

CHAPTER I INTRODUCTION

1.1 Research Background

Long time ago people are bored to play local multiplayer, just with friends or family around them. Now the games have developed a lot, we can connect with people all around the world with helps by the internet, we can meet random people there, communication and make a new friends there. Online game is an entertainment platform in this modern era by using internet connection to connecting people in their server. By the support of the technologies nowadays, people can easily access and play together with the friend all over the world, whenever you are. Even now, game is one of the categories of sport that have a regular competition, and in Southeast Asian is one of categorized in Sea-games.

Online game enthusiasts involve various age groups, including children to teenagers. Online gaming appeals to many people because it offers a unique interactive and social experience. Children and teenagers in particular tend to enjoy online games as entertainment. Online games provide interactive entertainment that allows players to be directly involved in the game's story or challenges. This can increase engagement and satisfaction levels.

According to Sladek and Grabinger (2014) Those born between 1997 and 2012 is called Gen Z, the marketers and professionals make more attention for them The oldest generation of gen z will turned 27 years old this year and for the youngest is 12 years old on 2024. Members of Gen Z are society's through "digital natives." Our Parent Survey revealed that 50% of Gen Z has their own tablet and 33% have their own smartphone. A Wikia study found that all of Gen Z (100%) is connected online for 1+ hours per day, but 46% are connected 10+ hours per day (Sladek & Grabinger., 2014).

Table 1 Number of Gen-Z Population in Padang 2023

Group Age	Number of Gen-Z Padang City Population According to Age Group in Padang City (Person) in 2022		
	Male	Female	Total
10-14	37.135	35.044	72.179
15-19	37.245	34.624	71.869
20-24	39.163	37.041	76.204
25-29	41.320	40.012	81.332
Total	154.863	146.721	301.584

Source: Badan Pusat Statistik (BPS) Sumatera Barat

Based on the data shown in the table, it can be conclude that in total of Gen-Z age is 154.863 people for the male, 146.721 people for the female, and in total there are 301.584 people in Padang. As the biggest number of the player of Mobile Legend, Gen-Z is very important for the game developer, Gen-Z represents a substantial portion of the population, making them a significant and potentially lucrative market for game developers.

The business models of (mobile) games are generally categorized into three types; download purchase models, subscription model and a freemium model. The freemium model is also often called Free-to-play (F2P) and features in-app and virtual item purchases. Recently many mobile game utilize this model, users are offered the game for free to play, but after certain progress and engagement with the game they are enticed to pay for continuing the game or for purchasing (M. J. Koeder et al., 2017).

Since most people are have smartphone now, the gaming platform in mobile and has the largest player base of any gaming platform ever created. Because mobile phone really easy to bring anywhere, they can play anywhere and anytime they want as long as they have an internet connection. This has also inspired game

developers to produce a wide range of titles, from straightforward puzzle games to intricate multiplayer experiences, guaranteeing that the mobile gaming market has something to offer everyone.

In the last few years, electronic sports, or eSports, have drawn a lot of attention (Macey et al., 2022). The e-sport make increase the popularity of the games, because of the tournament will be play on the arena like a usual, people will be pay for entering the arena and see in real time, beside that the e-sport will be launch on application streaming platform like Youtube, Tiktok, Twitch, etc. This strategy can make increasing in the game popularity.

There are many games that we can download on our smartphone, the download platform in the phone we can say there are Appstore for IOS operation system and PlayStore for Android operation system. For example, Mobile Legend on both App Store and PlayStore, the game is on Top 3 Best FreeAps. Which means that people can download it easily without pay anything to play this game.

Mobile Legend Bang-Bang was released in Indonesia on 14th July 2016. The Mobile Legend game genre is specifically designed for smartphone users, and it includes a virtual pad that guides players through the game's assault and defence of bases by two opposing teams. There are three lines in this game: the top, centre, and bottom. Five players each make up a team that consists of one hero and a tiny army that they use to take out henchmen and opponents.

Table 2 Game Rating in App Store 2023

1	8 Ball Pool
2	Fruit Zombil Defense Shooting
3	Mobile Legends: Bang Bang
4	Project Makeover
5	Subway Surfers
6	Egg Party
7	Magic Tiles 3: Piano Game

Source: App Store (December 2023)

Table 3 Game Rating in Playstore 2023

1	8 Ball Pool
2	Egg Party
3	Mobile Legends: Bang Bang
4	Sakura School Simulator
5	Block Blast : Puzzle Games
6	Football League 2023
7	Buss Simulator Indonesia

Source: Play Store (December 2023)

Despite being the industry leader in the Free Games genre on mobile devices, Mobile Legends Bang Bang faces fierce competition from titles in a variety of genres that are also topping the free gaming rankings. Due to their distinctive gameplay experiences and frequent updates, games like Garena Free Fire, PUBG Mobile, Call of Duty: Mobile, Among Us, Roblox, and Genshin Impact draw sizable player bases and provide gamers with a plethora of options within the free gaming industry.

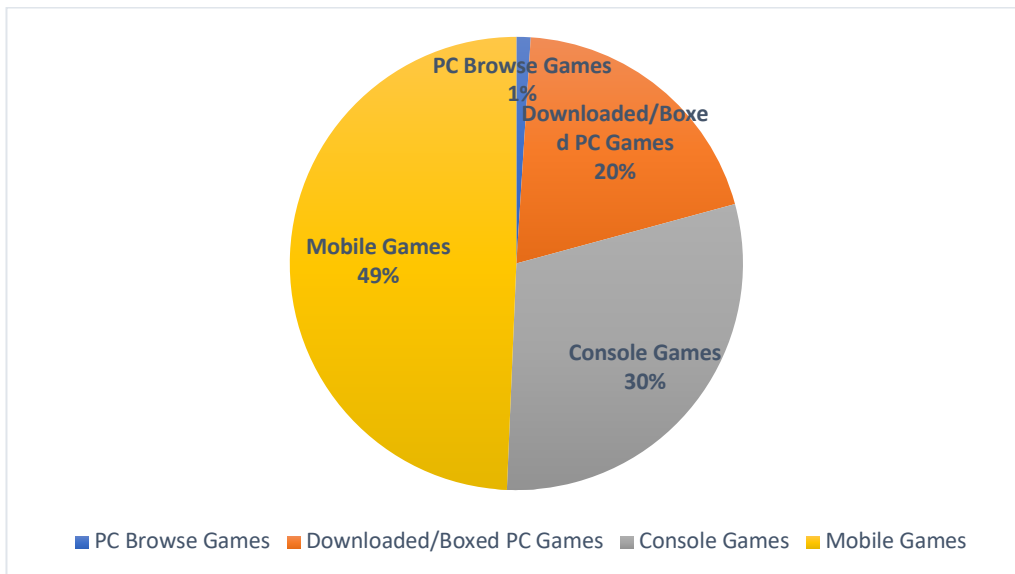
While many mobile apps are free to download, there are has a game that have revenue of the game is from in-app purchases called “freemium” business model, this model are often an important source of revenue. In the world of business, the

term "freemium" is being used to describe a business strategy that combines two or more goods or services, a complimentary item is given away for free and there are also sold at a positive price in this combination. users would be able to buy in-app items to satisfy their own motivation or perform well in attractive mobile games (Cheung et al., 2015)

Game developers create several ways for players to obtain free in-app purchasable stuff during gaming in game designs in order to generate continuous gameplay. According to Ferrara (2012), game developers create content that gives players a sense of accomplishment and motivates them to keep playing. Events like battles or daily log-ins that award winners with uncommon prizes or free in-app purchases in free-to-play games are frequently held within apps. As a result, players that stay up to date on the most recent game announcements have a greater chance of learning about these events and can earn free things by taking part in them.

In online markets, distinct product offers growth strategy, customer retention, and user acquisition are all essential components of successful freemium company models (Tavman, E., 2022) The freemium model depends on a big user base to generate growth, which is an indirect way for the company to expand. The business can reach more people, including those who aren't ready to pay for the premium features quite yet, by providing a free version. The free users can't be turned into paying customers unless there are effective measures in place. To entice consumers to upgrade, this can take the form of personalized offers, limited-time promotions, or targeted marketing.

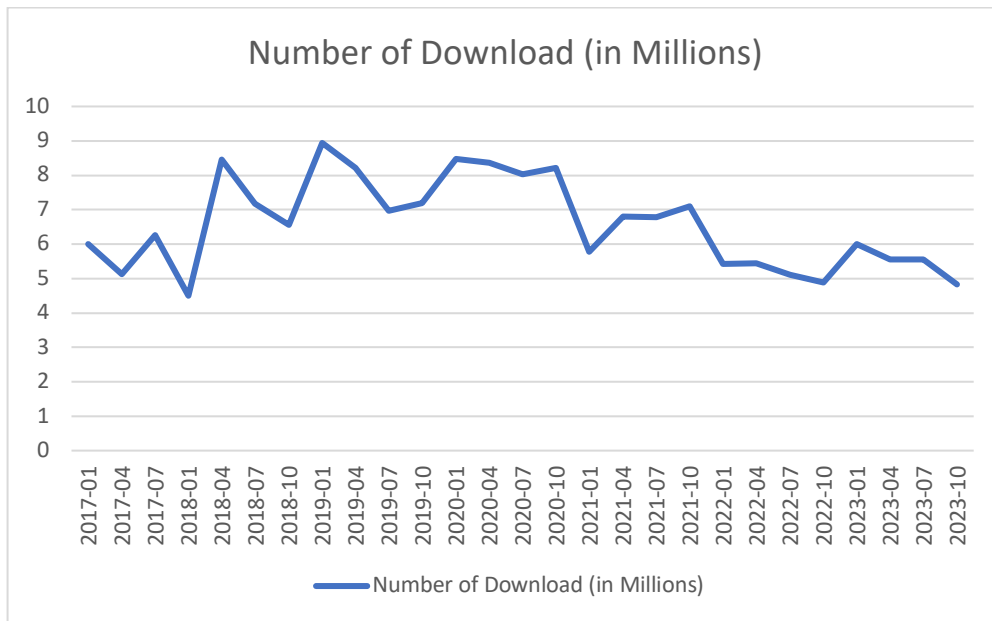
In the Global Game Market 2023 report, Newzoo states that the mobile gaming industry has generated a revenue of \$92.6 billion. The mobile gaming industry had substantial growth and was projected to sustain its expansion in the future. The income data you presented are consistent with this pattern, as mobile gaming has emerged as a significant sector within the broader gaming business.



Source: Newzoo 2023
Figure 1 Global Games Market 2023

By the data from Newzoo (2023) there are 49% in global games market that choose to play mobile games rather than downloaded pc games, console games, and pc browse games. Due in large part to the increasing use of smartphones and tablets, mobile gaming has grown rapidly in recent years. A lot of mobile games use a free-to-play or freemium business model, in which users can download extra content, virtual goods, or in-game cash in addition to the free basic game. This strategy makes it easier for users to try out new games without having to pay for them up front.

Although Mobile legends is a free games on mobile, they are has in-App purchase for the diamond to buy character, diamond, effect, etc. Buying the new skin will make different sensation while playing the game, Purchasing new skins or cosmetic items can enhance the overall gaming experience. It adds an element of novelty and excitement, providing players with a visual change that can make the game more enjoyable. In other hand, In-App purchase can help the developer provide a steady source of income for game developers. This revenue can be used to fund ongoing updates, improvements, and the maintenance of servers, ensuring the longevity of the game.

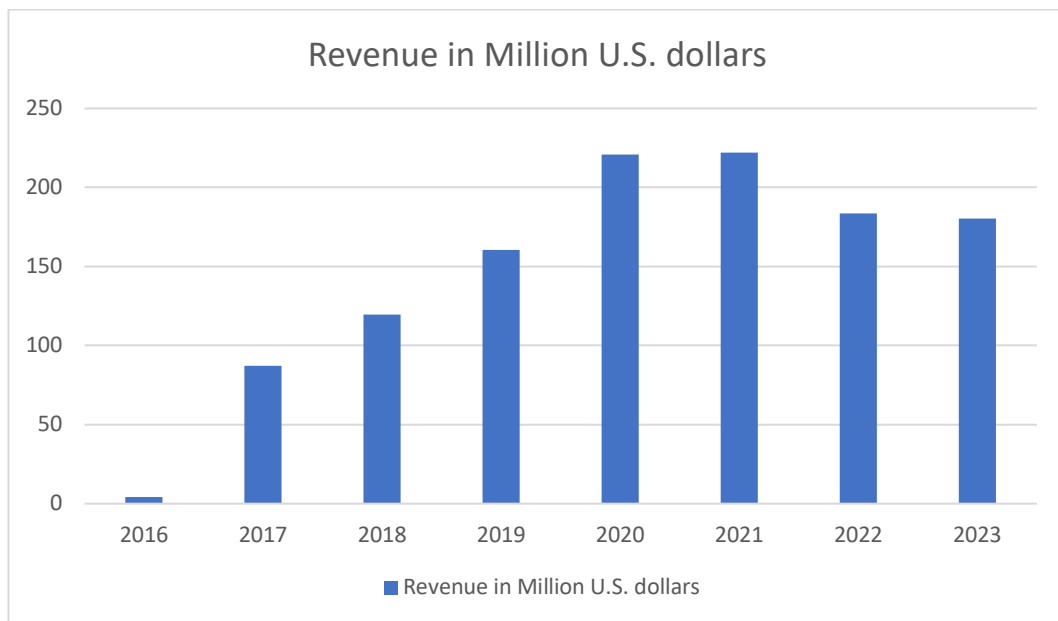


Source: Statista 2023

Figure 2 Total of Mobile Legend Download 2016-2023

Released in July 2016, Mobile Legends: Bang Bang (MLBB) is a mobile MOBA (multiplayer online battle arena) gaming title which was developed and published by Moonton. This game is very popular in Southeast Asia, where it produced 5.58 million app downloads in July 2023, for a total of nearly 550 million lifetime app downloads for MLBB. The game's popularity can be attributed to factors such as its engaging gameplay, regular updates, and the thriving esports scene associated with it.

The top year of download this game is on July 2020, this exactly when the corona hit the world issue, where is everybody is stay at home to avoid the effect of the virus. Boredom is a negative and unpleasant feeling that indicates a lack of involvement with one's surroundings in the desired way, even while one has the intention to do so (Danckert and Merrifield, 2016). Because of that people turn into Mobile Games to solved the feeling of lonely to meet a friend in online which is online game.



Source: Statista 2023

Figure 3 Total Revenue of Mobile Legend 2016 - 2023

Up till August 2023, the game's in-app purchase earnings reached a maximum of 104.76 million US dollars. That's a substantial sum of money made through in-app purchases, which suggests that the game is highly engaging and profitable. Many online and mobile games use in-app purchases as a regular source of income, enabling users to purchase virtual products, upgrades, or other premium content directly from within the game. The increasing of player of the game will make the total of income of the company will increase also because of the increasing of number that will pay to the game.

There are two categories of people who play games: those that play for entertainment just and do not become addicted, and those who view games as a requirement or addiction, which is commonly referred to as a gaming problem (Syahran, 2015) Some people may acquire problematic gaming habits. This can evolve to addiction, in which gaming begins to be un-responsibilities in employment, education, relationships, and self-care. This type of behaviour can have a detrimental impact on many elements of a person's life and may be a sign of a gaming problem.

The World Health Organisation (WHO) defines gaming disorder as a mental health condition characterised by impaired control over gaming, increased priority given to gaming over other activities, and continued or escalation of gaming despite negative consequences. This acknowledgement emphasises the potential for gaming to become a significant concern for some people.

When someone decides to play a game, they may feel compelled to spend money in order to reach a higher level of difficulty or length of play. Some people may believe that by having better equipment or skills, they might become more confident and achieve higher levels of success in their chosen field.

This can lead to a competitive environment among players, particularly in competitive sports. Some game elements, such as microtransactions and item purchases, might provide players with the opportunity to improve their character's abilities or obtain virtual items that they desire for a little fee.

The collaboration between 2 brand that is called Brand Collaboration is being trend nowadays. People can remake clothes, property, into animations now (Joy et al., 2022), by the technologies everything is possible to make a business from there as long as a deal between them. For example, Pokemon Go with Watch brand called Seiko, PUBG Mobile with fast food brand called KFC (Kentucky Fried Chicken) and Mobile Legends with Japanese Cartoon called Jujutsu Kaisen.

Jujutsu Kaisen is a Japanese manga series written and illustrated by Gege Akutami. This manga was first published in Shueisha's Weekly Shōnen Jump in March 2018 and has since been collected into two volumes every January 2024. 'Jujutsu Kaisen' is winning the "Most In-Demand TV Show in the World of 2023" and "Most In-Demand Anime Series of 2023" at the 6th Annual Global Demand Awards (Parrots Analytics, 2023)

To get premium skins from Mobile Legend x Jujutsu Kaisen at the event, a system called gacha is implemented. In general, gacha or gachapon are terms used for toy machines in Japan. This machine provides various product items randomly, in which we don't know what item we will get.

The Mobile Legend x Jujutsu Kaisen event has 4 collaboration skins, namely the heroes is Yin, Julian, Melissa and Xavier. In one gacha you need 450 diamonds, while that may not necessarily be possible, to get 1 Jujutsu Kaisen skin for sure, players have to spend at least 10 gacha rounds, totaling 3600 diamonds. Meanwhile, to get 4 collaboration skins for sure, that is 40 gacha rounds with a total of 14,400 diamonds. If you exchange 5000 Mobile Legend diamonds for Rp. 1,499,000 So to get the 4 mobile legend skins you need Rp. 6,000,000.

This Collaboration between 2 brand is only can purchase while the event (limited) in the Mobile Legend game, this make the items looks premium and exclusive. Usually the event only took 1 month, so everyone who interested to buy the items only can do it while that period. Collaborations use fads to create a feeling of uniqueness (Kapferer and Bastien, 2017). Because each brand works in a distinct market, co-branding has an advantage. The merged brands increase brand equity and reach a wider audience and the implicit guarantee that a luxury brand will only exist once makes collaborations with unusual partners can make hype.

Electronic word-of-mouth, or e-WOM, has replaced conventional word-of-mouth (WOM) with online communication (Kapoor et al., 2018). As such, consumers and brands participate in cooperative processes of information sharing and knowledge exchange about products (Merz et al., 2018). The information that they change in the internet is use by the company to increase of the popularity of the events.

Influencer is the people in social media that have a lot of followers that can influence their followers habits. They are using the trend to become their content in digital platform, such as Youtube, Tiktok, Instagram, etc. The influencer usually do the content riview, at the video they are explain to their watcher of the video to

know specifically what is the product about. While promoting products to their followers and working with brands, influencers require insights to increase their persuasiveness. So that the watcher of the video can utilise the influencer is for their research to know how is the product is and for their reference to know how is the product, is it worth to buy or not.

For companies, this is a very profitable thing, they are helped in their promotions to get people's attention to see the product, be interested in installing, become interested in the game to download it again, and to buy the product. Therefore, marketing using digital really needs to be paid attention to by companies and society to connect them with each other.

According to Kotler dan Keller (2021), Purchase intention is a purchasing decision process, where consumers form preferences between certain brands and can also form an interest in buying a brand they like. Companies use advertising, branding, promotions, and other techniques to create positive associations with their products and encourage consumers to choose their brand during the decision-making process. Understanding and measuring purchase intention is crucial for businesses to adapt their marketing strategies and enhance the overall customer experience.



1.2 Research Question

1. How does Brand Collaboration effect on GEN-Z's purchase intention toward premium Mobile Legend Bang Bang Game?
2. How does Electronic Word of Mouth effect on GEN-Z's purchase intention toward premiumMka Mobile Legend Bang Bang Game?
3. How does the Price effect on GEN-Z's purchase intention toward premium Mobile Legend Bang Bang Game?

1.3 Research Objective

1. To analyse the effect of Brand Collaboration on Gen-Z purchase intention on premium Mobile Legend Bang
2. To analyse the effect of Electronic Word of Mouth on GEN-Z's purchase intention on premium Mobile Legend Bang Bang
3. To analyse the effect of Price on GEN-Z's purchase intention on premium Mobile Legend Bang Bang

1.4 Contribution of The Research

1. For Researcher
Increase knowledge as reference material and add library science treasure
2. For Game Developer
To providing scientific information to game developer to Research and Developer analyse more how is the condition of their market to keep develop in the future

1.5 Scope of The Research

1. Theoretical Scope
Based on the background, The researcher scope the research into The Effect of Brand Collaboration, Electronic Word of Mouth and Collaboration Branding on Gen-Z's In-App Purchase Intention On Game Online
2. Conceptual Scope
The conceptual scope of this research will be focused on Gen Z in Padang city who have intention to purchase in Mobile Legend Bang Bang game.