



Promoting sales of online games through customer engagement



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ABSTRACT

With keen competition in the online game industry, game developers and publishers are finding new ways to induce players' to spend money on subscriptions and virtual items. As the online game itself provides a highly engaging environment, this study examines online sales from the perspective of customer engagement. We propose a research model that examines why game players actively engage in playing online games, and how such engagement can contribute to sales of online games, empirically testing the model using 377 online game players. The results support our research hypotheses and illustrate the effect of customer psychological engagement on stimulating game players' spending in online games. In particular, both psychological and behavioral engagement exerted a positive influence on online sales, and the dimensions and antecedents of psychological engagement were also identified. The findings of this study are expected to provide some suggestions for game developers and publishers on promoting the sales of digital items/goods. This study also adds to the current understanding of customer psychological engagement by identifying its antecedents and consequences in the context of online games.

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1. Introduction

The advent of high-speed broadband services, personal computers, and mobile technology has cultivated a fertile ground in which online games have flourished. The online game business is a compelling domain that attracts a huge level of investment. A recent global games market report predicted a growing upward trajectory of the online game market, with the number of gamers worldwide set to rise from 1.21 billion to 1.55 billion, and global games market will grow to \$86.1 billion in 2016, using a compound annual growth rate (CAGR) of 6.7% (de Heij et al. 2013).

Although the online game industry has a huge market potential, competition within the industry is fierce due to the many product substitutes. With the global popularity of and growing demand for online games, there are hundreds of companies competing with each other, offering a wide variety of games ranging from text-based to massively multiplayer online games (MMOGs). There are many options in almost every online gaming domain. To dominate the competition in the online game industry, online game developers and publishers are seeking new ways to offer the best

gaming experience for players, and to induce players to spend money on subscriptions and virtual items.

Previous studies have explored possible strategies to deal with the increasing competition in the online game industry by focusing on the operation and marketing of online games (Chan et al. 2014, Guo and Barnes 2012, Hamari and Järvinen 2011, Paavilainen et al. 2013). However, a long-term competitive advantage is inseparable from a firm's ability to sustain and expand its customer base and develops a solid customer relationship with the game players. It is also necessary to note that the online game itself provides a highly engaging environment for many game players, who can lose track of the amount of time and money they spend while playing. In this regard, the operation and marketing strategies are built around an understanding of how to improve game players' engagement in the game-specific activities, which until recently was rarely examined in online game-related research. Although customer engagement has not been systematically explored in this area, the concept has recently attracted increasing attention from some marketing scholars (Brodie et al. 2013, Hollebeek et al. 2014, Kabadayi and Price 2014), and is regarded as an effective retention and acquisition strategy for establishing and maintaining the competitive advantage, and a predictor of future business success.

Recently, research interest in understanding the nature and scope of customer engagement has increased. However, most research studies are descriptive and qualitative analyses (Brodie et al. 2011, Hollebeek 2011, Mollen and Wilson 2010, Van Doorn

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et al. 2010), rather than empirical and quantitative. Of the few studies including empirical work, the research focuses primarily on customer engagement with brands (Hollebeek et al. 2014, Laroche et al. 2012) and brand communities (Brodie et al. 2013, Gummerus et al. 2012). Empirical research of customer engagement with the products (such as online games) is rarely reported. Considering the importance of customer engagement in helping game developers and publishers to attain strategic goals, such as a growth in the market share and an increase in game sales, this study represents an initial attempt to (1) conceptualize and operationalize customer engagement in the context of online games, (2) identify the antecedents of customer engagement with online games, (3) examine the relationship between psychological engagement and behavioral engagement, and (4) understand the role of customer engagement in contributing to players' spending in online games.

The remainder of this paper is structured as follows. In the next section, we address the concept of customer engagement. We then present the research model and research hypotheses, followed by a description of the research design and the methodology used in the study. In the fifth section, we present the results of our empirical study and conclude the paper with a discussion of the implications for both research and practice.

2. Theoretical foundation

2.1. Purchase decisions in online games

The sustainability and success of an online game has always hinged on game players who are willing to constantly invest their time and money in the game. Thus, concern over how and why game players purchase virtual items/goods becomes a more fundamental and challenging issue. Research has investigated the issue from different points of view. Ho and Wu (2012) and Park and Lee (2011a,b) used consumption value theory to examine virtual item purchase decisions in online games. Guo and Barnes (2012) examined how perceived value, game customization, and perceived enjoyment strongly affected the purchase intention and actual purchase behavior within World of Warcraft. Similarly, Kim (2012) explored the relationship between user satisfaction and repurchasing behavior in social virtual worlds. Recently, research has demonstrated that customer engagement can be considered as an effective strategy to improve customer relationships in the online environment (Brodie et al. 2013, Cheung et al. 2011, Chan et al. 2014). The role of customer psychological engagement in purchasing decisions in online games remains unknown.

2.2. Prior research on customer engagement

The concept of “engagement” has been widely explored by a variety of scholars from different disciplines, including management, social psychology, marketing, and information systems (Bowden 2009, Hollebeek 2011, Mollen and Wilson 2010, Vivek et al. 2012). In particular, customer engagement, as a sub-concept under the umbrella term of “engagement”, has been investigated in the marketing literature. Brands (Sprott et al. 2009), products and organizations (Patterson et al. 2006), and brand communities (Algesheimer et al. 2005) are the key objects of customer engagement cited in the literature. Although the consensus is that customer engagement is essential to the success of marketing and sales activities (Calder et al. 2009, Hollebeek et al. 2014, Solis 2010), this concept suffers from a lack of agreement on the definition, dimensionality, and operationalization, as illustrated in Table 1.

Table 1
Conceptualization of customer engagement in prior literature.

Author (year)	Operational definitions
Algesheimer et al. (2005)	The consumer's intrinsic motivation to interact and cooperate with community members
Baldus et al. (2014)	The compelling, intrinsic motivations to continue interacting with an online brand community
Bowden (2009)	A psychological process that leads to consumer loyalty to the service brand
Brodie et al. (2011)	A psychological state, which occurs by virtue of interactive customer experiences with a focal agent/object within specific service relationships
Calder et al. (2009)	A collection of experiences with the site, and they defined experience as experience as a consumer's beliefs about how a site fits into his/her life
Chan et al. (2014)	The level of a person's cognitive, emotional and behavioral presence in brand interactions with an online community
Cheung et al. (2011)	The level of a customer's physical, cognitive, and emotional presence in connections with a particular online social platform
Hollebeek (2011)	The level of a customer's motivational, brand-related and context dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand interactions
Hollebeek et al. (2014)	A consumer's positively valenced cognitive, emotional and behavioral brand-related activity during, or related to, specific consumer/brand interactions
Mollen and Wilson (2010)	The cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value
O'Brien and Toms (2010)	A psychological process that leads to the formation of loyalty
Patterson et al. (2006)	The level of a customer's physical, cognitive and emotional presence in their relationship with a service organization
Sprott et al. (2009)	Individual difference representing consumers' propensity to include important brands as part of how they view themselves
Van Doorn et al. (2010)	The customer's behavioral manifestation toward the brand or firm, beyond purchase, resulting from motivational drivers
Vivek et al. (2012)	The intensity of an individual's participation and connection with the organization's offerings and activities initiated by either the customer or the organization.
Webster and Ahuja (2006)	A subset of flow and a more passive state representing the extent of pleasure and involvement in an activity

According to Table 1, the interpretation of customer engagement is still mired in vagueness and controversy. However, it is also worthwhile to note that customer engagement is a complex and multifaceted concept, which can be conceptualized in different ways. Despite all these different definitions, there are three primary perspectives from which scholars have investigated and defined the concept of customer engagement, i.e., the psychological process, the behavioral manifestation, and the motivational psychological state.

- Customer engagement as a psychological process: for example, Bowden (2009) postulated customer engagement as a psychological process that leads to the formation of customer loyalty and returns.
- Customer engagement as behavioral manifestation: for example, Van Doorn et al. (2010) defined customer engagement as the behavioral manifestation of a customer toward a brand or a firm which goes beyond purchase behavior.
- Customer engagement as motivational psychological state: for example, Patterson et al. (2006) defined customer engagement as a psychological state that is characterized by a degree of vigor, dedication, absorption, and interaction.

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