

DOES THE VIDEO GAME SECONDARY MARKET AFFECT A CONSUMER'S INTENTION TO BUY NEW?

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ABSTRACT

The secondary market for video games is a multi-billion dollar industry that some believe is unfair to video game developers. Using the Theory of Reasoned Action (TRA), we investigated user attitudes and subjective norms and their affect on a consumer's intention to buy new video games. Based on a survey of 81 undergraduate students, three of the hypothesized relationships are significant predictors of intention: previous experience in the primary market, access to the secondary market and the reputation of games/game makers. The results of this study highlight the applicability of TRA to the video game market and suggest potential consequences of making the resale of video games a crime.

INTRODUCTION AND RESEARCH MODEL

Some believe the secondary market for video games, while currently not a black market, is unfair to video game developers and even call it a form of piracy. Others, however, contend that a consumer's ability to participate in a secondary market may actually lead to an increase in new video game sales. This preliminary research utilizes the Theory of Reasoned Action to investigate factors, including the secondary market, that affect a consumer's intention to purchase a new video game.

The Theory of Reasoned Action (TRA) states that specific behaviors can be predicted by behavioral intentions. These behavioral intentions are influenced by attitudes toward the behavior and perceived subjective norms [1]. Using TRA and prior studies to guide our research, we identified relevant attitudes, including: attitudes about the primary and secondary market, previous experience, access to the secondary market, and game reputation. We hypothesize that these, together with subjective norm, will all positively affect one's intention to buy a new video game.

METHODOLOGY AND DATA ANALYSIS

Because we were interested in collecting user perceptions, a survey methodology was used. Following Dillman's Total Design Method [2], we adapted previous questions when possible and developed new questions based on theory, refining the new items using a card sorting task and expert review prior to conducting a pilot study. We surveyed 81 undergraduate Business students who ranged in age from 18-23, which is within our target demographic. Standard incentives (e.g., iPod Nano, gift cards) were offered for survey completion.

A factor analysis was conducted using principle component extraction with varimax rotation, yielding seven constructs. All items correlated more with their own constructs than others, and the square root of average variance extracted (AVE) exceeded all interconstruct correlations, establishing convergent and

discriminant validity. Reliability was tested using Cronbach’s alpha; and all measures exceeded the 0.70 level suggested by Nunnally [3]. Thus, the validity and reliability of our measures were confirmed.

RESULTS AND DISCUSSION

Our hypothesized model was tested using multiple regression analysis. Results are reported in Table 1. The model explains 68.2% of the variance in one’s intention to buy a new video game. The results indicate that previous experience with the primary market, access to the secondary market, and game/game maker reputation positively influence one’s intention to buy new, supporting three of our hypotheses. Our results do not support the expected positive effect of other attitudes or subjective norm.

TABLE 1

	Intention to Buy New
(Constant)	-0.478
Primary Market	0.141
Secondary Market	0.181
Previous Experience: Primary	0.386 ***
Previous Experience: Secondary	-0.185
Access: Secondary Market	0.179 **
Subjective Norm	0.091
Reputation	0.497 ***
R²	0.710
Adj R²	0.682
** p≤0.05, *** p≤0.01	

Discussion and Implications

The results of this study suggest there are several factors that explain a consumer’s intention to buy a new video game. The accessibility – and not just legality – of a secondary market is important and, therefore, developers may want to re-think their push to criminalize the resale of video games. Also, game developers with strong reputations can capitalize on that reputation, while new developers or those with weak reputations may benefit by focusing marketing or grass-roots efforts to strengthen their reputation. Continued marketing to existing game players is also likely a beneficial strategy. We were surprised to find that subjective norm, or external influences, had no impact on intention, and merits from further investigation. With regard to research, this study provides early evidence of applicability of TRA on consumer goods with a physical and digital component, such as video games.

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