

The Core of the Business Operation of Game Companies

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Abstract. The global game market has exceeded 200 billion US dollars, and the industry has entered the stage of stock competition. Small and medium-sized companies are facing challenges such as scarcity of version numbers and high customer acquisition costs. Commercial operation has become the key to the survival and development of enterprises. This article focuses on the core logic of the business operation of game companies and uses multi-research methods to systematically analyze their operation practices. The study found that the core of business operation is "user-centered", and product research and development and iteration, profit model construction, and brand Intellectual Property (IP) operation are the three core elements; product differentiation is based on the foundation, and needs to maintain vitality through precise positioning and continuous iteration; the profit model needs to adapt to product attributes and user needs. It presents diversified and mixed characteristics such as buyout system, internal purchase, and advertising implantation; IP long-term operation and brand precipitation are long-term growth guarantees, and value can be amplified through cross-field ecological extension. This research fills the research gap in the systematic integration of the core elements of industry operation and provides differentiated operation paths for game enterprises of different sizes

Keywords: Game Company, Business Operation, Core Elements, Profit Model, IP Operation.

1. Introduction

In 2023, the global game market will reach 214.4 billion US dollars, of which mobile games account for more than 50%, becoming the mainstream industry. At present, emerging fields such as cross-platform games and cloud games are rising rapidly, becoming new growth points in the market. (Zhang and Li, 2025) While the market scale continues to expand, the industry competition pattern is polarized: head enterprises form monopolies with resource advantages, while small and medium-sized game companies face multiple challenges such as scarcity of version numbers and high cost of user acquisition (Xu and Wang, 2025). At the same time, game companies are also facing risks. Risk prevention and control is the prerequisite for continuous operation. It is necessary to focus on dealing with three types of risks: policy, market and public opinion (Sharma, and Mukhopadhyay, 2022.) In 2023, the cost of customer acquisition for a single user of mobile games has exceeded 80 yuan. How to break through the growth bottleneck through efficient business operations has become the focus of common attention of the whole industry (Xiao,2020; Mäntymäki et al.2019).

In terms of research value, the exploration of this article has both theoretical and practical significance. At the theoretical level, the existing game industry research mostly focuses on a single operation link - or separately analyzes the internal purchase mode innovation of free games, or only explores the design of the user-reserved welfare system, and lacks systematic integration of the core elements of business operations. By constructing a core element system for the commercial operation of game companies, this article integrates the scattered operation links into the unified logic with "user value" as the core, which not only fills the gap in systematic integration research in the industry, but also provides practical support for the operation theory of the digital entertainment industry. At the practical level, the research conclusion can provide targeted guidance for game enterprises of different sizes: for small and medium-sized companies, people can rely on the core element system to clarify the differentiated competition path of "vertical track boutique + low-cost user operation" to avoid resource confrontation with head enterprises; for head enterprises With the help of systematic combing, people can further strengthen the long-term competitive barriers of "IP ecological construction + global multi-platform layout", and realize the upgrade from "product single profit" to

"ecological continuous value-added". At the same time, the research conclusions can also provide reference for industry supervision and industrial policy formulation and help the game industry transform from "traffic-driven" to "content-driven and ecological-driven" high-quality development.

2. Case Analysis: Business Operation Practice of Head Game Company

This article selects the three leading enterprises of Tencent Games, Mihayou and Nintendo as research cases. The three of them correspond to the three typical paradigms of diversified comprehensive operation, vertical track boutique IP operation, and the transformation of traditional game giants, covering diversified market scenarios such as mobile games, console games, and two-dimensional subdivision fields. Its operation has important reference value for the whole industry.

Tencent Games builds a full-category product matrix with "self-developed + agent" two-wheel drive. The core competitiveness comes from the deep binding of Tencent's social ecology and game operation, creating a unique linkage mode of "social + game". (Lyu,2025). The self-developed terminal focuses on mass competition and medium-heavy tracks and produces phenomenal products such as "Honor of Kings" and "Peace Elite". Among them, "Honor of Kings" realizes low-cost newness with the help of WeChat and QQ social links, strengthens user stickiness through social gameplay such as friend team formation and team league, and maintains a billion-level daily life all year round; "Peace Elite Featuring cross-border linkage, it cooperates with Maserati and other brands to create exclusive content and activate the needs of high-paying users. The agent accurately screens global high-quality IPs, such as League of Legends and Genshin Impact (domestic release), adapts to Chinese user habits through localization and extends the product life cycle. The profit side adopts a diversified model, with internal purchase as the core, supplemented by advertising implantation, e-sports ecological realization, etc. At the same time, through the user layered operation strategy, differentiated content is designed for free users, light paid users and high-paid users to maximize business value.

Mihayou focuses on the vertical track of "two-dimensional open world", with the core strategy of "boutique content + long-term operation" to break through the monopoly of head enterprises. Its core competitiveness lies in the ultimate content differentiation and global synchronous operation ability. The flagship product "Genshin Impact" takes "open world exploration + in-depth two-dimensional narrative" as the core selling point, realizing seamless cross-platform adaptation of PC, mobile terminal and host, covering diverse user groups; at the same time, insisting on the big version update every 6 weeks, Continue to output new maps and new plots to maintain the popularity of users. The R&D side continues to invest highly and sets up a professional team to independently research and develop engines to support content creation and ensure product quality. The operating side cultivates the fan community, builds a global fan platform, and strengthens the emotional connection of users through derivative content such as comics, animation, offline carnivals, etc. At the same time, it builds an IP ecology around "Genshin Impact" and develops peripheral products, theme stores, etc., with derivative income accounting for more than 20%. Mihayou's practice proves that small and medium-sized game enterprises do not need to pursue full-category coverage. They can build unique competitive barriers by focusing on vertical tracks, polishing boutique content, and cultivating core users.

As a century-old game giant, Nintendo takes "Hejiahuan" as its core brand positioning, adheres to the "buyout system + IP derivative" operation mode, and realizes the balanced development of traditional console games and emerging markets. Its core advantage lies in the world's top IP matrix and adherence to the essence of game entertainment. Mario, The Legend of Zelda, Animal Friends and other series of IPs cover users of all ages, and design differentiated products for different groups such as children, core players and family users to form an all-age product layout. In terms of business model, the price is set with high-quality content to support buyout. The Legend of Zelda: Tears of the Kingdom is priced at \$69.99, with global sales of more than 20 million copies, which verifies the support of high-quality content for the traditional profit model (Maher,2016). At the same time,

people will build an ecological closed loop of "hardware + software + IP derivative", realize the coordination of hardware and software with the Switch host as the core, and expand the boundaries of IP value through cross-media derivative development such as Super Mario Bros. Movie and theme parks. Nintendo's operating strategy shows that the consistency of brand positioning and the long-term precipitation of IP are the key for enterprises to cross the industry cycle. Even in the market environment dominated by mobile games, long-term growth can still be achieved by adhering to core advantages.

Although the three enterprises have different operating paths, the core logic is highly consistent: product differentiation is based on the foundation. Tencent's social differences, Mihayou's content differences, and Nintendo's all-age differences all effectively avoid homogeneous competition; user refinement is the core of growth, whether it is social drive, fan cultivation or family. Scenario adaptation, all of which are accurately arranged around the needs of target users; the long-term IP is a long-term guarantee, and all three of them take IP as a core asset to realize value precipitation through continuous operation. This common logic provides clear inspiration for the industry: small and medium-sized game companies should focus on vertical tracks, accurately cut into the market with differentiated products, and avoid head-on confrontation with head enterprises; head enterprises need to accelerate the construction of IP ecology, break the growth ceiling through cross-field integration and global layout, and complete from product operation to life Upgrade the state operation to achieve high-quality development of the industry. (Zhang and Bi, 2024).

3. Analysis of the core elements of the business operation of game companies

Product, profit and brand IP are the three core pillars of the commercial operation of game companies. The coordination of the three directly determines the market competitiveness and long-term growth potential of enterprises. Its operation practice needs to accurately adapt to the characteristics of the industry and the core needs of users to form a differentiated competitive advantage.

3.1. Product Research and Development and Iteration

Boutique and differentiated products are the foundation of business operations, and "precise positioning + continuous iteration" is the core logic of maintaining the vitality of products. In the product research and development stage, accurate insight into the market gap is the key to achieving differentiation: before the project of Mihayou "Genshin Impact", through the analysis of two-dimensional user behavior data, it was found that the category gap of "open world gameplay + in-depth plot narrative" was found. At that time, two-dimensional games mostly focused on cards and turn-based types and lacked a high degree of freedom. Based on this, "Genshin Impact" established the core positioning of "open world + two-dimensional IP" and simultaneously realized the cross-platform seamless adaptation of PC, mobile terminal and host, which not only covered multi-device user groups, but also broke the perception of "two-dimensional game niche". After going online, it became a vertical track benchmark, with a cumulative revenue of more than 7 billion US dollars in 3 years. .

Continuous iteration is the core measure to extend the product life cycle. Tencent Honor of Kings has built a closed-loop iteration system of "experience server test-player feedback-version update-data review". Core players are invited to test the new version in advance, collect feedback on gameplay, hero balance, etc. to optimize the content, and then verify the iterative effect through data. For example, for the problem of the intensity imbalance of the shooter hero, after the experience server test adjustment, the professional win rate of the official version has been significantly narrowed, and the user retention rate has been significantly improved. It is with an average of more than 40 accurate iterations a year that Honor of Kings has maintained a high popularity of 100 million-level daily activities for 8 years.

3.2. Profit Model Construction

The core of the profit model is to realize the accurate matching of product attributes and user needs. Differentiated realization path and mode innovation are the key to breaking through the growth ceiling. Different types of games need to adapt to the corresponding realization logic.

The core support of the traditional buyout model is high-quality content. Nintendo's "The Legend of Zelda: Tears of the Kingdom" takes "open world + physics engine innovation" as the core selling point. Even with a price of \$69.99, it still achieves global sales of more than 20 million copies and a single revenue of more than 1 billion US dollars. This practice proves that core players are willing to pay for the "irreplaceable high-quality experience", and the buy-off system can avoid the interference of internal purchases on the game experience and adapt to high-quality core products.

The emerging profit model presents diversified and mixed characteristics, adapting to the user attributes of different types of products. As a casual competitive game, ByteDance "Egg Party" has a short user time and a scattered willingness to pay. Therefore, it adopts the combination mode of "internal purchase (skin) + advertising implantation (brand linkage level)" to design exclusive levels through the design of exclusive levels in conjunction with brands such as Mixue Ice City, which not only improves user activity, but also increases advertising revenue. (Xiao, 2020) As a medium-heavy game, "Peace Elite" has high user stickiness and strong payment ability. With "internal purchase + cross-border high-luxury cooperation" as the core, it creates personalized content through Maserati, Tesla, etc. to accurately match the identity display needs of high-paid users. The revenue of a single cooperation activity exceeds 200 million yuan.

In terms of adaptability, casual games are more suitable for the lightweight realization mode of "in-app purchase + advertising", which can reduce the payment threshold and avoid dissuading users (Maher, 2016). Medium and heavy games take "internal purchase + IP derivative" as the best path, which can deeply explore the long-term user value. For example, "Yin Yang Master" expanded from a single internal purchase to the diversified realization of "internal purchase + co-branded peripherals + offline comic exhibition". In 2023, the proportion of IP derivative income increased significantly, successfully expanding the boundaries of commercial value.

3.3. Brand and IP Operation

IP is the long-term core asset of game companies. The brand image directly determines the emotional loyalty of users. The joint operation of the two can realize the value precipitation outside the product life cycle and build long-term competitive barriers.

The core of brand image shaping is to occupy the minds of users, and it is necessary to continuously strengthen positioning through product design and operation activities. (Matti and Antti, 2019). Nintendo takes "Hejiahuan" as the core positioning. Its products such as "Mario Racing 8" and "Animal Friends Club" support multi-person interaction on the same screen and accurately adapt to family entertainment scenes. The annual "Nintendo Head-to-Face Meeting" displays new products in a relaxed and interesting form, further consolidating the brand awareness of "all-age entertainment". In 2023, the face-to-face meeting has been viewed more than 50 million times worldwide, and the brand's influence will continue to be amplified.

IP ecological construction needs to break through the boundaries of game products themselves and realize cross-field value extension. Mihayou creates a full-link IP ecology of "game + comics + animation + peripherals + offline scenes" around "Genshin Impact", strengthens the emotional connection of fans through a series of derivative content, and continues to create profits from offline theme stores, limited peripherals and other derivative business forms. Among them, the serialization of comics has driven a significant increase in the number of fans of B station. The first episode of animation has exceeded 100 million, and Zhong Li's hand-made products have been sold out as soon as it was released. At present, the proportion of IP derivative income of "Genshin Impact" has exceeded 20%, successfully realizing the leap from "game products" to "IP ecology".

IP operation is not exclusive to the head enterprise. Small and medium-sized game companies can break the circle through vertical IP operation. (Seo and Yang, 2015) The national style simulation

management game "Jiangnan Hundred Views" cooperated with Suzhou Museum to launch limited buildings. During the activity, the download volume increased, which not only improved the popularity of the product, but also successfully covered the national style culture enthusiasts, so that the niche IP gained wider brand recognition, for the middle The IP operation of the mini-game company provides a feasible path (Roquilly, 2011).

4. ConclusionS

Through theoretical analysis and case verification, this article makes it clear that product research and development, profit model, user operation and brand IP are the four core elements of the commercial operation of game companies. Its core logic is user-centered, through the coordination of the four elements, to realize the unity of business value and user value and promote the long-term growth of the enterprise.

There are certain limitations in the research of this article: the case selection is mainly for head enterprises such as Tencent, Mihayou and Nintendo. Such enterprises have sufficient research and development resources, brand influence and channel advantages, and their operation strategies are difficult to directly adapt to the actual situation of small and medium-sized game companies - at present, small and medium-sized game companies are generally facing The growth bottleneck of scarcity and the cost of customer acquisition for a single user exceeds 80 yuan. At the same time, the R&D team is limited in size and it is difficult to support long-term content iteration. These specific dilemmas are not fully covered in the case of this article, resulting in insufficient practical reference for small and medium-sized companies in the research conclusions. Follow-up research can focus on the survival and development path of small and medium-sized companies, combine regional operation cases in Southeast Asia, Latin America and other emerging markets, analyze differentiated competitive strategies under different resource constraints, and further enrich the applicability and comprehensiveness of research conclusions in different enterprise scales and different market environments.

New technology will have a profound impact on the operation mode of the game industry: Artificial Technology can optimize the efficiency of research and development, such as automatically generating game scenes; the metaverse will restructure the logic of game social networking and realization, and virtual social networking, digital assets, etc. will become new growth points. In the future, global operation, boutique content and ecological layout will become the mainstream trend of industry development.

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