

Business Factors Influencing Contemporary Gamer Spending

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Abstract. In recent years, the game market has seen rapid growth influenced by technological advancements, lifestyle changes like increased home time due to events such as the COVID-19 pandemic, and various socio-economic factors. This paper utilizes a literature analysis method to explore the factors affecting contemporary players' consumption behavior, focusing on game marketing, pricing strategies, and the economic environment. Through a comprehensive review of existing literature, this study uncovers the complex dynamics shaping players' consumption habits. It examines how effective marketing strategies influence consumer preferences and purchase decisions, the impact of different pricing models on player spending habits, and how macroeconomic factors shape purchasing power and gaming trends. Based on these findings, the paper proposes practical development suggestions for game developers and enterprises. These include refining marketing tactics, optimizing pricing strategies, and fostering innovation to adapt to changing economic conditions and consumer preferences. Additionally, it emphasizes the importance of governmental oversight to regulate game companies and ensure consumer protection, industry sustainability, and a favorable gaming environment.

Keywords: Game Market; Customer Behavior; Pricing Strategy.

1. Introduction

With the rapid development and continuous popularization of the global mobile Internet as well as information technology and smart devices, the game market has also seen rapid growth and development. During the epidemic period, the geek economy drove the rapid development of the game market, and after the liberalization of the epidemic users' willingness to consume increased, the game market revenue and the number of users increased. Data from the China Game Industry Report 2023 showed that the actual sales revenue of the domestic game market in 2023 amounted to 302.964 billion yuan, an increase of 13.95% year-on-year, and exceeded the 300 billion mark for the first time. In terms of user data, there were 668 million game users in 2023, a year-on-year increase of 0.61%, a new high point in history. Understanding and analyzing consumers' different game consumption and preference for game types helps to look forward to the future of the game industry, promote harmony in game consumption, propose optimization measures for game marketing strategies based on consumers' game consumption behaviors, formulate a reasonable pricing strategy, further improve user experience, and promote the development of the game consumption market. Understanding the current macroeconomic policies helps game companies make forward-looking planning and adapt to the economic environment, clarify user needs, and plan reasonably under the policy rules to further promote game products. Analyzing the pricing and marketing strategies of today's gaming companies can reveal the existing problems of gaming companies. Differentiated pricing and dynamic price adjustments allow companies to maximize profits while maintaining competitiveness, while optimized marketing strategies allow companies to accurately locate their target groups, establish unique brands, increase the number of users, and improve user stickiness. In this paper, the study is conducted through the literature research method to give feasible suggestions for the development and expansion of the gaming market.

2. Game Marketing

2.1. Marketing Status

Today's online game marketing can be analyzed from the product, price, marketing channels, etc. In terms of product, the game continues to update, repair existing problems to enhance the user experience. In terms of price, the game can be divided into two categories, namely, the buyout system and the system, the buyout system compared to the system of one-time payment, does not cause users to impulse consumption and rich game content, many games of high quality, the plot of the attraction is strong. The system of internal purchase stimulates users to consume and recharge, stimulates the economic development of the game market, and the purchase of virtual goods gives users a better gaming experience. Game companies can also combine marketing, such as "free + in-purchase", "virtual + physical", such a combination of sales enriched the original product, increase the purchase channel, enhance user stickiness [1]. In terms of channels game marketing channels are rich, but online games have life cycle, marketing and promotion is not unified, differentiated marketing problems [2]. For these problems, enterprises can online and offline at the same time to put a lot of advertising for publicity and selling peripheral products, while carrying out the game live broadcasts and game tournaments, live broadcasts and tournaments on the one hand to promote the game itself, on the other hand, to increase the advertisement and marketing and product selling channels, a variety of channels to promote the game market. On the one hand, live broadcasts and competitions publicize the game itself, and on the other hand, increase the channels for advertising and marketing and product sales. Game companies should push forward the innovation in products, create diversity in price, precise marketing in distribution, and cross-border cooperation in promotion [3].

2.2. Marketing Strategy

Marketing strategy can be proposed on the "4P" theory, analyzing the four aspects of product, price, channel and promotion. In terms of product, the game itself should constantly fix the existing problems, update the content, and develop new virtual goods or storylines. Today's games focus on the sensory experience, enhance the interaction with the player, so that the player gets an immersive experience, the game to create a unique brand. In terms of pricing, games can regulate prices from the consumer's point of view, more accurate marketing. The game company can choose a combination of marketing model, five dimensions of consumer behavior survey design, from the product attributes, external support factors, subjective norms, consumer willingness, consumer experience to analyze consumer willingness, and then from the product quality enhancement, product pricing, product channel optimization and product promotions of the four aspects of the proposed product marketing strategy for consumers [4]. In terms of channels, game marketing can be carried out both online and offline, online through websites, clients and the game itself, and offline through advertising and the sale of peripheral products [5]. Nowadays, there are three new and more prominent game marketing strategies in the game market, which are publicizing free games but adding game recharge business, multimedia channel marketing and game props promotion. However, the online game marketing strategy is no longer good, but also need to be high playability of the product itself, the game itself needs to be constantly upgraded and updated, from the root to attract players [6]. In summary, the game should firstly establish a player-centered game platform, carry out flexible and efficient game updates, develop unique and attractive game content, and secondly, set a reasonable price, which can be combined with marketing or thin margins, and increase the number of users by publicizing through a variety of channels and carrying out more activities to attract attention.

3. Game Pricing

Before the advent of gaming platforms, computer games needed to be made into CD-ROMs or cassettes for sale, which were more costly and priced higher. However, after the emergence of gaming platforms and digitized games, the development costs of games have been drastically reduced,

allowing smaller, cheaper independent games to be released. The sales data and player preferences of digitized games are also more easily collected by gaming platforms and publishers, allowing for further development of appropriate prices that will make players want to buy [7]. Mobile games often take the form of free downloads and paid recharges, allowing players to experience parts of the game before paying for virtual goods that enhance the gaming experience. In the early days, online games were categorized into point card charges and monthly card charges for purchasing game time, but recently more and more companies are choosing to gradually shift to the more lucrative top-up category [8].

3.1. Price Strategy

Since the same game does not always remain as attractive to players as it was when it was first released, discounts are often offered on gaming platforms, with the less popular games receiving larger discounts. In such cases, players will buy more discounted games. The survey showed that 60% of the games bought by 1400 subjects in the last 12 months were discounted, while 40% were not played [7]. This illustrates that gaming platforms regulate the price of games very effectively, and discounting makes players much more likely to buy. For mobile games, probabilistic goods (e.g. card draws) are one of the very profitable virtual goods. Although the single consumption is not much, because the form is similar to gambling and mentally addictive, it is purchased in large quantities and can create high profits for the company.

3.2. Consumption Motivation

Social aspects have a very strong influence on players' willingness to spend money. In a questionnaire survey with 167 subjects, most of them thought that TV advertisements were not trustworthy, while three-quarters of them said that if a friend owned a gaming platform or a game, then he would be willing to use the gaming platform or buy the game as well [9]. It can be seen that whether or not a player would recommend a game to friends and family has a great impact on the sales of the game, and whether or not they do so depend on how high the quality of the game is. Therefore, the quality of the game has a great impact on sales. Videos related to the game can also serve to market the game. When gamers want to buy a game, they often choose to watch game reviews as a way to pick the right game for them and get a general idea of the overall quality of the game. A survey containing 845 online questionnaires showed that viewers of game reviews were more likely to buy the game in question after watching the video, followed by viewers of gaming videos, while viewers of live games did not have a strong desire to buy [10]. This shows that game reviews have a strong influence on whether gamers choose to buy a game or not.

3.3. Shortcomings and Suggestions

In recent years, many companies have flooded into the mobile game market, but most of them lack innovation and only focus on short-term interests, borrowing more or less from the previous games in terms of gameplay or content, and some of them do not have their own innovation points at all, leading to serious homogenization in the game market. Probabilistic goods can earn profits in a short time, but without quality assurance, players will only slowly lose. If you want to maintain a high stickiness of the user base and long-term profits, the quality of the game is an indispensable part. In addition, reasonable discounts on goods and inviting video anchors to promote the game can play a role in promoting purchases.

4. The Economic Environment

In game consumption, the government and the economic environment play an overall guiding role. Details such as game age access and game fee standards are guided by the government, and enterprises must make reasonable planning under the rules to formulate reasonable game content and game pricing, etc. At the same time, the overall economic environment of society also affects people's

willingness to play games and changes in consumption amount, such as employment and per capita income. At the same time, the overall economic environment of the society also affects people's willingness to play games and changes in the amount of consumption, such as the employment rate, per capita income and so on. As the background conditions behind the game industry, the two play an important role in building the foundation and threshold for enterprises.

4.1. The Role of Government

Since 2014, the UK has introduced a series of gaming tax breaks, making many gaming companies choose to go to the UK. In the first quarter of 2023, the entertainment industry, including gaming, has not performed well due to Brexit, higher costs of living, and a reduction in public entertainment due to the impact of the epidemic. As a result, the government has once again implemented tax cuts for the gaming industry in order to boost the industry. In this regard, it can be seen that a series of government policies will have an impact on the gaming industry, which will further influence gamers' consumption of games.

The employment rate of the society, as an indicator of the government's performance, has a direct impact on game consumption. Directly related to the employment rate is the income and consumption confidence of the population. During the COVID-19 pandemic, the unemployment rate in many countries and regions increased dramatically. According to the regression results of Sun's research, when the social unemployment rate is higher, the higher the possibility of a government to implement consumption promotion policies [11]. In the aftermath of the epidemic, many places in China coordinated local government and social funds to issue a total of 19 billion yuan of consumption vouchers, which had an obvious boosting effect on consumption. According to Feng's research, the role of the government and the employment rate will have a significant positive impact on consumption expenditure, which shows that the negative impact of the employment rate on consumption can be improved by the role of the government [12]. This also confirms the importance of the government in encouraging consumption, only game players in have stable employment, they will be willing to go for in-game spending.

4.2. Economic Environment

The economic environment includes the consumption environment and residents' income, in general, when prices are appropriate and personal income is stable, individuals' willingness to consume will rise. However, the study of Zhang et al. pointed out that: the consumption shock will accelerate economic growth, but at the same time will inhibit the individual's participation in the game [13]. Similarly, in the online game participation will inhibit the economic growth and consumption at the same time increased. This is diametrically opposed to the expected judgment, where economic growth and game consumption are inversely related. This may have implications for individuals' spending elsewhere, e.g., individuals are more willing to spend on travel, shopping, etc., when they have good savings, and are more focused on lifestyle consumption to improve their quality of life, which in turn affects some of their game participation and consumption. At the same time, it hypothesizes that gamers will limit their game consumption due to family considerations when they become adults, or when they have their own families. When the economic growth rate is stable and the consumer sentiment of the society is positive, people's spending on games is likely to be affected to a certain extent, thus posing a challenge to game companies and the game industry.

4.3. Suggestions

The government should always take the responsibility of maintaining social and economic stability, keeping prices stable and maintaining employment rates, so that people can still have sufficient consumer confidence in the current economic environment. The Chinese market has huge consumption potential, and the government should promote the release of residents' consumption potential by raising the income level and promoting the innovation of consumption methods [14]. Because personal income is always an important factor affecting the consumption of games, so that

gamers can have more disposable income, and they can be more confident in their consumption. At the same time, with the economic environment and game participation being inversely proportional, the requirements for game companies become more demanding. Game companies need to produce more sophisticated games that meet gamers' expectations so that they can retain gamers' playing time and further arouse their willingness to spend money on games.

5. Conclusion

In the current economic environment, the competition between game enterprises is more intense, and the willingness of game players to recharge fluctuates, so higher requirements are put forward for the marketing methods and game quality of enterprises. Some feasible opinions and suggestions for enterprises are put forward here: First of all, a reasonable marketing approach should be established, combining online and offline. Online resources can be integrated through multiple platforms, advertising resources can be released on multiple mainstream social media platforms at the same time, and inviting a large number of anchors to broadcast live games is also a relatively novel marketing approach in recent years. The line can be jointly named with public transportation, combining the body and in-car elements with the game. For example, the Hangzhou Metro usually pastes themed stickers of co-branded games on its carriages to promote the game's brand. This kind of linkage can make more people feel the content of this game more intuitively, for the players who are playing this game, they will feel familiar, and increase the good impression of the game; For those who do, this will increase their interest in the game to learn about it, download it, and even recharge it. Secondly, for the price of the game, the game company should establish a reasonable game pricing, in the current market environment, many game companies are competitive, competitive game pricing, content of the game content, will be an important factor to attract players to recharge. Finally, game content is always the factor that game players will always pursue. Although the price of many 3A blockbuster games is as high as 200 to 300 yuan, many players are still willing to buy them, because they can feel the full characters, excellent and beautiful pictures and excellent and smooth operation experience in a truly excellent work. This is what really appeals to gamers.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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