

## Enhancing Customer Value in the Emerging Game Industry

Yingqiao Ma<sup>1,a\*</sup> and Xiaozhu Wang<sup>2,b</sup>

<sup>1</sup> Marketing Department, Dalian Neusoft University of Information, Dalian, China

<sup>2</sup> Marketing Department, Dalian Neusoft University of Information, Dalian, China

<sup>a</sup>mayingqiao@neusoft.edu.cn, <sup>b</sup>wangxiaozyhu@neusoft.edu.cn

**Keywords:** Customer value; Game industry; Product value; Image value; Service value

**Abstract.** With the development of computer science, game industry has become increasingly popular and calls for more relevant researches. To help game companies enhance customer value and gain more loyal players, this paper studies customer delivered value within the game industry. The paper first illustrates relevant concepts to provide literature background. Then customer value has been discussed in different aspects (product value, image value, and service and personnel value). Finally, the ways of enhancing customer value have been summarized.

### Introduction

With the popularization and development of Internet technology, the industry based on the Internet has gradually increased. In the early twenty-first century, the network game platform based on the Internet began to rise. How can game companies keep pace with the development of online game era, constantly develop and attract a large number of loyal users? It has become the primary problem for online game operation companies to consider. In the meanwhile, the expectations of players for a game are quite different from before. They demand for more values offered by the game. However, few studies are focusing on the emerging game industry.

With the purpose of finding out the factors influencing the total value of players, improving the game experience and cultivating customers' loyalty, the paper studied the model of customer delivered value. Product value, image value, and service and personnel value have been discussed to help offering more value, thus attracting more loyal players and contributing more profits to the game companies. Hopefully, the paper can enrich the theoretical background of the game industry.

### Literature Background

At present, the research on customer value is developing along three different aspects: one is the value provided to customers, that is, to perceive the value of products or services from the perspective of customers; the other is the value that customers can create for companies measured by customer consumption behavior and consumption characteristics [1]. Value measures the relative importance of customers and is an important criterion for companies to make differentiated decisions. It is viewed mutually from both the customers' and companies' perspectives, which is called customer value exchange.

Customers buy because companies provide value in their products and services. It is called customer value. In 1996, Philip Kotler first put forward the theory of customer delivered value. According to this theory, under the marketing concept, companies should devote themselves to customer service and customer satisfaction [2]. In order to achieve customer satisfaction, companies need to provide value from many aspects, not only the low price. In fact, when consumers choose products, they consider customer delivered value. It refers to the actual value that companies transfer and customers feel [3]. Specifically, it is the difference between the total value and the total cost of customer purchase [4]. The equation is showed as below.

$$V_c = F_c - C_c. \quad (1)$$

In the equation,  $V_c$  represents customer delivered value;  $F_c$  represents customer perceived value; and  $C_c$  represents customer perceived cost.

Customer perceived value refers to benefits expected by customers when they purchase, including product value, service value, personnel value and image value [5]. Customer perceived cost refers to time, spirit, physical strength and monetary costs that customers spend on purchasing. By enhancing product, service, personnel and image value, reducing costs in the meanwhile, greater delivered value can be achieved.

## Customer Value Enhancement

In the game industry, players can be viewed as customers, while game operators can be viewed as the companies offering value. Based on the theory of customer delivered value, product, service, and image value can be enhanced to achieve more loyal customers.

**Product value.** Product value is the value produced by the quality, function, specification, style and other factors of the product [6]. Product value is one of the core contents of customer demand and the primary factor that customers consider when choosing goods or services. In order to enhance the value of products, product innovation should be stressed in the first place. In the process of product innovation and product value creation, companies should pay attention to the market demand, raising innovative value proposition. New products which meet the new demand can be welcomed by customers in the market and bring satisfactory economic benefits to enterprises [7].

**Product Value Enhancement.** Firstly, players with different purchasing power own different consumption concept. If operators want to maximize the revenue from the players, they should launch different types of game props for different players and formulate corresponding prices at different levels in order to fully meet the consumption needs, attracting new players and engaging loyal players. Different players have different value for operators. For example, players who occasionally play games or do not like to spend a lot in games are likely to buy cheap props, offering limited value to the operators. As a result, operators should pay attention to the introduction of point coupon props to attract them spend more. For players who occasionally play games, the choice of props duration can be increased by offering 24-hour, 48-hour period or even longer if possible, fully meeting the needs of these players. In the meanwhile, players who often keep in touch with the game and those who are willing to make a large amount of purchase in the game are more inclined to buy high-end props. To fulfill their needs, operators need to continually introduce new props with innovative design of appearances and attributes. Moreover, we should keep the balance between huge money spenders and the ordinary ones, otherwise the players will question the fairness of the game.

Secondly, as to game activities, operators can launch time-limited discount promotions, selling game props at a discount on the activity page or offering coupons for future buying. These activities can be held from time to time, making players feel cost-effective and take advantage of the price when recharging and purchasing. For high-priced props, some players will think that the value does not match its price, which hinders the purchase behavior. To solve this, operators should make more price levels in line with the consumer psychology, encouraging players take trials and choose their favorite game props.

Thirdly, many games are aimed at existing loyal users, lack of activities designed for players who are not loyal enough or new players. For the former, operators can set up rewards to encourage them to return to the game. Rewards can be important or fancy props. As for attracting new customers, operators can set download incentives in the APP store. New players can receive these incentives after downloading or playing for a while. In addition, operators can also design upgrade awards and daily game task awards, offering more enjoyable value to players.

Finally, operators can introduce special props related to festivals as free gifts, enhancing the sense of rarity and collection value of props.

**Image value.** Image value refers to the value produced by the overall image of companies through their products or services to their customers [8]. Image value is a vital indicator of customer delivered value. The poor quality of any single internal factor will damage the overall image of the company,

affecting the public's evaluation of the whole company. Therefore, enhancing the value of the image is a comprehensive system, involving a wide range of contents. Image value is closely related to product value, service value, brand image, and personnel value. To a large extent, image value is the reflection and result of the above four aspects of value neutralization. Therefore, image value is hard to imitate and can become a competitive advantage for the whole company.

**Image Value Enhancement.** Image value is closely related to product value and service value. To a large extent, it is the reflection and result of their neutralization role. Therefore, to promote the value of products and services can greatly promote the image value. In addition, operators can further build image value from the following aspects.

**Game Events.** Popular large-scale online games hold many game competitions every year. The competition system can be online or offline. Game competitions are an important way to gain new users. Operators can provide technical and financial support for professional teams, covering all the experienced and emerging teams as far as possible. In addition to building a professional competition system, they can also build a more sophisticated promotion mechanism for all the public players within the system. Operators can increase their investment in game events, including the improvement of the competition site, the champion's bonus, and the audience's awards. For instance, users who buy tickets to watch the games can get rare game props or other gifts. Competition can be broadcast live on the Internet. Netizens can get corresponding game props when they arrive at the prescribed time to watch the game on the website. All of these can enhance the image value, thus contributing to the enhancement of the total value.

**Online Game Broadcast.** Network broadcast is a new and very popular way in recent years. At present, there are many online live broadcasting platforms, such as Twitch, Azubu TV and Own3D.TV. There are many live game hosts and channels on these platforms. Their live broadcasting itself is a kind of propaganda for the game, and it can play a certain role in the development of new players. At present, a large number of game hosts and uploaders carry out live broadcasting on their own. They can help the operators to promote game popularity by uploading relevant contents on these platforms. In addition, operators can set up a network column group to collect live broadcast clips from the Internet, and then make these clips into regular broadcasts to fully show the selling points of the game, attracting new users and promoting loyalty.

**Relevant Variety Shows.** Nowadays, there are more and more variety shows on TV and Internet, becoming more and more popular. Game operators can also utilize game-related variety shows or reality shows in order to enhance the attractiveness of the game, cultivating topics for the players and gaining unique images. More importantly, variety shows and talent shows can attract people who do not play games to a large extent to approach and understand the game, and eventually become loyal users of the game.

For certain variety shows, operators can invite well-known professional players for an interview or a live broadcast. In the meanwhile, operators can invite players into the program, showing their humor and other talents, further enrich and diversify the contents.

**Service and Personnel Value.** Service value refers to the value that an enterprise produces by providing satisfactory service to its customers [9]. Service value is one of the important factors that constitute the total value of customers [10].

To enhance service value, the experience of the game should be promoted. Through timely version updating, the game client and the game interface are updated and optimized to make the game more humanized and user-friendly, bringing superior experience to players. Customer service team should be available to solve any issues encountered by the players. In the meanwhile, the operators need to oversee the game environment to forbid abuse and violence caused by some players. Otherwise, negative experience can affect the loyalty of the game.

## Summary

The paper has discussed customer delivered value within the emerging game industry. By offering more value from aspects of product value, image value, and service and personnel value, game companies can attract more loyal players and develop further. The paper can offer insight to the related research field and business companies as well.

## References

- [1] H.N.Nasution and F.T. Mavondo: International Journal of Hospitality Management, Vol. 27 (2008) No.2, p.213.
- [2] N. Kumar, L. Scheer and P. Kotler: European Management Journal, Vol. 18(2000) No.2, p.129-142.
- [3] J.E. Hannay, H.C. Benestad and K. Strand: IEEE Software, Vol. 34 (2017) No.4, p58-70.
- [4] A. Payne, P. Frow and A. Eggert: Journal of the Academy of Marketing Science, Vol. 45 (2017) No.4, p.467-489.
- [5] B. Kuijken, G. Gemser and N.M. Wijnberg: Industrial Marketing Management, Vol. 60 (2017), p.33-41.
- [6] T. Leclercq, I. Poncin and W. Hammedi: International Journal of Electronic Commerce, Vol. 21 (2017) No.4, p.454-488.
- [7] T. Dean, D.A. Griffith and R.J. Calantone: Marketing Letters, Vol. 29 (2018) No.1, p.87-100.
- [8] B. Edvardsson, B. Tronvoll and T. Gruber: Journal of the Academy of Marketing Science, Vol. 39 (2011) No.2, p.327-339.
- [9] F. Lai, M. Griffin and B. J. Babin: Journal of Business Research, Vol. 62 (2009) No.10, p.980-986.
- [10] N. Schmitt: Academy of Management Perspectives, Vol. 21(2007) No.3, p.19-23.