

CHAPTER II

Trending Virtual Items for Online Games and The Convenience of In-Game Transactions

This chapter describes the trends virtual items for online games in Indonesia. This chapter helps to understand the behavior of impulse buying among game players, highlighting the supporting data related to the purchase of online games virtual items.

2.1 The Nature of Gaming Content on YouTube

YouTube is a media sharing site, which is a type of social media that facilitates its users to share video and audio media. YouTube is one of the most popular video viewing platforms around the world. People use YouTube for various reasons, including viewing the latest news, looking for information, even for entertainment such as watching movies, listening to songs or watching various video tutorials. According to datareportal.com, there were 2.51 billion YouTube users in January 2023 and 139 million YouTube users were in Indonesia. YouTube is an open platform where YouTube provides four main freedoms: freedom of expression, freedom to get information, freedom to use opportunities, and freedom to have a place to work.

YouTube provides various video categories, one of which is gaming content. YouTube gaming is a video category on YouTube that provides a place for gamers to share various kinds of information about games, from traditional games to online games which are currently being loved by many people. A gaming YouTuber or game streamer is someone who records game play, then broadcasts it live via a live-streaming

platform on the internet. Videos that are shown live on YouTube can be directly uploaded to the gamer's YouTube channel to be watched by other people who cannot watch it live.

Petrova and Gross (2017) has done a new research which uncovers four key reasons people watch gaming content on YouTube, which are (1) For the community, to be part of something larger than oneself, (2) for the inclusion, inclusivity is particularly meaningful for female gamers who have found other women to connect with and learn from YouTube (3) For the fun of it, 73% of YouTube gamers say they enjoy watching others play games on YouTube just to escape reality for a while, gaming content on YouTube gives the watchers an experience of playing the games, (4) For the desire to improve which can elevate new skills.

2.2 How YouTube Affects the Markets of Gaming Industry

Reporting from Databoks (2020), YouTube Gaming is the most popular game streaming platform in Indonesia with a rate of 72%. Based on research conducted by Media Indonesia in 2021, entitled Survey: 87% of Indonesian Children Playing Social Media before 13 Years Old, it can be seen that YouTube is the most used social media by children under 13 years of age with a percentage rate of 97%.

Gamers have high purchasing power and appear to be more tech-savvy than non-gamers (Flores-Méndez et al., 2018). Gamers also defined to be highly influential listeners. The majority of YouTube channels with the most subscribers are indeed gaming-related. Gamers subscribe to gaming-related channels, watch video games' reviews and even engage

with videos by commenting, liking, subscribing or sharing on YouTube. Some enthusiastic gamers who can be called as gaming influencers, even create their own review and upload it in their YouTube channel to help other gamers and communicate with them. Increasing profits of video gaming industry indicate why gaming influencers also are increasing in numbers. Even though those reviews might be either created by a gamer or a firm such as a game developer firm and a digital marketing firm, video game reviews on YouTube might have a strong impact on game sales considering that gamers are tech-savvy and very likely spend more time on YouTube. The quality of gaming virtual products are difficult to observe in advance and consumers can examine the items quality only after consumption. Therefore, product reviews are crucial to signal quality of any experience products and they influence the success of experience goods. Recommendations from other users and professionals potentially have stronger impact on video games' sales compare to movie sales (Zhu & Zhang, 2010).

The topic of YouTube video reviews is a timely topic for the video gaming companies to understand the effects of YouTube video reviews for a success of a virtual items.

2.3 The Trends of Virtual items for Online Games among Elementary School Children and Their Peer Groups

The popularity of online games and virtual items are continuing to grow as technology advances and more people have access to high-speed internet and powerful gaming devices. By this said, it is also a trend

among elementary school children as gaming is a popular activity among children, with many games offering social interaction, competitive gameplay, and opportunities for virtual exploration and adventure.

Children talk to peers about games, face-to-face and online: they play online, and they source information about new games online (McAfee, 2012). While at school, the highest factor in influencing students is peers. Through interaction with peers, individuals get the opportunity to expand interaction and develop competencies and behavior patterns that are appropriate to the environment in which they are located.

As reported by Katadata.co.id, e-sports and game revenue in Indonesia is said to have reached US\$ 2.08 billion or around Rp. 30 trillion. According to DANA CEO Vincen Iswara, the trend of buying game vouchers at DANA has been positive. The average monthly active user continues to increase by 127.33% this year and a 103.95% increase in transactions.

Meanwhile, as reported by Liputan6.com, according to the Ministry of Tourism and Creative Economy (Kemenparekraf), the gaming industry is one of the industries that continues to grow during a pandemic. As an illustration, the game industry is reported to have contributed around IDR 24.88 trillion or around 2.19 percent to Indonesia's 2020 GDP, and is included in the 2021 national priority program which occupies the seventh position as the largest contributor to Indonesia's creative economy GDP.

The Indonesian Game Association (AGI) estimates that out of a total of 52.6 million Indonesians who are connected online, more than half

or around 34 million people play online games. And if calculated, the total shopping transactions for playing online games, the value reaches US \$ 1.1 billion according to the calculation of market value in 2018, and in 2030 the market value of online games is estimated to reach US \$ 4.3 billion and become the Top 5 Global.

The data of children consuming virtual items in Indonesia has yet to be properly addressed due to privacy concern regarding the under-age respondents.