

Vega School of Brand Leadership

Honours in Strategic Brand Communications 2015

Research Thesis:

Evaluating the brand equity of brands using the micro-transaction strategy in the video gaming industry through consumer perceptions.

Name: Travis Stephenson

Student Number: 11050079

Name: Travis Stephenson

Student Number: 11050079

Module: RMET8419

Assignment description: Research Thesis

Date of Submission: 12 June 2015

Declaration:

Plagiarism is using somebody else's work and pretending that it is your own.

1. I know that plagiarism is wrong.
2. I have not copied any sentence directly from somebody else's work, including any internet source or the work of another student.
3. I have not written about an idea (including data, methods, interpretations, conclusions, etc.) that I have read about without acknowledging the author of that idea.
4. This assignment is my own work and is written in my own words.
5. I have not allowed, and will not allow, anyone to copy my work.

Signature_____

Acknowledgements:

I would like to thank my supervisor, Naretha Pretorius and all my peers for their assistance and guidance in helping me accomplish this research.

Glossary of terms:

- **Core game** - This refers to the actual video game that has micro-transactions attached to it.
- **Free-to-play** - a model where the base video game is free, but there is often the presence of micro-transactions (Mackiewicz, 2013).
- **Freemium** - similar to pay-to-win but in some cases the advantage is not overly concerning to those that don't pay.
- **Micro-transactions** - involves digital items being sold for real money within a video game.
- **MMO** - a massively multiplayer online game, which is a video game that has to be played online with other people often in a competitive context.
- **Pay-to-win** - often a free-to-play model where the micro-transactions offer what is seen as an unfair advantage over those who do not wish to pay (Mackiewicz, 2013).
- **Player** - a person who plays video games regularly.

CONTENTS

Chapter 1: Introduction:	1
1.1 Field of specialisation:	1
1.2 Research problem and objectives:	3
1.3 Objectives:	4
1.4 Delimitation/demarcation of the field of study:	4
1.5 Hypothesis and assumptions:	5
Chapter 2: Literature Review:	6
2.1 Introduction:	6
2.2 Flow theory:	6
2.3 Business Models:	8
2.4 Value creation:	16
2.5 Brand equity:	16
2.6 Ethics in branding:	18
2.7 Conclusion:	19
Chapter 3: Research methodology:	20
3.1 Research Design:	20
3.2 Primary and secondary data:	21
3.3 Data collection method:	22
3.4 Questions:	23
3.5 Population and sampling:	24
3.6 Data analysis method:	25
3.7 Validity and reliability of the study:	25
3.8 Limitations:	26
3.9 Pilot Study:	27
Chapter 4: Data Analysis and Findings:	28

4.1 Interviews:.....	28
4.2 Focus Group:.....	33
Chapter 5: Conclusion:.....	36
5.1 Limitations:	39
Addendum A: Questions:	40
References:.....	41

Abstract:

The research looks at the customers perceptions of micro-transactions in video games. The literature looks at the idea behind micro-transactions through business models, value creation, brand equity and ethics in branding whilst being grounded in that of flow theory. The literature aids in guiding the research methodology, which comprises of qualitative interviews and a focus group. The resulting information is then analysed thematically and compared to a brand equity model to give the information more value with regards to the topic. The research is lastly concluded by highlighting the key points of information gained, as well as confirming the research questions and objectives have been answered and met.

Chapter 1: Introduction:

1.1 Field of specialisation:

Research title:

Evaluating the brand equity of brands using the micro-transaction strategy in the video gaming industry through consumer perceptions.

Introduction:

This topic bears relevance to my studies as it relates to brand building in terms of the way micro-transactions are used and their result on building brand equity (Cant and van Heerden, 2012). With regard to the social significance, it may help against exploitation of consumers in the video gaming market by making them aware of it, and making video gaming companies more aware of what their consumers think of their brand and strategic direction.

The purpose of this research is to understand the consumer perceptions of this recent trend of micro-transactions in the video gaming industry. Micro-transactions, in this context, are additions/expansions to a video game for an often low price. The perceptions are along the lines of viewing micro-transactions as a way of making consumers pay more for content that should have already been a part of the original offering, or seeing micro-transactions as a nice way of expanding on the original offering.

Consumers can perceive micro-transactions as a way of blocking access to the full content a video game has to offer, it blocks access by requiring the consumer to make further payments towards a game they may have already paid for (CNET, 2013). For example in the below image obtained from Zero1Gaming (2013) we can see that a person would have to buy in-game currency in order to continue playing their game:



People have already responded negatively to the introduction of micro-transactions, for example some games that are termed “free-to-play” have micro-transactions that are almost necessary to enjoy the game, this has caused many to play with the term and change it into “fee-to-play” or “pay-to-win” in cases where the game is multiplayer and offers micro-transactions that give those players that pay for the extras an unfair advantage over those that do not pay or in some cases cannot pay (CNET, 2013). It could even be seen as an exploitation of the consumer as they may pay extra just to be able to enjoy the game they have already paid for.

When looking on the positive perceptions, the companies offering micro-transactions say they are merely there as a shortcut to unlocking content for those who do not have the time to invest in unlocking it through hours of playing the game itself (USGAMER, 2013). Ideally micro-transactions are meant to expand on a completed video game, as in they are intended to be unnecessary for full enjoyment of the purchased product. Micro-transactions are, however, a form of business strategy and the consumer centricity of a company's offering can often be lost in exchange for getting more money from the consumer, the consumers who perceive micro-transactions in a negative light predict that more and more companies will turn into these kinds of companies, which is not in the best interest of all the consumers (USGAMER, 2013).

1.2 Research problem and objectives:

The issue is that the micro-transaction strategies (which are small payment options within a video game) used in video games may be perceived negatively as opposed to positively in relation to the brand. Negative perceptions can lead to the brand gaining a negative image, resulting in a loss of customers. Ultimately the research asks how the use of micro-transactions effect brand equity.

The research questions include:

- What are consumer perceptions of micro-transactions and are these perceptions associated with the video game, the brand or both?
- What changes should the brands make in their approach to micro-transactions in their brand building strategies, if any?

1.3 Objectives:

The first objective is to evaluate consumer perceptions of micro-transactions in the video gaming industry. By completing this objective guidance can be provided to brands in the video game industry and allow for them to implement strategies that take into consideration the resulting perceptions. This objective also aims to identify whether brand equity is improved or decreased through the implementation of micro-transactions.

The second objective is to evaluate the relationship between the perceptions and the brand that is offering the accompanying game, relating to brand association. This objective will allow brands to either distance themselves or bring closer relation based on the outcome of the first objective. This objective also aims to see how the brand may improve brand equity.

1.4 Delimitation/demarcation of the field of study:

The scope of the research is limited to the province of KwaZulu-Natal, with the accuracy of the generalisation being limited as well. The perceptions of the brands using the micro-transaction strategy are also not being researched. Other things that impede this study are time, money and accessibility of a larger sample (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014). Time in that it will take a while to get the required data from the respondents as the researcher would be gathering the data alone. Money is a limitation in terms of fuel costs to reach respondents and to access a larger portion and variation of respondents. Therefore limitations are a small sample size, and restricted research in terms of geography, as research would only be done in the Durban area.

1.5 Hypothesis and assumptions:

The hypothesis is that consumer perceptions of micro-transactions are mostly negative, and therefore impede brand equity. Assumptions are that customers will associate the micro-transaction strategy negatively with the brand that is implementing the strategy. Another assumption is that customers would like micro-transactions to change in terms of what is being offered, ideally to things that do not alter the game's functionality to a certain degree.

Chapter 2: Literature Review:

2.1 Introduction:

The consumer perceptions will be looked at with regard to the perceived value of micro-transactions implemented in video games. Micro-transactions in this context include the offering of additional content for a video game at a relatively low price. Various theories will be utilised to see how micro-transactions can be perceived with regards to their effect on brand equity. These theories include flow theory, business models, value creation, brand equity models and brand ethics. Brand positioning will also be reviewed. This is because the correlation between how the brand thinks micro-transactions should be perceived, and how consumers actually perceive them will provide grounds for the brand to make changes to micro-transactions.

2.2 Flow theory:

The literature review and study is grounded on the principles of flow theory (Csikszentmihalyi, 1996). Theory is defined as a speculative or conjectural view or idea that is well substantiated (freedictionary, n.d.). Flow theory, in essence, deals with the sense of immersion, whereby a person loses themselves in an activity as it is an enjoyable one, it also brings up obstacles to the immersion which are seen to interrupt it and therefore disrupt the person's flow. Csikszentmihalyi's (1996 p.110) flow theory speaks of the creative person, and in the context it can be considered that the author argues that businesses should be run by creative people. He defines the creative person as someone who does what they love, which is in line with flow theory. In relation to my topic this view can relate to the people behind the brands implementing the micro-transaction strategy as either being creative people or not. If they are creative then it is likely micro-transactions are perceived positively, if not then the opposite may hold true. Csikszentmihalyi (1996

p.111-113) also makes mention of distractions which interrupt flow, and that to recover from the distraction may take hours. Snyder and Lopez (2002 p.14) collaborated and agreed upon flow being a state in which a person is at full capacity in terms of involvement, they also agree with Csikszentmihalyi's (1996 p.110) view on flow being centered around focus and concentration, and micro-transactions can be seen to disrupt concentration and focus depending on the implementation. In the case of my research the flow would be the immersion created from the customer enjoying the video game, and the distraction may be the micro-transactions.

In Snyder and Lopez's (2002) Handbook of Positive Psychology flow is seen as the optimal experience, which is what brands should be aiming to provide their customers, my research aims to find out whether micro-transactions aid this or go against it.

Fang, Zhang and Chan (2013 p.456-470) deal with flow theory in the context of computer game play, which most directly relates to my research. They see computer games as an ideal way of studying flow as video games are intended to create immersion and bring about joy in their customers, which relates to the point made with Csikszentmihalyi (1996), where brands should have creative people behind them.

Smith (2005 p.223) applies the flow theory to learning, but also indicates that optimal flow comes about when the right level of skill and challenge is applied to the activities at hand. This relates to video games as well and it needs to be insured that micro-transactions do not diminish the challenge or skill required; on the other hand the game without micro-transaction purchases still needs to require the optimal amount of skill and challenge. Once again this can relate to

brands needing to be run by creative people who would want to create an offering they themselves would want (Csikszentmihalyi, 1996).

Essentially flow theory and video games proves to have a valid connection, through Fang, Zhang and Chan's (2013) research, and would require brands to have creative people in order to provide a video game that would induce the flow phenomenon (Csikszentmihalyi, 1996). For a video game to properly induce flow it needs to require the right amount of skill and provide a decent challenge to the customer, micro-transactions are seen to be a potential threat to this and therefore may cause negative perceptions of brands that implement these strategies (Smith, 2005).

2.3 Business Models:

Business models in this research refer to the various forms in which video games implement micro-transactions, for example some are attached to free games, others to games that require an initial purchase of the core game, or even to games that require a monthly subscription in order to play the video game.

This section of the literature review are sourced from Laurijsen (2013), Lin and Sun (2007), Mackiewicz (2013), and Osathanunkul (2014). Laurijsen (2013) speaks of player satisfaction in terms of the free-to-play model. Lin and Sun's (2007) approach is about the fairness of micro-transactions for the players. Mackiewicz (2013) deals with the strategy of micro-transactions, and how they accompany free-to-play games, he also discusses the implications the strategy has in terms of the consumer response and the psychology behind micro-transactions. Osathanunkul (2014) had identified two schemes that

included models which can be used with video games, these will be discussed later.

Micro-transactions in the video game industry are often seen as part of a strategy, and this strategy will often accompany games that are available for free, and all the player needs to do is download it. These free games are often online only games and are termed massively multiplayer online games (MMOs). Laurijsen (2013 p.3-4) recognises that there is a growing trend in video game companies to implement this strategy, and makes reference to the free-to-play model, which is a term for micro-transactions being used in a free game. Free-to-play MMO games can come from pay-to-play MMO games, which are games that charged monthly subscriptions that the player had to pay in order to play. This model is often temporary as players do not like the amount of money they have to invest in order to play one game. This results in the pay-to-play game transforming its model into a free-to-play game, often with a heavy focus on micro-transactions. Mackiewicz (2013 p.5) agrees with the trend of free-to-play games. Mackiewicz (2013 p.5) goes further by saying this is because the free-to-play model provides for small payments later on, after the player has invested some time into the game, this as opposed to buying the game in one lump sum. Mackiewicz (2013 p.5) also says that the free-to-play model may be seen as a way to exploit people by using the endowment effect. The endowment effect is value based, and claims that you feel that what you own is more valuable than what you do not own (Mackiewicz, 2013 p.5). This translates to the free-to-play model, as the more time the player spends playing the free game, the more they feel like they own it, and they will therefore be more willing to purchase content. The player would then feel as though the purchase is justified as no money was spent in getting the game.

Seeing that this is a strategy, and, in terms of business, strategies often aim to make profits, players may now fear that the focus of video game companies will

be on making money from the micro-transactions, which may cause the actual game to not be enjoyable, or not as enjoyable as it should be. Lin and Sun (2007 p.335) mention this by saying there may be a trend where the quality of free games seems to be decreasing as a whole. Laurijsen (2013 p.3-4), who views it from the company's perspective, recognises the revenue growth that micro-transactions in a free-to-play model bring, reinforcing the potential for video game companies to put their own greed over developing a quality game for consumers, Mackiewicz (2013 p.11) follows this with the video game only being of high quality if the player spends money on the micro-transactions. If players are subject to micro-transactions in this kind of free-to-play model it can be easy to see how negative perspectives of micro-transactions can occur.

If micro-transactions are mostly viewed as negative it will more than likely be because of the way in which the video game company has implemented them. This would bring about reasons for the players to direct their negativity towards them, which is what Lin and Sun (2007 p.336-337) say in terms of free players in the free-to-play model, directing their frustrations towards the video game company. Negative views can stem from a number of reasons, such as micro-transactions leading to the video game having a shorter play length, as mentioned by Laurijsen (2013 p.7). Mackiewicz (2013 p.9-10) has a similar standing in that the fear is that play length will be sacrificed in favour of gaining money due to the shift in focus towards micro-transactions, disrupting the immersion and therefore enjoyment of the game. Mackiewicz (2013 p.9-10) also provides for further sources of negative perceptions through the way micro-transactions are advertised, in that they can be invasive to the player while they are trying to enjoy the game. They may also try to influence impulse buys through specials and sales which they may constantly notify the player about. Mackiewicz (2013 p.6) also refers to ego depletion, which is a way of manipulating players by showing them something they would want, the micro-transactions, and getting them to perform monotonous tasks, being the free game. The player would

become bored of the game and see the micro-transactions as a way of making the game more exciting (Mackiewicz, 2013 p.6). While this may be a positive for the video game company, the players could feel tricked into thinking they were getting a quality game for free. They could then go on to realise it was only a way to make money from the micro-transactions, which could cause them to view micro-transactions negatively.

There is an argument involving the advantage that players who pay money for items in a free-to-play game may get. If this holds true then two perspectives are likely to arise, whereby the players that pay will see micro-transactions in a positive way, and those that don't will view microtransactions negatively. This brings about the need for classifying the different kinds of micro-transactions. Mackiewicz (2013 p.5) identifies two variations of micro-transactions for the mobile game applications market, known as in-app purchases (IAP), the first being where money is spent towards getting in game currency, or virtual currency. The virtual currency would give the player an advantage as they would be able to afford more than a free player would be able to in almost no time at all. The second variation Mackiewicz (2013 p.5) mentions is paying to skip timers, which is where an activity in the game may require a certain amount of time in order for progression to continue, player that pay can effectively skip this, while free players would endure the time, and have an interruption to their immersion. Laurijsen (2013 p.12) is less specific with varying types of micro-transactions and instead suggests that micro-transactions differ in terms of varying styles of video games. Examples include social games that differ to MMOs, where social games would normally have micro-transactions that result in cosmetic items, and MMOs with micro-transactions would offer more purchase types such as functional items, cosmetic items and virtual currency (Laurijsen, 2013 p.5).

Obtaining an advantage over other players through means of spending real world money can become a problem for players, especially in games with a competitive aspect. If a game has competitive elements and micro-transactions that give players advantages then there are bound to be negative views on the micro-transactions from purely free playing players. Mackiewicz (2013 p.10-11) makes reference to this and goes about saying that player skill is being replaced by money, however a study has shown that this doesn't always lead to a game having fewer players, for example Supercells game "Clash of Clans" still has an enormous player base despite offering gems (virtual currency) that effect players efficiency through purchase. Lin and Sun (2007 p.339) do mention players that just play for fun, and that they do not really have a stand on micro-transactions, Laurijsen (2013 p.12-15) said something similar, but it involved paying players and free players competing against each other where free players won and lost games as well as payed players winning and losing games. The resulting satisfaction in the game lying with those that won, and those who were dissatisfied werent dissatisfied because of the players having bought items but rather because they lost.

These points can all be brought down to fairness, where fairness is a great part of a competitive games enjoyment. Laurijsen (2013 p.7), who takes a psychological approach to fairness, says that people will feel it is unfair if a player would get a higher chance of getting something valuable just because they spent money. Furthermore, Laurijsen (2013 p.10) says that pride and achievement play a role in the perceptions of micro-transactions, in that a player may feel less pride for having bought an item, this goes along with the sense of achievement being less or not even there at all as they didn't work for their reward. Lin and Sun (2007 p.339) share that view, but have revealed that some players would be fine with players paying for a boost to speed things along for them in the game, as long as free players can be on equal ground if they put in enough time.

Of course video game companies can implement a micro-transaction strategy without the focus being on the micro-transactions, many players who recognise the negativity of micro-transactions often make suggestions on what they would prefer. Since it has been recognised that functional items offered through micro-transactions is possibly the core reason for player's negatively viewing them, suggestions to aim at mainly offering cosmetic items have been made, as mentioned by Lin and Sun (2007 p.341-342). This goes back to wanting the balance of paying players to be equal to players that play without spending. Laurijsen (2013 p.12) also suggested micro-transactions not include functional items, whereas Mackiewicz's (2013) approach was more about the psychological influence micro-transactions implement and did not undergo a direct study in terms of player response.

Micro-transactions can be seen positively as well. As mentioned earlier it can provide for a means of boosting a player's progression. Not all players have the free time to play the video game and reach its full offered features. They may have friends who had more free time and have progressed much further than them, the player may then pay for a boost and catch up to their friends and enjoy the game together (Lin and Sun, 2007 p.339). Laurijsen's (2013 p.6) view on the positives of micro-transactions is that they encourage the creation of free games, and that is a positive provided that the game is of quality and can be enjoyed without the need for purchases. Laurijsen (2013 p.7) also goes on to say that the video game company would want to make a game that their target market would actually want to put a lot of play time into, therefore encouraging quality games. Mackiewicz (2013 p.11-12) mentions both Lin and Sun's (2007) and Laurijsen's (2013) points and mentions the success of the free-to-play model, meaning that there are surely positive perceptions of micro-transactions, despite all three sources providing more information in terms of the negative perceptions of micro-transactions.

Although negatives seemed to be the most prominent of these sources, the few positives and studies undertaken revealed that a mostly positive perception of micro-transactions is possible and would provide for a direction for video game companies. More direct research is necessary as Mackiewicz's (2013) approach was more about how micro-transactions affect the player, Laurijsen's (2013) approach was focused on the free-to-play model and the satisfaction the free game offers the player, and Lin and Sun's (2007 p.339) approach was more geared towards the fairness aspect of the free-to-play model.

Osathanunkul (2014 p.39) dealt directly with business models in the video game industry. He identified a customer's accessibility scheme and a revenue model classification scheme. The customer's accessibility scheme considers the ability of the customer to access a significant portion of the game with or without paying. Two sub categories fall under this scheme, them being free-to-play and pay-to-play. Osathanunkul (2014 p.40) saw the free-to-play model as having further sub categories, these being shareware, freemium, freeware and open source. Shareware involves a trial version of the game being made available for free; this is meant as a means of getting the player to try before they buy (Osathanunkul, 2014 p.40). Freemium involves offering a free game that has advanced features as an option in exchange for forms of currency not some implementations of micro-transactions (Osathanunkul, 2014 p.40). Freeware is where the game is completely free and there is not additional payment options (Osathanunkul, 2014 p.40). Open source is like freeware but the user may edit and redistribute the product for free (Osathanunkul, 2014 p.40). Pay-to-play is defined as the business model where customers have to pay in order to access a fully functional product (Osathanunkul, 2014 p.39). This model is often paired with MMOs.

Osathanunkul (2014 p.41) saw micro-transactions as their own model and that it fell under the revenue model classification scheme. The revenue model classification scheme is described as considering what channels deliver value to the firms. Osathanunkul (2014 p.40-41) saw this scheme having the following sub categories: coin operated, retail, digital distribution, advertising, subscription, micro-transaction and player-to-player trading. The coin operated model involves the arcade approach to business, where the customer pays to initiate play, but may have to pay more in order to continue playing (Osathanunkul, 2014 p.40). The retail model is just selling physical copies of the video games (Osathanunkul, 2014 p.40-41). Digital distribution involves the same thing as retail except it is purely online. Advertising involves products being promoted while the player is interacting with the game; this can be through banners or in game billboards (Osathanunkul, 2014 p.41). Subscription was linked to MMOs before, and simply requires the player to pay continuously in order to play; this is often enticed through new content being provided without additional payment (Osathanunkul, 2014 p.41).

Osathanunkul (2014) associated micro-transactions with free-to-play games, where virtual goods and virtual currency are sold. This is where the issue of the multiplayer element is brought up. If the free-to-play game is multiplayer, the question as to whether the micro-transactions offered effect fairness needs to be answered. This is because the free game may then not be considered as truly being free for someone who wants to play for free and be on the same level as some who makes use of micro-transactions.

Business models therefore need to have a focus on value creation over profit. If the customer feels as if there is little value in a free-to-play game, it means their perceived value is low. Perceived value is a dimension of Aaker's (2009 p.17)

brand equity model, which then, in turn, means that brand equity would be lower because of the perceptions.

2.4 Value creation:

Mohammed, Fisher, Jaworski, and Cahill (2002) make use of our stages for customer experience development, beginning with functionality, then going to intimacy, then internalisation, and ending on evangelism. Eng (2008, p.1295) applies these stages to e-commerce, but it can translate to video games as well. The first stage involves the offering providing a basic function, so in the case of the video game industry it would be a finished video game that offers an objective that can be completed. The second stage involves the customer experience, where they are able to form associations and opinions. This is where the involvement of micro-transactions would influence perceptions. The third stage involves a form of customer loyalty being developed, where the customer will integrate the offering into their everyday life, such as them casually playing the video game now and then because they have invested interest. The final stage involves full customer loyalty being established, and the customer openly spreads good word-of-mouth about the product and or brand. This is where micro-transactions can be seen to influence brand equity. The stages relate to the notion of perceived customer value, brand associations and brand loyalty, which all fall under Aaker's (2009 p.1) brand equity model.

2.5 Brand equity:

Stahl, Heitmann, Lehmann and Neslin (2012 p.45-46) wrote about the importance of customer lifetime value with regards to brand equity. Customer lifetime value is the present values of the future cash flows attributed to the customer relationship.

The issue here is whether micro-transactions can ultimately improve brand equity through means of improved customer relationships. If the brand offers a quality video game and the micro-transactions only see fit to enhance the quality, then customers would be happy about the purchases and may associate positive perceptions with the brand.

Keller and Lehmann's (2003 p.28-29) brand value chain deals with customer mind-set measures with regards to five dimensions. These dimensions are brand awareness, brand associations, brand attitude, brand attachment and brand activity. Brand awareness and brand associations are seen as what brand knowledge is comprised of, micro-transactions would be a part of brand knowledge and provide for some brand associations. Huang and Sarigollu (2014, p.785) say that brand knowledge leads into the next three dimensions of customer mind-set measures, and say these three dimensions contribute to brand reactions, which would influence the brand equity. Micro-transactions would be more linked with the dimensions of brand associations, brand attitude and brand attachment. This is because the research at hand deals with the associations micro-transactions bring, and the resulting attitude towards brands that implement micro-transactions. Brand attachment deals with customer loyalty, and whether micro-transactions create or break loyalties.

Two of the dimensions of Keller and Lehmann's (2003 p.28-29) brand value chain are directly linked to Aaker's (2009 p.1) brand equity model, these are the brand awareness and brand associations dimensions. There is also an indirect link between the models with regards to brand loyalty. Aaker's (2009 p.1) brand equity model has four dimensions that lead into brand equity. These dimensions include brand awareness, brand associations, brand loyalty and perceived quality. An additional dimension is included and is for other propriety assets such as competitive advantage. Micro-transactions predominantly fall under the perceived

value dimension for this model, as it deals with there being a reason to buy, price and extensions (Aaker, 2009). In direct relation to micro-transactions there would need to be a reason to buy, but the reason must not be to make the core offering, the video game itself, complete, but rather tweak it as a means of extension. The price associated with the micro-transactions must also be fair with regard to what it offers, as well as in relation to the cost of the core video game.

2.6 Ethics in branding:

Kim and McClung (2010 p.414-416) dealt with product placement in video games, and whether or not the issues with product placement translate to that of micro-transactions will need to be determined. They make mention of advertisers using video games as advertising vehicles, the issue here is that video games should not exist to be based around this, as it will only exist as a means of exploiting the customer. Hudson and Hudson (2006 p.490-491) created the term “branded entertainment” this term replaces that of product placement as the idea is to integrate the entertainment and product, for a mutual beneficial outcome ideally. However the issue that may arise is that the product starts taking priority over the entertainment, resulting in what may be considered a bombardment of advertising while not being able to properly enjoy the entertainment at hand. Therefore it can be understood that a person may be tricked into thinking they are buying quality entertainment, or in this case a video game, then feel ripped off because of the brands needing to sell you more, this being through their use of micro-transactions.

2.7 Conclusion:

Essentially the content of this chapter all ties in with brand equity models. With the customer perceptions relating to the perceived value dimension of Aaker's (2009) brand equity model and these perceptions resulting in brand associations, which are also a part of Aaker's (2009 p.1) model. The type of business model is also important for the dimension of brand associations. Ethics in branding tie in with the brand loyalty dimension and value creation links to perceived value and associations and even brand loyalty.

Chapter 3: Research methodology:

3.1 Research Design:

There are three types of research, namely qualitative, quantitative or mixed methods. Qualitative research deals with human behaviour and involves an interpretivist approach, where findings can be based off of subjective opinions with regards to certain situations. Qualitative favours understanding through descriptive responses. Quantitative research deals with facts and figures and involves a positivist approach, which means that the findings through this research are usually based off numbers and statistics. Mixed methods research uses elements of both qualitative and quantitative research; it also tends to favour a critical realist approach, where objective reality is seen to exist.

This research is qualitative in nature. This type of research aims to explore and gain an understanding of individuals or groups with regards to a problem (Creswell, 2014 p.4). This translates to the research topic at hand, this is because it is about gathering opinions and experiences with the phenomena of micro-transactions.

A qualitative design approach favours induction that is a result of constructivism and interpretivism (Bryman and Bell, 2014 p.41). A qualitative design was seen to best deal with perception based questioning, especially since the reasoning behind the perception is part of the objectives of this research. A qualitative research design also involves analysing the data in terms of any emerging themes that can be identified, which goes well with finding a cause for the perceptions of micro-transactions (Creswell, 2014, p.4).

A social constructivist worldview was followed and that is because the research deals with experiences. A social constructivist worldview is one that understands the subjectivity of others in terms of their own individual experiences (Creswell, 2014, p.8). This worldview sees the research relying on the respondents' perspective of whatever is being studied, in this case micro-transactions. Open-ended questioning is seen to yield the best results as it leads to the identification of causal links that may reveal the foundation for the respondents' perceptions (Creswell, 2014, p.8). This worldview is not a perfect fit, as it has a focus on human interaction, but this can be tied in with the online multiplayer games that make use of micro-transactions, where the evaluation between someone that makes use of them and someone that doesn't will provide relevant data (Creswell, 2014, p.8). This worldview tied in with the effective strategy that was implemented, a phenomenological approach, this is because micro-transactions are seen to be the phenomena in question. Phenomenological research involves asking questions about the experiences of the respondents (Creswell, 2014, p.13).

3.2 Primary and secondary data:

Primary data is where new data is collected first hand by the researcher (Bryman and Bell, 2014). Secondary data involves using existing knowledge for the research (Bryman and Bell, 2014). This research uses primary data, as the information obtained for data analysis is gotten through interviews, which is a form of primary data collection. Secondary data would have been the information in the literature review that enabled grounds for researching the topic at hand, but it was not a part of the data collection process that was taken.

3.3 Data collection method:

Data was collected through primary and secondary means. The secondary data came from existing sources of information, and is what formed the literature review chapter. The secondary data also helped shaped the means by which primary data would be collected and how it should be measured. The secondary data revealed the need for brand equity and associations to be evaluated as well as showing a need for emphasis on value creation and perceived value.

With regards to primary data collection an open-ended/unstructured interview was used, where there were set questions to follow, but there was also allowance for further questioning so as to better understand viewpoints. Reasons for using an open-ended interview form of questioning include the advantages that it brings. The advantages are that they are inexpensive, less time consuming when compared to some other methods, it allows for anonymity and confidentiality which potentially allows for an increased response rate over other methods, and that an abundance of data can be collected and standardised (Du Plooy-Cilliers et al, 2014). Other advantages are that respondents can provide answers on their own terms, the chance for unusual answers is increased, and it exercises the full range of knowledge of the respondents (Bryman and Bell, 2014, p.199).

Focus groups were another means for data collection. Focus groups are essentially group interviews where there are several respondents and a facilitator. This method has a focus on interaction within the group and how they construct meanings together (Bryman and Bell, 2014, p.232). Reasons for using focus groups are that they enable new ways of thinking, justifications for perceptions, continuous attempts to gain insights and understandings, emphasis on key issues around the research topic (Bryman and Bell, 2014, p.233). The group may also challenge one another resulting in more realistic views as well as potentially

changed views (Bryman and Bell, 2014, p.233). Focus groups also allow the researcher to observe how people make sense of the phenomenon and can therefore identify various themes that may be connected (Bryman and Bell, 2014, p.233).

With regards to the actual act of collecting the data from respondents, the questions were printed out and the researcher made use of known people that fit the requirements for the study, the requirements will be outlined in the sampling and population section of this chapter. The researcher then approached each known person with the printed questions and conducted an open-ended interview, following the questions while also probing for further answers and reasoning when deemed necessary. The researcher also went to locations/stores where there was a higher chance of encountering valid respondents, these included places like video game stores, and asked any willing person if they would care to answer some questions on micro-transactions, upon finding willing participants the researcher assured confidentiality and offered them a copy of the question or offered to email them if they were willing to provide an email address. These respondents were also asked if they could recommend anyone who would have met the requirements to assist in the research, the researcher then assured them on their anonymity, and provided additional printed questions and an email address.

3.4 Questions:

The questions that the respondents were asked to answer dealt with their views on micro-transactions, why their views were this way and what do they associate micro-transactions with. They were also asked to provide for any ways they could see micro-transactions changing for the better. See Addendum A for the questions.

3.5 Population and sampling:

A population is a term defined as being the universe of units (Bryman and Bell, 2014, p.170). A sample is a selected portion of that population (Bryman and Bell, 2014, p.170). The targeted population for the study was that of gamers, people who are familiar with trends in the video game industry. The region for this population is South Africa, but is primarily Durban. A sample size of 20 respondents was targeted, the location of which included Durban and Johannesburg. Respondents in Durban were contacted face to face and respondents in Johannesburg were contacted through video call using Skype. The sample size was 20 because the research was qualitative and a larger size would not have been necessary. The sampling methods were that of non-probability, meaning there was no fair chance for anyone to be selected as a respondent for the study (Bryman and Bell, 2014, p.178). Non-probability ensured that the right population was sampled; there was no readily available list of the targeted population in which to apply probability sampling. Probability sampling is a means of pure randomised selection, where there is fair chance for anyone in the population to be selected (Bryman and Bell, 2014, p.175). The types of sampling included convenience sampling and snowball sampling. Convenience sampling entails the researcher using readily available respondents, in other words people they know and have access to (Bryman and Bell, 2014, p.178). Snowball sampling is where the researcher asks respondents to provide reference to anyone they know who may be able to participate in the research (Bryman and Bell, 2014, p.179).

The implementation of focus groups involved there being two different groups, one in which people have already experienced micro-transactions first hand and another where they only knew of the concept. This was because the researcher wanted to see if there was a definitive difference in perceptions among the two groups.

3.6 Data analysis method:

The primary in which the data was analysed was through coding. Coding is the process of somewhat simplifying the data collected (Bryman and Bell, 2014, p.336). This is done through condensing, which selects, focuses, abstracts and transforms the data that was collected through the open-ended interview and the focus groups (Bryman and Bell, 2014, p.336). The written answers are effectively scanned over and over, and key points are highlighted, resulting in summarised views for each respondent involved in the study (Bryman and Bell, 2014, p.337). These summarised views are then scanned in relation to one another in order to identify links and similar themes, thereby grouping the perceptions of the respondents. Doing this allowed the researcher to identify the perceptions people had towards micro-transactions, and therefore identify whether or not they were mostly negative or positive. The reasons for the views were also identified, grouping similar reasonings together to see what the primary cause for such perceptions were. Upon identification of these themes they will then be compared to the dimensions that contribute towards brand equity, with specific reference to Aaker's (2009 p.1) model.

3.7 Validity and reliability of the study:

Validity refers to whether the means of obtaining the data is aligned with reaching the objectives of the study (Salkind, 2012). For this study validity of the questions in the open-ended interview and the focus groups are what need to be evaluated. The questions are worded in such a way so as to not be leading or exclusive. They also each tie in with the objectives of the study, meaning that the open-ended interview is relevant and valid. The focus groups validity entails the points of conversation that are to be brought to the groups, centered around their views on micro-transactions and the reasons for those views, as well as the

associations for those views tie in with Aaker's (2009) brand equity model, therefore making them valid for the research.

Reliability is defined as the ability of the research instruments to obtain the same information if used again in a similar situation (Kumar, 2011). For this research reliability would mean that a repeated data collection and analysis would yield similar results in the respondents' perceptions in terms of micro-transactions. For example if the results saw respondent split down the middle in terms of their perceptions being positive or negative, a repeated study would result in a similar division of perceptions.

3.8 Limitations:

Limitations in the research methodology include the sample size and the sampling method. The sample size may be too small for it to be generalised to the entire population, therefore accuracy is a limitation. Another impediment to accuracy is the sampling method being non-probability sampling. This impacts accuracy as the selected respondents may be like minded as they are friends and friends of friends. The geographical diversity of respondents is also a limitation, with regards to be able to generalise the findings to the population of gamers in South Africa. Another limitation was that people do not always see things as positive or negative; there is a gray area in which they are able to identify what they disagree with and what they do agree with. The solution to that was to weigh these positive and negative perceptions in terms of the individuals own weighting, as opposed to saying one individual perception was mostly negative or positive.

3.9 Pilot Study:

A small group of five people were asked for the perceptions of micro-transactions based on past experiences. In the beginning they found it difficult to identify their feelings as they recognised different forms of micro-transactions, namely cosmetic and functional. Cosmetic micro-transaction offerings just offer visual changes to a video game, whereas functional micro-transactions can change the way a game is played, or change the challenge and enjoyment of the video game. Cosmetic options were seen as good to have as an option by two of the participants. The general consensus for functional micro-transactions were that they were a negative addition to the game as they are normally attached to a game that exists only to make money. An interesting outcome was that micro-transactions were negatively viewed when a video game offered numerous and various content through micro-transactions. This was associated with online multiplayer games and the term pay-to-win was used. This potentially implies that few and simple micro-transactions in a video game is seen as a positive addition.

Chapter 4: Data Analysis and Findings:

As mentioned in chapter 3, research methodology, I will make use of thematic coding. I began by analysing responses to each of my questions that I used in my interviews, identifying the most common responses and any other noteworthy answers given by my respondents. In addition to highlighting these themes I also compared these responses to Aaker's brand equity model, as it seemed the most relevant model for this research due to it specifically outlining perceived value and brand associations. The following is an analysis of my interview responses in relation to the questions:

4.1 Interviews:

1. What comes to mind when micro-transactions are mentioned?

Responses to this question were overwhelmingly negative, most of those citing micro-transactions as an exploitative means of obtaining money from the customer, this also implied that the core offering/game offered little to no value to the customer.

The responses directly tie into brand associations, where the customer will see micro-transactions accompanying a game and will think that the brand is only looking to get money out of the customer without thinking of what they would want. It also applies to the perceived value aspect of Aaker's (2009 p.1) model, as they often saw the core game offering little value on its own.

2. What are your experiences with micro-transactions?

Just over half of the sample shared a positive experience with micro-transactions, some saying they offered a means to make a game feel new again. This was strange as it conflicts with the respondents' view of micro-transactions being a negative one, but the responses can be attributed to the respondents researching whether or not a game implemented micro-transactions well, and then proceeding to make use of them once they knew they were good. One respondent mentioned that it was nice to buy micro-transactions when not realising the value of the money that is being spent towards them, others could be seen to be similar in that they wanted to make use of micro-transactions but could not justify spending the money.

Once again the responses are linked to perceived value dimension of Aaker's (2009 p.1) model, in that the content micro-transactions offer is often not worth the cost to obtain it, but in cases of well implemented micro-transactions the value off the content may be seen as worth the money, therefore meaning the perceived value is relatively high. Respondents very rarely made use of micro-transactions, leading me to believe the value micro-transactions normally offer is not enough to warrant a purchase.

3. What is often your perceived value when you see a game with micro-transactions?

A few of the respondents said they perceived games with micro-transactions as offering less value. A larger number said it depends on the game itself, and they would research the game before deciding whether it was worth their time and/or money. This would mean that it is even more important for brands to be aware of how they go about implementing micro-transactions, because if the aim is to draw in money, odds are the game's value would have suffered for it and the customers will know, therefore meaning not money is being received.

This question directly linked to that of perceived value in terms of brand equity (Aaker, 2009 p.1). Whilst most respondents answered in a grey area due to greater access of information they have available because of the internet, the few answers that deviated from that theme were generally negative. Ultimately this question made it apparent that it may not be micro-transactions as a whole that is perceived, but rather the game and implementations of micro-transactions in it.

4. How would you say you perceive micro-transactions?

Over half of the respondents perceived them as negative, most of the others understood that there are some good and some bad implementations, and the few remaining perceived them positively.

This question was very similar to the previous one and connects to perceived value of Aaker's (2009 p.1) brand equity model once more. This time, however, micro-transactions are isolated away from the games they may be attached to. The answers yielded more negative views this time, whilst still having the argument of there being good and bad implementations. It can be identified that micro-transactions on their own are not well received and may negatively influence brand equity, the core game itself may, however, provides means for redemption if the value it offers is of interest to customers.

5. Could you provide reasons for this perception?

Most of the negative perceptions said they felt this way as they saw micro-transactions as underhanded and deceptive, some of the others said it was because of the cost and not being certain whether or not it was worth making the purchase.

Once again this links to the perceived value aspect of Aaker's (2009 p.1) brand equity model, this time the question aimed for reasoning, and therefore a potential

direction for brands to change the way in which they implement micro-transactions. By the respondents saying they felt like micro-transactions are underhanded and deceptive, they are also implying that they see the brand/company producing the game as being selfish, and not considering the customer. This could therefore also link to brand associations, in a negative light. Ultimately this saw respondents' perceptions negatively attributing to the brand equity of a brand implementing micro-transactions as they are commonly seen.

6. Did anything change your perception, or was it always this way?

Most said their perceptions were always the way they are, but a few with negative perceptions said it changed recently due to a trend in the increased use of micro-transactions.

This question aimed to identify what influenced perceptions, but mostly yielded responses that were constant in how they perceived micro-transactions. The few whose perceptions did change attributed it to the growing popularity in micro-transactions, particularly in the growing miss-use of them. Respondents identified the sheer number of games with micro-transactions today as being a negative thing, even though it would suggest that micro-transactions are rather a successful strategy in order for them to be so widely used in the industry. Once more we can see the implementation of micro-transactions being more important than the concept of micro-transactions.

7. What do you associate micro-transactions with, related more to the video game itself or the brand or both/neither? Please say why.

Majority of the respondents said the game itself, few others said both the brand and the game and even fewer just said the brand. The reason for associating their views with the game itself was because they were not truly aware of brand names in the video game industry.

This question aimed to understand the impact of micro-transactions on brand equity in terms of the brand associations aspect (Aaker, 2009 p.1). It seems that many of my respondents did not know of many gaming brands, or even the brand attached to games that they play. This meant that micro-transactions did not have a direct impact in the short term, but would perhaps prove more impactful as the brand continues its operations. This question also revealed that video game brands are not closely associated with the games they produce, with each game seen as standing alone on its own merit.

8. What changes would you like to happen in the use of micro-transactions?

The most common answer here was that micro-transactions should only offer cosmetic options, not functional content. Another common response was that micro-transactions should just go away and not be used anymore. A few respondents said micro-transactions should have easier ways to make use of them, since most people don't want to go through the hassle of using a credit card for such small purchases.

This question aimed to give guidance to video game brands when it came to implementing micro-transactions. Nothing out of the ordinary was mentioned, but it was determined that micro-transactions should deal with cosmetic content exclusively, anything else made respondents negatively react as it impacted fairness in multiplayer games and functional content was seen to accompany a game of low quality.

9. If you were to design your own game, would you consider adding micro-transactions? Why?

The responses were relatively evenly mixed, some saying yes and others saying no. A few said they would not want to start off using micro-transactions, but are

not opposed to them in the future. Those that said yes often said that they would make sure their core offering is of good value and the micro-transactions would not be a huge element of the game, but rather a means of supporting the developer. Those that said no often gave the reason that they did not want to offer a game in pieces, but rather a complete once off package.

The responses revealed that micro-transactions can be good and bad; it's all a matter of how they are implemented and how good the core game is without making use of them. Some respondents have it set in their minds that micro-transactions only exist to make money off the customer, and to have that transaction not offer mutually beneficial results. The respondents do not want to feel like they have to buy the micro-transactions in order to have the full game or in order for the game to be enjoyable.

4.2 Focus Group:

All five of the participants played a game called Dota 2, which is a free multiplayer game where two teams of players verse each other. They enjoy the core game and this gives them a sense of trust with regards to the brand and as a result sense of loyalty. This makes them feel good about spending money on the game through micro-transactions as they are able to support the game they like whilst obtaining a fresh feel to the game. The implementation in this game makes the group want to collect the content that is offered through micro-transactions. So the perceived value is high, and brand loyalty is obtained through effected use of micro-transactions.

When viewing micro-transactions outside of Dota 2, the general consensus is negative and the term pay-to-win is mentioned. They mention that micro-transactions should be cosmetic and not functional. Another aspect that was mentioned is that micro-transactions are generally seen as a way of making money and that in turn makes the games existence only about making money and not by

providing a quality product that would provide positive perceptions of the brand. This resulted in the participants having an understanding of how the video game industry works, making it essential for brands to know what their target markets wants before they begin developing a game. The following are some points brought about by the group:

- Whenever a multiplayer game has micro-transactions that offer functional items the game is normally seen as pay-to-win, meaning free players are not able to enjoy the game as they feel they are at a disadvantage, which may actually be the case.
- A large trigger for negative perceptions are core games that are sold for a price and also have micro-transactions attached to them, this makes people feel like the core game was stripped of content for the sake of making more money off of the consumer.
- The issue of games being released with content being available separately for purchase through micro-transactions is another negative perception trigger, as this similarly gives the impression that the game was stripped of content.
- It was generally agreed that micro-transactions should not offer content that makes you stronger in the game, this ties into functional content, but items such as boosts were viewed as acceptable depending on the game and price.
- Brand associations were not a huge issue that was addressed, just the brand associated with Dota 2, which was perceived positively due to their output of quality games.

- Micro-transactions were identified as a corporate benefit only; the idea was twisted in efforts to exploit the customer.
- Some of the participants voiced their understanding of the existence of micro-transactions when associated with free games.
- One participant identified that it can rob someone of the feeling of accomplishment, of having earned the item they now can purchase, the others agreed. This relates to functional items.
- One participant saw micro-transactions as a necessary evil when associated with free and certain niche market games, some others agreed with this view.

Overall perceptions of micro-transactions were influenced by the games they are paired with as well as the content they offer. People are aware that micro-transactions have their reasons for being, and are fine with making use of them provided they are correctly implemented.

Chapter 5: Conclusion:

This research sought to see how customer perceptions of micro-transactions affected brand equity. Interviews and a focus group were undertaken in order to provide the information necessary to find the answer. It is best to see if the research questions and research objectives were answered and met, respectively.

The first research question was:

What are consumer perceptions of micro-transactions and are these perceptions associated with the video game, the brand or both?

The data collected did answer this, and it was found that most perceptions are negative when considering micro-transactions as a whole. These perceptions were linked to the core video game in most instances, as most respondents knew little of video game brands.

The second research question was:

What changes should the brands make in their approach to micro-transactions in their brand building strategies, if any?

This was somewhat answered in the literature review with regards to fairness and cosmetic versus functional content. This question was also answered through the primary research. The general thought towards answering this question was to pair micro-transactions with a core game that offers value without the use of the micro-transactions. Other thoughts were to have the micro-transactions only offer cosmetic content, as functional content was the main reason for negative perceptions. Overall video game brands need to take a severely customer centric approach when it comes to implementing micro-transactions.

Now for how the objectives were met:

The first objective was to evaluate consumer perceptions of micro-transactions in the video gaming industry.

Consumer perceptions were evaluated through primary research and it was found that micro-transactions as a whole needed to be better implemented, as currently they are seen in a negative way and therefore they result in a decrease in brand equity.

The second objective was to evaluate the relationship between the perceptions and the brand that is offering the accompanying game, relating to brand association.

The relationship of the brand in associations to their implementations of micro-transactions was found to be weak as evident from the primary research that was undertaken. This was because most of the respondents associated their perceptions with the game itself. This means brands are open to some form of experimentation in terms of strategy without direct impact on brand equity, at first at least. If brands consistently produce products of low value, the customer will learn to avoid that brand because the brand would have established itself as being a brand that does not care about what the customer wants.

This research has achieved what it set out to accomplish and can therefore be seen as successful and therefore useful for brands in the video game industry. Key points of information that they may find useful are:

- What matters most about micro-transactions is the implementation, not just the content. Micro-transactions need to accompany a game that offers value to the customer, they also must not be obstructive and invasive, in other words they must not interrupt the customer's sense of flow.

- Cosmetic content is the most accepted form of micro-transactions. Functional content is seen as offering unfair advantage in multiplayer games. Functional content is also seen to be content that should have been a part of the game to begin with.
- Micro-transactions mostly affect perceived value when related to brand equity. The value is often seen as low, and therefore reflects negatively on the brand's equity.

Overall the main theme that came about through this research was the need for customer centricity when it came to games with micro-transactions. Most respondents felt that games with micro-transactions only exist for the micro-transactions, and that the brand therefore only wanted to exploit the customer by getting them to pay for the micro-transactions in order to make the core game worthwhile.

How this research can lead to further research is through experimenting with micro-transaction implementations and testing them by using customer's perceptions. For example an implementation that uses cosmetic content only against one that uses functional content that can also be obtained through the core game through time investment. Another means of furthering this research can be through investigation of brand associations in the video game industry, and finding out what would make the customer think of the brand over the video game. Research can also be conducted with a focus on brand loyalty, and how micro-transactions could be implemented in order to establish and build on customer loyalty.

5.1 Limitations:

Some things that impaired this research were:

- A lack of resources to have a larger sample size and region
- There only being one focus group, and that group consisting of people with similar thoughts, therefore leaving some perceptions unexplored
- The questions in the interviews were seen as somewhat repetitive, with some having terminology not easily understood, making me have to provide guidance in the form of limiting the answers that could have been given. This came about in the question asking for the respondents perceived value of micro-transactions, and me having to outline their answer as being along the lines of high or low value.

Addendum A: Questions:

1. What comes to mind when micro-transactions are mentioned?
2. What are your experiences with micro-transactions?
3. What is often your perceived value when you see a game with micro-transactions?
4. How would you say you perceive micro-transactions?
5. Could you provide reasons for this perception?
6. Did anything change your perception, or was it always this way?
7. What do you associate micro-transactions with, related more to the video game itself or the brand or both/neither? Please say why.
8. What changes would you like to happen in the use of micro-transactions?
9. If you were to design your own game, would you consider adding micro-transactions? Why?

References:

- Aaker, D. (2009). *Aakers Brand Equity Model*. [Online]. Available from:
http://www.eurib.org/fileadmin/user_upload/Documenten/PDF/Merkmeerwaar de ENGELS/s - Brand equity model by Aaker EN .pdf
[Accessed: 20 May 2015].
- Bryman, A. and Bell, E. (2014). *Research Methodology: Business and Management Contexts*. South Africa: Oxford University Press Southern Africa (Pty) Limited.
- Cant, M.C. & van Heerden, C. H. (2012). *Marketing Management*. Cape Town: Juta And Company Ltd.
- Creswell, J. W. (2008). *Research Design*. London: SAGE Publications Ltd.
- Csikszentmihalyi, M. (1996). *Creativity*. [Online]. Available from:
<http://www.bioenterprise.ca/docs/creativity-by-mihaly-csikszentmihalyi.pdf>
[Accessed 7th April 2015]
- Du Plooy-Cillier, F. , Davis, C. and Bezuidenhout, R. (2014) *RESEARCH MATTERS*. Claremont: Juta and Company Ltd.

- Fang, X., Zhang, J. and Chan S. (2013). *Development of an Instrumnet for Studying Flow in Computer Game Play*. [Online]. Ebscohost. Available from: <http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=2a0b634d-9e3a-4bfb-945a-b65b73ab644e%40sessionmgr114&vid=1&hid=125> [Accessed 7th April 2015].

- Hahle, K. (2014). *The Success of Free to Play Games and the Possibilities of Audio Monetization*. Tampere University fo Applied Sciences. [Online]. Available from: http://www.theseus.fi/bitstream/handle/10024/79905/Hahl_Kalle.pdf?sequence=2 [Accessed: 30 March 2015].

- Hudson, D. and Hudson, S. (2006). *Branded entertainment: a new advertising technique or product placement in disguise?* Journal of Marketing Management.

- Keller, K.L. and Lehmann, D.R. (2006). *Brands and Branding: Research Findings and Future Priorities*. Marketing Science.

- Kim, M. and Mclung, S. (2010). *Acceptibility and Ethics of Product Placement in Sport Video Games*. [Online]. Ebscohost. Journal of Promotion Management Vol. 16 issue 4. Available from: <http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=6325de93-18bc-4e7b-b233-24bdf654c48c%40sessionmgr114&vid=1&hid=125> [Accessed: 26 May 2015].

- Kumar, R. (2011). *Research Methodology: A step-by-step guid for beginners*. 3rd edition. California: SAGE Publications Inc.

- Independent Institution of Education. (2014) *Research Practice Module Guide 2014*. Independent Institution of Education, Johannesburg.

- Laurijsen D.W.J. (2013) *Effects of Micro-transactions on the Satisfaction of Players in Online Games*. [Online] p.3-11. Available from:
<http://arno.uvt.nl/show.cgi?fid=130539>
 [Accessed: 22 March 2015]

- Lin, H and Sun, C. (2007) *Cash Trade Within the Magic Circle: Free-to-Play Game Challenges and Massively Multiplayer Online Game Player Responses*. [Online] digra. p.339-342. Available from:
<http://www.digra.org/wp-content/uploads/digital-library/07312.38207.pdf>
 [Accessed: 22 March 2015]

- Mackiewicz, J. (2013) *The Psychology Behind Microtransactions: What psychological processes drive us to spend money on initially free games?*. [Online] p. 4-13. Available from:
http://dvqlxo2m2q99q.cloudfront.net/000_clients/136117/file/the-psychology-behind-microtransactions--why-do-we-pay-for-unnecessary-services-rather-than-waiting.pdf
 [Accessed: 22 March 2015].

- Osathanunkul, C. (2015). *A classification of business models in video industry*. [Online]. Ebscohost. International Journal of Management Cases Vol. 17 issue 1. Available from:
<http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=b1dd4a56-d646-4364-9cfe-b4c80d123012%40sessionmgr198&vid=2&hid=125>
[Accessed: 25 May 2015].
- Rosengren, S. and Dahlen, M. (2015). *Exploring Advertising Equity*. [Online]. Ebscohost. Journal of Advertising Vol. 44 issue 1. Available from:
<http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=400c845e-7a46-40b3-aa60-b049640595f2%40sessionmgr111&vid=1&hid=115>
[Accessed: 25 May 2015].
- Salkind, NJ. (2012). *Exploring Research*. 8th edition. New York: Pearson.
- Smith, J. (2005). *Flow Theory and GIS: Is there a Connection for Learning?* [Online]. Ebscohost. Available from:
<http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=40c926fa-b4c2-49f5-b90d-0af0d7d11c6f%40sessionmgr114&vid=1&hid=125> [Accessed 7th April 2015].
- Snyder, C. and Lopez, S. (2002). *Handbook of Positive Psychology*. [Online]. Available from:
<https://books.google.co.za/books?id=2Cr5rP8jOnsC&printsec=frontcover#v=onepage&q&f=false> [Accessed 7th April 2015]

- Stahl, F., Heitman, M., Lehmann, D. and Neslin, S. (2012). *The Impact of Brand Equity on Customer Acquisition, Retention and Profit Margin*. [Online]. Ebscohost. Journal of Marketing Vol. 76 issue 4. Available From: <http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=40c31df9-158e-4b54-b1b0-8973adf0ca68%40sessionmgr110&vid=1&hid=115>

[Accessed: 25 May 2015].
- Statt, N. CNET. (2013) *Micropayments, mega angst, and the future of console games*. [Online] Available from: <http://www.cnet.com/news/micropayments-mega-angst-and-the-future-of-console-games/>

[Accessed: 22 March 2015]
- Teck-Yong, E. (2008). *E-customer service capability and value creation*. [Online]. Ebscohost. Service Industries Journal Vol. 28 issue 9. Available from: <http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=c3cbdadf-1a46-48f9-9c54-149d28aaba3f%40sessionmgr112&vid=1&hid=125>

[Accessed: 25 May 2015].
- USgamer Team. USGAMER. *2013 in Review: The State of Microtransactions and Free-to-Play*. [Online] Available from: <http://www.usgamer.net/articles/2013-inreview-the-state-of-microtransactions-and-free-to-play>

[Accessed: 22 March 2015]

- Zero1Gaming. (2013). *The Good, The Bad, and The Downright Extortionate*. [Online]. Available from: <http://www.zero1gaming.com/editorials/microtransactions-good-bad-downright-extortionate/>

[Accessed: October 12th 2015]