

# *Analysis on Marketing Strategies of Mihoyo Games*

## *——Take Honkai Star Rail as an Example*

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**Abstract:** Mihoyo Games has grown to be the third-largest mobile game company in China in 2 decades, so a deep analysis of Mihoyo's marketing strategies can be used as good references for new game companies. However, less research has been done on Mihoyo's newly released game, Honkai Star Rail. In this paper, the 4Ps model is used to analyze Honkai Star Rail's marketing strategies from product, price, promotion, and place perspectives and tries to find out why it can be so popular and successful. It turns out that the product and promotion strategies of Honkai Star Rail especially stand out. Product strategies can be concluded to the following points: innovative game style to attract new players; various product terminals support all devices; and the enhancement of the user experience to retain older players. Also, Honkai Star Rail used many different kinds of promotion methods, including various online and on-site promotion activities both before and after its release. Moreover, Mihoyo uses innovative methods to strengthen the relationship between players and games. By using these strategies, Mihoyo gained loyal players who are strongly tied to the games.

**Keywords:** Mihoyo, 4Ps, Honkai Star Rail, marketing strategy

## **1. Introduction**

In this rapidly developing world, more and more adults are buying their children a smartphone at a young age, which allows mobile games to be a prevailing entertainment among youngsters.

Mihoyo is a typical company that made its way from foundation to success in a few years, becoming the third game company in China. As shown in Figure 1 [1], it earns huge profits, especially during 2020 and beyond.

Since Honkai Star Rail was released on the 26th of April, 2023, which is a short period until now, there is insufficient data and research on this particular game. The existing research on mobile games focuses on Tencent games [2,3], NetEase games [4,5] and Mihoyo's Genshin impact [6]. These studies help to understand the marketing strategies of the three major Chinese game companies. However, they fail to explain specifically the effect of the marketing strategies. For example, in research on Cross-Cultural Marketing Strategies of China's Mobile Games in the American Market-with a focus on Genshin Impact, Wang is being too general when analyzing Mihoyo's high quality product [7]. To further illustrate this, he only stated the rewards Genshin Impact won to show the game has a high quality but gave no specific parts that Genshin did well. What's more, he only

concerned America, not taking into account the Chinese mainland, Japan and South Korea (Genshin mainly aims to serve the four countries mentioned above and has a great market share and profit in all of them).

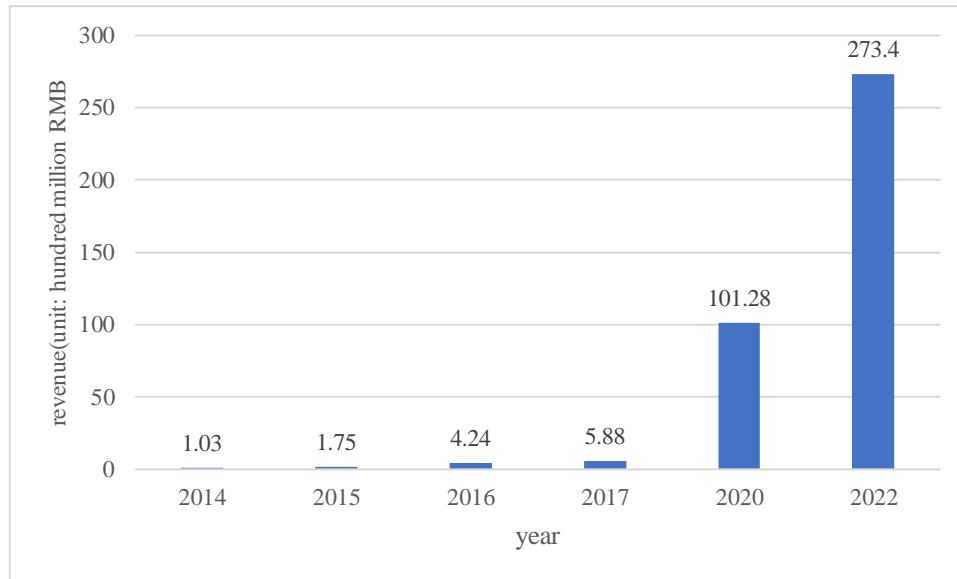


Figure 1: Mihoyo's Revenue.

In order to fill in the research gaps of Mihoyo's new game Honkai Star Rail as well as cover the latest and most innovative market strategies, this paper digs deeply and analyses on Mihoyo's marketing strategies. The following are the significance of this paper. Firstly, The excellent marketing strategies of Mihoyo Games are summarized through the 4Ps model, which can provide a reference for other companies or related fields. Secondly, whether Mihoyo Games can develop more marketing tools for promoting their games is discussed. Thirdly, how marketing can bring a company considerable extra revenue is explored and explained.

## 2. Product Strategy

Since McCarthy proposed the four Ps in 1964, The four Ps of Price, Product, Place, and Promotion have become the four gospels of marketing [8].

Product usually includes the development of products, production cycle, brand characteristics, etc. The product is the basis for a company's strategy of price, place and promotion. Therefore, the detailed analysis of the product needs to be shown first [7].

### 2.1. Innovative Game Style

Honkai Star Rail combines open-world with turn-based battles, which definitely sounds new to players. There are few open-world games in mobile terminal, because the large game world would be huge and need powerful hardware. Although both Genshin Impact and Honkai Star Rail take up a lot of memory, they would be the only two games in the mobile terminal with an open world, which can be a unique selling point for them.

### 2.2. Various Product Terminals

Honkai Star Rail supports all kinds of devices. and Android and Apple (ios) devices share one game account. Usually, games are either PC or mobile terminal. Though some games will develop other

channels after the game has already made a good profit, they do not have both of the channels when it is released. Honkai Star Rail is an exception. It can be played on all PCs, mobile terminals and gamepads when it is released. In addition, there is a slight difference in game experience when using different devices, such as PCs have higher resolution. Moreover, Android and Apple (ios) share one game account. This means that players who have both Android and Apple devices can play the game on either device, which is convenient for them. In another setting, a player might change his Android phone to an Apple phone. If Android and Apple are independent accounts, he has to start over or give up playing the game. From this example, it can be realized that this strategy helps to retain players.

### **2.3. Design to Enhance the User Experience**

#### **2.3.1. Immersion**

Plots in missions have better immersion compared to the previous works of Mihoyo. Because it is a role-playing game, immersion is one of the most significant factors that influence how people think about the plots. From Honkai Impact Three, an earlier work of Mihoyo, to Genshin Impact, and then to Honkai Star Rail, immersion is becoming stronger and stronger. This means Mihoyo knows it is crucial to let players enjoy the feeling of being a protagonist in the story. The essence of increasing immersion is increasing interaction between players and the game. For instance, there is a fountain in the city center. When you walk your character near the fountain, you can choose to count how much money there is in the fountain, toss a coin and make a wish, and fish the treasure out of the fountain. For each choice, furthermore, there are new decisions that you can make. If you click on count the coins in the fountain, you can decide to persist in counting one by one, or try to use the principles of computer graphics. It is nothing special, but just imagine how interesting it would be to find out the fountain is not only a decoration but one similar to real life.

#### **2.3.2. Excellent Music and Art Design**

Mihoyo has an ordinary music and art team that continuously produces amazing works. HOYO-MIX is a musical team in Mihoyo, it has been producing wonderful music for Mihoyo games since 2011. Although Mihoyo was only one of the countless small and ordinary game companies at the time, it was willing to spend money on producing original music. The leader of HOYO-MIX Cai Jin Han thought only when the music is good, it is possible for the game to succeed. His another viewpoint is music can reinforce the interaction and relationship between games and players by refreshing and strengthening players' memory of the game [9]. Besides, their art team has developed some new technologies that can be used in game designing, such as PostFX, AnimeFX, and so on. The overall efficacy, design and 3D graphic rendering technic are all in the leading position of China's mobile game market [10].

#### **2.3.3. Application of Slangs**

Honkai Star Rail frequently uses slang that is popular on Tictok or other platforms and applications for shooting videos. This can attract people who belong to Z-generation, since young people surf the internet daily and are familiar with slangs. Some of them are being continually used in shot videos or other kinds of entertainment online, while others are outdated but known by almost everyone. In fact, this strategy not only makes players laugh when doing the missions but also can increase the sense of immersion and contribute to remembering the plots.

### **3. Price Strategy**

Price strategy can be defined as the method by which companies study how to reasonably price the specific products they develop and how to follow market changes for price adjustments. Price is the only factor in the 4Ps that is directly related to profits, so a reasonable price would be necessary if an enterprise wants to succeed.

Honkai Star Rail is free to play, but players need to pay to roll to get a character or weapon. The game PROPS used for rolling can be earned by playing the game, but many players want more characters or weapons and they are willing to top-up for them. Therefore, the basic way Honkai Star Rail earns money is players top-up for rolling. The price for rolling is the same as Genshin Impact, with \$99.99 being the largest amount a player can top-up a time. Furthermore, when a player top-up for the first time, he is able to get twice the amount he pays for. This is a common strategy for mobile games in China, and many Tencent games and Netease games have used this method to encourage players top-up.

Another way to top-up is to buy some PROPS that will end in a month or more days. A common feature for this kind of PROPS is the sum of rewards for the whole period will be worth much more than the direct top-up mentioned in the previous paragraph, but players have to log in the game and complete missions every day to achieve the rewards. Additionally, the price for buying PROPS is also the same as Genshin Impact. Mihoyo uses a simple pricing strategy to keep the price in line with its competitors.

### **4. Promotion Strategy**

Promotion is a marketing activity conducted by a company in order to make their product information known to their target customer group. Mihoyo uses many different promotion methods, including online and on-site campaigns, with campaigns almost everywhere in the world.

#### **4.1. Online Activities**

##### **4.1.1. Official Account**

Honkai Star Rail has an official account on all social media commonly used by people. In order to be convenient for players from everywhere in the globe, there are Chinese, English, Japanese and Korean accounts. These official accounts usually post updates. Players can discuss the news released or join a lottery by following the official account and forwarding the updates.

##### **4.1.2. Stickers**

Honkai Star Rail is updating stickers that can be used in chatting with friends in the game, WeChat, and QQ. All the stickers are free to use, and the custom of updating stickers started in Honkai Impact third. Players who unconsciously use the stickers to chat with people who are not players of Honkai Star Rail are actually doing promotions for the game.

##### **4.1.3. Encourage the Creation of Followers**

Honkai Star Rail has an official long-run activity to encourage followers to create. Players can submit drawings on a given topic. The official team will give awards, which include cash and anime peripherals to the best works. By using this method, Honkai Star Rail has lots of drawings on each social media.

#### **4.1.4. Phone Calls**

Honkai Star Rail will make phone calls to players, playing recorded characters talking, so players will feel like the characters in the game is calling them. This is an innovative way of promotion, which enhances the interaction between players and characters in the game. Most players enjoy the phone call and would be a little upset if they didn't receive the phone call.

### **4.2. On-site Activities**

#### **4.2.1. Cross-border Corporations**

Honkai Star Rail did many cross-border corporations around the globe. In China mainland, there is a cross-border corporation from the 25th of April, 2023 (the day before release) to the 5th of May with the Shanghai Astronomy Museum. There is an official announcement of a corporation with KFC, which will start on the 22nd of September. In Japan; Taiwan, China; and Hong Kong, China, there is a corporation between Honkai Star Rail and a milk tea shop. In addition to this, Honkai Star Rail has corporate with some social media applications, which is a step forward for advertising.

#### **4.2.2. Comic-con**

Honkai Star Rail attends ChinaJoy 2023 and Bilibili World in July 2023. The exhibition stand is of great spectacularity. Crafts made by players and new anime peripheral models are displayed in the showcase. On the 1st of July, 2022, Honkai Star Rail attended Anime Expo in Los Angeles. Also in 2022, Honkai Star Rail took part in BGS in São Paulo, Brazil, which means it begins promoting even when it doesn't have an idea of when will the game be released.

#### **4.2.3. Checkpoint Activity**

In 9 cities in China, including Shanghai, Beijing, Hangzhou, and so on, there is an on-site electronic advertising screen checkpoint activity. During the on-site activity, Dan Heng • Imbibitor Lunae, a new character in Honkai Star Rail will be shown on an electronic advertising screen. Players can reach the check point and take photos with them and join a lottery online. Also, there is always a large crowd of players around the screens, one can easily make friends with the same hobby there.

### **5. Place Strategy**

In marketing, a place is a sales pipeline used to achieve the purpose of selling a product, including all the channels through which products can flow from the company to the customer.

Honkai Star Rail can be downloaded nearly everywhere. It is easy for anyone who wants to try the game using a computer to search on the internet for its official website, and download it in Baidu game and epicgames. Also, for players using phones or pads, Honkai Star Rail can be downloaded from any brand's app store, or Google Play. Moreover, there are links leading to the download page from every advertisement on social media.

### **6. Conclusion**

This paper uses the 4Ps theory to analyze the marketing strategies of Honkai Star Rail. In the product part, Mihoyo spent large amounts of money on music and art. Moreover, Mihoyo made the game convenient to download and play for people having a variety of devices. To promote Honkai Star Rail, Mihoyo takes part in all kinds of on-site activities and cross-border corporations before and after release. At the same time, it tries some creative ideas such as phone players. When choosing a pricing

strategy, Mihoyo's choice is to stand in line with competitors as well as use a similar system with Genshin Impact, which already makes a satisfying profit. In all, it is noteworthy that Mihoyo did many promotions and improved some designs in order to build and strengthen the interaction between players and the game.

However, the research has some flaws. Firstly, little data can be found regarding the effects of each promotion method, and thus it is difficult for new companies to decide which method to imitate when having a tight budget. Secondly, many promotion methods used by Mihoyo are related to fan economy, but due to limitations on space, this theme has been left out.

In the future study, the author will focus on the new promotion tools of Mihoyo. Some questionnaires will be designed to investigate how people look upon these strategies and how the strategies influence people's behavior. What's more, the data can be used to analyze the change in consumer loyalty before and after each promotion method, which will help to discover the relationship of fan economy with Mihoyo games.

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