

Marketing Strategies of Game Enterprises in the Post Epidemic Era:

Taking Tencent's King of Glory as an Example

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Abstract: As the COVID-19 pandemic recedes, societies are gradually returning to normalcy. However, with the gaming market approaching saturation after three years of the pandemic and people facing increased income volatility, the industry is confronting challenging times. The question of which games can thrive in this post-epidemic era has gained significant importance. This article explores the marketing strategies employed by Tencent's King of Glory in the post-pandemic landscape, establishing it as a resilient presence in the gaming market and offering valuable insights for the development of other games in this era. It is worth noting that the dynamic nature of the gaming market necessitates adaptable marketing strategies, calling for continuous research to remain effective in the future.

Keywords: Post Epidemic Era, Tencent, King of Glory, marketing strategies

1. Introduction and research background

In early 2020, the global spread of COVID-19 profoundly transformed daily life. The pandemic has reshaped consumers' perspectives on spending, affecting their habits, priorities, and financial capacities. The widespread stay-at-home mandates due to the epidemic led to reduced projected incomes, prompting consumers to adopt a more savings-oriented and judicious consumption approach. Consequently, people turned to the internet for both leisure and necessities, pivoting from offline to online consumption. As a result, funds once allocated for outdoor pursuits are now channeled into online activities, such as subscribing to streaming services or making in-app purchases in online games[1]. Consumer behavior transformations have compelled businesses to adapt accordingly. The pandemic has affected companies of all sizes, necessitating adjustments to their strategic approaches. These companies have been pushed to promote work resumption, revitalize production, and seek state assistance to navigate the crisis.

Interestingly, while many businesses faced hardships, the gaming industry encountered unparalleled opportunities. Prior to the pandemic, gaming was primarily a pastime for teenagers and a segment of middle-aged enthusiasts. However, home quarantine transformed games into a primary entertainment source for many confined to their homes. Previously, some individuals frequented internet cafes for gaming, but with these venues becoming inaccessible due to the pandemic, there was a surge in mobile gaming. This shift expanded the gaming audience, enticing many who had

never engaged in gaming before. Funds initially set aside for offline entertainment were redirected to gaming, leading to a substantial increase in gaming participation and, by extension, higher profits for gaming companies. Moreover, during the pandemic's peak, people turned to online platforms for social interaction. Games like King of Glory became more than just games; they served as virtual gathering spaces where people could connect with friends and satisfy their social needs.

On February 12, 2020, QuestMobile published the 2020 China Mobile Internet "Epidemic Response" special report. The data revealed that the user base of King of Glory grew by over 30%. Average daily playtime surged from 111 minutes during the 2019 Spring Festival to 194 minutes, with daily active users peaking at 95.35 million. This underscores how King of Glory became a go-to entertainment source for many during the COVID-19 outbreak, enjoying significant traction and benefits[2].

However, as COVID-19 started to recede from the spotlight, daily routines normalized. People ventured outside, reducing their engagement with games. The gaming market, which saw record-breaking activity during the pandemic, began to decelerate in 2022. The global electronic gaming sector contracted by 5% that year. Compounded by inflation and supply chain disruptions, consumers' purchasing power for gaming hardware and content diminished. This landscape presents a considerable challenge for the gaming industry. Game producers must craft innovative marketing strategies, addressing the evolving consumption patterns and preferences of users[3].

Previous research has predominantly focused on highlighting the advantages of the pandemic for the gaming industry and its role in fostering growth. However, there is still a research gap concerning how gaming companies can sustain their development in the post-pandemic era, given the changing consumer behaviors and preferences. This study specifically examines King of Glory, a subsidiary of Tencent, to illustrate the strategies implemented by this game during the post-pandemic period. These strategies aim to stabilize the current market, adapt to evolving consumer behavior and in-game methodologies, and maintain a leading position in the gaming market. Additionally, the study's findings are anticipated to provide valuable insights for other game companies.

2. Introduction of the case company

2.1. Introduction of Tencent and King of Glory

Tencent, a leading technology behemoth in China, boasts a staggering revenue of 207.4 billion from its gaming ventures alone. Recognized as one of the globe's top revenue-generating video and online gaming companies, Tencent Games has an impressive roster of titles including King of Glory, "League of Legends" and "Peace Elite"[4]. King of Glory stands out as a mobile game available on Android, iOS, and NS platforms. Launched for testing on Android and iOS on November 26, 2015, its core gameplay revolves around competitive battles. Players dive into various PVP confrontations such as 1V1, 3V3, and 5V5, which fall under the tower defense genre. Upon meeting certain level criteria, players can compete in the game's ranking system or opt for the PVE challenge mode[5].

2.2. Analysis of the Development Process and Environment of King of Glory

From its inception, King of Glory showcased potential for massive popularity. At its launch, the market lacked socially integrated mobile games with significant impact. Though Tencent Games had notable titles like "Daily Cool Run," "Dungeons and Warriors," and "QQ Flying Car," their influence was primarily among gamers. By ingeniously integrating King of Glory with social platforms like QQ and WeChat, allowing players to connect with friends and family in-game, its popularity soared, garnering widespread acclaim.

While the game's player base grew during the epidemic, it experienced a decline as normalcy returned post-pandemic. With people resuming outdoor activities such as attending events, concerts,

and festivals, and prioritizing basic needs over gaming expenditures, the game's active players dipped. Post-pandemic, individuals refocused on pending tasks, learning, and work, further impacting the game's active user count. Moreover, issues like game trolling, where some players detracted from the competitive spirit, led dedicated players to seek better experiences elsewhere.

Yet, despite these challenges and in the face of stiff competition, King of Glory maintained its dominant position in the Chinese mobile game market in 2023, especially on IOS and Google Play platforms. In the subsequent sections, we'll delve into the post-pandemic marketing strategies employed by "King of Glory," offering insights that other gaming companies might find invaluable.

3. Key strategies for King of Glory to Maintain Market Share and Position

Figure 1 presents the revenue trajectory of King of Glory on the Apple Store and Google Play from Q1 2022 to Q2 2023. The chart indicates a consistent revenue stream throughout this period. Remarkably, even in a post-pandemic landscape where the mobile gaming market faced hurdles, King of Glory secured the top revenue spot globally. While King of Glory experienced some effects from the shifting market, Tencent's 2022 financial report paints a promising picture. Tencent Games recorded a robust revenue of 144.954 billion yuan, with a net profit growth of 19% year-on-year[6]. A survey of 50 players revealed some interesting insights: the frequency of gameplay and in-game purchases for King of Glory declined. Many avid users, during the post-pandemic phase, experimented with new games or reallocated their time to personal endeavors, thereby diminishing their engagement with King of Glory.

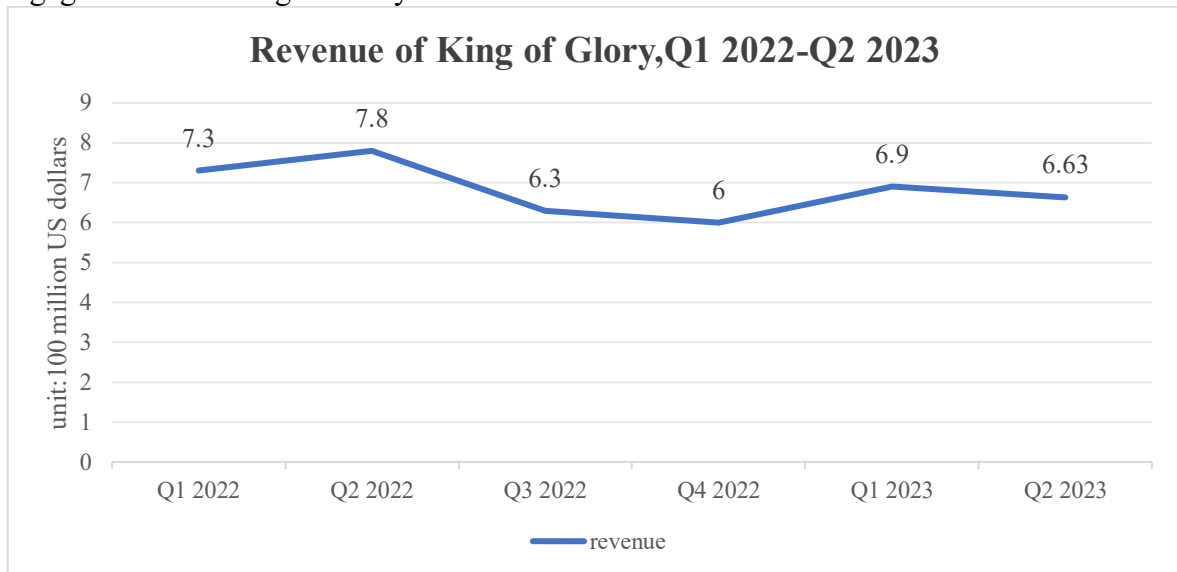


Figure 1: Revenue of King of Glory from Q1 2022 to Q2 2023.

The post-pandemic landscape has rendered many pre-epidemic gaming engagement tactics obsolete. With economic shifts post-pandemic, incomes became more volatile, making users more judicious about spending on in-game purchases. The previously effective strategy of leveraging social media to draw friends into new games lost its efficacy due to an oversaturated market of game enthusiasts. Further complicating matters for King of Glory is China's new anti-addiction guidelines for minors. With these rules, young players can only engage in gaming from 19:00 to 20:00 on weekends, a challenge for King of Glory which has a predominantly young audience. Moreover, the easing of pandemic restrictions encouraged people to venture outside, reducing indoor gaming time. 2022 proved to be a challenging year for the Chinese gaming sector. A report by the China Audio and Digital Association and the China Gaming Industry Research Institute highlighted a 10.33%

decline in actual sales revenue of the Chinese gaming market, amounting to 265.884 billion yuan. The year also witnessed a 0.33% drop in game users, tallying 664 million[7]. Considering these challenges, how King of Glory sustains its leading position in China's mobile game domain is of great interest. Analyzing its marketing approach could offer vital insights for other gaming enterprises aiming for resilience and growth in these changing times.

3.1. Increase punishment for negative gamers

King of Glory is committed to addressing the ongoing challenges in the gaming environment. To provide an exceptional gaming experience, the development team has introduced an enhanced system to penalize negative gameplay behavior. If the system identifies a player exhibiting such behavior during a match, teammates can choose to vote and expel that player. In such cases, an AI-driven character, calibrated based on the team's skill level, will replace the expelled player. This approach strives to maintain a balanced gaming experience for the remaining team members. Simultaneously, King of Glory is allocating substantial resources to uphold the integrity of the gaming environment, particularly by implementing state-of-the-art detection systems to prevent cheating.

3.2. Integrating game marketing with the Asian Games

Recognizing the significant opportunity presented by the Hangzhou Asian Games, the King of Glory team actively used the event as a platform to expand the game's outreach. Their goal was not just to promote their game, but to deepen the broader understanding of esports, particularly among those unfamiliar with this rapidly evolving industry.

Esports, an emerging discipline increasingly embraced by the younger generation, made its historic debut as an official event at the Asian Games. The China Association of Audiovisual and Digital Publishing, in their report covering January to June 2023, revealed that the revenue from China's esports industry reached an impressive 75.993 billion yuan during this period, marking an 11.74% month-on-month growth. With a staggering user base of approximately 487 million, the impact and potential of esports in China cannot be understated[8].

The Hangzhou Asian Games, scheduled from September 23 to October 8, 2023, spotlighted King of Glory as an official event within its esports competition. This culminated on September 26, when the Chinese national training team clinched the gold medal for the King of Glory event. This victory wasn't just a win for the team; it marked the first-ever esports gold medal in the history of the Asian Games. Symbolically, this medal became China's 48th gold at the 19th Asian Games in Hangzhou.

King of Glory has consistently strived to grow its sphere of influence. The King of Glory Professional League (KPL), an esports event dedicated to the game, has been operational for seven years, offering audiences thrilling and unpredictable matches. Since its initiation in 2018, changes such as the overall BP mode and peak competition mode have heightened the event's visibility, offering a fresh spectator experience enriched with dynamic content. With its inclusion in the Hangzhou Asian Games, King of Glory enjoyed elevated media coverage, reaching an even broader audience. This not only boosted the game's profile but also challenged and shifted traditional perceptions, especially among older generations, about esports. By doing so, it opened doors for a more inclusive understanding of new-age sports, particularly vital for King of Glory's growth trajectory in a post-pandemic world.

3.3. Organize offline activities and communicate with players

In the post pandemic era, King of Glory actively opened offline open day activities in major cities to communicate with players and established the "Kings at Zero Distance" event. By September 2023, the King of Glory team has traveled to Shenzhen, Luoyang, and Nanjing. During the event, the

planner of King of Glory will also come to the scene to have face-to-face communication with game players, chatting with them about the character narrative design of King of Glory and the emotional constraints between the characters. In addition, players can also communicate their ideas and plans face-to-face to understand the future development direction of the game, allowing them to personally participate in the development planning of the game.

3.4. Utilizing Traditional Chinese Culture for Marketing

King of Glory actively promotes its positive values and infuses society with positive energy. The game has successfully collaborated with the Mogao Grottoes of Dunhuang, a UNESCO World Heritage Site, several times. This collaboration has inspired characters like Yang Yuhuan's encounter with the Flying Sky skin and Diao Chan's encounter with the Hu Xuan skin. The vibrant colors, intricate patterns, and expressive techniques in Dunhuang's murals not only encapsulate the essence of Chinese painting and traditional decorative arts but also integrate Western artistic influences. These murals, considered the pinnacle of Buddhist art, serve as a creative inspiration for musicians, sculptors, and painters in later generations. Dunhuang's murals have significantly influenced the skin design in King of Glory and Heroes. For example, Yang Yuhuan's Flying Sky skin was inspired by the famous bouncing Pipa dance in Cave 112 of the Mogao Grottoes, titled "The Revival of the Infinite Life Sutra." This dance is also depicted in the Dunhuang Flying Sky mural. Additionally, Lianyang's rock color painting "Dance Music Flying Sky"[9] served as another source of inspiration for Yang Yuhuan's mural appearance, showcasing a nimble dance posture amidst the auspicious clouds in the mountains. Hu Xuan's skin design, on the other hand, drew inspiration from the figures in the Oriental Herbalist's Sutra Change Painting in Cave 220 of the Mogao Grottoes. The main colors used in the skin are white and stone green, with lapis lazuli as the decorative color and vermilion for color contrast. The design also incorporates the tangled pomegranate scroll grass pattern from Cave 220 and decorative streamlined lines from the murals, symbolizing the erosion of murals and the dissipation of sandstorms. This skin conveys the significance of digital preservation of Dunhuang and the inheritance of the Dunhuang spirit to the public[10].

In September 2023, King of Glory continued its collaboration with the Mogao Grottoes, combining the skin of the game's character Lyu Bu with the image of Lei Gong beating drums in Dunhuang's music and dance. This collaboration not only produced a beautiful hero skin but also upheld the social responsibility of inheriting Chinese traditional culture, leaving a lasting impression of the Mogao Grottoes in people's hearts. Additionally, King of Glory collaborated with the classic Chinese work "Preface to the Tengwang Pavilion" to create a skin for heroes playing chess stars, aptly named Tengwang Pavilion Preface. This skin incorporates the water ripples and ink marks found in poetry, showcasing the graceful artistic conception of Chinese freehand brushwork. The use of ink and gold layers represents the overlapping mountains and the majestic scenery of towering peaks, with the iconic Tengwang Pavilion silhouette appearing in the skin. The Preface to Tengwang Pavilion embodies literary beauty and inspires young Chinese people spiritually. It has given rise to beautiful poetry, such as "sunset and solitary ducks fly together, autumn water grows in the same color as the sky," and has instilled in our hearts the poetry of "gentlemen see their aspirations with their words." The seamless integration of King of Glory with traditional Chinese culture provides a gateway for contemporary people to connect with their cultural roots. By opening the window to traditional Chinese culture, we come to realize that it is not far removed from us, but an integral part of our history and prosperity.

3.5. Opening up the Social Attribute of King of Glory

In the aftermath of the pandemic, King of Glory recognized the inherent human need for connection and social interaction. Leveraging this understanding, the game transformed into more than just an entertainment platform; it became a conduit for social interaction and rejuvenation. Central to this strategy was the "May 5th Friend Festival", an annual event celebrated by King of Glory for seven consecutive years. Rooted in the spirit of camaraderie, this festival champions the ethos of teamwork. The underlying objective is clear: to motivate players to team up with friends, harnessing their personal relationships to bring new players into the fold. Feedback from the community has underscored its significance, with many admitting that without the "May 5th Friend Day", their engagement with the game would wane. To maximize reach, King of Glory launched extensive promotional campaigns across dominant Chinese media channels, such as Weibo, WeChat, and Little Red Book[11]. To sweeten the deal for players, they introduced exclusive skins themed around the festival, and tantalized users with discounted offers in their in-game mystery stores. But they didn't stop there. By partnering with prominent Chinese celebrities to endorse and feature in promotional campaigns for the "May 5th Friends' Day", the game's social appeal skyrocketed. Its omnipresence was felt in urban landscapes, with advertisements gracing buses and subways in major Chinese cities.

In essence, King of Glory's strategic emphasis on the social facet of gaming wasn't just a marketing ploy; it was an acknowledgment of the game's role in the contemporary social fabric. By fostering connections and facilitating shared experiences, the game positioned itself as a haven for relaxation and bonding in a world recovering from the strains of a pandemic.

3.6. Improving consumers' willingness and experience

Facing stiff competition in 2023, King of Glory undertook strategic measures to maintain its leading position in the mobile gaming realm. To counter the influx of new competitors, the game ramped up its hero skin offerings, presenting players with a broader spectrum of options tailored to their preferences. A notable strategy was the introduction of "Time-limited" and "Supreme Skin" categories. Touting their exclusivity due to their limited availability, these skins not only appealed to players' sense of uniqueness but also opened up additional revenue streams for the game.

Moreover, King of Glory astutely observed and responded to demographic patterns within its user base. With female players constituting a significant portion, both in numbers and in-game spending, the game pivoted its marketing and design strategies to cater more to this audience. A testament to this shift was the delightful collaboration with the iconic HelloKitty brand in August 2023. King of Glory unveiled HelloKitty-themed skins for popular characters Xiao Qiao and Gong Sunli, harmonizing perfectly with the cute and vibrant essence of both brands.

Furthermore, making these skins accessible through gameplay or using in-game free currency was a masterstroke. By offering beloved free skins, the game not only fortified its bond with its female player base but also set the stage for potential future purchases.

Ultimately, these tailored approaches—be it through exclusive skins, strategic collaborations, or catering to specific player demographics—underscore King of Glory's commitment to constantly evolve and adapt. By ensuring its players feel valued and heard, the game cements its dominant stature in an ever-competitive market.

3.7. Improve the quality of one's own creation

In the competitive landscape of mobile gaming, King of Glory has consistently placed emphasis on the value of quality, particularly when it comes to hero skins - a significant revenue stream for the game. From 2023 onwards, despite introducing a new hero skin almost every week, the game never compromised on the caliber of its offerings. This commitment to excellence can be attributed to the

substantial investments King of Glory channeled into skin development and its proactive collaborations with top-tier production houses and renowned voice actors. Each hero skin, a culmination of meticulous craftsmanship and creativity, is not just about aesthetics but also about providing value for money. Recognizing this, many players, after thorough evaluation, opt to invest in these skins, deeming them both satisfying and worth the expense. King of Glory's unwavering focus on maintaining high quality, even amidst rapid content rollout, has played an instrumental role in its continued financial success and its top position in revenue charts.

4. Conclusion

Our comprehensive analysis reveals that King of Glory's strategic initiatives in the post-pandemic era have been instrumental in its sustained market dominance. Key takeaways from their approach include:

Enhancing Player Experience: King of Glory has prioritized delivering a superior gaming experience, which not only retains existing players but also encourages them to advocate for the game, expanding its user base.

Cross-Industry Collaborations: By partnering with diverse sectors, King of Glory has transcended its traditional audience and garnered attention from a broader demographic.

Player Engagement: Open dialogues and regular communication with its community enable King of Glory to tailor its offerings based on real-time feedback, fostering player loyalty.

Social Integration: By morphing into a platform for social interaction, especially in a post-pandemic world craving connection, King of Glory offers more than just gameplay—it offers shared experiences.

Rewarding Loyalty: By gifting players with top-tier free skins and continuously innovating in skin design, the game incentivizes both engagement and in-game purchases.

In essence, King of Glory's multi-faceted approach, from enhancing gameplay to fostering community and from rewarding loyalty to pioneering collaborations, has solidified its leadership in a highly competitive market. These strategies can serve as a roadmap for other gaming companies navigating the intricacies of a saturated market. However, it's imperative for companies to remain agile, adapting strategies to the ever-evolving gaming landscape, ensuring they remain not just relevant but also ahead of the curve.

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