

## Literature Review

### Introduction

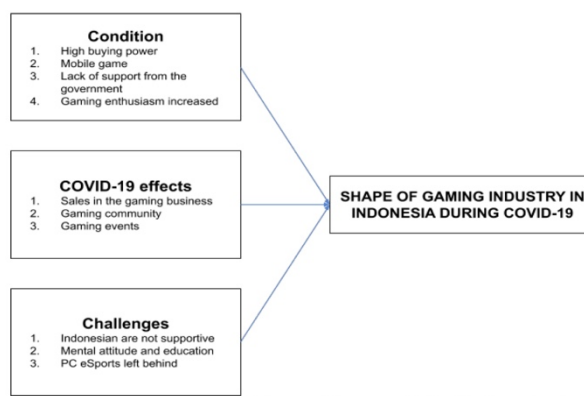
Nowadays, we cannot deny that gaming is one part of our lives, especially in teenagers where many of them spend most of their free time on playing online and offline games via various platform. In bigger picture, gaming industry has grown up rapidly since decades. Therefore, I have interested in this potential industry that I'm not only passionate myself but also gaming industry become one of the world largest key economic driven in many countries. The paper that I've read is "How does Covid-19 pandemic shape gaming industry in Indonesia" (2020) by Nyoma Adi Sanjaya. This paper aims to analyze the picture of gaming industry before – after Covid-19 pandemic in Indonesia. During Covid-19 many industries are facing downturn growth while gaming industry has a upside trend during this pandemic. This paper will illustrate the situation of gaming industry in many aspects such as Condition (Factor conditions, Demand conditions), Covid-19 effects, Challenges of gaming industry, context for strategy and related and supporting industries that can inform me to develop this topic into my final paper.

### Methodology

The paper "How does Covid-19 pandemic shape gaming industry in Indonesia" (2020) by Nyoma Adi Sanjaya use qualitative data by interviewing three famous persons from each gaming sectors such as gaming business, community, and competition. The question asked in the interview are related to the objective of the study focusing on the impact of Covid-19 in gaming sectors. Moreover, the researcher asked a general question to all three of interviewees such as 1) What do you know about Indonesia' gaming industry overall 2) What do you think about the current gaming situation in Indonesia? 3) Illustrate the gaming industry before-after Covid-19, how does pandemic affect gaming sectors and some more questions about the general overview of the impact of Covid-19 on gaming industry. The interview data is collected and combine with secondary data collected from the article and documentaries. Then analyze the data using Thematic Analysis (Mortensen, 2020) by transform the qualitative data into the initial code and searching for similar themes. Then define and naming the themes and group the qualitative data into each theme and present using competitive framework.

### Theoretical Model

The interviewees answer in the same direction that the gaming industry in Indonesia is growing rapidly and tends to grow steadily in quality term especially mobile games. Theoretical Model suggest that there are three main factors that describe the behavior of gaming industry before and after Covid-19 outbreaks which are 1) current state of gaming industry 2) The effect of Covid-19 on customer behavior and lastly the challenges that pulling Indonesia' gaming industry from growth



This theoretical model represents that relationship between interviewees themes from qualitative analysis results.

### **Result & Findings**

From the theoretical model from qualitative data collected by researcher, we can see several key factors of gaming industry. From the interviewed, Indonesian have a high purchasing power when it comes to buying in-game equipment as one of the interviewees stated that “It’s quite surprising how high is Indonesian purchasing power on gaming related items.” Furthermore, the data stated that mobile games are booming in Indonesia while PC and console has dropped and seems to be left behind because the cost of mobile games is lower than PC and console as many people in Indonesia cannot afford console or PC. The problem indicates in the interview is the Lack of the government support. Indonesia e-sports competition and Indonesian e-sports teams never gets any financial support from government but supported by sponsor. Furthermore, government should’ve support e-sport player more and should provide financial support on gaming facilities as well. Interviewer also stated that during Covid-19 outbreaks, the gaming enthusiasm has increased significantly due to the social-distancing policy. The gaming sales, number of gaming community members and online gaming stream has increased dramatically. This represents the potential sales growth of gaming industry; however, the sales slightly drop after the government stop using lock-down policy. There are several challenges that pull-back gaming industry in Indonesia. For instance, the attitude toward gamer in Indonesia is still not supportive. Indonesian people still not supportive toward game developer and e-sport player. Moreover, the other key factor is the intellectual right because most of Indonesian download illegal games online instead of supporting the game developer by purchasing. Lastly, the limitation that limits gamer to purchase in-game items because local banks credit card only supports domestic transaction. This creates barrier forcing gamer to purchase from third party platform such as PayPal instead of buying it from the official stores.

### **Limitation**

There are several limitations in this research paper despite the researcher using qualitative data. In addition, this research information gathers from big companies in gaming industry, as a result this might create a bias in the answer. Because of the lack of access in local gaming business in Indonesia and small – medium and larger local firm should be including in this research to get more information from many aspects. Moreover, the further research could compare the data from the countries with similar gaming conditions such as ASEAN countries to distinguish the actual factors in gaming industry in Indonesia.