Regulation and Advertising Revenue Sharing of Video Game Publishers' Content: An Experimental Study

Bachelorarbeit

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1 Introduction

The past years seemed to be golden days for social media websites. Several social media websites enjoy growing popularity with an increasing number of views and uploaded content from year to year. For instance, the content community YouTube[1] has more than one billion users, which means that approximately every seventh person of the world population (7,32 billion people (UN DESA, 2015)) uses YouTube. The video upload per minute increased by 625% from 48 hours per minute in 2011 to the current number of 300 hours per minute; see Figure 1 (YouTube, 2015a; YouTube, 2015b). Similar observations have been reported on other social media sites like Twitter[2]. Twitter user posted about 340 million tweets on a daily basis, in March 2012. In October 2013, about a year later the number of tweets already amounted to 500 million (Twitter, 2015).
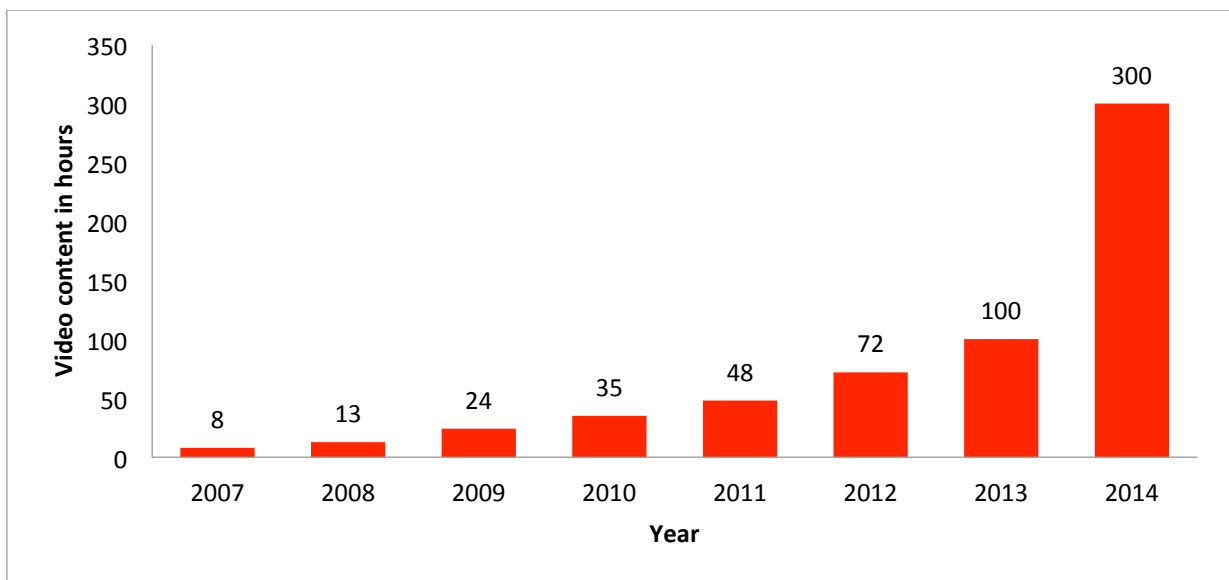

Figure 1: YouTube video upload per minute (own representation based on YouTube, 2015a)

The websites YouTube and Twitter, as described above, are only two examples of the large number of social media websites, expressing the potential of social media in terms of user range.

Social media can be defined as "*a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content*" (Kaplan and Haenlein, 2010, p. 61).

According to Kaplan and Haenlein (2010), a classification of social media is achievable by relying on theories of social processes (self-presentation, self-disclosure) and media research (social presence, media richness). The combination of both dimensions enables a classification of social media in six different types as shown in Table 1.

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[1] https://www.youtube.com/
[2] https://twitter.com/

| | | Social presence/ Media richness | | |
		Low	Medium	High
Self-presentation/ Self-disclosure	**High**	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Table 1: Social Media classification by social presence/media richness and self-presentation/self-disclosure (Kaplan and Haenlein, 2010, p. 62)

Thematic priority of this thesis lies on content communities using the example of YouTube. Concerning social presence and media richness, content communities score medium. Sharing of videos, pictures and other forms of media is possible within these communities. With respect to self-presentation and self-disclosure content communities allow for less self-disclosure than social networking sites. Sharing content between users is the principal purpose of content communities (Kaplan and Haenlein, 2010).

By this time some stellar careers of persons or celebrities are due to their social media activities. A striking example is Michelle Phan starting as an unknown YouTuber in 2008. After impressing the community with her creative talent in makeup, she became a YouTube sensation and works now as Lancôme's first video makeup artist. Furthermore, the success of celebrities such as Justin Bieber, Kate Upon or Jessica Rose was made possible by their social media activities (Qian et al., 2012).

In 2014 YouTube's most popular channel "PewDiePie"[3] was watched more than 4.1 billion times. PewDiePie, also known as Felix Kjellberg, is a Swedish gamer living in the United Kingdom and focuses with his channel on "Let's Plays". In a Let's Play video one or more persons are playing a game and providing a running entertaining commentary (Dredge, 2015; tvtropes, 2015). Often the contributors of Let's Plays are filming themselves and are visible in a small image within the video. In this way the viewers can better see Let's Players reactions on the game happenings (Stephan, 2014).

YouTube as well as websites like About.com[4] or Break[5] pay various users for their generated content in the form of advertising revenue sharing (Qian et al., 2012). By this, Let's Players can earn money with their published videos on YouTube. According to Grundberg and Hansegard (2014), Felix Kjellberg should have earned $4 million in 2013. Owners of smaller YouTube channels can still earn between $600 and $1000 a month. Various Let's Players transformed their online activity in a full-time job learning skills like video editing that can be used for future jobs (Zoia, 2014).

Nevertheless, the commented video content of contributors often belongs as copyrighted content to game publishers or game developers. From the point of view of a company, content communities can be used as platforms for illegal sharing of their copyrighted content (Kaplan and Haenlein, 2010). In the context of Let's Plays

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[3] https://www.youtube.com/user/PewDiePie
[4] http://www.about.com/
[5] http://www.break.com/

the dealing with copyrights is controversial. While many publishers allow the use of copyrighted content with fair use claims for the Let's Play community, because Let's Play videos are seen as some kind of free marketing, other publishers or game developers do not want individuals to use their copyrights either to earn money themselves or to upload commented videos of publisher's content (Johnson, 2015; Lastowka, 2013). For example Nintendo, as one of the biggest game companies worldwide, wants to participate with their revenue sharing policy on Let's Play videos earnings, because the videos include their copyrighted content (Nintendo, 2015a). A lot of studies within IS research investigate the use of companies' copyrights. Notwithstanding, a review of the literature suggests that the impact of firms' regulation and revenue sharing policies on users acceptance have not been investigated for now. This study aims to fill this research gap by exploring the following research question:

RQ: What impact do video game publishers' regulation and revenue sharing policies have on users acceptance in the context of Let's Play videos on YouTube?

To answer this question, a research model is developed to examine the impacts of video game publishers' regulation and revenue sharing policies in the context of Let's Play videos on YouTube. The model is based on the technology acceptance model (TAM), the theory of reasoned action (TRA) and is derived from validated previous studies of hedonic IS.

The thesis is structured as follows: it begins with a holistic literature review on the field of copyrighted content. Followed by an operationalization of the conceptual framework to measure the acceptance of Let's Play videos in different scenarios. Within this chapter, a theoretical background is given and the hypotheses are generated. Afterwards the data collection process and the research methodology are described. Subsequently the experimental study results are discussed and implications for research and practice as well as implications are worked out. Finally conclusions and an outlook are presented.

2 Literature Review

A literature review about copyrighted content was conducted on various relevant IS research databases such as AISeL[6], ACM[7], IEEE[8], JSTOR[9] and SpringerLink[10], giving a holistic overview of the current state of research.

"A review of prior, relevant literature is an essential feature of any academic project. An effective review creates a firm foundation for advancing knowledge. It facilitates theory development, closes areas where a plethora of research exists, and uncovers areas where research is needed" (Webster and Watson, 2002, p. xiii).

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[6] http://aisel.aisnet.org/
[7] http://dl.acm.org/
[8] http://ieeexplore.ieee.org/Xplore/home.jsp
[9] http://www.jstor.org/
[10] http://link.springer.com/

of game publishers' copyrighted content in their videos. The findings might be different due to the fact that, for example on Twitch, Let's Play videos are presented via live streams to their audience. Therefore, game publishers are not able to review the use of their copyrighted content beforehand.

Since, users' acceptance toward Let's Play videos and their contributors was examined in this study in general, further IS research should focus on particular famous Let's Players or a specific group of relatively unknown Let's Play contributors. Because viewers might respect famous Let's Players such as PewDiePie as trustworthy opinion leaders, these studies may lead to other results.

6 Conclusions and Outlook

As the importance of the game industry has increased over the last several years, the trend of users watching Let's Play videos on social media websites has emerged and has already begun to impact game publishers. Users are watching these commented game videos either just for fun or to get information about video games, for instance for future purchase decisions. There are various games that became popular for the reason that they were content of Let's Play videos on YouTube. In this context revenue sharing policies and regulation efforts of game publishers imply various advantages and concerns for both Let's Play video contributors and game publishers that are discussed mainly in gaming newspapers, whereas these topics are just barely debated in academic IS research literature.

This study focused on analyzing the impacts of game publishers revenue sharing policies as well as their regulation efforts on users' trusting beliefs toward Let's Players by means of an univariate analysis of the variance and structural equation modeling. Conducting a survey and testing collected data with a principal component analysis using varimax rotation identified all items used in this study. The impacts of game publishers' regulation efforts and advertising revenue sharing policies were tested in an experiment with a 2x2 between-subject design (i.e. two levels of REG x two levels of REV).

The findings support most of the concerns discussed in practical literature. The main effect regulation and the interaction effect between regulation and revenue sharing were identified as significant. However, in contradiction to most of the practical literature, the main effect revenue sharing itself had no significant negative impact on users' trusting beliefs toward Let's Play video contributors and users' behavioral intention to continue watching Let's Play videos.

This study highlights various implications for further IS research and for practitioners. Due to the increasing importance of social media websites as a source of information for the gaming community and the ongoing discussion in gaming newspapers about game publishers' policies for the use of their copyrighted content on content communities such as YouTube, an increase in the practical as well as theoretical importance of these topics can be expected in the near future.