CHAPTER I
INTRODUCTION

This chapter welcomes you with the research background, research problems, research objectives, significance of, and the organization of the study.

1.1 Background

When the plague engulfs the world in 2020, there is a lot of norm being formed to protect us from the disease, such as wearing facemask when going outside, physically distance ourselves from especially large crowd, and use hand sanitizers in most public occasion. The government also imposed lockdown in affected cities—we stay at home for the sake of our health and safety. However, as the time flies, there are research findings from Sanjaya (2020) that there are more activities in videogames. Hall (2020) found significant growth in playtime and sales since the beginning of the pandemic season. Furthermore, Sapienza (2020) found the rise of online activities around the world. In Indonesia, specifically (Statista, 2020), four years before the plague happened, there were 70 million players being active in video games, before the number slightly increased to 90 million in 2018. In 2019, there are over 40 million users who active in modern handheld gaming, and 2020 predictions shown that the country can generate over US$712 million revenue, and it was known as one of the top 10 biggest revenue generated country in the world's mobile video gaming scene.

Additionally, in March 26, 2019, Imam Nahrawi, the minister of youth and sports in Indonesia, confirms that eSports is an important prospect in the country (Khidhir, 2019). And then another report finds that Agus Honggo Widodo, the President Director of PT Metrodata Indonesia, states about the increase of gaming notebook sales in almost 50 percent over the year, with Indonesian eSports scene being the major factor of the trend (Aprilyani, 2020).

This trend however is never without the gap in this literature, especially in fighting games. Fighting games is the oldest game genre in the industry. In Indonesia, modern fighting games community has shown its growth since 2012 with the efforts of Bram Arman of Advance Guard community. However, according to his 2018 interview, fighting games in Indonesia is still less popular compared to the other games genre. It is mostly possible that certain *freemium*-type games such as Mobile Legends, Arena of Valor, and PlayerUnknown's Battlegrounds (PUBG) Mobile are still at large in terms of sales and its scenes of eSports (Elia, 2018). In the year 2020, COVID-19 had forced many fighting game events to be cancelled. Jake "PNDMustard" Neal from the Mortal Kombat Kommunity described this as "A big morale hit to the community" that had experienced in offline events for so long (Maldonado, 2020). In turn, many tournaments have shifted to online-based tournaments. But not many games that time that has perfect netcode—games that uses delay-based netcode that has many performance-related issues, which is one of the technical difficulties that is most likely happened every time.

1.2 Problem Statement

As the time goes by, the fighting game player's brand loyalty will become a question, what caused their brand loyalty to falter? As we can sum up, there is a significant increase in gamers, especially in terms of playtime and sales. There is also tighter competition in the gaming industry, not only from hardware-related sales. In terms of software, fighting games specifically is still struggling to keep up with games of other genre. Fighting games in general is also relevant in eSports scene, but other games like Mobile Legends, Arena of Valor, and PUBG Mobile's competitive scene is still very popular in this industry. Last but not least, it is implied that there are more and more games to be released, and with the competitive gaming scenes intact, which in turn, customer brand loyalty becomes the another problem in this research.

This research is a replication from a previous research conducted by Bernard Yap (2019) where the consumer brand loyalty was being examined towards video games industry.

1.3 Research Questions

The researcher formulates the research problems as follows:

1. Does the perceived quality have positive influence towards fighting game players' brand loyalty?

2. Does the games' differentiation have positive influence towards fighting game players' brand loyalty?

3. Does any game brand engagement have positive influence towards their brand loyalty?

4. Does the social influence have positive influence towards their brand loyalty?

1.4 Research Objectives

The objectives of the research are as follows:

1. To see if the perceived quality positively influences their loyalty of the brand genre.

2. To see if the games' differentiation influences the player's loyalty towards the brand genre.

3. To see if the games brands' engagement positively influences the player's loyalty towards the brand genre.

4. To see if the social influence positively influences the fighting game players' loyalty towards the brand genre.

1.5 Significance of the Study

With this study that we would cover, we expect its significance as follows:

1. For Existing Researchers

   This research will be a good example for researchers who wanted to study any similar niche products in relation to customer satisfaction and loyalty.

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2. Fighting Game Communities (FGC)

This research will help any fighting game communities to promote preferred fighting games better. We hope that the FGC will able to welcome any newcomers and support with each other when any problem ever occurred while playing fighting games.

3. Any Videogame Players

We hope that any videogame players, especially from those who prefer outside of fighting game genre to consider trying this fast-paced one-on-one hand-to-hand (or swords) action. We hope all gamers to enjoy playing fighting games and if there are any inquiries on how the game plays out, don't be afraid to get in touch with local fighting game communities to get the insight of it.

4. Fighting Game Developers

For fighting game developers, we hope that through this report that the developers will begin improving their games even further, from informational tutorials, to improved gameplay and online stability. Some of easy "one-way" mechanics may seem appealing to beginners and the likes, such as one-button combos and one-button special moves, but it is quite tricky to see how it is implemented in certain aspects of the game.

Additionally, we are thankful to fighting game developers who keep supporting the e-sports scene, along with other community-related gaming and other hobby events.

5. For Researchers in the Future

This may be the first study related to fighting games genre. To any researchers in the future who would like to study on said topic, we hope this will be the guidance for obtaining the most appropriate and reliable references.

1.6 Organization of the Study

This segment contains and explains about five chapters in quick summary:

- Chapter I: Introduction

This chapter covers about the background, problem statement, research question and objectives, the significance of the study, and its whole organization.

- Chapter II: Literature Review

This chapter will cover about the research variables, followed by the hypotheses and the research model.

- Chapter III: Research Method

This chapter presents the methods that are applied for the research, from research paradigm, research type, measurements (via Conceptual and Operational Definition (COD) table), the unit of analysis, sampling method, data collection method, administering questionnaires, and data analysis.

- Chapter IV: Results and Discussion

This chapter will prove the validity and reliability of this research. Researcher's thoughts about the results from the data sample were also added in this chapter.

- Chapter V: Conclusion and Recommendation

This chapter concludes the report of the study. Recommendations are added in this chapter as well.