

# The Analysis of Chinese Output Games' Strategy – Genshin Impact as Example

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**Abstract.** With the unceasing development of Chinese game industry, more and more Chinese game companies are looking forward the output strategies to finding more markets and taking up more market share. However, what kinds of strategies these companies could use to attract more customers or players will be the first challenge they meet. This article uses Genshin Impact as example, finding out the output strategies the Chinese game companies could use through the analysis of the SWOT analysis and PESTLE model. Through the analysis, this article find that Genshin Impact has positive strategies in the game content, IP making, difference on the culture, feedback of users and method of promotion. The article analysis the marketing of Genshin Impact. At the same time, it has further research and discussion of the SWOT analysis and PESTLE model, providing experience for the output game companies. The game companies may find some ideas to make their strategy through this article.

**Keywords:** Marking, Game Output, SWOT Matrix, PESTEL model.

## 1. Introduction

In recent years, with the development of the Chinese game industry, more and more excellent Chinese games have appeared on the market and achieved considerable profits. In the first half of 2024, the total revenue of the top 15 Chinese games was 570 million yuan, an increase of 307% year-on-year in 2023 [1]. Among them, some Chinese games are no longer satisfied with staying in the Chinese market, and gradually began to go abroad, and achieved good results [2]. This paper will take Genshin Impact, a Chinese output game, as an example to analyze the marketing strategy of output games by SWOT matrix and PESTLE model. Genshin Impact is a big world open adventure game developed by Shanghai Mihoyo Network Technology Co., Ltd. in 2020 and released in more than 200 countries and regions around the world, which has won wide praise at Chinese and abroad [3]. The purpose of this paper is to find out what strategies should be adopted to attract players in the SWOT matrix and PESTLE model, so as to help future games to win advantages in overseas promotion.

## 2. SWOT Analysis

### 2.1. Strength

As an open world game, the Genshin Impact has attracted a large number of domestic and foreign players with its exquisite game picture and character design and wonderful game story [4]. Meanwhile, its Sinicized narrative style and in-game activities have also attracted a large number of overseas players interested in Chinese culture [5]. The Genshin Impact is also regularly maintained and updated, when the launch of new game content, which can keep players fresh to the game [6].

### 2.2. Weakness

Different countries have different cultural differences, and players from different countries may have different reception situations for game content. The text and content need to be constantly adjusted [7]. At the same time, elaborate map character modeling means that the game itself needs to

occupy a large memory of the device, and a large number of modeling means that the user device needs to reach a certain configuration in order to support the game.

### **2.3. Opportunity**

The gradual expansion of the global gaming market provides opportunities for games to output [8]. At the same time, the globalization of social media (such as Tiktok and YouTube) has also promoted the spread and speed of games, and game manufacturers can use social media for advertising promotion to increase game sales [9]. Cooperation and linkage with other popular IP and manufacturers can also improve the popularity of the game and social attention [10].

### **2.4. Threat**

There are many high-quality games in the international market, and the competition between rival products and substitutes is fierce [11]. Genshin Impact faces fierce competition from many game manufacturers (such as Ubisoft, Tencent, R Star, etc.). In addition, different national policies towards the game industry and foreign cultures may affect the promotion of games [12]. The changing expectations and preferences of players may also affect the popularity of games.

## **3. The Analysis of the SWOT Matrix**

### **3.1. Strength and Opportunity (SO)**

Genshin Impact has been promoted in various countries through different social media (such as Bilibili, Tiktok, Youtube and other domestic and foreign media platforms), in the form of real games and live demo by bloggers. As of 2022, Genshin Impact's English account on Youtube has more than 7 million subscribers, and the total video playback has exceeded 140 million [13], which shows that its marketing strategies of oversea market is successful. At the same time, Mihoyo actively cooperates with various IP addresses to update and promote linkage content inside and outside the game to increase the popularity of the game. With the linkage of Zhangjiajie, Huanglong, Guilin and other scenic areas, the Chinese scenery is presented to the world players through the game content, which promotes the Chinese scenery while attracting more players to play [14] (if you want to see more details, see Table 1).

### **3.2. Strength and Threat (ST)**

Genshin Impact continuously optimizes the game content through updating, improving the game quality and increasing the product competitiveness. In 2021, Genshin Impact's revenue in the United States reached \$406.3 million, while it has long ranked in the top 10 in several countries in the Southeast Asian market [9], it can be seen that its game content is of high quality and can be loved by foreign players. In addition, it uses questionnaires and other ways to listen to players' opinions and constantly update the game content and gameplay. Studies have shown that by 2022, Genshin Impact's player retention is relatively high and user engagement is relatively high [15] (see Table 1).

### **3.3. Weakness and Opportunity (WO)**

Genshin Impact actively introduced seven regions with different styles in the game according to local cultural differences, and embodied the unique spiritual connotation of China in different styles [16]. In November, 2023, Genshin Impact won the top grossing overseas app store [13], It shows that its spiritual connotation has been widely recognized and resonated (see Table 1).

### **3.4. Weakness and Threat (WT)**

Genshin Impact actively adjusted the game content according to the different cultural habits and relevant policies of different countries, and changed the stereotype of foreign players on Chinese games and even Chinese culture [16]. Since opening the service, Genshin Impact has supported

Chinese, English, Japanese, Korean four dubbing and 12 text languages. The text of the game will be adjusted in different languages to better match the character image and context, and the translation of nouns will also take into account the cultural connotation of different cultures, as shown in Table 1 [17].

**Table 1.** SWOT Matrix for Genshin Impact

	<p><b>Strength:</b> Exquisite content Chinese narrative style Regular maintenance update</p>	<p><b>Weakness:</b> Cultural difference</p>
<p><b>Opportunity:</b> global gaming market has expanded Social media driven IP cooperation</p>	<p><b>SO:</b> Social media promotion Cultural IP cooperation</p>	<p><b>WO:</b> Present cultural connotation in different styles</p>
<p><b>Threat:</b> Market competition Policies by countries Player change</p>	<p><b>ST:</b> Update content and optimize quality Listen to players</p>	<p><b>WT:</b> Humanizing the game content</p>

## 4. The Analysis of the PESTLE Model

### 4.1. Political

With the addition of a range of ancient elements to a variety of games, games have become a medium to promote culture. By 2022, the financing scale of China's digital culture industry will reach 234.464 billion yuan; At the same time, driven by the "digital China" policy, Genshin Impact was able to develop smoothly and successfully go to sea. On the other hand, National cultural exchange policies guide the development of the game industry, active policies provide space. But restrictive policies pose challenges, affecting the international spread of games [2].

### 4.2. Economic

Data show that in 2023, the global game market size has reached 1,177.379 billion yuan [13]. The overseas game market is huge, and players invest more in entertainment consumption. The cumulative mobile revenue in the Chinese market has exceeded \$5 billion, and the mobile revenue in the overseas market has exceeded \$4 billion, and the domestic market accounted for more than 55% of its global mobile revenue. With the continuous development of the economy and the rise of all walks of life of the Internet, it has a good development prospect for the game industry, and can solve a large number of employment problems

### 4.3. Social

In the early stage, foreign game manufacturers mostly aimed at the PC and console market, ignoring the mobile game market [13]. In 2023 alone, the global mobile game market size reached 606.267 billion yuan (Wang & Hong, 2024). The gap in the market has promoted Genshin Impact's explosive fire overseas. However, due to the great differences in history, culture and tradition between countries, the influence of domestic games is greatly reduced [16]. Genshin Impact chose to hide the cultural connotation in the music, beauty and plot of the game without destroying the fun and competition of the game, so as to make it more acceptable.

### 4.4. Technological

The Genshin Impact is a game that can realize data interoperability between console, computer and mobile terminals, which has little precedent before its launch. At the same time, it has invested heavily in open world art modeling and gameplay design. Its research and development team of 300 people, research and development cost up to \$100 million, took 4 years, in rendering, modeling,

physical feedback, music and other aspects of the mobile game industry to reach the top level [9]. The high quality of the game experience is one of the reasons why the original God is widely praised.

#### **4.5. Legal**

Genshin Impact's production company Mihoyo attaches great importance to independent research and development and intellectual property protection, insisting that "original IP copyright is the core resource of the company's development". It has more than 3,000 copyrighted works [19]. Its commitment to building the brand value of its original IP is one of the key factors in attracting players.

#### **4.6. Environmental**

Mihoyo pay attention to protecting the nature, maintain its corporate social responsibility. It sometimes adds its thinking about environment and development into its games, including Genshin Impact, which could make gamers' resonance and improve people's awareness of protecting environment.

### **5. Challenge**

The emergence of similar competitive products led to increasing pressure of competition, RPG category market competition is fierce, Mihoyo's other games and other manufacturers of similar products have caused diversion of the Genshin Impact player flow. Player needs are diverse, if the original god cannot meet, easy to lead to the loss of players [9]. Secondly, user needs become diversified, diversified players on the game screen, plot, social interaction and other requirements, Genshin Impact needs to continue to innovate the gameplay, improve the experience, otherwise it will be at a disadvantage in the competition. The phenomenon of cultural discount is becoming more and more serious. Cultural differences in different regions lead to the existence of "cultural discount" in games. Some foreign players have difficulties in understanding and accepting Chinese cultural elements, which affects the expansion of overseas markets [18]. Finally, cultural adaptation requires adjusting pressure. Games need to adapt to different cultures while maintaining their characteristics. Improper handling of games can easily lead to cultural conflicts, and resources need to be invested in optimizing content [12].

### **6. Future Development**

The development of this game has huge prospects, first of all, the game engine and screen performance upgrade are extremely important, the use of new technology to improve the quality and performance of the screen, enhance the sense of immersion, and attract players who pursue visual experience [3]. Secondly, the application of new technology integration should not be underestimated, explore the integration of VR, AR, AI and other technologies, expand gameplay and application scenarios, and bring new experiences to players [2]. There is also cultural connotation mining and innovative expression cannot be ignored, we should dig deep into the traditional cultural connotation, innovation into the game, improve the player's understanding and feeling of Chinese culture [13]. Finally, cross-cultural communication and cooperation is an important step to promote the progress of internationalization, strengthen cross-cultural communication and cooperation, promote cultural integration through various ways, attract global players, and promote cultural transmission [12].

### **7. Conclusion**

This paper analyzes Genshin Impact's sea-going strategy through SWOT analysis and PESTLE model, in order to study the sea-going strategy of domestic games. Through analysis, it is found that the Genshin Impact attaches importance to the game content, IP creation, cultural differences, user feedback and promotion means, and actively launches relevant strategies, and finally wins praise.

This paper provides the corresponding theoretical support for the strategy of domestic games going to sea. Chinese output games should focus on the quality of the games, the feedback of the users and the communication of the different culture, making better and better performance in the international game market in the future. The shortcoming of this paper is that the volume and profitability of game companies should also be considered in the actual strategy formulation, which should be solved in the subsequent in-depth research.

## Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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