

T.C.

BAHÇEŞEHİR UNIVERSITY

SOCIAL SCIENCES INSTITUTE

MBA

**AN ANALYSIS OF VIDEO GAME INDUSTRY
IN TURKEY AND THE DIGITAL
MARKETING FOR GAME STUDIOS**

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Aras İyitanır

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ADVISOR:

Assoc. Prof. Dr. FİGEN YILDIRIM

ABSTRACT

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Aras İyitanır

Master's of Business Administration

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The video game industry is one of the major entertainment industries in today's world and this study is going to focus on the video game industry of Turkey and the importance of digital marketing for game studios while showing how they do the marketing for their games. It is essential to know what the industry's key factors are to understand its current situation. After getting informed about these factors, the next step is going to be about digital marketing from the point of game studios and their games. The industry is competitive and to sell the game, studios need to have a marketing plan for promoting their game. Marketing a game is another business so game studios need to know about which methods are going to help them while keeping in mind their target audience. In this study, the researcher interviewed five people from different game studios to gain more information and to see the current situation of the video game industry.

Keywords: Digital marketing, video game industry, game studios

ÖZET

TÜRKİYE’DEKİ OYUN SEKTÖRÜNÜN ANALİZİ VE OYUN STÜDYOLARI İÇİN DİJİTAL PAZARLAMA

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Oyun sektörü, günümüz dünyasının en büyük eğlence sektörlerinden biridir ve bu çalışma, Türkiye'nin oyun sektörüne ve oyun stüdyoları için dijital pazarlamanın önemine odaklanırken, geliştirdikleri oyunlar için pazarlamayı nasıl yaptıklarını gösterecektir. Sektörün temel faktörlerinin neler olduğu bilmek günümüzdeki genel durumu anlama açısından çok önemlidir. Temel faktörler hakkında bilgi verdikten sonraki adım, oyun stüdyoları ve oyunların dijital pazarlama ile olan ilişkisi olacaktır. Oyun endüstrisi rekabetçidir ve oyun stüdyolarının oyunlarını tanıtıp satabilmesi için bir pazarlama planına sahip olmaları gerekir. Bir oyunu pazarlamak farklıdır, bu nedenle oyun stüdyolarının hedef kitlelerini akıllarında tutarken hangi dijital pazarlama yöntemlerin hangilerinin onlara yardımcı olacağını bilmeleri gerekir. Araştırmacı bu çalışmada farklı oyun stüdyolarından beş kişiyle röportaj yaparak daha fazla bilgi edinmek ve oyun sektörünün mevcut durumu hakkında fikir sahibi olmayı hedeflemiştir.

Anahtar Kelimeler: Dijital pazarlama, oyun sektörü, oyun stüdyoları

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1. INTRODUCTION

In today's entertainment world there is an industry that becomes popular day by day and becoming more than just a hobby is called the video game industry. Games, in general, are as old as humanity (Huizinga, 2013). Digital games or video games can broadly be defined as "any forms of computer-based entertainment software, either textual or image-based, using any electronic platform such as personal computers or consoles and involving one or multiple players in a physical or networked environment" (Frasca, 2001, p. 4). There are a variety of games for people with different tastes and desires. Different gaming platforms offer different types of content and services; but why? The answer is simple: a game is not just a game, it is now a commodity. Developing a video game is a business (Edery and Mollick, 2009). Video games are available on different platforms which creates freedom for people who have many options to look and play. The video game industry continues to develop and keeps upgrading every year. In this era of video game industry where the technology keeps evolving, the possibilities are endless for both games and the new businesses. Live video streaming channels, cloud gaming based on streaming games online, and e-sports are some examples of the advancements that happen in recent years. There are video game studios and developers around the world that create a different type of game hoping that people will give a chance to them and play while waiting to earn money to achieve more for the future. Video games, in particular, are a powerful tool that offers different opportunities for people because of technological and innovative advancements (O'Donnell, 2012; Ashton, 2011). Playing a video game is a hobby and games are a type of entertainment that allows people to escape from their daily stresses, to search for new challenges that games are giving, or to discover new ways of getting joy and excitement.

In this research, the chapters are about the video game industry in Turkey as a whole while keeping in mind the local game studios and their digital marketing strategies video game industry in Turkey. Game market and the marketing of it is another business since game

studios need to promote to sell their products. Early examples of some games from the past also mentioned in the first part to give a general view about history. In the concept of video games, the aim was to give brief information about the elements of game studios. There is a section where a brief look for the global market of video games, in general, searched while giving information about the focus, Turkey. There is a potential in Turkey but there are also important topics that need to be mentioned to interpret the situation in our country. Major market segments of the video game industry and after that a brief look at gaming platforms, type of games, and gamers who are connected to the industry itself. To understand the general aspects of the industry there are parts of Porter's Five Forces, PESTEL and SWOT analyses. The brief information about these analyses will help the reader to know some aspects of the industry. Marketing for video games is another main topic to get informed about. Digital marketing is the most important one for game studios and their games so a section about what are the advantages of digital marketing over traditional marketing and for games digital marketing is important. Reasons and advantages of why digital marketing is more useful than traditional marketing will be discussed. Also, digital marketing mix, channels, and plans will be discussed for game studios and their games, too. Learning briefly about these three digital marketing topics will be helpful for readers to understand why and how game studios choose digital marketing. The idea of asking people in the industry that working in a game studio is going to give a broad view about the process of their games and marketing of mind behind it with their valuable opinions and strategies for the video game industry in Turkey.

1.1 STATEMENT OF THE PROBLEM

Thinking about the video game industry and marketing aspect of it is something interesting to research for this thesis. The idea of focusing on the video game industry in Turkey, game studios, and people who are making the games by themselves and the marketing process of their games that created is an interesting topic to search for more.

1.2 PURPOSE OF THE STUDY

To show how people market their games and use digital marketing to achieve success for their games this research also includes the video game industry in Turkey which is important for this study. Learning about the thinking and action process of their games for marketing will help the reader to understand the point of view of people who are in this industry.

1.3 RESEARCH QUESTIONS

Digital Marketing: Video Game Industry in Turkey is the subject of this research and these are the questions about it. The questions will be answered in the research.

1. What is the current situation in the video game industry in Turkey?
2. What kind of market research game studios do?
3. What are the external and internal factors that influence the game industry?
4. What are the competitive strategies for game studios?
5. How game studios can estimate the price for their games?
6. How do they define and find their target audiences? What are the channels that they use to reach them?
7. Where do game studios decide to put their games and when?
8. Why is digital marketing is more useful than traditional marketing for the video game industry?
9. What will be the situation in the future of the video game industry?

1.4 SIGNIFICANCE OF THE STUDY

This study will give brief information to the reader about the video game industry in Turkey and the market in it while keeping in mind game studios and the people behind games for marketing and the industry's general view. This study can help to other people who want to know the industry in Turkey and the marketing of a game and can be used for the studies that aim to research this topic.



2. VIDEO GAME INDUSTRY IN TURKEY

2.1 THE BRIEF HISTORY OF VIDEO GAMES IN TURKEY

In this part, the reader will be informed about the brief history of video games in Turkey with the help of the study about the history of game development that made by Erdal Yılmaz and Kürşat Çağiltay.

The first two games developed for the market were Keloğlan (1989) and Hançer in 1992. In 1992 Digital Dreams published the first boxed game called “Hançer” (The Dagger). Until 1995, half a dozen of Amiga games were released in Turkey. These games are “İstanbul Efsaneleri: Lale Savaşçıları” (Legends of Istanbul: Tulip Warriors) and “Umut Tarlaları” (Fields of Hope) by Siliconworx, “Muhtar” (the term used for the official headman of a village), Asterix (an adventure game by Locus) and “Zeka Kutusu” (mind games set by Vefasoft).

After 1995, PCs began to replace the role of Amiga. Legends of Istanbul were ported to the PC platform in 1996. In the same year, Cartoon Studios released their cartoon-rendered comedy adventure game “Dedektif Fırtına” (Detective Storm). Later they released their movie-adventure game “Gerçeğin Otesinde” (Beyond the Truth) in 1998. “Dual Blades”, a clever mix of fighting games, was prepared for the GameBoy Advance console, published by Metro 3D both in the US and Japan. Yogurt technologies, Cinemedia and 3TE Games published their first game “Pusu” (ambush) in May 2005(Yılmaz and Çağiltay, 2005).

2.2 ELEMENTS OF VIDEO GAMES

2.2.1 Development Process

Developing a video game is not an easy task which the attention as in any other business. Regardless of the platform, all video games follow a similar process; from the development to marketing stages (Dyer-Witthford and Sharman, 2005). In terms of development, there are also three main stages (Walfisz, Zackariasson, and Wilson, 2006; Jethva, 2015) as follows.

Pre-production: The pre-production stage includes concept development and design processes. A detailed design plan is generated for the potential game. The game type and the platform to be used are decided at this stage. The producer and the project manager coordinate all of the teams involved in the pre-production process and plan the scheduled timing for each task. An active pre-production stage means that creativity (that results in an immersive and fun game) is built into the development process, and thereby built into the project (Zackariasson and Wilson, 2012).

Production: Production is the most important stage of the development process. This stage covers the implementation process and involves the cooperation of artists, programmers, and technical directors. Production is the most difficult, and the most expensive, stage of the game development process.

Post-production: The post-production stage involves testing and deployment of the new game. Once the game is developed, testers must play the game to find any bugs that it contains. Beta testing and marketing strategies are also determined in the post-production stage.

2.2.3 People in the Video Games

A variety of skills are needed to produce a single product, meaning that developing a game is not easy. A single game requires the involvement of numerous people from different disciplines including game design, visual design, programming, modeling, game-level design, testing, and marketing. However, the developer is the main actor in the process. Notably, different actors work together as one to present a coherent and immersive gaming experience for the consumer (Zackarisson and Wilson, 2012). Making video games is a complicated issue where you need to know about the technical stuff that mentioned in the last sentence which shows that if someone or a group of people wants to create a video game, having skills about important technical topics will help them in their journey of developing their own game.

2.2.4 Publishers

The function that games publishers perform has little to do with games, and everything to do with publishing. What they do is no different from a book publishing house in the smoky Victorian cities of yore. The source content from the talent, repackage it, create a physical artifact, sell it to retailers and try to get the word out about their new thing, mostly via advertising (Campbell, 2011). Publishers are acting as a bridge between video game studios and the gamer. A publisher can help developers to reach places that they can not do it by themselves. Publishers can invest in the game and advertise it to the industry. This situation also changes in the aspects of how big is the game. If the game is a well know game and it is a guarantee that the game will be bought by a lot of gamers, then it is very easy to find publishers. Even big companies like Sony, Microsoft, and Nintendo do their publishing my themselves. Small and independent games called indie games are usually the ones having problems with finding a publisher but in the present day, there are many foreign indie game publishers such as Devolver Digital or Annapurna Interactive Games which help those small video game studios for their marketing and publishing their games.

There is also another way in the video game industry where there is no need for a publisher. The digital age and the tools that it created to market can help developers, small video game studios to show off their game in the platforms they choose to be in. A small studio or someone who made the game by themselves can use the digital age to their advantage without spending a lot of money on the market but it is not certain that the game will sell to lots of people.

2.2.5 Marketing and Distribution

Talking briefly about marketing while thinking about AAA games and indie games can help the reader to understand how marketing and distribution changes for how big are the games. AAA games produce and distributed by a middle size or large publisher. This type of game is more complicated in graphical, size and they have more budget for important stuff for their games such as skilled professionals for graphic design. AAA games usually have higher development and marketing budgets which help to market and distribute their games in an easy way. Their game announcement trailers can look way better than smaller games and they can even use celebrities for both of their trailer and marketing to boost their advertising for their games. Indie games are the games created by individuals or small game studios without the financial support of large game publishers. As stated before about having publishers that help small budget games, it does not mean that all the indie games can find that publisher. Then, it is up to the developers or the game studio to do their marketing by using digital marketing at less cost.

2.3 VIDEO GAME MARKET SEGMENTS

There are different types of platforms, games, and gamers in the video game industry. In other words, they are the main ingredients of video game marketing. The reader should keep

in mind that more platforms, games, and types of gamers listed down below. The reason why they narrowed down is because of the participants that interview.

2.3.1 Platforms:

PC: Personal computers are desktop PCs or laptops. With a monitor, keyboard and mouse gaming on PC has many advantages, including higher-quality visuals and more versatility. Because of these advantages, the hardware needs a powerful main memory and graphic processing memory known as GPU. Another advantage of playing on PC is that you can upgrade your system and the tools but the disadvantage of making upgrades can be expensive for people, too.

Consoles: Sony with PlayStation and Microsoft with Xbox is the major companies that are in console gaming. They offer different systems and sometimes games (Sony makes exclusive games for PlayStation) for gamers and both consoles come with input devices called joystick and a main unit that does all the processing work. Consoles are mainly connected to TV screens to use and play games.

Mobile gaming platforms: These are the popular smartphones and the tablet where you do gaming. The advantage of mobile gaming is that smartphones fit easily in everyone's pocket and are easy to carry. There are some popular mobile operating systems such as Google Play for Android, iOS for iPhones, Windows Mobile and popular ones are Android Mobile Operating System and iOS for iPhones. The games on those stores are available for a fee or for free. Games can be simple like hyper-casual games and even more advanced games that are better in gameplay and design.

Handheld consoles: This section is mainly for Nintendo and their console called Nintendo Switch which is a hybrid console that can either be used in a handheld position or connected

to the TV. The console has two detachable wireless controllers to give gamers an option to be used individually or with friends.

Cloud gaming: Playing games anywhere, anytime, and on any platform. Google Stadia announced in March 2019. It will use the population of users on YouTube to make Stadia popular by combining both video and interactive gaming content.

2.3.2 Type of Games

RPG: Role-playing games are called RPG where the gamer becomes a character deep and detailed narrative in fantasy or science fiction setting.

Platform: are a video game genre where the gamer controls a character that jumps and climb between platforms while trying to avoid obstacles. Environments in platforms often feature unregular terrains that changing height that must be traversed to complete the story.

F2P: Free-to-play games are free to play and they use in-game shops to make revenue from the people.

3D Puzzle Game: This type of game is usually on mobile platforms and very popular in the respective stores. The gamer tries to solve and play around a puzzle in a 3D version.

2.3.3 Types of Gamers

This section will give a piece of brief information about the core gamer types for the reader to understand the general view of the market segment of people.

Hardcore Gamers: These types of gamers are heavily invested in playing games and spends hours in front of the devices. They like to be informed about upcoming games, applying for alpha and beta tests where the developers make the game available for a limited time to test

the game-related stuff. They can pre-order games before the release of the game which means that they are also planning what will they play in the future, too. Getting the attention of this type can be easy and vital for the game studios but they are also the ones that hard to win.

Professional Gamers: A group of gamers who play the games more seriously than the hardcore gamers since they earn money by playing the games in offline and online tournaments with their e-sport teams to win the competition and the prize money. They are in a competitive environment with the other teams so sometimes winning a game against the competitor is more important to have fun in the game.

Casual Gamers: People who play and invest in the games less than hardcore gamers and they are usually playing the games in their leisure times. They also can play a variety of types of games and they are not serious about playing games for hours. It can be hard to get these people's attention since they are not trying to be informed like hardcore gamers.

Mobile Gamers: People who usually play on their smartphones and tablets. In this section, there is a genre of games that most of the mobile gamers play is called hyper-casual, which are easy and instantly playable. They are very addictive in a sense of gameplay which makes people play frequently.

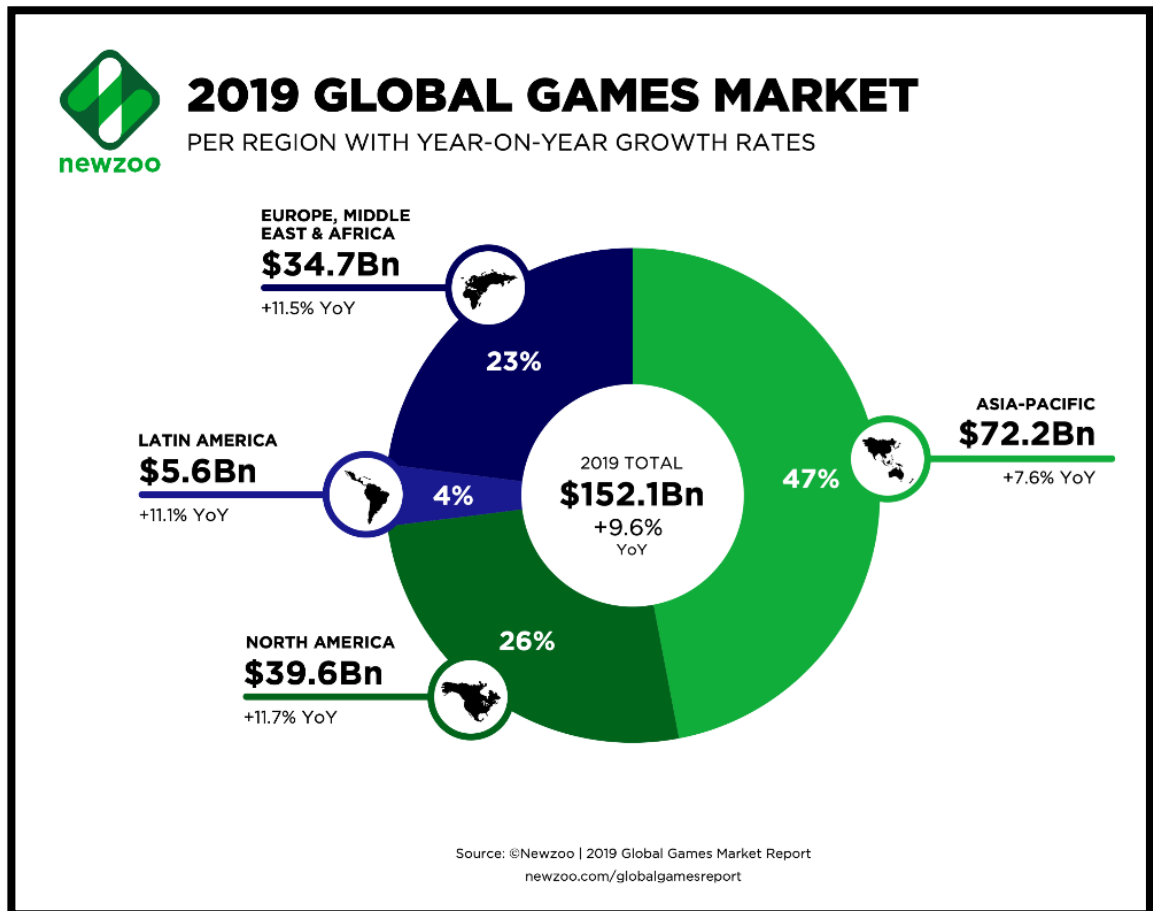
2.4 VIDEO GAME MARKET

2.4.1 Global Market

However, video games are now a serious competitor to the entire TV/film industry, with gameplay now eating into mainstays such as television viewing (Egenfeldt-Nielsen, Smith, and Tosca, 2008). According to the 2018 report from Newzoo shows the global game market worths \$137.9 billion in 2018. Asia-Pacific region generated \$71.4 billion is the number one.

North America region comes second with \$32.7 billion. The combination of Europe-Middle East and Africa regions' game revenues was \$28.7 billion and lastly, the Latin America region was the least game revenue with \$5.0 billion(Wijman, 2018).

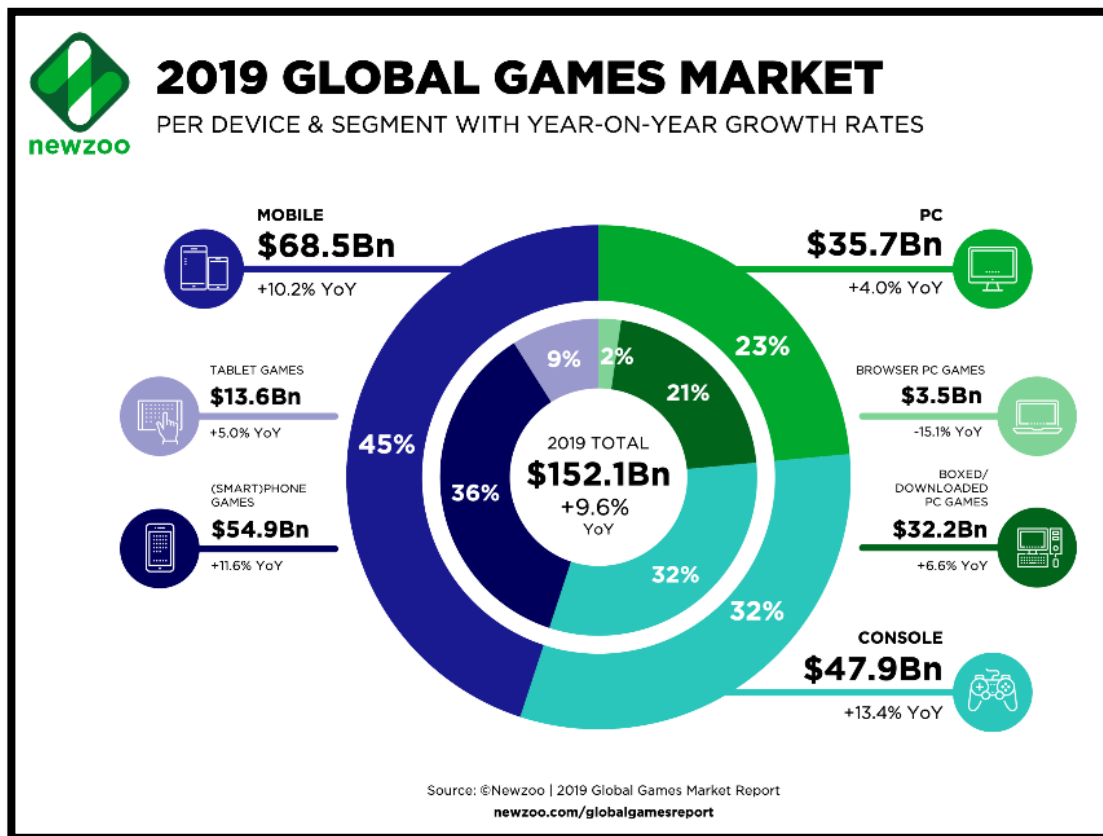
Figure 1: 2019 Global Games Market per Region



According to the 2019 global market report from Newzoo estimates that the global market worths 152.1 billion in 2019 (see figure 1). Figure 1 shows that the Asia-Pacific region is the number one region in producing game revenues of \$72.2 because of the population that the region has. North America region is the second one in-game revenues with \$39.6 billion. The game revenue of combined regions of Europe, the Middle-East, and Africa \$34.7 billion.

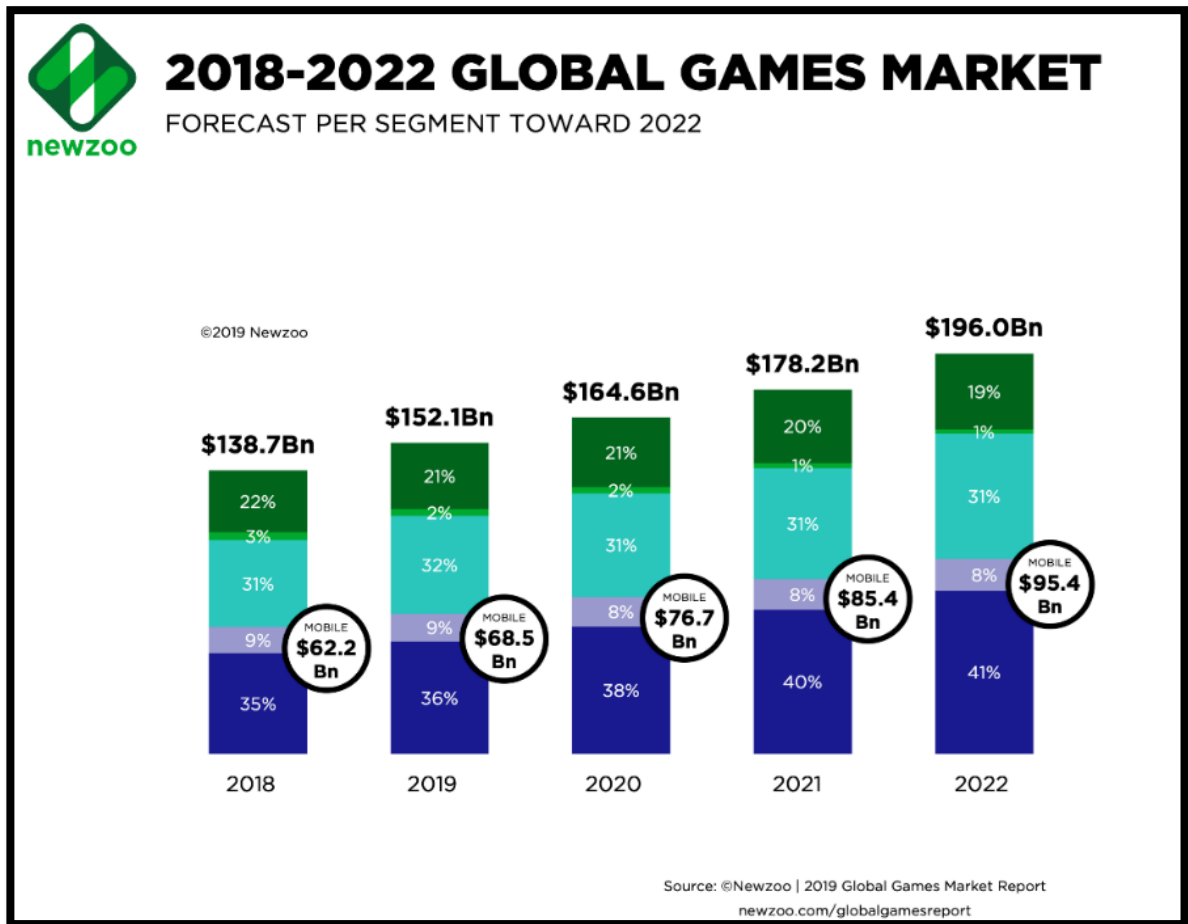
Latin America’s game revenue is \$5.6 billion. These regions made year-on-year growth in order subsequently +7.6%, +11.7%, +11.5% and +11.1% (Global Games Report, 2019).

Figure 2: 2019 Global Games Market per Device and Segment



The report estimates that the numbers are huge for the market segments per device for the global market in 2019 and as the reader can see, the numbers are growing(see Figure3). The mobile market has the first place because of the people who have smartphones and buys games from app stores. There is a huge potential there for game studios to use the mobile market. Console and PC market the ones that following the mobile market and these three platforms dominated the game market in 2019 (Global Games Report, 2019).

Figure 3: 2018 -2022 Global Games Market



Dark blue is the Europe, Middle-East, and Africa, light blue is Latin America, dark green in North America and the light green is the Asia-Pacific region(see Figure 4). As the reader can see the number of the game revenues are expected to increase in the upcoming years. It is not wrong to make an educated guess that the video game industry will continue to be an important industry to be in.

2.4.2 Turkish Market

Turkish video game market is growing in numbers which made me want to introduce a report for the video game market in Turkey for the reader. Gaming In Turkey is a gaming agency in Turkey and they released a report called Turkey Game Market 2018. According to information shared from the report, there are +30 million gamers in the country and the total game revenue reached 852 million dollars in 2018 which made Turkey the leader of the Middle East with 853 million dollars. Saudi Arabia follows Turkey with 800 million dollars, Iran with 600 million dollars, and the United Arab Emirates with 226 million dollars. 400 million dollars of this revenue was obtained from the mobile platforms and 453 million dollars from PC and gaming consoles. All these numbers put Turkey in the 18th place for gaming industry revenues. The report says that people who go to internet cafes are +20.000 internet cafes and the number of people who spend time on these internet cafes is 7.5 million people (Gaming In Turkey, 2018).

By looking at this report, Turkey is in a great position in the Middle East region. Having millions of gamers is great for the video game industry and the population of our country is a huge potential to use. Turkey also has significant growth potential in the digital games industry which is expected to be the biggest and the most valuable sector of the entertainment industry in the foreseeable future, yet, digital games industry in Turkey is still in its infancy (Kepenek, 2018, p. 652).

2.5 PORTER'S FIVE FORCES FOR VIDEO GAME INDUSTRY IN TURKEY

In this part of the study, the aim is to give brief information about Porter's Five Forces to make a competitive analysis for the video game industry in Turkey. Porter's Five Forces Model which was proposed by Michael Porter in late of the 1970s (Dobbs, 2014, p. 32), constitutes of powerful buyers, powerful suppliers, potential new entrants, substitute

products and competitive rivalry (Porter, 1979, p. 141) as the determinants the competition level of the industry.

2.5.1 Competitive Rivalry

In the video game industry of Turkey, there are different types of game studios due to the type of games that they are creating. As this study mentioned before that the industry is growing in a good way that will benefit both game studios and developers that working in them. As of 2015, there are almost 50 gaming development studios in Turkey, representing approximately 5% of the global sector at \$464 million (Kepenek, 2018). This also means that there is competition is increasing due to the studios but it will be not wrong to say that they compete equally. There is a diversity of competitors in the industry. There are mobile game makers such as Peak Games with their games 101 Okey and Toy Blast and Gram Games with their games Lumino! and Six! which are working globally more than locally. There are studios called Cultic Games with their game Stygian which is an RPG and one of the biggest studios TaleWorlds has a medieval RPG made a game called Mount and Blade series. Saying that there is a competition in the industry is not wrong but the type and the scale of the competition change because of the game platforms and types that the small or big studios make. For instance, a game studio that creates mobile games or another type of that releases on PC will compete with other similar studios around the world, too because like all the other games in the industry, they all are going for the global not just for staying in the borders of Turkey. Quality of the games from competitors changes in terms of how big is the studio or how big is the budget of it but this also does not mean that a small budget game can not be in the market. People have different tastes for video games so if someone does not like the quality of the game in terms of graphics or the gameplay, another person can like it and continue to play. Game studios can be bought by other bigger studios or even publishers so there is always an option for exit from the industry for the owners of game studios.

2.5.2 Threat of Potential Entrants

The threat of potential entrants from other countries is high since most of the games that come to our country are coming from foreign countries with the local distributors or themselves. Also, this is the digital age and most of the games can come to digital stores so, at any time of the day, any type of a game from small or big game studios can be available digitally in Turkey. This makes any type of game studios to enter the market of Turkey fast since it takes less money to enter digital stores globally. This means that local game studios compete with other studios around the world.

2.5.3 Bargaining Power of the Supplier

This part will have different types of distributors for different types of platforms. In the video game industry of Turkey, the major distributors are Aral Game and CDMedia. They both bring games in their physical copies which are mainly console games that developed in foreign game studios around the world to Turkey and use their distribution power to reach audiences. Aral Game also acts like a storefront where you can buy the games from them. If the game companies want to be in Turkey with physical copies for consoles, they need to use the AralGame for distribution. CDMedia is the distributor of Nintendo in Turkey so the only one who can bring the device and games to Turkey for now and they are not acting as a storefront, they just bring the brand to the shops where you can buy the device and the games for it. Big game companies like Sony and Microsoft are in Turkey for a long time so they are their distributors as they have their distribution channels. For mobile gaming, the game studios that are making games for this platform have to use the distributor that will perform well which is iOS for iPhone and Google Play for Android phones. On the other hand, from small to the bigger game studios in Turkey are usually on the digital part of the distribution since they are not making games on consoles, the games are mainly on PC and mobile. In the digital world of distribution in Turkey, there are some options for the game studios such as Steam, Epic Games, and GOG. Most of the PC based games from those small and big studios

mainly on Steam due to the ability to show the game to the millions of people both in Turkey and globally. Steam is very powerful in Turkey for digital distribution to reach millions of gamers. According to the Verge article, Steam takes 30 percent of your game revenue as a commission and Epic Games store cuts 12 percent commission from game revenues (Statt, 2019). Steam is also popular among users because of using a different currency in the store for the Turkish audience. In the digital aspect even though you have some options to go for, Steam is the one that acts as the major digital distributor for the game studios in Turkey. For the digital distribution area Steam is the number for in Turkey to promote and sell your game on PC.

2.5.4 Bargaining Power of Buyer

According to the report of GaminginTurkey that this study mentions in the Turkish Market part, there are +30 million gamers in the country. This shows that the buyer base is huge and important for video game studios to use it wisely. Gamers usually have options to choose different platforms (PC-console-mobile) for entertainment and they can play games on just one platform or more than one. In today's Turkey which is 2020, the switching costs are high for most of the Turkish gamers due to the economical problems such as the problematic relationship between our home currency against the foreign currencies. Consoles, PCs, smartphones, and games became expensive. The technology of these systems and most of the games come from foreign countries so the economical situation in the country is not helping the gamer. Even though, for most people, the switching cost is low since they can change between the platforms and for the games that they want to try. Switching costs are low if the person has money to change the systems. Gamers have an easy reach to the information due to the gaming-related on the internet such as reviews of the games, products, costs, and prices so they have the power of getting information. Platforms can catch gamers with their games which will reduce the bargaining power, too such as Sony's PlayStation offers exclusive games for their users so they can be in the position to control the gamer. If the gamer has the platform but not the game because of the price, the person can wait for a

discount since console stores do discounts on their game like other platform's stores, too. Gamer can choose and use more than one platform, the stores, and the ability to choose whether and when to buy the game. A Turkish gamer has moderate bargaining power in the video game industry for now.

2.5.5 Threat of Substitute Products / Services

In the video game industry, gaming platforms, devices, and games have a low threat of other products or services such as films, books, and music. The threat can be high when the gamer wants to spend time outdoor like in summer or the times that they have to work in their jobs or any other activities that they want to do with their friends offline. These things can change the spending time of gamers on any platform. In this industry, if someone likes to play video games they will find a time to play the games they want to try. Even though there are things that can make people to not play video games, there will always be a free time in their daily lives to play video games.

Devices and pieces of equipment of gaming platforms such as keyboard, mouse, and headphones can also be threats in the industry since the price changes, better quality, and utility. Video games can also add to this, too. Gamers can play on multiple devices with different pieces of equipment which is usual for them if they have money to afford it. Switching costs are usually low but as explained before that for some of the Turkish gamers even switching from another device or the equipment of any of it can be hard in 2020. Switching costs are moderate for the buyer.

2.6. PESTEL ANALYSIS OF VIDEO GAME INDUSTRY IN TURKEY

One of the models of this kind is the so-called PESTEL (or PESTLE) analysis. It is widely accepted as a comprehensive method used for industry and market assessment (Kolinis & Read 2013).

2.6.1 Political

- Video consoles got %50 tariff from 18th April 2020 to 30th September 2020 and after that date, the tariff will go down to %20 and will stay in that way. Currently, consoles that are selling have a %20 special consumption tax and %18 value-added tax (Çalışkan, 2020).
- In 2020, it is not wrong to say that the political state of Turkey with other countries is not stable since the relationships can change fast and it is hard to know what will happen tomorrow when you consider the recent events.
- Turkish game companies are usually doing their development activities in places that created under the law of Technology Development Zones No. 4691. Incentives such as income and corporate tax, R&D staff income tax, and value-added tax exemption and insurance premium support can be provided to companies in these places (T.C. Kalkınma Bakanlığı, 2019,p. 42).

2.6.2 Economical

- Results of increasing interest rates for inflation and market, consumption, and investment expenses affect total growth (T.C. Maliye Bakanlığı 2019-2032 Stratejik Planı, 2020).
- According to the European Statistical Office (Eurostat), GDP index of 28 European Union according to the results of 2018 (EU), while the average for the country is 100, this value was 64% in Turkey which is under the EU average with a loss of 36% (TUIK, 2019)
- The fluctuation in exchange rates and a continuous increase is affecting people's purchasing power. Gaming platforms and games are becoming expensive due to this fluctuation.
- According to the results of the household labor force survey, the youth unemployment rate increased from 20.3% in 2018 to 25.4% in 2019. While the unemployment rate

in young men was 17.6% in 2018, it was 22.5% in 2019, while this ratio was 25.3% in 2018 and 30.6% in 2019 (TUIK, 2019).

2.6.3 Social

- Address Based Population Registration System (ABPRS) by the end of 2019 showed that Turkey's total population was 83 million 154 thousand 997. Young people in the 15-24 age group population was 12 million 955 thousand 672 people. The young population made up 15.6% of the total population. 51.3% of the young population is male and 48.7% is female. (TUIK, 2019).
- Gaming is popular among young children and adults in all genders. As this study mentioned before that the number of games is expected to be more than 30+ million in Turkey.
- Most gamers are aware of gaming related news and keep track of the trends since they are online in their daily lives a lot.

2.6.4 Technological

- The use of the internet becomes %75,3 between people from ages 16-74. This ratio was %72,9 in the last year. The male percentage is 81,8% and the female percentage is 68,9% in the use of the internet between people from ages 16-74 (TUIK, 2019).
- Access to the Internet from Home has reached 88.3% According to the results of the household information technology usage survey, 88.3% of the households have access to the Internet from home. This rate was 83.8% in the previous year (TUIK, 2019).
- Owing to technological developments and hardware innovations, the digital games market and its sphere of impact is growing (Ankara Kalkınma Ajansı, 2016, p. 8).
- Most of the game development programs are licensed in a foreign currency which is an issue for the game studios in this unstable economy.

2.6.5 Environmental

Games are developing on game development programs and since they are digital there is no environmental issue that they cause.

2.6.6 Legal

- Laws about protecting the game studio's rights for their games
- Laws about preventing the use of pirate software and development programs in the industry

2.7 SWOT ANALYSIS OF VIDEO GAME INDUSTRY IN TURKEY

SWOT is a candidate model that identifies the availability of potential opportunities and threats as well as what a business can and cannot do(Sammut-Bonnici and Galea, 2015).

2.7.1 Strengths

- High number of players with young population (Ankara Kalkınma Ajansı, 2016, p. 30).
- Individual developer potential is high (Ankara Kalkınma Ajansı, 2016, p. 30).
- Abroad targeted and export-based business models have been formed (Ankara Kalkınma Ajansı, 2016, p. 30).
- Platforms that will bring stakeholders together have been created (Ankara Kalkınma Ajansı, 2016, p. 30).

- Having postgraduate programs for human resources development (Ankara Kalkınma Ajansı, 2016, p. 30).
- Turkey has many young and talented minds who are interested in the video gaming industry. These minds should be supported. Crucially, Turkey must find the means to develop its gaming industry so that it ‘passes to the next level’(Kepenek, 2018, p. 663).

2.7.2 Weaknesses

According to the report of Ankara Development Agency (Ankara Kalkınma Ajansı, 2016, p. 30);

- Trained human resources are not enough for and there is a need for people that graduated from game development related majors and also computer engineers.
- Lack of know-how
- Developers' failure to predict development process costs
- Lack of marketing activities due to an insufficient number of experts knowing the sector at the implementation stage and poor marketing activities
- Insufficient financial resources for big-budget games. To grow as an industry, more advanced games are needed in the market created by local game studios.
- Different disciplines coordination of specialists

2.7.3 Opportunities

- High interest in innovation and technology and developing the entrepreneurship ecosystem in the country (Ankara Kalkınma Ajansı, 2016, p. 30).
- Comprehensive state support from Teknogirişim, TÜBİTAK, Development Agencies, KOSGEB, and Ministry of Economy.
KOSGEB provides financial support to businesses that meet certain conditions within the scope of New Entrepreneur Support, with and without reimbursement.

Within the scope of the KOBİGEL-SME Development Support Program, up to 100,000 non-refundable and up to 150,000 non-refundable support is provided for 6-12 months projects for the development of new software, games and mobile applications (Ankara Kalkınma Ajansı, 2016, p.35).

Within the scope of the GENÇDES program implemented by the Ministry of Culture and Tourism, games with content that will contribute to the upbringing of children as responsible individuals have started to be supported. In 2017, 2,295,000.00 TL support was provided to 10 projects by the Ministry (T.C. Kalkınma Bakanlığı, 2019, p.42).

- Organizations such as TOGED, METU-Technopolis, ATOM, and OYUNDER are supporting both independent and professional developers while contributing to the development of the digital game industry in our country (Dijital Oyunlar Raporu, 2019).
- ATOM, which provides pre-incubation service, operates. In a pre-incubator facility, the tenants (the startup companies) have access to managers, and to administrative, management, financial, legal, and insurance consultants, as well as to scientists, academics, and prospective customers (Peters, Rice, and Sundararajan, 2004).
- Gaming Events and festivals such as GIST, GameX, and Multiplayer's Chapter are available in Turkey for gamers to join. Game related brands, companies, and game studios are coming together, too. Local game studios join them to promote their game and do business in these events.

2.7.4 Threats

According to the report of Ankara Development Agency (Ankara Kalkınma Ajansı, 2016, p. 31);

- Turkish players prefer free games. To open this up, sometimes people can prefer free games since not everyone is capable of buying games that they want or play with a

quality platform such as PC. As explained in the PESTEL part, economical problems are causing this issue.

- High taxes
- It is difficult to attract investment because it is a high-risk area
- In the short term, the profit is not high
- Independent developers not being able to benefit from the supports by providing supports on an institution basis.
- Limited information of institutions providing support with the sector
- Slow internet
- Game equipment prices are high

2.8 MARKETING FOR VIDEO GAME INDUSTRY IN TURKEY

2.8.1 Concept of Digital Marketing for Video Games

Digitalization is one of the most important issues of the century. It has become an important power that arranges and changes consumer behaviors, human relations, marketing channels of companies, working, and social life. As in so many different areas, the marketing field has received considerable interest in the business world and the academic world as well as in many different areas (Kaplan and Haenlein, 2010, p. 59).

Digital marketing helps game studios in marketing their games to not only locally but globally, too. In the video game industry, digital marketing is the most important to share information about their game and expecting to sell it to the gamers. In other words, digital marketing is promotional activities that emerge as a marketing form using technology (Merisavo, 2006, p. 6).

2.8.2 Advantages of Digital Marketing over Traditional Marketing for Video Games

In this part, the reader will be briefly informed about what is traditional marketing and how it is used in Turkey for the video game industry. Then, the information about the advantages of digital marketing over traditional marketing for the video game industry. Digital marketing has many advantages over traditional marketing practices as a means of enabling all marketing activities to be carried out in a digital environment (Dholakia and Bagozzi, 2001, p. 168).

Traditional marketing is the general name of advertisements which companies use to market their products by using tools such as billboards, TV, newspapers, magazines, radio, direct mails, flyer or pamphlets, and print advertisements. In this approach, marketers tend to place ads where their audience will see, hear, or interact with them offline. In traditional marketing, advertisements can be kept for a long time if they are not digital like ads on billboards. Those ads can give results faster or more effective if they are placed wisely and suitable for the targeted audience since digital marketing methods can take some weeks to produce results. Traditional marketing is an expensive business since giving ads to TV, billboards, and newspapers for big amounts of money. The other disadvantage of using traditional marketing for video game studios and developers is that there is one-way communication between them and the gamers. People who are playing games are people who are online in daily lives which makes traditional marketing methods hard to catch their attention. Customization is also another problem for the traditional market because it is hard to target a specific customer that you are trying to show off your game. The market segment of the game can be targeted, but individually.

In digital marketing, all marketing activities are supported with the exception of traditional media tools, and the brand is promoted. Marketing activities are carried out using mobile, internet, and interactive platforms. The most important point in these activities is to provide

an environment that can reach everyone cheaply through the internet (Chaffey et al. 2013, p. 102). Digital marketing also provides a multi-channel buying experience by using digital applications such as e-mail, internet, wireless, mobile devices, and database technologies to assistance marketing activities (Chaffey, 2010, p. 190). Digital marketing is the main source of the business for the video game industry in Turkey since the games developed by the industry are available on electronic devices or online. Some of the digital marketing channels that will be mentioned in the study later are social media marketing, online video marketing, e-mail marketing, SEO (search engine optimization), ASO (app store optimization). Digital marketing is a two-way communication that enables interactive and fast communication between the customer (gamer) and the seller (video game studios). Digital marketing has a cost-efficiency compared to the traditional one and even using some methods of digital marketings is free to use. This helps small based video game studios or developers to promote their games with the cost of marketing. Using digital marketing channels can make the game reach globally and it is possible to use them for the local market, too. Another advantage is that online information is always available to use or search by everyone. The fact that marketing is internet-based can sometimes waste time for the customer due to the breaks and disturbances on the internet. This undermines the entertaining nature of digital marketing (Safko and Brake, 2009). Confidentiality and security problems in digital money transfers are another problem area. This creates safety concerns when shopping in humans (Taken, 2012, p. 90). Gamers who buy their games in digital stores can have these problems like any other person who does online shopping.

Even though digital marketing is the main one for the video game industry in Turkey, there are some options for local game studios to use traditional marketing for their advantage. Gaming events are the places where gamers, developers, marketers, publishers, and brands come together to enjoy the world of gaming for some days. There are e-sports tournaments, cosplay events, seminars, workshops, and gaming areas for mobile, PC, and console for people to attend. The most famous ones in Turkey are GIST, GAMEX and CNR Games Week are open to everyone. Local small and big game studios can be in these events to show their new games, meet with their customers and do business, too. Gamers do their search

about games online which makes it is easy for them to click and buy the product. There are magazines about video games like LEVEL and Oyungezer which both have online and physical copies available for gamers to read about game reviews, trends in gaming, and much more. It can be an option to talk one of these magazines, too to promote your game.

2.8.3 Digital Marketing Mix for the Video Game Industry in Turkey

This part is about game studios in Turkey and the games from those companies or developers. The marketing mix has a digital characteristic because the games that they are creating or created are on the digital stores.

2.8.3.1 Product

In Turkey, most of the small and big game studios are working work the digital stores where they can sell their product to gamers. Games can be bought by the customers in digital stores, directly. Every game studio wants its products to be worth buying and playing so they need to convince people to do that. Describing the game is important to show the selling points of it. Talking about gameplay, design and the type of the game is crucial to mention. Pictures from your game can also be tools to show to the gamers. Developers can take a screenshot of what your game offers as if there are battle scenes, puzzles, vehicles, or enemies like monsters. Gameplay videos or trailers for your game can also get attention from people, too. The way of getting the attention of people can be showing the development progress of your game which will create a fan base for the product and the video game studio or the developer will be the product's value in the eyes of gamers that are interesting in buying the game. The best way to share all of this information that mentioned is to use digital channels such as the game studio's website and social media. This method can help you to get potential customers in the future.

2.8.3.2 Price

The price tag is one of the most important things for games so the game studio or the developer should use to sell their games. Perceived value is important since if the price of a game is much higher or lower than the similar games that are selling in the market, there is a big chance that the game will not sell in a way those game studios or the developers expected. Doing a discount on the price to boost sales when the sales of the game are declining as the game gets older in the stores. Avoiding unreasonable discounts for the game will be helpful for the game's perceived value in the market. The reasonable things to do are discounts on holiday seasons and right before the release of upcoming content or a game from the same studio. Competitor's price tag and promotional discounts on their games in recent months also need to be checked out before releasing a game. There is also a type of potential customer that will not pay the full price because some people will just wait the price go lower so a game studio should keep in mind that, too when the sales are not going well. On the other hand, most of the mobile games are free to play which allows them to offer in-game content for the revenue.

2.8.3.3 Place

The video game studios in my study use digital platforms to sell their games and some of them use more than one platform. It is not hard to imagine that most of the game studios in Turkey prefer digital stores to reach their audiences. Each digital stores for games have a free system where the game owners have to pay from their game revenues. Having a website is important to promote the game. Showing reviews, playable demo, and trailers are important. Websites should have sections where gamers can purchase the game in the respective stores by clicking through from the studio's website. Some games do the demo for their games to know how much people are interested while finding bugs that can break the game. A playable demo can be on the studio's website for potential buyers. Using social media channels to

promote the game is important such as Twitter, Youtube, and Facebook with game-related content. It is important to mention those in the game studio's website to let people know that those channels are available to look and contact.

2.8.3.4 Promotion

For the video game industry making a discount on the game, talking with the gaming press, joining events about gaming, and even contacting gaming influencers are all promotions. To promote a game, the game should have an interesting logo to gain attraction, writing key sentences to describe the story of the game without any spoilers, gameplay screenshots and videos to show what the game is offering, trailers to get potential customers can help the studio in promoting. Press materials and playable demos are also important to mention. Contacting gaming influencers can be helpful to show off your game to the target audience. Blogging about how the development progress of the game to the target audience can also help. Using social media channels for building a community and sharing content about the game and a website to show people. Joining gaming-related events for business and the people who bought the game is a beneficial promotion for the game studio, too.

2.9. DIGITAL MARKETING CHANNELS FOR GAME STUDIOS

2.9.1 Social Media Marketing

Social media is a platform that allows individuals to share their ideas and opinions over the internet (Constantinides and Fountain, 2008, p. 240). Social media is the main marketing channel for game studios since being able to reach millions of people throughout the internet

and promote their games. There are many options to use in this section for game studios. The Internet is now used not only to find information but also to establish more effective relationships with consumers (Papasolomou and Melanthiou, 2012, p. 320).

Twitter: It is beneficial to have a profile on Twitter to promote games. Potential customers or users can follow you on there. Being interactive online and answering to people fast is important. Developers can give updates about the development of the game, upcoming additions to the game, or even alert them about the promotional discount of the game. Video marketing on here with trailers or GIFs are useful. Icon of the studio or game must be the profile picture, a description should be about the game and the studio. The banner picture should include a screenshot from the game.

Facebook: A page for the game studio can be a good decision to create a community on Facebook, too. Being active on the profile by informing people with messages about the game-related content.

Instagram: A profile to share pictures of game-related content. It is important to share fan arts that related to the game such as characters. Creating arts for special days such as the anniversary of releasing the game.

Discord: Popular among gamers around the world where they can join servers chat or speak with each other, and be a part of community. Discord is released in 2017, reporting 130 million users in 2018 and now in 2019 doubling that number to 250 million (Kerr, 2019). Most of the game studios around the world have servers in the discord which brings their customers together. Discord can be used for sharing news about the game-related content. Developers can talk and chat with other people in the community.

Reddit: A network of communities based on people's interests. A platform where they can join a community share pictures, videos, and texts under it. A page on for the game studio can be a hub for sharing game-related content and most of the developers on there do interviews with the other members of the community game-related topics.

Youtube: Having a channel on this platform is very important since it is the second-largest search engine after Google. There is an opportunity to promote the game to millions of people and engage with them in the comments section. Doing video marketing and audio marketing via this platform is beneficial for the studio. Trailers, gameplay videos, updates about the game, and the soundtrack of the game can be useful to reach potential customers.

2.9.2 Influencer Marketing


Due to the popularity of streaming services like Twitch, Youtube Gaming, Facebook Gaming and Mixer, gaming influencers which are the streamers who stream their content (game) and viewers (gamers) watch them. Game studios can be a sponsor of a streamer to promote their game and attract potential customers.

2.9.3 SEO and ASO

Search engine optimization can be used for the website to make it more reachable for potential customers. People who are interested in your game and the game studio can write the keywords for the game/studio to find the website of it. Doing this method, it will help to get unpaid organic results can be useful the website of the game studio/game can improve the rankings in search and makes it more visible to the potential gamers. People usually search for the games on the digital stores, too.

On the other hand, app store optimization is the same strategy for mobile games. It helps to position the game and boost the ranking which will increase visibility in the eyes of potential customers. The game's page in the stores should have descriptions, screenshots of the game, number of downloads, ratings, and reviews. Designing a visually outstanding and friendly icon for the game is useful.

2.9.4 E-mail Marketing



This method by putting a section on their website where they can put a subscription-based e-mail address for their game or studio to give news about it.

2.10 DIGITAL MARKETING PLAN FOR GAME STUDIOS

The digital marketing plan that contains knowing the target audience, differentiate from the competitors, competitor analysis, knowing what channels are vital to promote and sell your game.

Target audience: The type of game is going to help the game studio to make a strategy for their game since there is already the same type of game in the digital stores. Every game has its audience since gamers will play what they want to. Gamers like to play different games so even though someone who is not the target audience can also find and play the game so there is also that.

Channels: Knowing where can be the target audience and how to be in contact with them via digital channels such as social media marketing can help the studio to build a community, promote their game and sell the product to the target audience.

Competitors: In the developing part of the game, the studio can search for both mistakes and of the previous games and try to avoid those in their game such as gameplay problems, how they interact with gamers for development updates. It is also possible to learn what the other studios do best in their game to get the idea of why people are playing it. In the game industry, there are different types of games so differentiating is always there but the same type of games can also contain similar mechanics, stories architecture even the design. Reading the reviews and feedback from the games of competitors is also beneficial. Competitors can also help, too since digital stores show the same type of games in under one section or even at the bottom of the competitor's game page. Competition is fierce in the digital stores and every game studio tries their best to put something different in their game in the sense of gameplay, design, art, and story with unique characters to get gamer's attention.

3. METHODOLOGY

Interview questions were used in one-to-one interviews via online are presented in the Appendix.

3.1 AIM OF STUDY

This study aims to analyze the video game industry in Turkey by interviewing developers or marketers of the game studios. Main questions were asked to get informed about what developers, marketers, and an analyst from game studios do for marketing for their current games, the games that they created before, or upcoming games. While answering the questions they were expected to give opinions about the video game industry in Turkey.

3.2 MODEL OF STUDY

This is a qualitative study done with an interview that the questions were written before contacting with the participants. Qualitative study is based on words, emotions, sounds and other non-quantitative and qualitative elements which means that this study methodology can not be analyzed by mathematical techniques, this type of study is accepted that it is qualitative. For understanding the video game industry in Turkey, the researcher used this technic by open-ended questions about how game studios did or doing the marketing for their games. Using the open-ended questions technic was used to encourage participants to talk freely without any limitations in answering the questions.

3.3 SETTINGS AND PARTICIPANTS

Interview questions were answered by five people from the game studios. These participants are:

1. Kerem Özer - Marketing Director of Proud Dinosaurs.
2. Anton Semchenko - Developer from Kabuk Games.
3. Tolga Ay – Developer of his own game called Remnants of Naezith.
4. Burak Tezateşer – Designer, producer, and the founder of Nowhere Studios.
5. Doğuş Arukaslan - Analyst from Gamegos.

The people who work in the game industry were the focus and contacted several people after searching and the people that mentioned were the ones that accepted to make interview online. Questions were sent via e-mail and requested politely to answer the questions when they are free to answer.

3.4 LIMITATIONS

There were limitations to this study due to the global pandemic called Covid-19 (Corona Virus). People were in the isolation process and quarantine happened from time to time due to the government's precaution for the disease. This situation was started in Turkey at the beginning of March 2020 and continues. Because of this situation going to a library and doing physical read were not available but the online library and the internet were useful. People who work in the game studios are usually busy and it is hard to find someone to be in contact easily. Interviews did not happen face to face because of a pandemic but as mentioned before they happened online by first contacting the participants on social media and then proceed to interview via e-mail. Even though there were limitations for the interview, five people answered and helped the researcher to get his answers.

4. FINDINGS AND DISCUSSION

In this part, the findings from the literature review and interviews were discussed.

4.1 FINDINGS AND DISCUSSIONS OF THE INTERVIEWS

4.1.1 Game Industry in Turkey

Kerem Özer: Mr. Kerem mentioned that the game sector in Turkey is in poor condition. A huge percentage of companies are doing mobile games and the mobile market is in the lead. He states that the biggest problem for the sector is that there are not enough educated and trained people to hire such as computer engineers. He added that the coders who get some experience escape from Turkey to another foreign country whenever they have a chance. It is not easy to hold qualified people to not leave the country.

Anton Semchenko: Mr. Anton states that the game sector in Turkey is moving into good condition. He thinks that the hyper-casual games which are mobile games are helping the industry to grow. Large scale projects seen an improvement compared to the last then years and the games are becoming more advanced in time. He also mentions that the atmosphere in the sector is intimate.

Tolga Ay: Mr. Tolga believes that the game sector is developing day by day and the Turkish gamers greatly support the Turkish products which give them an advantage both locally and globally.

Burak Tezateşer: Mr. Burak finds the industry's state in a good condition and there are lots of opportunities for entrepreneurs. He also mentions that it is hard to keep experienced

developers in Turkey and there are some difficulties in finding educated new ones to replace them.

Doğuş Arukaslan: Mr. Doğuş states that the game sector in Turkey has shown an incredible growth trend. He gave his opinion for the mobile gaming market and mentions that the local mobile game studios are doing a great job and achieved significant success in the world for the hyper-casual games.

Mixed views for the condition of the game industry which shows that it is still developing. There are opportunities for the entrepreneurs and there are fewer large game projects in the industry now. The Turkish people support their local products which give developers an advantage to sell their games. Hyper-casual mobile games are the trends for some studios and they got great results from the games. Labour force is needed such as educated developers because there is a lack of experience in game development. It is hard to find trained computer engineers and holding the experienced ones in the country. This is a problem but it also shows that the industry needs to give more options and benefits to the developers which will help them to decide to stay in Turkey and not move to another country.

4.1.2 Development Process of the Games

Kerem Özer: Mr. Kerem states that the development process for their first game called *Macrotis: A mother's Journey* taught them a lot by learning new things and making lots of mistakes. He added that the mistakes that they encountered in the development are now shaping their approach to their new games.

Anton Semchenko: Mr. Anton's first decision about what kind of experience he wanted to share in the game and this made him make a small prototype. He shared this prototype with a visual artist called İbrahim and after both of them satisfied with the idea, they started to develop the game called *Alchemist's Castle*.

Tolga Ay: Mr. Tolga explained that he dedicated himself to the development of his own game called Remnants of Naezith during his university education. The development of the game took 3.5 years and he states that most of the time he felt exhausted. The reason why the game took too much time was instead of using the Unity program, he created his game engine using C++.

Burak Tezateşer: Mr. Burak talked about his upcoming new game called Circadian City and mentioned that the studio has been working on it for less than two years. They are planning to release the beta version of the game through Steam and after a year, they are planning to make the game ready for its Nintendo version.

Doğuş Arukaslan: Mr. Doğuş stated that he hasn't got involved in the production process yet since he is an analyst for a mobile game studio. He gave the researcher brief information about the development process. He mentioned that the production of a mobile game begins with the intellectual process such as determining the type of game, concept, story if the game has any, income models/methods, examination of the first drawings, and the selection of game mechanics. He adds that these processes can change in time and the change progress can take 3-4 months depending on the changes of ideas. He continued that the next step is to take action with 30-40 person teams to develop the game and control the state of the game after their launch.

The development process of a game is not an easy task and it takes a lot of effort and time. It is important to know the concepts of the game in the development process such as game mechanics, graphics, and story. Since making a game takes a long time, mistakes can happen but the mistakes are also a way to reach a better state and they can help game studios to improve and themselves. Developing a game usually done by small and big teams or even sometimes just one person can develop a game.

4.1.3 External Factors and Market Research for the Game

Kerem Özer: Mr. Kerem stated that the most important factor to develop their game is that they wanted to produce a relatively easy game which only would take to make in six months. The studio thought that they would release the puzzle-platformer fast but it did not happen as they wanted. They researched other platformer games from independent studios that made a lot of money and saw that the puzzle-platformer games have a huge target audience that enjoys playing these types of games.

For the external factors that influence the game industry in Turkey, he mentioned that the labor force is a big problem. He adds that the economical situation is not helping them at all. All programs that they use have foreign currency licenses and TL loses value every day. Besides this, he talked about Kickstarter used by many independent gaming studios that are not available in Turkey and they can not get benefit from it. He also added PayPal is not available in Turkey anymore and it is hard for them to enter some competitions and have no chance to compete with others abroad. He explains that the gaming sector is global and when compared to the world Turkish games who pay money to buy games are almost none and they try to get games cheaper than games' original prices. Some of the foreign game companies which opened offices in the past closed them and left the country since there is not much money to earn in Turkey. He mentioned that since the economy is in a bad state, it is not easy for Turkey to attract the attention of major corporations when most of the people are having a hard time to get by and raise money to feed themselves and try to live in Turkey.

Anton Semchenko: Mr. Anton talked about the studio and mentioned that the development of a game is just a hobby for them and stated that without doing market research, they can work on whatever they want to develop. He again mentioned Alchemist's Castle and said that it was the same thought for this game, too. For the external factors that influence the game industry in Turkey, he stated that the most important factor the effect the game sector is travel difficulties. Participating in events abroad, contacting with entrepreneurs and publishers is a big problem. He shows the reason why traveling has some difficulties is that the politics related to foreign and internal affairs affect the game sector a lot.

Tolga Ay: Mr. Tolga stated that the type of games that are similar to his own game are fast, difficult, and constantly dying element has a niche audience. He researched on what other games did such as Super Meat Boy and Dustforce which he mentioned that these games inspired him. He adds that meeting the speed run committee made him direct the whole focus to that audience and develop the game as they like.

Mr. Tolga talked about his own experience and the game and mentioned that there were not any hindrance throughout developing the game. He added only one negative thing about the government's support. He applied to the government's support programs to get financial support to develop his game but there was no answer. He had huge budget problems while having the graphics made for Remnants of Naezith.

Burak Tezateşer: Mr. Burak mentioned that they analyzed the sale figures of both successful and unsuccessful games which were released in the same genre of their products. He added that they also read the reviews of users who play the games. These things were helpful for them to plan their strategy for their products. He also explained the upcoming game called Circadian City is a project of a publisher and they are working with them together to do market research for it, too.

Doğuş Arukaslan: Mr. Doğuş stated that during the soft launch period, the metrics of the game are examined, and these metrics try to be developed by the studio. He added that in the process of developing metrics for retention/engagement and monetization (in-app purchases and ads) the aim is to bring these metrics to acceptable levels which will make the game ready for worldwide launch.

For the external factors that influence the game industry in Turkey, he mentioned that there are important supports and incentives in the political and legal part of the work. He also added that there are nonsensical taxes and commissions that give a disadvantage to the game studios.

He also talked about the social and economical factors that restrict Turkish gamers to buy in-game products and added that the sector needs to focus on the revenue of advertisements in the Turkish market. He mentioned that the workforce is cheaper than the competitors and

generally the staff knows their responsibilities and is loyal to their jobs. He made it clear the technological factors in Turkey are in a good state and they have not much trouble in Turkey. He then compared European and American companies and stated that the game sector in Turkey has a lack of experience but he added that this problem can be partly solved by the help of consultancy services and know-how transfers.

Some participants got the support and one of them did not but it is easy to say that there is an important support for game studios from the Turkish government both as investment or legal purposes. Difficulties such as traveling, licenses, taxes, commissions, and increasing changes in currency rate are affecting the industry. Buying the power of people is not strong so buying a game or related stuff is not easy for most of the Turkish gamers. Technological problems were not mentioned in the interviews about Turkey which shows that there is a suitable environment to develop games. In the market research, participants were helpful to gain information about the mindset of the game studios. Strategies such as analyzing the sales of both successful and unsuccessful games, reading reviews of the gamers, or even checking the app store key factors for mobile games are useful information to learn about.

4.1.4 Competitive Strategy and Competitors

Kerem Özer: Mr. Kerem stated that there is no competition in the Turkish market and added that the market is global so the competitors are global, not local. He mentioned that there are studios that make games properly, they all know each other and most of them are friends. He then added that there is no situation to compete since Turkey is the underdog for the global game market and this makes them comfortably do their jobs.

Anton Semchenko: Mr. Anton said that they developed the game as a hobby so they did not follow any strategies for the competitors. He also said the same thing about the competition is global, not local for the gaming market. The studios have to compete with the rest of the

same market to sell their games. He mentioned that the only strategy which they keep in mind is to release the game as far as possible from the release date of the most popular games.

Tolga Ay: Mr. Tolga stated that his strategy is to keep the game in maximum quality and polished enough to compete with the best of its kind. This strategy makes the game become a valuable option for gamers of similar games. He also said that he sees no competition in Turkey and he added that everyone supports each other in the game industry in Turkey.

Burak Tezateşer: Mr. Burak mentioned that no single game studio is the rival of the other one in Turkey when compared to the world. He adds that they all are in the same industry and the only option is to support one another.

Doğuş Arukaslan: Mr. Doğuş said that the revenue model instead of advertising is based on in-game sales and the main target audience is the people in the developed countries such as the United States, the United Kingdom, Germany, France, Korea, and Japan rather than the developing ones such as Turkey and Brazil. He mentioned that the studio did their market research by thinking about how they can catch these people with both games and marketing strategies.

All of the participants said that there is no competition between the local companies in Turkey since they all support each other by all means. Competition in the game industry is global, not local. Releasing the game on a period where there will be no popular game's release is important and to compete, quality must be good. Competitive strategies are usually based on similar games and target audience.

4.1.5 Price and Pricing Strategy

Kerem Özer: Mr. Kerem mentioned that they have set prices similar to the same type of games in the market and they put a cheaper price for Turkey. The reason why they made the

game cheaper than it is supposed to be is that they showed shyness as it is their first game which Mr.Kerem stated was a mistake.

Anton Semchenko: Mr. Anton mentioned that what they wanted when they planned the game was not big things. They wanted to create a short, decent, entertaining, and small game. These were the reasons that they wanted to keep the game’s price cheap. He stated that the strategy was helpful to get positive feedback but because of the principles of Steam algorithms (cheapest games never come forward), such positive feedbacks did not influence sales as they wanted.

Tolga Ay: Mr. Tolga said that he looked at the prices of similar games and estimates a generally accepted price of such types of games like Super Meat Boy and Dustforce.

Burak Tezateşer: Mr. Burak mentioned that they looked out for the price and the position of similar games related to their own. Their upcoming game is in development and is not on the market yet so he wanted to give more information about the previous project of their studio. He said that the price strategy was above the expectations for them and did not mention what they did for the price. He then said that it is not the project’s cost or the quality, what is important is the gamers’ “perceived value” and getting to a higher position is not important, but game studios must take into consideration not to get down below this.

Doğuş Arukaslan: Mr. Doğuş stated that mobile game studio’s price strategy is based on the competitors who target the same niche audience.

Deciding the price tag for a game is not easy and it affects the game’s sales so game studios need to be careful about the price to achieve the goals for sales. Studios should not release the game in digital stores while there is a discount event happening and consider most wanted games’ release dates. Price tag changes from the type of games that the studio made so looking for price and position of the games that are related to studios’ games can be helpful to make a pricing strategy. The important thing is to know about the game that developed so that studio can focus on them when creating a certain strategy. Cheap games can be hard to

sell since gamers' mindset can be bad about them at first. Perceived value on the market is important since giving the wrong price to the game can create problems in sales.

4.1.6 Target Audience

Kerem Özer: Mr. Kerem stated that the puzzle-platformer audience is very large, it is a genre that everyone, young, old, women and men can play. He added that they used social media and forum sites for their game. Then they talked to gaming sites, Twitch, and YouTube publishers. Since both marketing and development budgets for games are big as a studio they wanted to agree with a publisher so that they could take the burden of marketing, but he also said that this idea was a mistake. He mentioned that the studio did not want to release the game without a publisher.

Anton Semchenko: Mr. Anton told that their target audience is the generation who raised with consoles such as NES, SNES, and SEGA and who likes to play with a mindset of discovering. He added that they contacting game magazines and social media such as Twitter and Facebook to promote their game.

Tolga Ay: Mr. Tolga mentioned that his game is for the people who enjoy hard and suffering games. He added that the audience who likes this type of game enjoy succeeding in difficult games. Social media used again for promotion. He used a tactic of entering Discord channels of similar games and introduced his own game to people. He added that many people like the idea and the game so they contacted him for more information.

Burak Tezateşer: Mr. Burak stated that the target audience for their upcoming game is the group of young people above 16 who call themselves as an alternative, liberal, and progressive. He added that their community is close to the women, LGBT, and minorities with a libertarian style.

Doğuş Arukaslan: Mr. Doğuş told that their target audience is the people in developed countries whose GDP's is higher. They aimed for people whose solvency is high and

explained the audience as “Whale” who make up one percent of the player base and swells the appetite of all product/service providers. These groups share in total payments is well above one percent and because of this, they are the target audience. The other segment was the “Dolphin” who is the middle segment and “Minion” who pay the lower segment. For the game revenue, as a studio, they aimed at the people who put a lot of money into in-game purchases and have no problem with spending extra money.

Target audience is vital to sale game so the type of the game was a key for the studios to estimate which type of person will play their games. Each game has a different audience so this means that the game studios need to adept to promote their games. In the gaming industry, every game has an audience and there is a change that the game studio can catch the potential buyers, too who are not the target audience. Everyone can buy and try games which is an advantage for most of the game studios to gain more audience for their games. From the participants, it is clear to say that social media is important to reach the target audience.

4.1.7 Distribution Channels

Kerem Özer: Mr. Kerem stated that they are doing business with online gaming stores such as Steam, Humble Store, Greenman Gaming, and Robot Cache. He added that it is important to launch the game when there are no big discounts and new games that would attract people’s attention. He also mentioned that they should have waited for a couple of months because Lunar Sale which was made for Chinese New Year would have finished. He then added that after a week releasing their game, the sale started and affected the game studio negatively because in platforms like Steam people buy games only on sale. Most of the people who like a game, just wishlist it and wait for it to be put on sale.

Anton Semchenko: Mr. Anton mentioned that they distributed the game through digital platforms like Steam, Itch.io, Microsoft store. After some time they released their game on different platforms such as PS4 and Switch. He added that they talked with Kodobur who offered the studio to port their game to PS4 and Switch.

Tolga Ay: Mr. Tolga told that Steam is a standard platform to sell his game because the biggest audience is on there and Steam provides very good visibility despite cutting 30% from the sales.

Burak Tezateşer: Mr. Burak stated that their previous game was on Steam and X-Box One but for their upcoming game they want to release it on Steam and Nintendo Switch as they are the most stable platform that suits their game. He added that before developing the game, they first decided which platforms they should aim to sell their games.

Doğuş Arukaslan: Mr. Doğuş mentioned that for mobile games the platforms for Android, Google Play Store, and for IOS Apple App Store. He added that Amazon and Huawei have application markets, too but as a studio, they did not that serving the game would meet the effort they spend. Except for Android and IOS platforms, they added a Facebook game platform where they continue to provide services. He also said that instead of entering the main market with a bad product, entering the smaller markets with well-developed products is a successful method applied by the entire industry and I also know that it gives very good results for us.

Participants released their games on digital stores and some of the studios released their game on multiple platforms. Each platform and store may have different needs so the game studio should observe and know about the platforms that are planned to be used and make a strategy according to them. It is also important to decide where to sell the game because this strategy will also benefit the game's sales.

4.1.8 Traditional and Digital Marketing

Kerem Özer: Mr. Kerem told us that they never used traditional marketing and completely turned to digital marketing for their marketing strategies. He added that they asked several game sites to talk to authors and write game reviews, talked to Twitch publishers, and used social media and online forums.

Anton Semchenko: Mr. Anton mentioned that they did not use marketing a lot for their game since they were just developing the game as just a hobby. He added that they could reach magazines and wrote a lot of messages about the game on social media like Twitter and Facebook.

Tolga Ay: Mr. Tolga stated that he did not spend any money on marketing, and he did it by himself. He added that the articles about what's going on about the game and on Reddit have attracted a lot of attention from potential buyers. Dynamic video / GIF shares that look interesting weekly on Twitter was a strategy that he talked about and he also said that Dev-log which means development log on TIGSource forum also was helpful for him to promote his game.

Burak Tezateşer: Mr. Burak told that their projects got the highest percentage of their marketing budget in PRs and fairs. For them, PR was done mostly for digital platforms and he added that they did online advertisement, too for promotion. He explained that according to the project, it can be different in which marketing methods can be used. He gave an example for Steam and said that as a studio they used the correct strategy while disturbing their budget in the games of indie category.

Doğuş Arukaslan: Mr. Doğuş mentioned that they used digital marketing more and did not think that advertising to televisions, billboards, magazines, and newspapers is worth much for the studio. He added that because of high costs and their relatively low success while targeting the niche audience, which is our priority, they have not used such traditional marketing strategies. He talked about their social media marketing and their social media accounts are carefully managed by relevant content producer friends. He said that their digital

marketing campaigns are successfully managed by a team of experts which he is also one of the members. He also mentioned that they could use “Influencers” to reach a wide target audience in the future.

Participants said that traditional marketing costs a lot and low success in targeting niche audiences for the type of games are not helpful for the studios. Going to gaming magazines, sites, and forums and talk about development while asking for reviews from the authors used by participants. Every participant uses digital marketing tools such as social media. Being active on social media is important to promote their games and make people know that the game exists in the market. The games are on digital and the audience is online in their daily lives so the use of digital marketing is more important than the traditional one but this does not mean that traditional marketing will not be helpful in some cases, too. A good digital marketing strategy for the game will be vital to promote and sell it to the target audience.

4.1.9 Future of Video Game Industry in Turkey

Kerem Özer: Mr. Kerem stated that as long as Turkey continues to lose its appeal, he generally does not see the future of the IT sector as bright. The poor economy is not the biggest problem, even an advantage in some ways for them. They earn foreign currency paying salaries by TL. He added that everyone who is in the game industry will continue to flee from the country. He explains this by saying that the recruitment of new staff will continue to be new graduates only and when they get a little experience, they add this to their CVs and then leave the country. He then mentioned that as long as the purchasing power of Turkish players is so low, game marketing will completely stop in Turkey. In Turkey, at present, the most played games on free-to-play which free games as he said. Then he continued that these games make money by selling elements that change the visual and do not affect the game, but though they are the most played games in Turkey.

Anton Semchenko: Mr. Anton told that even though it is a slow process, producers will switch to large scale games instead of hyper-casual games. He added that some game studios don't try to use marketing a lot but on the other hand, there are game studios that are interested in marketing and understand how it works well are not doing marketing for only Turkey since the competition is in global.

Tolga Ay: Mr. Tolga told that he has not followed what happens in the industry for a long time but he said that he is not against focusing on the local. For him, the industry has to do global efforts to make Turkey's gates open to the whole world, but the games developed in Turkey and other studies only aim to the audience in Turkey.

Burak Tezateşer: Mr. Burak mentioned that the investment in the video game sector in Turkey will step up; but because of many successful examples, he thinks that there will be lots of companies that make products of poor quality. He supposed that in the future there will be a chaotic situation because of the people who want to start the business without having no idea about the gaming industry when they realize how profitable the business is and how much money the game companies can earn. He then added this kind of cash-intensive also helps to promote good companies. The existing companies continue to enlarge their staff. He thinks the annual average sector growth will be around %25. As it is difficult to find qualified developers and artists, there will be increases in salaries. But on the contrary, he said that talent hunting can happen depending on political developments or not. Apart from marketing, he believes that people in the video game sector can do many things in Turkey because they all are advantageous enough to develop the industry to a better place.

Doğuş Arukaslan: Mr. Doğuş stated that the manufacturers of Hyper-casual will turn to Core mobile games over time. As he believes the core mobile game market will be safer for the future. Hypercasual games are now in a structure that is mostly fed by the advertisements of Core game producers as an income model and it is obvious that the products in this field have started to hybridize in recent years as he mentioned. He thinks that at some point, core game manufacturers will not increase their advertisements when the core game market is satisfied and the advertisements that these games show in Hyper casual games will also stop growing. He added that hyper-casual games will need to either expand their markets beyond

core game advertisements or produce alternative revenue models. He mentioned that he does not expect major changes in the marketing of mobile games in the short term and he thinks that digital marketing methods based on artificial intelligence algorithms will increase its weight in the sector and, though it is small Influencer applications may also increase.

The game industry in Turkey is in the developing stage and will continue to grow in the future. As one participant said the bad situation of the economy and the Turkish people's buying power will get lower in time if the situation continues. This is true and it is a big problem for today's Turkey since everything is becoming expensive and the currency rates are changing fast. Even though there are big projects that released, there is a need for large scale games rather than developing small ones to improve the state of the video game industry in Turkey. As one participant mentions there will be more staff recruitment in the future locally from graduates related to gaming development or talent hunting from foreign countries. One participant said that there will be a fear of losing new graduates because of the possibility of leaving the local studio for a foreign one mostly since the salaries are not enough as the other competitors in the other countries. Hyper-casual games will help mobile gaming studios to make more advanced games for the mobile platform and digital marketing for the app stores will get new artificial intelligence algorithms to sell the games. Digital marketing is very important in today's world to promote and sell a game and as one of the participants mentioned that using the influencers in gaming will be more optional in the future for the small based studios.



5. CONCLUSION

The video game industry in Turkey is in the development stage. The economy is not stable now and currency rates are changing fast and not in a beneficial way for the video game industry. Even though this situation is slowing down the growth, the government is providing investments and support to the game studios to help them grow and create games. Game studios for different platforms are creating different types of games and the government should be more supportive to make them sure that they will continue to create and compete in both local and global game markets. The need for skilled personnel is huge but the good side is that there are graduate and post-graduate game-related education in some universities. More universities can join this trend and support the generation that wants to be in this industry.

Marketing of a game may seem like easy because of the digital marketing tools and the way the most of the games are selling in online stores but there are lots of things to consider in the marketing of a game such as game's price, promotions, where the game is on sale and finding target audience. The video game industry is growing every year and will continue to be a major entertainment for millions of people so there is an opportunity to use for Turkey if you think about the generation that enjoys playing video games.

Interviews are helpful for the researcher to understand the general view of the industry and the inside of it. This study can be used in future studies to gain information and used by the people who are interested in the video game industry in Turkey and how the game studios are thinking about marketing their games.

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APPENDIX



APPENDIX 1. INTERVIEW QUESTIONS

Q1. Can you introduce yourself and the company you work for about and the product of your company? What do you think about the game industry in Turkey?

Q2. Could you give some brief information about the developing process of your product?

Q3. As for your product, what kind of market research did you do? What do you say about the external factors (PESTEL analysis: political, social, and technological, legal, environmental, and economic)? Which one or ones of these factors can influence the game industry in Turkey?

Q4. What is your competitive strategy for your game? How does it affect your strategy to market your own game in the competitive environment created by your competitors in the gaming industry in Turkey?

Q5. What kind of things did you pay attention to when setting the price of your game? And what factors influenced your decision when you positioned yourself in the game market? Was your planned strategy work well?

Q6. How do you define your target audience for your game? Which channels did you use while reaching your target audience?

Q7. Which distribution channels did you use for your game? Which platforms did you prefer for the players who would buy the game, and can you explain the reasons? How did you determine the time that you would release your product into distribution channels? When we think about distribution channels and time did the methods you applied positively affect you?

Q8. What kind of strategy did you strike out between traditional and digital marketing? What are the reasons for choosing to focus on one or use both together?

Q9. In the future, what kind of changes do you expect in the game sector in Turkey? When “marketing” is considered what kind of changes can happen while marketing a game?