Tencent Game Competitive Advantage Analysis

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Abstract: In 2019, COVID-19 swept the world, significantly blowing the Chinese and global markets. Maintaining market share has become the goal of Chinese and even global enterprises. Based on huge market research and data, a few enterprises are still maintaining growth momentum under the sluggish market environment, and the Tencent game is one of them. This article takes "Tencent Game Competitive Advantage Analysis" as the topic, selects Tencent Game as the research object, analyzes the online game industry environment using Porter's five forces model, and analyzes Tencent Game's competitive advantages from the aspects of research and development, marketing, operation, and anti-risk ability so that it remains in the leading position in the game market and still obtains much economic income in the face of adverse circumstances. By analyzing Tencent's competitive advantages, it has great reference value and experience for the future development of other online game companies.

Keywords: competitive advantage, Tencent Game, case study

1. Introduction

Tencent Games is China's most famous online gaming community and a world-renowned game development and service company. Tencent has formed a specialized layout in major online game markets through various business models, including independent research and development, agency cooperation, and joint operation, and has achieved good market performance. Tencent has created the most extensive online gaming community through its five segments: casual game platform, big online games, medium-sized casual online games, online desktop games, and online battle games, with "providing users with a comprehensive online life" as the core. The reason why Tencent has completed its transformation so quickly is not only because it has China's largest social networking platforms, WeChat and QQ, but more importantly, Tencent has established a complete game development and distribution system in the past few years. Tencent has two main aspects in its game layout: firstly, it releases a large number of games through agents, and secondly, it rapidly realizes the conversion of traffic. At the same time, the company also acquires top domestic and international game companies through mergers and acquisitions to obtain full domestic IPs to expand Tencent's competitive advantages in games.

In recent years, the Internet game industry has been developing rapidly by its vast population base. However, behind this successful development, numerous problems are hidden. "This also proves that Tencent's games have remarkable attainments in product development, design, and marketing strategies. Therefore, this thesis takes Tencent's competitive advantages in games as an entry point to explore Tencent's competitive advantages in the game market and then puts forward relevant suggestions for online game manufacturers and operators to promote their positive significance in providing real game products and services.

2. Literature Review

There are many researches on competitive strategies in the game market. Li and Liu studied China's mobile game market's competition pattern and development potential. They took Tencent and NetEase as examples by comparing their business strategies in the mobile game market, including business status and publicity strategies. They analyzed static games in the mobile game market, comparing of advantages and disadvantages of mobile game products and the problems of teenagers addicted to games. And the future development direction of mobile games and believes that China is the fastest growing mobile game market, Tencent and NetEase have become the leaders of the Chinese game market, and the competition between the two has promoted the rapid development of China's mobile game industry [1]. Li studied the theme of Tencent's online game marketing strategy, analyzed the reasons why Tencent occupied nearly half of the market of the game industry through descriptive analysis and comparative analysis and believed that Tencent's online game marketing strategy realized the requirements of interest, sociability, individuation, and interest of the product. However, based on the literature found that there are still problems in its marketing strategy; countermeasures and suggestions for further optimization of Tencent's online game marketing strategy are proposed [2]. Wang took Tencent Games as an example to study the theme of inspiration of the game industry layout and believed that Tencent's game industry layout mainly consists of three parts: seizing agents to open the market, independently developing game IP, and cooperating and win-win console games. In the future, the game industry layout mainly includes two directions: the blooming of game categories and the derivative of the independent IP industry [3]. Zhang studied the market characteristics and competitive strategy analysis of online games, analyzed the market characteristics of online games with network externalities from the perspective of network economics, and learned to believe that the user scale and user evaluation jointly determine the operation of a product in the market [4]. Chen and Wang conducted a study on the theme of the profit model of mobile games in our country. The mobile Internet era has brought mobile games to more market attention. However, it has not yet formed the perfect profit model for high-quality development [5]. Zhang and Jin study the status quo and strategy of the network game "going to sea" under the tide of internationalization. They believe that the network game, as an essential engine to promote the development of Chinese culture and the entertainment industry, has been paying much attention to its development status and trend [6]. Tu studied the theme of differentiating the competition strategy of online games from the perspective of Tencent games and believed that online games are a sunrise industry with substantial business opportunities, an initiative with the rapid expansion of desire, and a drive with a sharp outbreak of risks [7]. Sun has studied the Chinese network game industry and believes that the network game industry has developed rapidly but also faces a deteriorating competitive environment [8]. Lu looked at the marketing model of Chinese online games in the new competitive environment. Scholars believe that the development of China's online game industry can be roughly summarized into the technical threshold stage, product-oriented stage, advertising pull stage, regional promotion stage, and integrated marketing stage [9]. Mao studied the theme of the changes in the structure of China's online game industry and the choice of corporate behavior and believed that although China's online game industry has

developed rapidly, its core value and high-end technology are controlled by foreign enterprises, especially Korean enterprises [10].

There is no denying that the competition in the game market has become increasingly fierce. Therefore, research on the advantages of the competitive strategies adopted by the game companies in the market has solid theoretical value and practical significance. According to the data collected so far on this topic, although scholars have analyzed and predicted the characteristics, competition pattern, and future development direction of the Chinese game market from multiple perspectives, there are also many types of research on marketing strategies and profit models, most of them focus on "how to do", how to make profits in the game industry, how to seize more market, how to develop further and so on. They put forward some corresponding suggestions and countermeasures—however, the discussion of "why" is also quite important. In the process of literature collection, it is found that there is relatively little research literature on the competitive advantages of specific companies in the game industry, and many of the benefits of R&D, operation, risk prevention, and control in the competitive strategies of the game industry are not involved. In particular, the aspect of risk prevention and control, namely the analysis of risk resistance in all elements, seems that no one has conducted exceptional research on this. This provides some space and possibility for the writing of this paper. This paper will carry out corresponding expansion and research on this problem.

3. Competitive Advantage

3.1. Competitive Environment Analysis

With the significant Internet breakthrough in speed and coverage and the continuous improvement of laws and regulations, China's online game industry has developed rapidly, especially mobile online games. While meeting the leisure and entertainment needs of the residents and enriching their spiritual and cultural life, the online game industry also has social problems, such as minors' addiction to games and excessive consumption. On the other hand, because the game companies in the market have become commonplace to improve their profit and income, various "set number" games have been issued indiscriminately. The Ministry of Industry and Information Technology of the People's Republic of China has further restricted the issuance of game version numbers and reduced the frequency of the distribution of new games, forcing the game companies to polish themselves and improve the quality of the game market products, thus standardizing the game market.

The speed of economic development has slowed, the desire for investment in the market has declined, and the overall investment volume has declined compared with that before the epidemic, resulting in a decline in the market size growth. The actual economy has been significantly affected. This is also true for the game industry, with high professional demand and extended research and development cycle. During the epidemic, the growth rate of the game market scale is also gradually declining. On the one hand, it is due to the decline in investment desire during the epidemic. On the other hand, it also expresses the need for high-quality economic development at a critical point in China's economic transformation. However, with metauniverse, VR, and AR technology development, the game industry will usher in a new investment period.

From the perspective of the cultural environment, game, as a cultural carrier, presents a new virtual world for the masses. With the development of the pan-entertainment ecosystem, the game branch has been expanding, from the initial type of leisure to the use of users' fragmented time tools, to the continuous improvement of material life, people have begun to pay attention to the cultivation of spiritual life so that now people have begun to pursue the noble spirit of life, the requirements for the game have gradually increased, the game has developed step by step, and the user acceptance has been rising, From focusing on leisure games to developing shooting, RPG, role-playing and other types of fun, and then to improve the requirements for game content, more atten-

tion is paid to the game style, fighting special effects, and even to the game characters themselves. With the rise of anime, players increasingly seek virtual characters.

With the help of Porter's five forces model, this study makes the following analysis.

Entry ability of potential competitors. The game industry is knowledge-intensive, with a long R&D cycle, serious R&D difficulty, extensive professional requirements, and significant demand for professional talents; In addition, the rich profits have attracted the attention of all major capitals. Most of the existing game enterprises have been established for a long time, with a deep foundation, stable investment and development, and the industrial characteristics of the "winner take all" of the Internet industry make the game enterprises highly exclusive. Hence, the industry has a high barrier to entry. In addition, due to the existence of "game number", obtaining a series of business licenses is also a challenge for new entrants, further increasing the game industry's barriers.

Substitution ability of substitutes. There are two main substitutes for online games: console and stand-alone. Due to the influence of national policies and the inconvenience caused by heavy peripherals, console games are no longer respected by the mainstream public. However, as a one-time game, stand-alone games cannot meet the current public's love for "cultivation". Nowadays, most of the public pursues sustainability, operability, and the dissemination and promotion of world values. Stand-alone games cannot meet these needs. It can be seen from the DLC (downloadable content, which refers to the following downloadable content of the game, can be regarded as the additional content of the game) of the corresponding games published by the significant stand-alone game companies. In addition, the phenomenon of piracy of stand-alone games is expected. Because of the payment mode of the buy-out system of stand-alone games, the game companies can not make ends meet, and the willingness to release stand-alone games has declined. Therefore, the substitute ability of online games could be higher.

Supplier bargaining power. The game industry has three leading suppliers: server suppliers, product developers, and network suppliers. As for server suppliers, various servers continue to grow with the development of domestic servers. To compete for market share, most enterprises occupy the market with price advantages, so the bargaining power is relatively weak; In terms of product developers, as the upstream end of the game industry, product developers have always maintained absolute advantages and bargaining power. It is precisely because of this decisive advantage that game companies led by Tencent continue to focus on independent product research and development to firmly grasp the competitive edge and make product research and development bargaining flexible; In terms of network providers, there are only four operators in China: China Mobile, China Telecom, China Unicom and China Radio and Television. The state strictly controls these four operators, so the price fluctuation is slight, and the bargaining power is weak.

Buyer's bargaining power. Buyers are game users in the game industry. The game industry has experienced explosive growth in recent years. The number of products in the game market has increased sharply. It is complicated, the supply is extremely high, and the user choice is rich. In addition, the number of users is an important indicator to measure the game in the particular industry of online games. Therefore, improving user stickiness is the top priority of game enterprises. Therefore, users have a high position in the game industry, and their bargaining power is strong.

Competition pattern in the industry. The internal competition pattern of the game industry generally presents a situation of "one super and many strong". According to Gamma data, the Chinese game market in 2021 shows that Tencent's game market size accounts for more than 50%, followed by NetEase's game, which accounts for more than 70% of the market share. The head effect of the Internet is quite significant. In addition, Blizzard and NetEase have recently terminated their cooperation, and It further consolidated the leading position of Tencent's online game industry. However, some small and medium-sized companies have shown outstanding performance in some sub-circuits. For example, in the open world, Mihayou's "Genshin Impact" continues to gain the favor

of users, and Yingjiao Network's "Arknights" creates a new way of playing tower defense. In general, Tencent's leading position in the game is still stable. Still, with the game industry's transformation and the circuit's expansion, it is necessary to be careful about the risk of being overtaken by the curve.

3.2. Competitive Advantages of Tencent's Game R&D Level

3.2.1. R&D

Although Tencent started as a game agent, it has never relaxed its ability to polish its self-research capabilities. In reorganizing the game industry and shifting from agency to self-research and self-development by mid and lower-tier game makers, Tencent's growth engine for handheld games has smoothly gone gears, and self-research games have played an increasingly large role in Tencent's system. Tencent has a unique thinking ability in R&D capability and R&D strategy.

Behind the breakthrough of each game category is the accumulation of experience from the success or failure of many similar products, such as MOBA, FPS, and MMO. For each breakthrough game, we see now, the relevant studios have years of trial and error and refinement. For example, before the launch of Photon's PUBG Mobile, the Photon studio group had nearly 4 years of experience in shooting handheld game development, and the main team of PUBG Mobile had previously been responsible for Tencent's first self-research FPS, "National Assault". Tianmei Studio Group developed Call of Duty Mobile.

Before the development of Call of Duty, the team had launched Counter-Strike and Jedi Quest: Army Strike and participated in developing Crossfire: Gun Battle Kings. The Glory of Kings team has developed the MOBA end game "Three Kingdoms". The accumulation of these long years of experience gives Tencent a competitive advantage in game development, especially in handheld game development.

Tencent looked different from a typical game company at the beginning, and its many popular casual games did not look mainstream compared with the medium-heavy games that core Chinese game players were keen on at that time. However, Tencent accumulated a large user base through casual games and gradually transitioned to medium- and heavy-duty games with a universal base, which shows that Tencent's earliest target was not only a small number of heavy game users but aimed at the entire sinking game market. Nowadays, based on its extensive user base and social media, Tencent Games has been expanding its product line, from focusing on casual games to laying out all types of games, developing "Glory of Kings" on its own to occupy the MOBA hand game market, and cooperating sincerely with novels, anime, and movies to develop such games with a huge fan base as "Naruto". Tencent's rich product lines enable it to maintain a dominant position even in today's sluggish consumer market.

3.2.2. R&D Strategy

Firstly, the disorganized R&D organizations were merged and reorganized. To deeply cultivate the handheld game market, Tencent Games integrated the original eight studios. They established four self-research studios, Tianmei, Photon, Magic Square, and Northern Light, with 20 game studios under each, making the structure more flexible. Secondly, Tencent established the GAD game developer platform and started a series of initiatives such as the "Morning Star Project", which not only focuses on game production but also develops in other digital art fields such as film and animation, continuously extending the life cycle of games and helping game development.

The internal studios compete with each other; for each type of game, at least two studios are required to co-develop and produce. Firstly, the competition is eliminated internally, forming an "internal horse race". On the other hand, we compete with other games of the same genre in the mar-

ket. Through such competitive means, the products developed by themselves are continuously polished to make them more mature. Historical experience shows that Tencent's successful big products, "King of Glory" and "Peace Elite" are the results of the battle between two studios, Tianmei and Photon, after competing for the same track. Such a competitive strategy gives Tencent games a competitive advantage in product quality control.

3.2.3. Advantages and Disadvantages of Tencent's R&D

The edge of Tencent's R&D is its massive investment. According to the comparison of the R&D expenditure of Tencent, NetEase, and Blizzard, Tencent's R&D expenditure has increased year by year from 2016 to 2020, from 9.29 billion yuan to more than 30 billion yuan, which is the sum of the R&D expenditure of the other two companies. In addition, according to Tencent's Q4 2022 earnings report, even in the face of the depressed market environment conditions, Tencent still maintains a high level of R&D investment, and its R&D investment continues to rise, which gives Tencent a decisive competitive advantage in R&D.

At the same time, there are disadvantages in their R&D. Most agents will lead to a decline in the company's profit income and rising costs. As players' income level increases, the demand for entertainment grows—no self-research end game 3A masterpiece, maybe in a disadvantageous position in future market competition. In 2008, Tencent invested in the U.S. first game (Riot Games, fully acquired by Tencent in 2015) and took the "League of Legends exclusive distributorship in China. In 2017, Tencent invested in South Korea's Blue Hole Studio and took the exclusive distributorship of "Jedi Quest" in China, and launched "Jedi Quest: Stimulation Battlefield" in 2018 in cooperation with Blue Hole, which has also become Tencent's current one of the most popular handheld games overseas. Most of Tencent's outbound games are agents, such as Figure 3-1, and most of Tencent's games in 2022 focus on agency or co-development. This also reveals the lack of Tencent's self-research capability and original IP reserves. Although Tencent can kill it internationally with its banknote capability, it is far from enough for a company that wants to gain a foothold overseas and win the respect of more players.

3.3. Tencent's Competitive Advantage in Marketing

The publisher is responsible for publishing and distributing electronic games, connecting the game developer up and the game market down. It is mainly responsible for promoting and marketing games, including all aspects of market research and advertising, to help it maximize its market share and profit income. As one of the primary game publishers in the Chinese market. There are three main marketing channels for Tencent games: social, traditional, and emerging channels. Tencent has a comprehensive layout in distribution channels, whether online or offline, conventional or emerging channels, WeChat+QQ+APP+live game platform+all kinds of media platforms, and has a comprehensive distribution capability. It has strong competitiveness in the industry.

Social channels. With the continuous iteration and upgrading of smartphones, the speed and coverage of Internet applications continue to improve, and the game has entered the era of mobile games. The game has also been given a new attribute - social attribute. The game is not only to meet the entertainment needs of individuals but also to make friends with games. Tencent Games, as an early group of game companies entering the mobile game market, relies on its strong traffic advantage in social aspects. Relying on WeChat and QQ, Tencent's social channel advantage is undeniable. According to 17Q1-22Q3, WeChat and QQ monthly active accounts and their year-on-year growth, the number of active accounts continued to grow from 2017 to 2022, especially with the continuous improvement of WeChat functions, attracting a large number of active users. The

constant growth of active users of QQ and WeChat has accumulated a vast user base and potential game users for Tencent games.

Traditional channels. The traditional marketing channels of Tencent games can be divided into online and offline modes. The online computer terminal has developed the Wegame game center. The mobile terminal provides game services for users relying on "APP" and provides channels for promoting other "blood" game products. Offline use of public transport to elevate their game products, such as the opening of the "King Glory" theme subway martial arts special train in Foshan, so that people can enjoy the traditional Chinese martial arts culture, but also further attract potential users of King Glory, and improve the flow of their products. In addition, using the "star effect" brought by stars to attract users, Tencent invited Lu Han as the spokesman of the King's glory on the eve of the start of the "GIVE ME FIVE" of the King's treasure to win the attention, improve the popularity of the game and attract user traffic. Due to many years of experience in game distribution, Tencent's ability to promote in traditional channels is undoubtedly a competitive advantage that cannot be surpassed.

Emerging channels. In addition to QQ, WeChat, and APP, Tencent has excellent promotion platforms such as Tencent Video. Using TV dramas or variety shows to promote is also Tencent's unique competitive advantage. With the broadcast of the TV series "You Are My Glory," the popularity of the king's glory has also risen; In recent years, due to the popularity of online live broadcasting, Tencent has also opened up new channels for game promotion through the game live broadcasting platform, and built its own e-sports empire. In addition to its NOW live broadcasting and Penguin e-sports, Tencent has invested in two top domestic game live broadcasting platforms, Beta and Tiger Teeth. In 2021, the 38th Asian Olympic Council General Assembly approved e-sports as the official project of the 2022 Hangzhou Asian Games; at the same time, the attention to E-sports has increased. Tencent has a huge competitive advantage because it has many live game platform resources.

Because of the social attribute that games are given in the era, Tencent games also start from this attribute, firmly grasp the keyword "social", and promote their games. Not only does the name of the game reflect the characteristics of popularity and socialization, such as "All People's War", "All People's Superman," and other national games, but it also highlights its "social" characteristics in various advertising slogans. The slogan "No Brother, No King" profoundly explains the functions and characteristics of social interaction in "Glory of the King." Tencent has also innovatively established its independent game community for each game, in which like-minded users can share their daily life and exchange experiences. Tencent's game marketing strategy is highly innovative and pioneering.

3.4. Tencent's Competitive Advantage in Game Operation

Business cooperation is one of the essential marketing means of the Tencent game. Tencent game is willing to cooperate with excellent brands in different industries, explore the commercial value of market activities, and integrate the advantages of both sides through resource exchange to achieve win-win results.

Tencent game mainly replaces partners' resources through the game's official website, client advertising, game props gift package, in-game partner information, and offline activities, etc., mainly including customized game products, game content exposure on product packaging, and supermarket channels, physical and cash event sponsorship, television, outdoor and other media, and joint marketing activities.

3.4.1. Take big data as a support to ensure the effectiveness of operational activities.

The most important thing in mobile game operation activities is identifying target users. For people of different ages and consumption levels, meet their needs to the greatest extent and gather game players as much as possible. In Tencent, there is a unique game data analysis team to ensure the effectiveness of operational activities. Tencent has more than 10 billion traffic, covering 90% of Chinese Internet users. According to Tencent's 2022 financial report, the combined monthly active accounts of WeChat and WeChat reached 1.3089 billion, and the monthly operational charges of QQ's smart terminals reached 570 million. Tencent's massive user base has brought it colossal space and value. The operation activities supported by data can reach users more accurately and improve the efficiency of game operation.

3.4.2. Standardized and efficient implementation method.

In the intensive development of mobile game products, the game operation has also begun to move towards long-term and precision. The function of the game mainly solves two contradictions, and one is the contradiction between adding new users and retaining old users. The other is the contradiction between ordinary players (players who do not invest money in the game or invest a small amount of money) and RMB players (players who support much money in the game and even have more decisive power than ordinary players). In implementing specific operation activities, it is necessary to rely on the explosive force of the online period to promote product release. It also needs a standardized and efficient implementation system and rigorous and scientific long-term operation. Within Tencent, each team develops product types, player layers, and operation strategies for specific games and completes user research and data analysis in the early stage. On this basis, integrated marketing technology can reach users accurately.

3.4.3. Effective combination of game operation and game promotion.

Driven by the short and fast pace of mobile games, the update of operation mode is also accelerated. Therefore, Tencent, a large company with mature operation capability, actively seeks change and new operation rules that conform to the trend. For example, "National Assault" has been at the top of the best-selling list for two months since its launch. After being overtaken by "Dream Journey to the West", to reach the top again, the market cost of its operation and promotion activities is as high as 30 million, but it is to the point. In the updated version of the game, 4V4 and 5V5 group battle modes have been added. After the update, each player can get corresponding diamonds and gold coins, which greatly encourages players to update the game version; At the same time, "National Assault" has become the first game advertisement in the circle of friends. Relying on big data, all players and some male WeChat users who accurately launch "National Assault", as well as "cash red envelope" activities, media advertising, and other activities that increase the turnover, we can enter from multiple angles and quickly form an offensive.

3.4.4. Use social relationships to build a "game ecosystem" for players.

Tencent has a huge user base and is good at using users to tap its social potential. Every push of the WeChat game center, such as "how many people are playing this game" or "which friends are playing this game this month", will prompt users and bring psychological pressure. WeChat, combined with the operational activities of various products to push, to a certain extent, extend the game's life cycle, retain players, and increase the game's activity.

3.5. Competitive Advantages of Tencent Game in Anti-risk Level

According to the 2022 financial report released by Tencent, Tencent achieved a net profit of about 39.943 billion yuan, an increase of about 1% year on year, game revenue of about 42.9 billion yuan, an increase of 9% year on year overseas, and a decrease of about 2% year on year in China. Compared with the past data, Tencent's game business has declined slightly this year, but considering that the game industry is generally facing the challenge of increasing downward pressure, and macro factors, including the epidemic, have a significant impact on the game industry, Tencent's game business performance has exceeded the market average.

Tencent's game performance is based on its extremely strong market tenacity, which reflects that Tencent has a solid base in the game business. Not only is the market performance of its flagship products stable, but it also leads the industry in category, IP, platform, and technology.

3.5.1. Under the global game market fluctuation, Tencent's anti-risk ability is highlighted.

The stickiness and consumption intention of Tencent game users are generally high, which to some extent offset the impact of the objective environment, which is also the guarantee of Tencent game to resist risks. At the same time, the global transformation of Tencent games also plays an important role. In the past two years, Tencent has adjusted the strategic direction of the game from top to bottom and comprehensively promoted the globalization of the game business. After the strategic change, the international market of Tencent games is no less important than the domestic market. The former is no longer to fill the gap in the overseas mobile game market but to achieve global distribution and platform connectivity and become the second growth curve of Tencent games.

The international business revenue of Tencent games has not been greatly affected by global market fluctuations but has maintained a stable and positive trend. On the one hand, it has reduced Tencent's dependence on the domestic market, and on the other hand, it also reflects the stability of Tencent's business structure. As the game industry leader, Tencent's strong anti-risk ability has been highlighted in the adverse situation.

3.5.2. Behind the connection of new and old products to the list is Tencent's exaggerated track dominance.

From each vertical track, Tencent games still dominate most categories.

In the domestic market, Tencent's two flagship products, "Glory of the King" and "Peace Elite," are far ahead in the MOBA and shooting tracks and have become the two games with the highest total usage time in the whole industry. Their respective adult users' total usage time has increased year on year. In addition to the online flagship products, Tencent is actively deploying new developments in other tracks. At this year's press conference, Tencent Games announced 12 new products covering different types, which are expected to be launched in the longer term, boosting the number of users and revenue growth of the game business. Tencent Rubik's Cube's self-developed hard-core shooter game "Breaking through the Dark Zone" topped the iOS free list on the first day of service opening. The other model, "Hero League E-Sports Manager", which focuses on simulation operation, topped the iOS free list on the first day after its launch and directly ranked third on the iOS best-selling list the next day. In the top 10 domestic iOS best-selling list, Tencent game products have accounted for more than half of the total, covering categories such as self-walking chess and simulated operation with a comprehensive layout.

In the international market, international versions of games such as Glory of the King and Magic Tower have been launched worldwide. Honor of Kings has been tested in Brazil, Mexico, Türkiye, Egypt, and other places and will be promoted to more countries and regions in the future. In addition, the international version of the anime Open World RPG Fantasy Tower, released by Level In-

finite, has been launched worldwide, topping the free list in 32 places around the world, such as the United States, Japan, South Korea, Hong Kong, Macao, and Taiwan, and ranking top 10 in 24 places around the world, such as the United States and Japan.

In terms of business structure, product content, and user market, Tencent Games will gradually expand outwards to stabilize basic needs. There will be a certain "vacuum period" in the process. However, in the long run, with the improvement of the game version policy and industry environment, Tencent Games' future performance is more worthy of expectation.

4.   Conclusion

As one of the leading enterprises in the online game industry, Tencent Games has undoubtedly made outstanding achievements in the competition for the online game business and has a substantial competitive advantage in the game industry. These competitive advantages provide beneficial enlightenment for other game enterprises:

Improve their research and development level. Now the domestic game market is gradually saturated, the living standard of the public is slowly improving, and the requirements for the game are also slowly improving. Simple and random "shell" and "skin changes" can not meet the user's game experience. However, the research and development of products on behalf of foreign companies are not conducive to their profit income and the future development strategy of the enterprise. Therefore, self-research is the only way for game companies to improve their research and development level, develop their unique research and development strategies, and constantly innovate to attract more user traffic.

Formulate competitive scientific strategies. Competitive strategy is an essential step for an enterprise to seize the market. Formulating a competitive strategy is a simple slogan and a survey and evaluation of current environmental events. Developing a competitive strategy should provide enterprises with practical and effective direction and determination, learn from each other, and help enterprises maximize their competitive advantages. Tencent game is to seize the critical period of online game transformation, firmly grasp the keyword of "social", dynamically formulate a reasonable competitive strategy, and gain competitive advantages.

Due to the impact of COVID-19, we recognize that Tencent Games has a solid anti-risk ability. In the face of a depressed market, its market revenue still keeps growing. As China's society enters the "post-epidemic era", with the continuous liberalization of policies and market resumption, how Tencent Games will maintain its competitive advantage will be the future research direction.

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