Research on Marketing Strategy of Genshin Impact in Asia

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Abstract: As one of the most popular forms of entertainment, video games have become a major relaxation method for people nowadays. Genshin Impact is one of the game people play most rapidly. The performance is extremely remarkable and significant; within two years, its popularity has exceeded many classic video games like a counter strike or League of Legends. Thus, in this paper, It is worth investigating the marketing strategy behind this game as the number of players this game has attracted is enormous. Nevertheless, despite all these performances, many problems also existed in the mechanism and mode of the game. The analysis of problems will discuss complex and tedious plots, shortage of resources, and low rates of getting certain characters. The following paper has suggestions corresponding to the 3 problems: adding interactions between the game and the players, periodic resources refreshing mode, and adding more ways for players to get the five-star characters. In this study, the author will use the CAS method to discuss the abovementioned things.

Keywords: Genshin, Asia, Marketing Strategy

1. Introduction

1.1. Research Background

People in the 21st century are under huge pressure from work and study, which has triggered people to seek satisfaction from virtual stimulation in recent years. Video games are undoubtedly the most accessible source of virtual experience for the general public. Thus, many people choose to play various kinds of video games. One of the most popular online games recently is Genshin Impact (GI), published by miHoYo in 2020. there are 60+ million monthly active Genshin players, and the number of Asian players accounts for 40 percent, around 24 million [1-2]. These statistics, however, make Genshin the top ten games ranked by monthly active players in 2022 and 2023 and exceed many old classic games like CSGO in 2023 (35 million). At the same time, it cannot be neglected that a three-year-old game has done such a remarkable performance. Hence, it is worth analyzing how and why it could quickly attract so many players.

Meanwhile, it has created both commercial and social value for the world. Regarding social value, Genshin has developed many IPs (intellectual property). Every character in Genshin has a storyline; when these storylines are combined, they form the Genshin world. Every story is vividly described and can bring the players into the stories. When playing this game, players have the chance to experience family reunions, a prosperity of a nation, and everyone working together to fight evil. Genshin Impact provides emotional value for players; most players see the character as their family

and people they can spend time with. This, however, allows people to get away from boredom and loneliness. For commercial value, Genshin Impact provides commercial value both inside the game and outside the game. Inside the game, players can pay money for virtual items to increase the competitiveness of their character. Moreover, they could also purchase high-level accounts that have limited edition characters. Outside the game, Genshin Impact sells Garage kits like small pendants, badges, and cup garage kits.

1.2. Literature Review

A study in 2009 by Megan Adams was conducted to discover why adolescents are so attracted to video games. In this study, Megan discovered that one of the main attractions of video games is that they provide a brand-new identity for players that are nearly impossible to experience. GI has performed an excellent job in doing this. The player can choose 4 characters to explore the gigantic world [3].

At the same time, another study conducted in 2014 investigated how video games use the first hour to attract players (Gifford, Thomas & Nachiappan). They mentioned, "What leads players to retain their interest in the game? It appears to be the depth of the narrative and the gameplay; both cannot be fully absorbed in the first hour of play. Thus, as players struggle to figure out the game, they must glimpse the designer's vision. As a result, they are not only playing the first hour but are evaluating it, skipping around, and adjusting to it." GI is a game with an enormous system, including long storylines, a huge map, and puzzle-solving. The depth of the narrative and the gameplay is sure to be guaranteed [4-5].

A study was published in 2022 by Miranda, Xiehui, and Miriam. Have made specific investigations on the impact of GI. In their research, they have pointed out that "what inspires retellings the most are the characters and the connections between them. GI gives the characters vitality and unique charisma through appearances, background stories, and individual characteristics, partly conveyed through fragmented narrative with gaps." This means what makes GI players willing to spend money on getting the characters they like [6].

Following that, another study aimed at investigating the reasons why customers are willing to pay for the game. They said: 'The results of this study shows that Economic, Emotional, Hedonic, Utilitarian Values positively influence Satisfaction; Economic, Emotional, Hedonic, Utilitarian Values positively influence Loyalty; Satisfaction positively influence Loyalty; Loyalty positively influence Purchase Intention; Satisfaction does not positively influence Purchase Intention.'[7]

However, everybody focused on how video game, in general, appeals to the general public. This study will focus on what made Genshin Impact one of the most played games in less than 3 years, what preponderance it has over traditional open-world games, and what made Genshin Impact their profit.

1.3. Research Framework

This paper will be carried out in the following sequence. To commence with, the first part will be to discover the creativity and the competitiveness of the mechanism of Genshin. The second part aims to discover why this mechanism or other creativities attract players. The third part will be about what strategies Genshin impact applies to players to trigger them to spend money on virtual items they could get when playing the game so that the company can make profits. Finally, the last part is some advice or comments for miHoYo to improve the game experience as a player.

2.   Case description

MiHoYo (the full name of Shanghai MihaYou Network Technology Co., LTD., referred to as miHoYo, the English name outside of mainland China is HoYoverse) is a video game company founded on February 13, 2012, headquartered in Shanghai, China. In addition to games, Mihayu's cultural products include animated series, novels, comics, and music. Mihoyo is best known for the action game Genshin, an open-world action role-playing game released in 2020. It is one of the highest-grossing mobile games of all time. miHoYo was listed by the Ministry of Commerce of the People's Republic of China as a key national cultural export enterprise in 2021-2022 in 2021. At present, miHoYo has established a number of studios, subsidiaries/affiliates in Shanghai, Jinan, Hong Kong, Taipei, Singapore, Los Angeles, Canada, Montreal, Tokyo, Korea, Seoul, and other places. It currently employs more than 4,000 people. And it attracted around 60+ million monthly active players [8-9].

What sort of product would we find "exciting" and "out of imagination?" So, we returned to the beginning, to the question of "What sort of game would we want to play?" 'as Wei Liu said, one of the founders of miHoYo. During that period, they played many open-world games, inspiring them to create a game with a huge worldview and exploration experiences that surpassed our expectations. Thus, Genshin was created. As a game published in 2020, it has generated a profit of 3.7 billion since September 2020. Rank in the third place of the most profitable mobile game [10].

Genshin Impact is a video game published by a game company named miHoYo in Shanghai, China. It is an open-world adventure game. The game takes place in a fantasy world called Tivat, where those chosen by the gods are granted the "vision", the power of the guiding elements. Players will play a mysterious role named "Traveler", in the free travel to meet different personalities, and unique abilities of the companions, together with them to defeat the enemy, find the lost same blood - at the same time, gradually discover the truth of "Genshin".

The world of Genshin is still under development. The huge universe of Genshin, the continent of Tivat, consists of 7 countries or continents; each continent represents a specific element, including fire, water, earth, electro, grass, ice, and air. So far, it has developed 4 continents which are Mondstadt, Liyue, Inazuma, and Sueres, representing the elements of anemo(air), geo(rock), electro, and dendro (grass), respectively. The players have yet to develop and discover many more stories and content. The next continent represents the element of water and is expected to be published in edition 4.0. Moreover, there will be 9 new characters in total. These new contents, however, brought completely new storylines of the player traveling around the world to find his or her brother or sister. The promotional video of the 4.0 edition was issued on July 3. It reveals the portrait of the new characters and the map of the nation of water: Fontaine. And the view counts on YouTube have reached around 50 million, which shows the game's popularity [11].

3.   Market Strategy

3.1. Event Marketing Strategy

Event marketing strategy is a method for enterprises to attract the interest and attention of media, social groups, and consumers through planning, organizing, and using people or events with strong social influence and celebrity effect. This could improve the visibility and reputation of enterprises and products, establish a good brand image, and promote the sales of products and services. Genshin Impact has adopted the aesthetic preference of the quadratic element group and utilizes the influence of super popular Japanese Vtubers by asking them to do trial play and interact with the game in the live show[12-14]. This makes Genshin Impact quickly spread its publicity and influence on the core players for the quadratic economy elements, as shown in Figure 1.
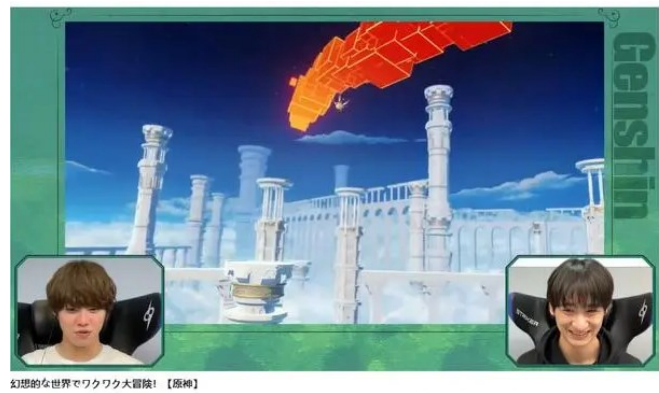
Figure1: A picture of two famous Vtubers playing Genshin in their stream [1]
(https://baijiahao.baidu.com/s?id=1769755160866950501&wfr=spider&for=pc)

3.2. Terminal Packaging Marketing Strategies

The so-called terminal, that is, the end of the product sales channel (channel), is the link where the product directly reaches the hands of the consumer (or user), it is the final port where the product reaches the consumer to complete the transaction, and is the place where the products are displayed face to face to the consumer. Terminal packaging is a method used to propagandize the products for an enterprise. In September 2020, during the warm-up period of Genshin, huge Genshin advertising trucks can be seen everywhere on the streets of Akihabara; the street is covered with Genshin's promotional posters, as shown in Figure 2 and Figure 3.

Figure 2: streets of Akihabara Japan [2]
(https://baijiahao.baidu.com/s?id=1769755160866950501&wfr=spider&for=pc)

Figure 3: Genshin putting billiboards in Moscow, Russia and Toronto etc [3]
(https://baijiahao.baidu.com/s?id=1769755160866950501&wfr=spider&for=pc)

Whether it is Moscow, Russia, Toronto, Canada, Times Square in the United States, Milan Cathedral in Italy; Alexanderplatz station in Berlin, Germany; and Rio de Janeiro shopping mall in Brazil, the billboard of Genshin can be easily seen by the public.

Such overwhelming publicity caused a public psychological effect: After the advertisement was released, the global reservation of Genshin exploded to 17 million, and overseas reservation players exceeded 3 million. This performance is a miracle for a mobile game without any IP.

3.3. Co-branded Marketing Strategy

Co-branded marketing strategy is a marketing practice in which two or more brands jointly release a converged product and give it a "co-brand" [15-16]. This way attracts the audience's attention by creating strangeness and novelty so as to form new marketing selling points, and finally play the role of complementary brand advantages, mutual endorsement, and mutual penetration of brand IP so that the visibility and influence of the participating brands are improved. In terms of co-brand, Genshin is associated with a worldwide known landscape. Genshin has set up its transmission anchor points in many places, including Waterloo Station in London, Shibuya 109 building in Japan, and even the Alps. They are attracting countless players to visit. Furthermore, the original model of Liyue, one of the continents in Genshin, is Zhangjiajie in China, as shown in Figure 4.

Figure 4: A comparison between the scenario in Genshin and scenario in Zhangjiajie [4]
(https://games.sina.cn/cyfw/2020-09-24/detail-iivhuipp6187081.d.html)

4. Analysis of Problems

4.1. Problem 1: Exhausting Stories

The story of Genshin is mainly expanded around the four continents. The player can interact with exotic cultures and civilizations on every continent. However, many players on the internet started to complain about the story being too repetitive and long-winded. Players repeat almost the same procedure in different environments with different people. Most of the big task offered by the game requires the player to pay their full concentration on the game and spend around five to 6 hours without any resting to complete. What's worse, these tasks are compulsory; if not finished, some of the area on the map is not accessible to the player. Moreover, the awards those missions gave are not proportional to the effort paid on those missions, making most players unsatisfied. This makes many players quit the game or stop exploring the new content.

4.2. Problem2: Limiting Resources

Although most of the players believe that the story is becoming gradually boring and exhausting, a large number of players have finished exploring the entire map. However, due to some of the most important resources in the game being non-renewable, those players who have finished exploring the entire map find it hard to continue the game and get new resources without actually paying real money. This is a huge problem for players as it limits the development of player and nearly forces them to charge money in the game.

4.3. Problem 3: Low probability of Getting a New Character

The last main issue of this game is its chance of getting new or five-star characters. This is a very controversial topic to discuss. The chance of getting a new five-star character in the first 73 picks is around 0.6 percent, and as the number of picks increases, the chance of getting five characters increases. However, there is only 50 percent of getting the character players want. This means the mean number of picks for a player to get a five-star character is around 107. This needs players to spend a lot of time obtaining certain items in the game or, in another way, paying for their picks. This makes many players have lots of complaints.

5. Suggestions

5.1. Solution to Boring Stories

There are two types of Genshin players; one type pursues their character's performance and only cares about what can make their character have greater damage and can beat more enemies. This kind of player accounts for most of the Genshin players. However, the second kind usually cares about the stories told in Genshin. Even though it is thought to be exhausting and tedious by most players, a few players still favor the story. Thus, the Genshi official could introduce a new method for players to explore the continent other than forcing all the players to go through the entire story. This new method could boost development by fighting with enemies. In this way, players can choose their own way of playing this game.

5.2. Solution on Limiting Resources

The issue of limited resources could be fixed in two ways. To commence with, Genshin could adopt a resource refreshing model, making the resources that players lack refresh in a certain time period; this could successfully solve the problem of player inability to obtain things they need. Additionally, introducing more missions and increasing the compensation of these missions could also effectively solve the problem.

5.3. Solution on the Low Chance of Getting New Characters and Five-Star Characters

This problem could be solved in two solutions. The first solution is for the Genshin officials to increase the probability of getting a five-star character. This could be done by decreasing each pick's price or the minimum pick amount to obtain that specific character. Another way is that Genshi could increase another method for the player to obtain new characters. To exemplify, make those characters the prize of some challenge, and the more popular the character is, the harder the challenge is. This offers an equal chance for those players with less financial support to have full game experiences.

6. Conclusion

6.1. Summary

This paper has investigated why Genshin, as a newborn in the video game industry, became one of the most played games worldwide. This is a result of the combination of the following factors, including the unique mechanism of the game, massive advertisement all over the world, and the marketing strategy, all resulted in the success of Genshin. Following that, this paper also looks into the most common problems in Genshin and provides some potential solutions. Moreover, this paper could help the company of Mihoyo to improve the players' experience and develop more games for the general public. The accomplishment Genshin achieved is never done by any other games before.

And by analyzing the reason behind its success, offering other game companies or organizations a model or good example to copy or study. Meanwhile, this paper could also help Genshin better understand their strengths and weaknesses.

6.2. Limitations

To begin with, this paper lack of primary data and uses many secondary data. Thus, in the future study, this could be improved by obtaining more primary data by using surveys, questionnaires, etc. Moreover, in terms of the problems. This paper only considers players' opinions and neglects the needs of the game developer. It may cost them day and night to design those stories, and it seems unfair if the player ignores all of their efforts. Moreover, this paper also did not consider technology problems. Some of the solutions this paper provides may not be technically possible, and these are also the things that need to be investigated in future investigations. Last but not least, this paper also neglects the profits of Mihoyo, the abovementioned solution shows many ways that Genshin could offer more rewards by establishing more game modes. However, this may result in a low profit for Genshin and low motivation to keep developing the game.

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