

# Formation of Product Promotion Strategies of Companies Producing Computer Games

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**Abstract:** The research actuality of the study is due to the fact that it is vital to understand the economic implications of promotional strategies, companies can use modern insights to optimize their marketing budgets, ensuring that their promotional activities yield the highest possible return on investment. Aim of the paper is to evaluate the evolving strategies used by companies to promote their products for the release of computer games, aiming to identify effective digital marketing tools, understand regional and cultural marketing nuances, and uncover innovative promotional tactics. In order to achieve the research goal, general scientific methods of analysis and synthesis, logical and situational analysis and specific methods inherent in management sciences (subjective-objective approach, economic and statistical analysis, method of ranking, grouping, comparison, classification) were used. The practical and theoretical relevance of this study is that it can be valuable resource for understanding the complexities of video game promotion in the digital age. By analysing EA's approach and considering emerging trends, we aim to offer insights that can help companies adapt and thrive as the industry evolves.

## 1 INTRODUCTION

The gaming market is dynamic, with trends and consumer preferences shifting frequently, necessitating that companies continuously adapt their promotional strategies to maintain competitiveness. Understanding these changes is crucial for developing effective marketing campaigns that resonate with target audiences, ensuring that new game releases achieve maximum visibility and sales impact [8, 13]. The competitive nature of the gaming industry means that companies must continuously innovate their promotional tactics to stand out.

To analyze the dynamic gaming market, methods like trend analysis and content synthesis are crucial for identifying patterns and integrating insights from various promotional strategies. Logical analysis, including comparative and causal methods, helps evaluate the effectiveness of tactics and their impact on key performance indicators across demographics. Situational analysis, such as SWOT and PESTEL, examines internal strengths and external factors, allowing companies to tailor campaigns to regional and cultural contexts. Scenario planning on the example of some company enables businesses to

prepare for market uncertainties by crafting adaptable strategies based on hypothetical shifts. Together, these methods provide a structured approach to understanding market trends, optimizing promotional tactics, and enhancing engagement with diverse global audiences.

Electronic Arts (EA) stands out as a successful example of implementing adaptive promotional strategies in the dynamic gaming market. The company excels at leveraging trend analysis and consumer insights to craft campaigns that resonate with their global audience, ensuring maximum visibility for new releases. EA's continuous innovation in tactics, such as pre-release hype, influencer collaborations, and tailored regional promotions, keeps them competitive in an ever-changing industry. By addressing player preferences and market demands, EA effectively maintains its position as a leader in engaging and expanding its audience base. Their ability to adapt to technological advancements, such as VR and cloud gaming, make this company a good example for modeling a scenario for improving the product promotion strategy of a company that produces computer games which can be adapted for other companies in the future.

## 2 GLOBAL COMPUTER GAMES MARKET: EVALUATION OF THE EFFECTIVENESS AND FEATURES OF THE FORMATION OF PRODUCT PROMOTION STRATEGIES OF COMPANIES PRODUCING COMPUTER GAMES

The video game industry has emerged as a cultural and economic powerhouse. Beyond mere entertainment, video games offer meticulously crafted universes designed to deliver immersive experiences. This immersive quality is a testament to the strategic artistry employed by video game developers and marketers. In 2020, the industry's financial prowess was undeniable, generating a staggering \$159.3 billion in revenue, surpassing the combined revenue of the global film industry and North American sports industry [13]. This remarkable success necessitates a deeper exploration of the underlying strategies that fuel the video game market's explosive growth (Table 1).

Table 1: Strategic marketing stages used for promotion campaign for games.

| Stage   | Phase                  | Description  |
|---------|------------------------|--|
| Stage 1 | Pre-Launch Hype        | Building anticipation through trailers, teasers, and influencer partnerships sets the stage for a successful launch            |
| Stage 2 | Launch Day Strategies  | Strategic release timing and special promotions make the launch day a landmark event in the gaming world                       |
| Stage 3 | Post-Launch Engagement | Fostering an active community and continuously delivering fresh content keeps the game relevant and engaging                   |
| Stage 4 | Measuring Success      | Tracking KPIs, analysing data, and adapting strategies ensure the game stays in tune with player preferences and market trends |

Unlike a monolithic entity, gamers represent a diverse tapestry of preferences. Some relish heart-pounding action adventures, while others lose themselves in sprawling RPGs or the casual convenience of mobile gaming. Unveiling the art of video game product strategy begins with a deep understanding of the target audience. This

necessitates delving into demographics – age, gender, gaming preferences, and digital habits. Unravelling these attributes empowers developers to tailor their strategies, ensuring the marketing message resonates deeply with the players they aim to captivate [5].

Most of promotional strategies around upcoming games are built around pre-launch stage. To achieve commercial success, developers and publishers must cultivate anticipation and excitement amongst potential players – a process that begins long before the official launch [6].

The pre-launch stage, also known as the pre-production marketing phase, is a crucial period in the video game development cycle. It encompasses all the activities and strategies employed by developers and publishers to generate anticipation and excitement for a game before its official release. This stage typically begins months, and sometimes even years, before the game hits store shelves or digital marketplaces [5].

After successfully passing the pre-launch stage, second stage of pre-registration begins, also being used as a strategy to gain interest of the main audience. Pre-registration, a relatively recent phenomenon in the gaming industry (emerging in the late 2000s with the rise of mobile gaming), allows players to express interest in an upcoming game before its official launch [6].

Launch day is all about reaching a critical mass of players. Timing is everything, with developers aiming for periods when players are most active and competition from other major releases is minimal. A strong marketing push, encompassing social media campaigns, targeted online ads, and partnerships with gaming influencers, ensures the game reaches its target audience. Livestreams showcasing gameplay and developer Q&A sessions can further build excitement and anticipation on launch day itself.

The journey doesn't end with launch day. Effective post-launch strategies are essential for retaining players, fostering a loyal community, and ensuring the game's long-term success. A well-orchestrated launch campaign elevates a game's visibility, while continuous efforts to retain players through compelling content and community engagement ensure a thriving and long-lasting gaming experience for everyone involved [5, 6].

The last step in this process is always measuring success, which in video game marketing requires a multifaceted approach, encompassing both quantitative and qualitative assessments. At the core lie key performance indicators (KPIs), which provide valuable insights into a game's performance and player engagement. A comprehensive evaluation of

an online promotion strategy requires a multifaceted approach, encompassing various metrics categorized into three key areas, presented in Table 2.

Table 2: Three key areas for evaluation of online promotion strategy.

| Metric                  | Description  |
|-------------------------|--|
| Reach and Awareness     | <ol style="list-style-type: none"> <li>1. Website Traffic. Tools like Google Analytics track unique visitors, page views, and traffic sources (organic search, social media referrals, paid advertising clicks), offering insights into audience demographics and campaign reach.</li> <li>2. Social Media Engagement. Analysing likes, shares, comments, and mentions helps quantify the level of audience engagement with the promotional content.</li> <li>3. Brand Mentions and Online Reviews.</li> </ol> |
| Engagement and Interest | <ol style="list-style-type: none"> <li>1. Click-Through Rate (CTR). CTR measures the percentage of users who click on a call to action (CTA) within a promotional message.</li> <li>2. Time Spent on Site (the average time users spend on a webpage or landing page).</li> <li>3. Bounce Rate. The bounce rate reflects the percentage of visitors who leave a webpage after viewing only one page.</li> </ol>  |
| Conversions and Sales   | <ol style="list-style-type: none"> <li>1. Conversion Rate. The conversion rate measures the percentage of website visitors who complete a desired action, such as making a purchase, subscribing to a newsletter, or downloading a white paper.</li> <li>2. Sales Revenue Generated.</li> <li>3. Customer Acquisition Cost (CAC). CAC measures the average cost of acquiring a new customer through the online promotion campaign.</li> </ol>  |

As it can be seen from a Table 2, divided in three groups, evaluation can be started from analysing reach and awareness, which can be seen through website traffic (monitoring website traffic provides a fundamental understanding of the campaign's ability to attract visitors), social media engagement (SME platforms provide valuable metrics for gauging campaign awareness), brand mentions and online reviews (monitoring brand mentions across the web, including social media platforms, online forums, and review sites, provides valuable insights into brand awareness and sentiment) [1, 3]. Positive mentions indicate successful awareness generation, while

negative mentions necessitate intervention and potential adjustments to the promotion strategy.

Beyond individual metrics, leveraging data analysis techniques provides a deeper understanding of campaign performance and audience behaviour. Dividing the audience into distinct segments based on demographics, interests, or online behaviour allows for targeted analysis [9]. By analysing metrics within each segment, marketers can identify which demographics or behaviours respond most favourably to specific promotional messages and channels [12]. Attribution modelling assigns credit for a conversion across various touchpoints within the customer journey and A/B testing involves presenting different versions of a promotional message, landing page, or website banner to a portion of the target audience [11].

Evaluating the effectiveness of an online promotion strategy is an ongoing process. By leveraging a combination of metrics, data analysis techniques, and real-world examples, companies can gain valuable insights into campaign performance and audience behaviour [10]. This data-driven approach empowers marketers to continuously optimize their online promotion strategies, ensure maximum reach and engagement, and ultimately, achieve their business objectives.

The COVID-19 pandemic has translated to significant financial gains for video game companies. Nintendo, for example, reported a staggering \$1.4 billion in second-quarter profits, a fivefold increase compared to the same period in 2019. This surge is largely attributed to the phenomenal success of "Animal Crossing: New Horizons," a social simulation game experiencing global popularity since its March launch [2].

Electronic Arts' renowned sports franchise, FIFA, witnessed a doubling of new players in the second quarter compared to the previous year, adding 7 million users according to Bloomberg Intelligence. Similarly, "NBA 2K20," a popular basketball game, saw a remarkable 82% increase in active players during the same period. These statistics suggest that for many, virtual sports experiences served as a substitute for the lack of real-world competition [8].

In 2022, the leading revenue-generating markets and countries were the United States, China, Japan, South Korea, Germany, the United Kingdom, France, Canada, Italy, and Brazil. Despite the United States leading in revenue with \$46.4 billion, China boasted the highest number of players, totalling 696.5 million (Fig. 1) [4]. This highlights the varying dynamics between revenue potential and player volume across regions, emphasizing the need for companies to tailor

their strategies accordingly using opportunities in both high-revenue and high-engagement markets.

Analysing the game industry, it is important not only to study the main regions, where this field improves the most, but also provide a critical

examination of platform preferences within the game development landscape for the year 2023 (Fig. 2). The data incorporates two fundamental metrics: developer interest and current development.



Figure 1: Top 10 countries by game revenue, 2022 [4].

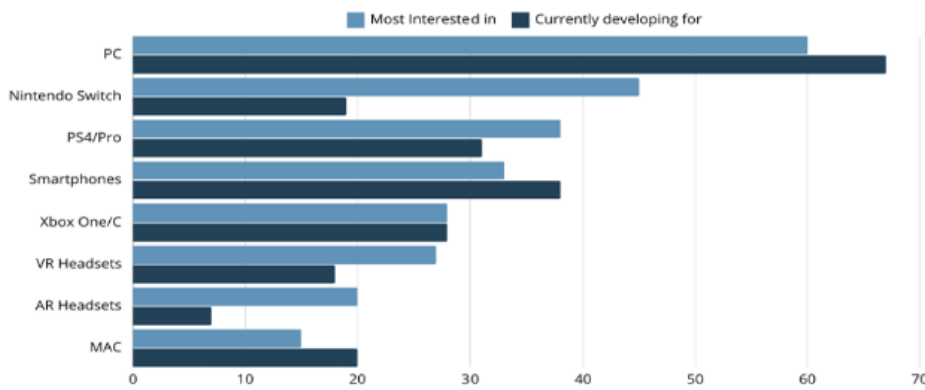


Figure 2: The most important Gaming Platforms in % of game developers most interested/currently developing in the following platforms [13].



Figure 3: Net Bookings Results of EA company by composition [7].

By meticulously dissecting these two metrics, this table aims to provide a comprehensive understanding of the platforms that are most attractive and actively pursued by game developers. As it can be seen, the platform with the highest percentage of developers interested in developing for it is the PC, at 39%. This is followed by the Nintendo Switch (37%) and PlayStation 4/Pro (35%). Interestingly, these three platforms also hold the top three spots for platforms that developers are currently working on, with PC at 33%, Switch at 31%, and PS4/Pro at 29% [13].

Founded in 1982, Electronic Arts (EA) is a preeminent American video game developer and publisher. The company has established itself as a global leader in interactive entertainment, boasting widely recognized franchises like Madden NFL, EA SPORTS™ FIFA, Battlefield™, and Dragon Age™. EA's core business model encompasses the development, marketing, publishing, and distribution of these popular video games [7].

Electronic Arts (EA) reported solid financial results for fiscal year 2023, with net revenue reaching \$7.42 billion, reflecting a 6% increase year-over-year. However, a closer look to Figure 3 reveals a shift in revenue sources [7].

Despite the decline in full game sales, EA's net income still managed to grow by 1.6% to \$802 million. However, net bookings, a metric that combines net revenue with the change in deferred net revenue (revenue recognized but not yet earned), came in at \$7.3 billion, a 2.3% decrease year-over-year. This indicates that while some players are engaging with live services, overall spending on new games might be slowing down.

Beyond its impressive portfolio, EA is guided by a well-defined strategic framework centered on three core pillars: Players First, Commitment to Digital, and One EA. The Players First approach emphasizes cultivating strong and lasting relationships with players by ensuring consistent product quality and fostering engagement with established franchises. Recognizing the growing shift towards digital game sales, the Commitment to Digital pillar underscores EA's dedication to expanding its offerings of live services for customers. Finally, the One EA model leverages the company's extensive scale to bolster its player network and streamline the development pipeline, fostering greater efficiency.

### **3 PRACTICAL RECOMMENDATIONS FOR IMPROVING STRATEGY OF PROMOTING THE PRODUCTS OF THE COMPANY FOR THE RELEASE OF COMPUTER GAMES (ON THE EXAMPLE OF ELECTRONIC ARTS ACTIVITIES)**

Electronic Arts EA utilizes a freemium model where the base game is free, attracting players with a low initial barrier to entry. This allows them to try the core gameplay before potentially spending money on additional features and content. High-quality, immersive experiences are a core focus for EA. They invest heavily in research and development to create visually stunning, technically advanced games with engaging gameplay, aiming to deliver unforgettable experiences that keep players hooked. Microtransactions are a significant revenue driver for EA. Players can purchase in-game items, virtual currency, or cosmetic enhancements, allowing for customization and offering a monetization strategy beyond the initial game purchase [7].

Reaching a broad audience is crucial for EA. They employ extensive marketing and advertising efforts across various channels, including traditional and digital platforms, to maximize game exposure and attract a large player base. However, it's important to note that EA has faced criticism for their use of loot boxes and in-game purchases, with concerns regarding the potential promotion of gambling habits among players.

SWOT Analysis of Electronic Arts (EA) will examine Electronic Arts (EA) through the lens of a SWOT framework (Table 3).

Understanding a company's competitive landscape is crucial for strategic decision-making. From the table below, it can be seen that EA boasts several advantages that contribute to its success – its strength is mostly shown in powerhouse franchises, financial might and marketing budget that allows the company to have comprehensive campaigns and broad audience reach:

- blockbusters like FIFA and Madden consistently generate significant revenue, building a dedicated fanbase and forming a solid foundation for future growth;

- with a robust financial performance exceeding EA can invest heavily in marketing and maintain a strong market presence;
- EA has significant marketing budget.

Table 3: SWOT analysis of Electronic Arts (EA).

| Strengths   | Weaknesses  |
|---|---|
| Strong game franchises (FIFA and Madden). Financial Might/Robust financial Performance. Significant marketing budget.   | Community Backlash. Criticisms around microtransactions and perceived lack of innovation have tarnished EA's reputation, potentially hindering marketing success. Franchise Dependence. While franchises like FIFA are strong, overreliance on a few titles can expose EA to risks if popularity declines or competition intensifies. |
| Opportunities   | Threats   |
| Booming Market. The gaming industry's explosive growth, with projections reaching 3.3 billion players by 2024 (up from 2 billion in 2015). Differentiation is Key. Focusing on creating unique and engaging content will be paramount. Embracing Diversity. | Cutthroat Competition. Because of the popularity of industry, company faces a lot of strong competitors like These include companies like Activision Blizzard, Take-Two Interactive and Ubisoft. Evolving preferences of consumers.   |

Electronic Arts employs a multifaceted promotional strategy that has achieved considerable success. An evaluation of its effectiveness, considering both strengths and potential areas presented in a Table 4.

Overall, EA's promotional strategies are demonstrably effective in reaching a broad audience, generating excitement for new releases, and building brand recognition. However, continuous adaptation and a focus on player satisfaction are crucial to maintain success in the ever-evolving gaming industry.

So, EA boasts a long and successful history in the gaming industry. However, recent controversies surrounding microtransactions and perceived stagnation in some franchises have dented player trust. Future promotion strategy aims to address these concerns while leveraging the company's strengths to create a more dynamic and engaging promotional landscape (Fig. 4).

Table 4: Evaluation of promotional strategy for EA's products.

| Strengths  | Potential Areas for Improvement  |
|--|--|
| Targeted Approaches. EA tailors its marketing efforts to specific player demographics. Multi-Channel Marketing. EA utilizes a diverse range of channels, including traditional advertising (TV, print), digital marketing (online banners, social media), partnerships (influencers, celebrities), and data-driven targeting. Community Building. By fostering a sense of community through events, forums, and social media engagement, EA builds trust and loyalty among players. Innovation and Creativity. EA's willingness to explore innovative approaches that grab player attention. | Microtransaction Backlash. Criticism surrounding loot boxes and aggressive monetization strategies can alienate players. Finding a balance between generating revenue and maintaining player satisfaction is crucial. Negative Stereotypes. Marketing tactics that perpetuate negative stereotypes regarding gamers (e.g., excessive spending) can damage brand image. It's important to portray gamers in a positive and inclusive light. Transparency and Communication. Clear communication regarding in-game purchases and content updates can help build trust with players. Addressing concerns and offering explanations can alleviate frustration. |

Having analysed all the information, the most obvious recommendations will be rebuilding trust with such a huge fanbase, focusing on transparency in monetization (clearly communicate the value proposition of microtransactions and focus on cosmetic or convenience-based items), focus on quality and content (deliver polished experiences with engaging gameplay and a steady stream of meaningful post-launch content) and open communication (actively engage with player communities, address concerns promptly, and showcase responsiveness to feedback).

Tracking the number of new players joining EA games via the freemium model revealed an initial surge, but retention rates showed a drop-off due to limited early-game incentives. So, EA introduced tailored onboarding campaigns and highlighted compelling features of their premium content in advertisements. They also used free trials for premium features, boosting conversion rates.

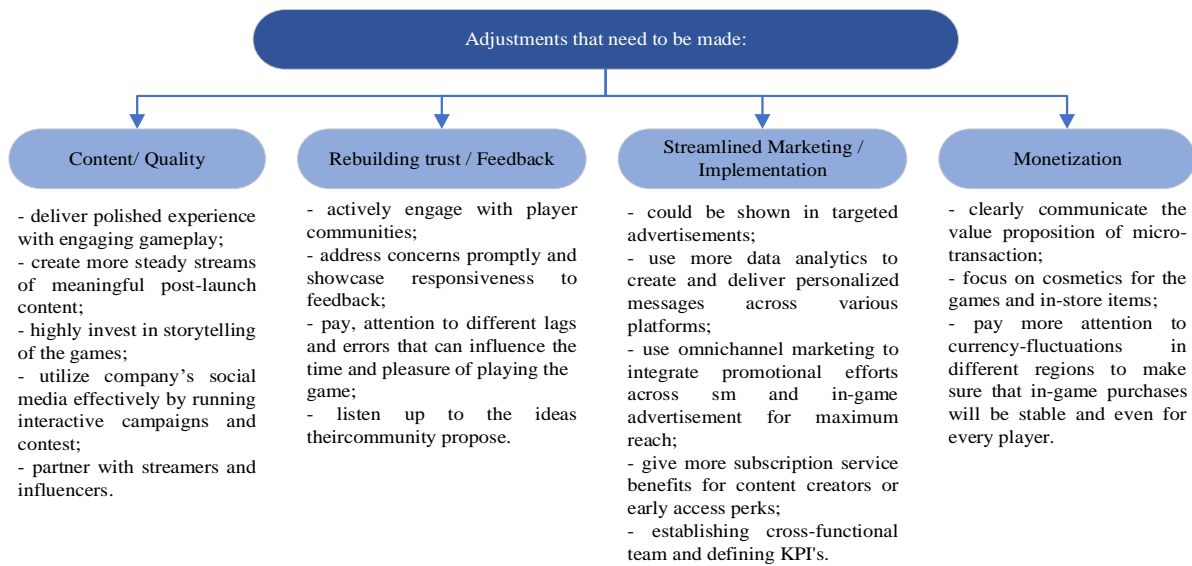


Figure 4: Recommendations for improving promotion strategy of Electronic Arts company.

Revenue from microtransactions (MTX) was high, but a significant portion of feedback from KPIs like Net Promoter Score (NPS) indicated dissatisfaction with perceived "pay-to-win" mechanics. EA shifted the messaging around microtransactions to emphasize cosmetic and convenience upgrades rather than gameplay advantages. They also implemented transparent communication about the value players received for their purchases, increasing player trust.

Metrics from social platforms showed high engagement during release cycles but declining interaction during off-peak periods. EA ramped up community-building initiatives, such as interactive social media campaigns, influencer partnerships, and exclusive behind-the-scenes content, that kept players engaged year-round and fostered a more loyal community.

While flagship franchises like FIFA and Madden consistently generated revenue, player sentiment surveys highlighted franchise fatigue and a desire for innovation. So, EA began investing in experimental projects, broadening their genre portfolio and integrating new technologies like cloud gaming and VR/AR. These efforts aimed to attract new audiences while rejuvenating interest among long-time fans.

So, on our opinion, EA effectively adapted its strategies by addressing player retention, refining microtransaction practices, enhancing community engagement, and investing in innovation to sustain loyalty and attract new audiences. Additionally, the company invested in experimental projects and new

technologies to rejuvenate flagship franchises and attract a broader audience.

## 4 CONCLUSIONS

The year 2020 marked a turning point for the gaming industry. As lockdowns and social distancing measures swept across the globe, people turned to video games for entertainment, connection, and a much-needed escape. This surge in demand propelled the industry to unprecedented heights, fostering a sense of community and shared experiences within virtual worlds. The rise of online multiplayer games further amplified this phenomenon, creating a vibrant digital space where players could connect, collaborate, and forge lasting bonds.

This newfound appreciation for gaming presented a unique opportunity for industry leaders like Electronic Arts. However, capitalizing on this momentum required a keen understanding of evolving player preferences. Gamers today crave not just high-octane graphics and adrenaline-pumping action, but also immersive experiences that foster a sense of belonging. High-quality content, delivered with a focus on player satisfaction, became paramount.

The gaming industry, like any other, thrives on trust. Players invest not just money, but also time and emotional attachment into the games they choose. In recent years, some of EA's marketing strategies may

have inadvertently eroded this trust. Moving forward, prioritizing exceptional game experiences that meet player expectations is essential. Consistent delivery of high-quality content, addressing player feedback with genuine concern, and fostering open communication are all crucial steps towards rebuilding a strong and loyal player base.

Data analytics plays a crucial role in understanding player preferences and tailoring marketing strategies accordingly. By analysing player behaviour within games, companies can gain valuable insights into what resonates with their audience. This data can then be used to personalize marketing campaigns, ensuring that players receive content that is relevant and engaging.

The market itself is brimming with potential, and EA is well-positioned to capitalize on this growth. By focusing on rebuilding trust, delivering high-quality content, fostering vibrant communities, and embracing new technologies, EA can reignite player passion and solidify its position as a leader in the ever-evolving gaming landscape. This shift towards a more player-centric approach will not only benefit EA's bottom line but also create a more positive and engaging experience for gamers worldwide. As the industry continues to flourish, EA has a unique opportunity to shape the future of gaming, fostering a community where players and developers alike can come together to celebrate the joy and power of interactive entertainment.

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