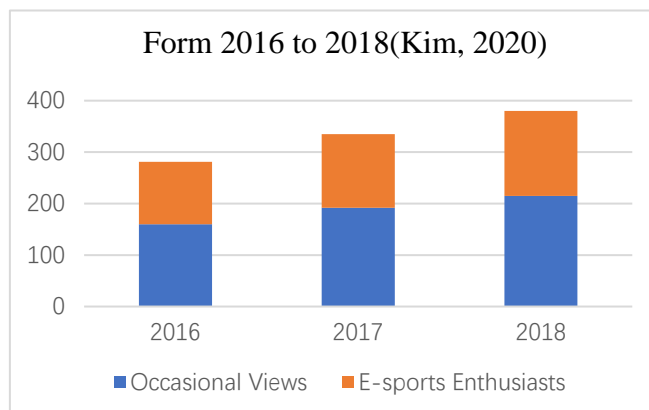


Figure 1. E-sports Audience Growth [7]

As presented in Figure 1, there is a notable surge in the global e-sports audience. The total viewership escalated from 281 million in 2016 to 380 million in 2018, with projections indicating a rise to 557 million by 2021, as reported by Emirhan et al. However, the effect of the coronavirus pandemic suggests that this estimate might be lower than the actual total [8].

The cumulative examination of these cases aims to offer an encompassing view of the gaming industry's key trends and challenges. By unpacking these cases, the interrelationships between gaming monetization, social media influence, and the emergence of E-sports can be better demonstrated, ultimately contributing to a deeper comprehension of the gaming industry's evolving landscape. This understanding, in turn, can inform strategies for developers, marketers, and policymakers within this rapidly growing field.

3. Analysis: Interplay of Strategic Innovations and Social Media Influence in the Evolving Digital Gaming Landscape

The innovative 'Battle Pass' strategy has redefined the video game industry's revenue model, demonstrating a potent blend of gamification and traditional pay-to-play mechanisms. Notably, the Battle Pass strategy's success is deeply intertwined with the broader concept of 'product commodities,' where players purchase additional game content or playing time [9]. This transactional nature has enabled a new form of 'commodified gaming,' evidenced in popular games like Fortnite and Dota 2. The success of these games underscores the feasibility and effectiveness of blending traditional profit strategies with the Battle Pass approach, marking a significant shift in the digital gaming industry's business model.

Simultaneously, the efficacy of the Battle Pass model also brings into focus the role and influence of social media in shaping gaming trends. An examination of 'The Witcher 3' provides insightful parallels, particularly concerning the game's overwhelming popularity on the Steam platform. User reviews, expert opinions, and community discussions have significantly contributed to the game's success, reinforcing the importance of these elements in shaping a game's market performance. Moreover, the case exemplifies how social media platforms can amplify a game's visibility, shape audience perceptions, and facilitate community engagement around shared gaming experiences.

In contrast, the rising influence of E-sports underscores a unique convergence of entertainment, technology, and brand promotion. This sphere offers unprecedented opportunities for brand promotion, as demonstrated by Red Bull and Marvel Entertainment's successful strategies. Red Bull's focus on high-performance E-sports athletes and extreme events has effectively engaged the audience, promoting a robust self-brand connection. Similarly, Marvel's strategy of providing character skins in games like Fortnite capitalizes on the deep-seated affection and recognition for their characters, further bolstering brand attachment.

These brands' success illustrates the potential of E-sports as a powerful platform for brand building, stimulating both adventurous spirit and nostalgic sentiment among consumers [10]. Furthermore, the emotional bond cultivated through these strategies presents a promising avenue for enhancing brand loyalty, underlining the potential of E-sports as a tool for consumer engagement and brand promotion.

Collectively, the analysis of these cases reflects the multifaceted and dynamic nature of the digital gaming industry. The effectiveness of the Battle Pass approach, the influence of social media in shaping gaming trends, and the rising prominence of E-sports for brand promotion all embody the industry's evolving landscape. The interplay of these elements underscores the need for an integrated approach to understanding and navigating the gaming industry. It emphasizes the importance of adapting to shifting consumer behaviours, leveraging social media effectively, and harnessing the potential of emerging platforms like E-sports. As the digital gaming industry evolves and grows, these insights will be increasingly vital for developers, marketers, and policymakers.

4. Suggestions

4.1. Establish Communities to Increase Player Engagement and Loyalty

Drawing on the persuasive communication framework developed by scholars James B. Stiff and Paul A. Mongeau, one crucial strategy to elevate player engagement and loyalty is establishing and nurturing gaming communities [1]. This strategy calls attention to three dimensions of perceived authenticity: response shaping, response reinforcing, or response changing.

Building active, thriving communities encourages the shaping and reinforcing of responses. This involves creating shared experiences, fostering meaningful interactions among players, and developing an environment that supports collective identity. These communities can be leveraged as platforms for user-generated content, game tip sharing, feedback, and even test beds for new game features. Encouraging community engagement not only enhances the overall player experience but also contributes to the creation of loyal customer bases.

4.2. Engage in Brand Collaborations and Cross-Industry Partnerships to Increase Game Attractiveness

Sponsorship has proven to be an effective strategy to foster loyalty among individuals actively engaged in E-sports, significantly more than among those who do not participate. E-sports enthusiasts, who consider themselves and are perceived by others as part of the community, tend to view brand sponsorships more favorably. An examination of this belief shows that sponsorships in E-sports are generally seen in a positive light, without leading to a weariness of advertising. The use of digital technologies allows users to personalize their experience and can increase the sense of exclusivity of a given activity [11]. Given this context, brands have the opportunity to leverage the interactive components of E-sports platforms to convey innovative messages. For example, enthusiasts of E-sports are more prone to engage in live chat discussions and may periodically look at leaderboard standings. Brands can make use of tools like Twitch's subscriber-only emoticons, which allow companies such as Burger King to design distinctive, branded emoticons. These are specific to the platform and can be employed within the live chat function. These suggestions embody the necessity of incorporating community-building and brand collaborations in modern gaming business models. Gaming enterprises can create a more attractive and immersive gaming environment by fostering player engagement, enhancing brand loyalty, and integrating cross-industry partnerships, promoting sustainable business growth.

5. Conclusion

This study underlines the crucial role of social media and branding strategies in shaping the success of modern video games. The study analysis demonstrated how "The Witcher 3" benefitted from robust online user and expert reviews, active gaming community engagement, and the rise of E-sports

culture. The game's success illustrates how strategic social media use and effective brand building can drive significant customer engagement, loyalty, and commercial success in the gaming industry.

The study emphasizes the need for game merchants to leverage social media platforms to garner user and expert reviews. Promoting a positive gaming experience can foster high-quality reviews that influence potential buyers. Also, active community involvement is vital. By encouraging discussions, experience sharing, and fan art creation, games can transcend beyond being just digital entertainment products to become cultural phenomena. Brand building, too, has an invaluable role. As Red Bull and Marvel Entertainment did with E-sports, businesses can deepen their brand attachment by establishing emotional connections with consumers.

For future research, a more in-depth exploration of the relationship between social media strategies and their impact on specific game genres could provide more nuanced insights. Additionally, understanding how brand-building strategies can be customized to align with diverse cultural contexts and consumer demographics would be beneficial. The growing influence of live-streaming platforms on the gaming industry also presents a fascinating avenue for future studies. By focusing on these areas, future research could unravel more layers of understanding the complex dynamics of social media marketing and brand building in the gaming industry.

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