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Relational Components of Business Model Canvas – the Case of Video Game Developers

*The “designing of a good business model is an ‘art’”
[Teece 2010: 190] the question is what does it mean
“the good business model” in the era of more and more
popular relational/network approach [Czakon 2012].*

Summary. The paper adopts the increasingly popular relational approach in an attempt to empirically explore the relational components of business models. In that way, the author seeks to fill some of the gaps in existing knowledge on the structure of business models, particularly on the structure of business models that are focused on value creation as well as co-creation. To investigate the issue, the author looks at the video game industry – one that has experienced robust growth in recent years. The research has showed that the video game industry tends to place most emphasis on two relational building blocks of business models, viz. (direct and indirect) customer relationships and key partners (i.e. sales and distribution platforms, game developers, and game publishers). Furthermore, two more business model components have been identified that, albeit not relational in character themselves, comprise significant relational aspects: key activities and key resources.

Keywords: business models, relational approach, inter-organizational networks, relationships in business models, video game industry, business model canvas

1. Introduction

This paper focuses on relational building blocks and relational aspects in business models considered as particularly significant due to the growing importance of relational and network approach in both strategic and innovation management. We adopted this focus as business models affect competitive advantage [Markides 2015: 143] also this based on innovativeness [Nogalski 2009: 12] what do matters

for survival and development of companies in modern business practice. The links among business models, innovativeness and relational view [Oliński 2016] have become significant issue especially due to the increasing strategic discontinuities and disruptions in business environment [Doz & Kosonen 2010]. Indeed, as proven by Karpacz [2009] current business models must synchronize innovativeness and flexibility in order to adapt to dynamic and hyper-competitive market requirements thus they should be prone to make desired downright reconstructions (in terms of basic assumptions and building blocks) and strategic business renewal [Falencikowski 2015].

Generally business models explain how the value is created [Baden-Fuller & Morgan 2010] while the vast majority of processes of value creation has become significantly externalized [Światowiec-Szczepańska 2013: 367]. In fact, the growing popularity of value co-creation [Prahalad & Ramaswamy 2004; Klimas 2015a] does not remain neutral for considerations about adequacy and performance of current business models. As claimed by Baran and Bąk [2015] the newest and innovative business models should pay the greatest attention to value co-creation established and exploited through co-creative relationships. It is emphasized however that co-creative relationships exploited under different business models should not be restricted to those with customers only (as in marketing perspective) but also ought to be maintained with other crucial stakeholders (as in strategic management perspective) [Klimas 2015a]. Nowadays more and more organizations decide to co-create value [Prahalad & Ramaswamy 2004] thus relational approach in business models is becoming more and more popular.

As shown both in the literature and business practice, the business models appropriate for companies adopting the relational view on competitive advantage [Stańczyk-Hugiet 2011] put greater attention to intra- and inter-organizational relationships including those in dyads, triads, and networks. Consequently the growing “network identity” [Światowiec-Szczepańska 2013] and “network awareness” [Kawa & Pierański 2015] of modern organizations favours evolution of business models towards the relational approach. As a result the current and successful businesses models take the forms of open [Frankenberger, Weiblen & Gassmann 2014] or even network ones [Czakon 2015]. Still however, our knowledge about business models and their components remains fragmentary and limited [Baden-Fuller & Morgan 2010; Teece 2010; Zott, Amit & Massa 2011] therefore future focus in empirical exploration of their building blocks, in particular the relational ones, is reasoned and desired [Oliński 2016].

In this paper the recognition of relational components of business models follows the basics of resource based view (RBV), considers different structural approaches to business modelling, faces theoretical insights with examples from the video game industry, and provides empirical findings about the specificity and the role of considered relational building blocks in the context of Polish video

game developers. Our focus is purposefully restricted to one industry as business models are acknowledged as industry-dependent [Nogalski 2009: 8] and subordinated to the dominant industry logic [Gassmann, Frankenberger & Csik 2014].

Given the above the exploratory research on relational components of business models has been carried out in one industry context, namely the **video game industry** (VGI). Our reasoning for focusing on VGI is based on the fact that it is facing dramatic changes from the perspective of business models nowadays [Davidovici-Nora 2014] while still our business and managerial knowledge especially in the relational context remains vestigial and scarce [Klimas 2015b].¹ Moreover, we see the chosen industry context as justified as video game industry has become the most profitable, the fastest growing, and the most promising industry world-wide [NewZoo 2016²].

Given the above, but also following the specific prior research suggestions [Zott et al. 2011: 1038; Oliński 2016] this paper aims at empirical exploration of relational building blocks and relational aspects covered by business models adopted by video game developers. In order to reach the goal, a qualitative, inductive and national research has been conducted as the novelty of investigation area makes it sufficiently reasoned. However, to meet the highest methodological rigor and to increase both the validity and reliability of theorizing and concluding processes we followed a multi-source approach including desk (i.e. critical literature review, review of industry reports, identification of evidence form business practice) and field (non-participatory observations, study visits and 13 semi-structured interviews) studies. The results show that at least four out of nine [in terms of Osterwalder & Pigneur 2010] components of business models cover relational issues, namely **customer relationships**, **key partners**, **key activities**, and **key resources**.

2. Business models in a nutshell

The systematic literature review of 103 academic, peer-reviewed articles in the most influential journals unambiguously shows that there is no one, commonly acknowledged definition of business model [Zott et al. 2011]. Additionally, the results of the research run on 40 strategy academics who published papers about business models in the most notable management journals show that 68% of them admit that there is no clear definition of business models [Markides 2015]. None-

¹ See special issue of *Communication and Strategies. DigiWorld Economic Journal*, 94/2nd quarter 2014, titled "Video Game business models and monetization" (eds. P. Chantapie, L. Michaud, L. Simon, and P. Zackariasson).

² Total revenues in global video game industry in 2016 exceeded \$99.6 billion – increase of 8.5% comparing to the year 2015 [NewZoo 2016].

theless the seminal articles as well as the most highly cited conceptualizations and definitions seem to be quite similar [see Table 1 in Baden-Fuller & Morgan 2010: 158].

Taking the general perspective business model defines “*Who-What-How-Why*” an organization offers and sells products [Gassmann et al. 2014: 7]. In a more detailed view, business model refers to “strategic issues, such as value creation, competitive advantage, and firm performance” [Zott et al. 2011: 1026] and is understood as a detailed description of the “organization’s logic providing data and other evidence that demonstrates how a business creates and delivers value to customers” [Teece 2010: 173]. Given the above, but contradictory to some theoretical claims [Płaczek 2012: 188], business models affect the generic strategy of the company as well as define the value proposition, hence depend on dominant logic of the company [Czakoń 2015] and business architecture [Światowiec-Szczepańska 2013]. Following this vein, particular business model only operationalizes the dominant logic of the company [Teece 2010: 179] while “describes the design of architecture” however only in terms of “value creation only” thus taking the form of static picture of “financial architecture of a business” [Teece 2010: 172-173]. In this perspective business model is claimed to be defined based on the generic business strategy [Teece 2010], but defined preliminary with regard to the lower-levels business strategies [Banaszyk 2004] seem as a base for development and implementation of wide range of different functional, market, or product strategies [Markides 2015]. Therefore, it is claimed that business model are some kind of conditioning and preliminary set of general business assumptions [Falecnikowski 2012] while not the other way around as claimed by Płaczek [2012: 190].

3. Relational building blocks in business models

Business model seems to be complex and ambiguous theoretical construct, difficult to define in a transparent and commonly accepted way. To handle these conceptual problems a lot of scholars (44%) conceptualizes business models by identification and discussion its main building blocks [Zott et al. 2011]. However, as reviewed and analysed by Falecnikowski [2015] there are many, more or less similar, structural views on components co-creating the business models.

In a general way, Gassmann, Frankenberger and Csik [2014: 7] claim that business models address both internal and external dimensions of organization while those external ones are reached by wide range of relationships. Indeed, as shown by Wirtz [2011] more than 10% of prior works referring to business models applies the context of relationships management and the focus on relational

aspects in business modelling is still increasing. However, even though there is no commonly accepted definition it is possible to identify wide range of relational aspects in the most popular – hence different – definitions and conceptualizations developed for business models [see Table 1 in Oliński 2016: 84]. In this paper the considerations and empirical investigations are made from the relational approach perspective. Thus the business models are defined as the “sets of structured and interdependent operational relationships between a firm and its customers, suppliers, complementors, partners and other stakeholders, and among its internal units and departments (functions, staff, operating units, etc.)” [Doz & Kosonen 2010: 370-371].

Given the above definition, but also simultaneously following both structural and relational perspective it is possible to identify different relational aspects included under the basic building blocks of business models – Table 1.

Table 1. Relational aspects in other structural views on business models

Author(s)/year	Relational aspects in business model structure
Hamel 2000	Customer service, differentiation in relationships with competitors, networks of partners, suppliers and alliances, value network.
Amit & Zott 2000; 2010	Relationships with stakeholders, information streams.
Nogalski 2009	Relationships with partners.
Teece 2010	Relationships with targeted customer segments.
Cyfert & Krzakiewicz 2011	Relationships with customers key partners.
Wirtz 2011	Communication concept (including stakeholders), cooperation concept (including cooperation fields and relation configuration).
Rumble & Mangematin 2015	External linkages as one of four business model dimensions ranging from simple linkages like hierarchical and dyadic to complex linkages like networked ones.

Source: Hamel 2000; Wirtz 2011; Falencikowski 2015; Rumble & Mangematin 2015.

Even though in the literature there are many different, hence homogenous, approaches to identification of building blocks of business models this one developed by Osterwalder and Pigneur [2010] is still the most popular one [Bocken, Short, Rana & Evans 2014; Klang, Wallnöfer & Hacklin 2014]. Given their approach to the structure of business models but taking the relational approach to strategic management [Czakoń 2012] two building blocks seem to be directly referring to relationships, namely customer relationships and key partners.

Customer relationships – wide range of relationships established and maintained with targeted customer segments [Osterwalder & Pigneur 2010] including: personal assistance, dedicated personal assistance, self-service, automated services, communities, co-creation.

Key Partners³ – wide range of longitudinal or short-term but repetitive [Osterwalder & Pigneur 2010] cooperation with both non-competitors (e.g. suppliers, buyers, government agencies, NGOs, research institutions, etc.) and competitors (direct and indirect coopetition as defined by Kraus et al. 2017) organized as co-operation in dyads (2 partners) or networks (more than 2 partners).

However, taking a more detailed, simultaneously structural and relational, view it turns out that relational aspects are probably covered also under other components of business models. Therefore, it is claimed that there are at least two main relational components of business models being in particular importance in modern economy as well as other covering relational aspects significant in terms of creation, appropriation and exploitation of relational and cooperative advantage [Stańczyk-Hugiet 2011; Niemczyk 2015]. Note, that even though these two components of business models are claimed to be the most relational in nature, the relational aspects may be discernible in the remaining seven components as well. For instance, revenue streams may come from licensing agreements (e.g. licensing of game engines – the Source engine technology licensed by *Volve*), key resources may refer to relational resources giving access to external knowledge, competencies and skills through participation in inter- and intra-industry networks (e.g. adherence to gaming associations – International Game Developer Association fostering inter-developers' knowledge exchange), or cost structure which can be depended on fixed and variable costs regarding participation in some purchasing groups (e.g. energy purchasing group of developers operating under technology park or gaming cluster – Cracow Technology Park). Summing up, we claim there are two relational building blocks in business models regarding the structural view developed by Osterwalder and Pigneur [2010] whereas the remaining ones may cover some (but significant) relational aspects.

4. Research design⁴

In order to investigate the relational components of business models applied by video game developers (having the headquarters in Poland) we triangulated the primary data from non-participating observation and semi-structured interviews. First, we collected observational data during two the biggest in Poland and very well recognized in Europe game industry events, namely Digital Dragons (May

³ Note that this component of business models was originally labeled by Osterwalder as „partners' network” in his doctoral dissertation defended in 2004 [Zott et al. 2011: 1028].

⁴ This research is a part of a two-year research project titled *Identification of business models exploited by video game developers*, financed by Ministry of Science and Higher Education under the subsidy for Young Scholars development. The scope of the research project was broader then only relational aspects.

of 2016; Cracow) and Game Industry Conference (October of 2016; Poznań). Second, we gathered primary data using direct, F2F semi-structured interviews (13 in total) carried out with the biggest market players (e.g. CD Project), smaller companies being global leaders (e.g. Artifex Mundi), and small independent game developers (e.g. Black Plastic). In general, our interviewees represented game developers providing premium/paid (6 VGDs), free-2-play/F2/freemium (5 VGDs) games, and both types of them (2 VGDs). Given the game segments in our research there were 8 VGDs targeting mobile⁵ segment, 4 VGDs targeting both PC and console games, and 1 developer operating in both segments simultaneously. The interviews have been carried out from May 2016 to January 2017. The data was collected from top-managers acknowledged as the key informers in the area of business modelling. Our exploration of relational components of business models exploited by VGDs has been supported by the data from secondary sources including analysis of industry reports, companies' websites and gaming platforms.

5. Results and discussion of research findings

Given the research aim the empirical investigation and data analysis have been carried out in three steps. First, the focus was paid to customer relationships included in business models used by VGDs as customer relationships was assumed to be relational building block of business model. Second, the key partners with which or with who game developers maintain relationships have been identified as key partners were assumed to be relational building block of business model. Third, as the research project focused on all components of business models also those not considered as relational building blocks the other relational aspects pointed out and discussed by game developers when describing the remaining seven building blocks of business models have been revealed, namely key activities and key resources.

5.1. The specificity of customer relationships

The results show that customer relationships exploited in developers' business models may directly or indirectly link companies with customers. Under these two (direct and indirect) types it is possible to identify several customer relationships which do differ in terms of the aim and the form of customer relationships (Table 2).

On the one hand video game developers maintain **direct customer relationships** through: community management using own community platform; com-

⁵ Mobile games include games played on smartphones and tablets but also on specific gaming equipment (e.g. mobile consoles) and in web browsers.

Table 2. Customer relationships maintained by video game developers

Customer relationships			Monetization model*		Game segment*	
Type	Form	Main aim	F2P	Paid	Mobile	PC/ Consoles
Direct	Community management/ own community platform	Game modification	9		9	
		Game sale	9		9	
		Player retention	9; 12	11	9; 12	11
	Community management/ social media	Game development	13	8; 4	13	8; 4
		Game modification	6; 13	2; 4	2; 6; 13	4
		Ongoing support	6; 9	2; 11	2; 6; 9	11
		Player retention	5; 6; 9; 12; 13	2; 8; 10; 11	2; 5; 6; 9; 12; 13	8; 10; 13
	Participation in gaming events	Game promotion		11		11
		Player retention		11		11
	Repetitive transactions and long-term contracts	Game sale	1		1	
Indirect	Online forums and gaming portals	Game modification	7		7	
	Publishers	Game sale		13		13
		Ongoing support		13		13
	Youtubers, Bloggers, Reviewers, Streamers, Recognizable players (freelancers and influencers)	Game development Game promotion	6; 12	8 3; 8; 11	6; 12	8 3; 8; 11

* Respondents' codes ranging from 1 to 13.

Source: own elaboration.

munity management through social media; participation in gaming events, and repetitive transactions and long-term contracts. However, the most often (9 out of 13 cases) this relational component of business model take the form of direct relationships focused on community management using wide range of social media and aimed at player retention. Indeed, player retention is one of the most important performance indicators in video game industry [NewZoo 2016; SuperData 2016]. In a more detailed perspective, it was possible to identify the following direct customer relationships exploited by video game developers.

Among important relational components of game developers' business models there is an active community management implemented by using own platform for players (e.g. interviews No. 11; 12) and social media (e.g. Facebook, Twitter, Snapchat, YouTube), or even individual e-mails (e.g. 12). As suggested by our interviewees even though customer relationships maintained through community management are digital they are always direct and usually cyber-personalized.

In particular, VGDs (mainly those targeting mobile game segment) pay great attention to individual and personalized approach – “we definitely avoid automatic replies and computerized communication as we do respect the problems of players” (CEO of medium company, global leader in hidden object puzzle-adventure games); “be in direct touch with players is one of the regular part of our job [...] for us it is important to treat our players always as human beans deserving for individual and personal contact even though it is a digital communication though e-mail, Facebook or online forum” (owner of micro company). Interestingly, community management seems to be applied by VGDs having at least one recognizable game title in their gaming portfolio (e.g. 4, 11, 12, 13) what suggests it is not characteristic component of business models for start-ups or newly created firms (e.g. 1; 7) – “gaming communities are created around particular game or game series” (art director of large company). At the same time community managers use digital customer relationships (using social media but also inter-game forums, chats and discussion rooms - e.g. 6) to provide ongoing support for customers.

Surprisingly, participation in gaming events like game fairs and trades, or championships in e-sport games seems to be decreasingly significant way for establishing and maintaining relationships with players (e.g. 7; 8; 12). Simultaneously, the results show that game developers become more and more focused on participation in game developers fair trades (e.g. 6; 10) like Game Developer Conference, Digital Dragons, or Game Industry Conference – “participation in PGA⁶ is a waste of money, you can’t establish any sound relationships with players, but participation in GIC⁷ gives us opportunity for business networking, sharing knowledge and exchanging positive and negative experience with other game developers” (CEO of small company providing paid games for PlayStation).

As indicated in the literature more often the value is increasingly co-created [Prahalad and Ramaswamy 2004]. Indeed, our results show that customers – especially in case of developers of mobile F2P games – are seen as value co-creators (e.g. 13). Thus, given the interviews customer relationships may be seen as co-creative relationships [Klimas 2015a] as they are used in game development and game modification processes.

First, customer relationships are used for game development and are aimed at identification of customers’ needs, getting inspiration, idea creation, content generation (e.g. skins, avatars, etc.), and making decision about appropriate monetization strategy. However, given the complexity, cost and time required for game development as well as the complexity and modularity of games this kind of relationships seems to be more characteristic for paid games, including the high-budget AAA games delivered for PCs and consoles.

⁶ Poznań Game Arena Exhibition – the biggest gaming event for players in Central Europe.

⁷ Game Industry Conference – the biggest conference for game developers in Poland, second in Europe.

Second, customer relationships are used for game modification, hence the specific aims of such relationships do differ regarding the type of developed games. In case of F2P games typical modifications following customers' feedback are made after the game release (e.g. new skins and skills; modifications in monetization strategy). It is so, as on the mobile market there is a hyper-dynamic competition and F2P games face the high risk of imitation. Simultaneously, in case of premium games, game developers use relationships with players mainly to make adjustments and amendments (e.g. testing, bug detection, gameplay improvements) before the game premiere. It is so, as the complexity of game development makes it harder to imitate them. Note however, that the biggest market players developing premium (paid) games for PCs and consoles use customer relationships for game improvements also after the game releasement (e.g. introduction of patches).

Last but not least, the research shows that some video game developers exploit prior customer relationships to establish new ones with the same or other customers. All in all, repetitive transactions and long-term contracts with customers may be used for production and sale of game in the future for the same or other business partner. However, these kind of direct relationships refer to interorganizational (B2B ties) not to organization-individuals (B2C ties) links maintained by VGDs delivering customized games for individual order (e.g. promotion games, recruitment games, training games).

On the other hand, VGDs reach customers through **indirect customer relationships** using gaming online forums and portals, using the relationships of publishers, or recognizable gaming influencers.

Among indirect customer relationships the most important (5 out of 13 interlocutors) are those maintained with wide range of gaming influencers including e.g. youtubers, subscribers, bloggers, reviewers, streamers, or gamers.⁸ Customers are indirectly reached through the notable users of YouTube, Every Play, Twitch, Steam, gaming forums and portals. As indicated by one CEO (6) this kind of relationships are aimed exploitation of the power of word of mouth marketing especially in order to promote the game but also to increase the players' retention and engagement. The results show however that the relationships with influencers are used especially by well-known and successful games popular among the players - "as we have few millions of players in our gaming community it is impossible to maintain direct relationships with them [...]. Therefore we have to focus on middlemans like bloggers, youtubers, game journalists, non-game journalists" (CEO of large VGD). Additionally, this kind of indirect customer relationships are used also during the game development process, for instance to make beta-test

⁸ Note, in the industry context there is a difference between gamer (usually hardcore players) and player (usually casual players), hence the slight difference between these two do not matter for the content of this article.

and improve the game before its release. An additional value of these relationships results from the comments and reports provided by influencers to players before the game is released. It matters not only for the future sale but also for attracting donators at crowdsourcing platforms (as they are “objectively” informed by well-known gamers about the progress in particular game development process).

As indicated earlier, VGDs intensively use social media and online platform to be in direct touch with customers. Similarly, they intensively use online gaming forums, portals and discussion groups as a regular and anonymous users (indirect customer relationships) in order to follow players’ discussions, collect objective feedback and comments useful for the future game improvements.

Finally, in case of developers producing paid and PCs/console games the customers are indirectly reached through relationships with game publishers. As global PCs/console game market is highly competitive some developers decide to cooperate with notable publishers in order to promote, distribute and sell games at the global market or in particular geographic markets (e.g. 11; 13). It is a common practice that the relationship with publisher assumes outsourcing of customer relationships management.

5.2. The specificity of key partners with which the relationships are maintained

In the light of the conducted interviews the list of key partners considered under exploited business models contains twelve organizational crucial partners (Table 3). However, three their types seem to be the most important ones for value creation, i.e. game platforms, other game developers, and game publishers.

First and foremost, as indicated by CEO of large company “the list of key partners is determined by the game developed by particular company”, however in our study all of the interviewees identified game platforms as key partners as the games are delivered to gamers through them. Given our results, the most important there is the targeted game segment, namely if it is mobile, PC, or console one as this aspect determines the key partners for value creation. In particular, the VGDs focusing on mobile games point out Steam, App Store, and Google Play as the key partners, whereas VGDs developing PC and console games identify Sony, Microsoft, Nintendo, and Steam. We claim that the relationships with owners of game platforms are critically important as the traditional distribution (referring to games sold in “boxes”) is dramatically decreasing: “The games for the last 10-15 have not change so much, the digital revolution and the explosion of digital distribution have fundamentally changed the gaming business [...] currently it is impossible to survive in this business without digital sales, digital sale is the most important, required and efficient solution (art director and lead designer in

Table 3. Key partners for video game developers

Identified motives	Key partners		Monetization model*		Game segment*	
	Type	Examples	F2P	Paid	Mobile	PC/ Consoles
Managerial support Business modelling	Consulting companies	A.T. Kearney; PwC; Business Schools;	12		12	
Game sale	Customers	Institutional customers	1; 6	3	1; 6	3
Knowledge exchange Experience sharing Collecting feedback about the idea and main gameplay assumptions Gaining inspiration Licensing of game engine Gaining missing competence	Game developers	The majority of game developers admit informal relationships within developers' community	5; 12	4; 5; 8; 13	5; 12	4; 8; 13
Game distribution Game sale	Game platforms	<i>Mobile games</i> : Steam, App Store, Google Play <i>Console games</i> : Sony, Microsoft, Nintendo, Steam <i>Web games</i> : Facebook, NaszaKlasa, N. <i>VR Games</i> : Samsung, Oculus Store, Steam	1; 5; 6; 7; 8; 9; 13	3; 5; 10; 11; 13	1; 5; 6; 7; 9; 13	3; 8; 10; 11; 13
Financial support in marketing and game sale Collecting feedback about the beta version of the game and final game improvement	Game publisher	Telltale Games; Sega; Bandai Namco Entertainment; Santa Monica	6	4; 10; 13	6	4; 10; 13

Knowledge about particular geographical market Risk transfer Global promotion using publisher's brand Outsourcing of marketing and promotion Exploitation of publisher's business contacts	Global/National game publisher	Namco – Europe; Warner Bros – Notrh America; G5 – USA	6	2; 11	2; 6	11
Marketing and promotion	Gaming and social media (digital only)	Facebook; YouTube; GameMedia; IGM; GameSpot; GameFAQs	6	3	6	3
Game sale	Game vendors	LegendGames, GatePlay		11		11
Technological compatibility of games with PCs and consoles' requirements	Hardware producers	Microsoft, Sony, Nintendo, Nvidia, Radeon		8; 11; 13		8; 11; 13
Technological compatibility of games with software requirements	Software producers	Visual Vertigo; Virtualis, Vizard	1		1	
Fund raising Technology development	Investors	Hearst Entertainment & Syndication; Accel; Sequoia; Capstone Partners Korea; SV Angel	12	13	12	13
Funds raising	Research institutions	The National Centre for Research and Development	1; 13	11; 13	1; 13	13

* Respondents' codes ranging from 1 to 13.

Source: own elaboration.

large company selling paid games for PCs and consoles). Our findings are in line with the latest industry reports, as in 2016 the revenues from digital distribution exceeded the revenues from traditional sale [NewZoo 2016] and the majority of players are downloading games directly not only to their tablets and phones but also (!) to their computers and consoles [SuperData 2016].

Second, video game developers see each other as key partners. In particular, business rivals are seen as: (1) a valuable source of knowledge and inspiration important in game creation (exploited mainly in pre-development phase of game development); (2) an objective and specialized source of missing skills and competencies important in game development (throughout the full process of game development); and (3) a supplier of game components like game engines, specific technological solutions, or even well-known game characters (at the different stages of the process of game development). However, in the light of the research this type of key partners - in contrast to remaining ones – is linked with game developers by cooperative (not competitive like in case of hardware manufacturers, complementors, game platforms and publishers) relationships taking the form of informal, social, and personal ties – “it is hard to talk about specific, formalized partnerships with developers, as among us there is an atmosphere of sympathy and friendship strongly based on trust, not on contracts or agreements” (CEO of medium enterprise). Our findings support prior exploratory results showing informal and personal relationships maintained by video game developers also those with competitors (other developers) are significant for the value creation [Klimas 2015b].

Third, among the most often identified types of the key partners there are game publishers. It is so, as they provide financial and managerial support, takeover of distribution, the risk of promotion and market success, and take the full responsibility for all of the marketing and sale activities. We claim however, that the importance of this type of key partner will decrease in the nearest future as: (1) mobile games which can be published without the engagement of publisher have dominated the market in 2016 and their market share is still increasing [NewZoo 2016]; (2) decreasing costs and digitalization of distribution make it easier to independently promote and sale games even at distant markets and on a global scale, (3) more often the global game publishers have stopped to publish games developed by other (external) produces as they have already started to develop their own games (e.g. Electronic Arts publishes external games in some geographical areas like Asian and Central Europe market Activision Blizzard publishes only own games or external games which are the sequels of globally successful titles). Nevertheless, game publishers, especially these most notable operating in hypercompetitive markets like US game market where the dominant role is played by global leaders (i.e. Activision Blizzard, Blizzard Entertainment, Epic Games, Electronic Arts, Bethesda Softworks, Infinity Ward, Valve Corporation, or Zynga)

or in culturally different markets including especially the Asian ones may be still the key partners for game developers in the future.

Interestingly, identification of key partners has revealed that also customers are perceived as significant partners. However, these customers are not players but organizations ordering games for customized orders thus are engaged in the development process. As indicated by one of the CEOs (medium developer) – “game made for order must be tailored to the customers’ needs thus we run our gaming projects following scrum methodology and intensively cooperate with our business clients.” We claim that, even though organizational customers have been identified as key partners by one interviewee only their role for value creation in video game industry will be growing. Note that in a global VGI the share of promotion games, marketing games, training games, recruitment games, and serious games is increasing due to the progressing processes of gamification and virtualization [NewZoo 2016].

Other relational aspects important for video game developers covered by remaining building blocks of business models.

This research assumed two relational building blocks of business models adopted by video game developers (i.e. customer relationships and key partners). However, the general research focus of the whole research project⁹ was going much beyond the relational components only, thus here we

are considering all [in terms of Osterwadler & Pigneur 2010] components of business models exploited by video game developers. In fact, it was possible to reveal some relational aspects covered by remaining seven (excluding customer relationships and key partners) building blocks of business models. Given the empirical findings those relational aspects seem to be in two other components of business models, namely **key activities and key resources** (Table 4).

First, identification of the key activities shows that video game developers pay great attention to establishment and maintenance of external relationships aimed at knowledge exchange, external learning, reaching and maintenance of customers. Those relational key activities are typical for both types of game developers, namely those developing premium and freemium games, as well as for both those developing mobile and PC/console games. To be more detailed those relational key activities are focused on taking different benefits from inter-industry networking, community management, and social embeddedness in developers’ community.

Second, exploration of key resources exploited by video game developers revealed relational resources as significant, hence not unconscious and unacknowledged resources exploited in order to create value under specific business models. Those relational key resources are used especially by game developers delivering paid games for PCs and consoles with the owners of game platforms. Interest-

⁹ As indicated in the fourth footnote.

Table 4. Business models components including relational aspects significant for video game developers

Relational aspects			Monetization model*		Game segment*	
Block	Specificity of relationships	Reasoning	F2P	Paid	Mobile	PC/ Consoles
Key activities	Inter-industry networking including both formal (e.g. attendance at gaming conferences, participation in trade fairs, adherence to clusters and associations) and informal (e.g. social networking, activity on closed gaming forums). <i>External relationships.</i>	Knowledge exchange. Learning from other developers. Inter-industry data collection (weak and preliminary signals identification).	5; 12	5; 8; 10	5; 12	8; 10
	Community management – ongoing communication, searching for new gamers and current gamers' retention using social media and gaming platforms. <i>External relationships.</i>	Targeting new customers. Maintenance of current customers.	9; 12	10; 11	9; 12	10; 11
	Relationships within gaming community. <i>External relationships.</i>	Maintenance of appropriate level of customer retention.	13		13	
	Strong socially embedded relationships of game developers in hermetic, social networks (e.g. closed online forum for trustful developers available for invited developers only). <i>External relationships.</i>	Knowledge exchange. Own storytelling – success and failure stories. Learning from others' mistakes and experience	13		13	
Key resources	Relationships with staff – sound, friendly, trustful relationships with employees. <i>Internal resource.</i>	Staff maintenance as the specialists is deficit in video game industry.	1	1	1	
	Relationships with game platforms – informal, trust-based relationships with representatives of game platforms (e.g. Google Play, App Store). <i>External relationships.</i>	A preferential positioning condition in digital distribution as it is impossible to pay for it.		2; 3; 11	1	2; 3; 11
	External and inter-organizational relationships in particular with wide range of stakeholders. <i>External relationships.</i>	Pooling up a wide range of missing knowledge, competencies, skills, and resources. Game co-development.	12	13	12	13

* Respondents codes ranging from 1 to 13.

Source: own elaboration.

ingly, our empirical investigation shows that besides external relationships the internal ones are also exploited as key resources by video game developers.

Interestingly, the research results can prove a low managerial awareness of video game developers as they are not aware about the significant role of relational aspects with regard to resource exploitation and implementation as well as to successful implementation of key activities. In particular, it should be expressed that relational resources (based on relational view acknowledged in management literature) are not directly identified as key resources while the obtained answers show them definitely as extremely important as they are an informally- and personal-based sources of inspiration, ideas, knowledge, and missing staff (e.g. 3; 11). The lack of direct identification of relationships as the key resources exploited in order to create required value may be reasoned by the low managerial and business awareness of video game developers. Indeed, the review of industry reports, conducted observations, and realized interviews proves that even though game developers are highly skilled and competitive with regard to technological issues they are missing from the very basic business and managerial knowledge, skills and competencies: “Polish game developers are not aware of the importance of managerial knowledge, managerial and business knowledge which is the real basic of the survival in this industry [...] as it is commonly known among American, Canadian, Russian or even Chinese game developers” (CEO of medium company operating in mobile segments of both paid and freemium games).

6. Conclusion

This paper was aimed at empirical exploration of relational building blocks and relational aspects exploited by game developers in their business models. The research scope is claimed to be current and significant as it directly correspond to research suggestions made in prior literature [e.g. Zott et al. 2011: 1038; Bocken et al. 2014; Davidovici-Nora 2014; Oliński 2016]. As a contribution of our research efforts we see the following ones.

First the results show that customer relationships can be divided into direct and indirect ones. Among them it is possible to identify different forms of relationships aimed at different goals (cf. Table 3) while some of those relationships as well as their aims depend on the type of video game developers in terms of targeted game segments or applied monetization models in developed games.

Second, even though VGI consists of wide range of organizations (e.g. hardware manufacturers, game developers, game publishers, game platforms, software developers, producers of gaming equipment, etc.) only few of them seem to be the key partners considered as important from value creation perspective (cf. Table 4). It should be emphasized that due to the current and significant changes in a global

game industry probably the role of game publishers will still be decreasing as opposed to a growing role of organizational customers.

Third, besides the obvious relational components of business models this study provides evidence for the importance of relational aspects covered by other building blocks such as key activities and key resources. Our research shows that both of them significantly depend on relationships with wide range of stakeholders, hence the video game developers seem to be not aware of the relational aspects of these building blocks.

Naturally the empirical investigations as well as presented results are not free from limitations. In particular, the exploratory and industry-restricted research hampers drawing general conclusions, hence this investigation is first in business and management literature focused on relational components of business models applied by video game developers. What is more, to the author's best knowledge it is first research focused on relational building blocks of business models in general. Moreover, as business modelling is acknowledged as industry dependent [Gassmann et al. 2014] it is reasoned to restrict the scope of interest to one industry only. Second, quite small number of interviews (i.e. 13) maybe seen as a shortcoming, although the exploratory natures of the study as well as triangulation of data sources and research methods seem to reduce this limitation. To conclude, given the growing popularity of relational approach [Czakon 2012; Światowiec-Szczepańska 2013], ambiguity in understanding of business models and their building blocks [Wirtz 2011; Zott et al. 2011], limited stock of knowledge about relational aspects of business models [e.g. Oliński 2016], as well as the above limitations of this research we see further research reasoned and required. In particular, we suggest to undertake: explorative research in the same scope of interest however in other industry context, in other national video game industry, or explanatory research in the same scope of interest in video game industry.

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Relacyjne komponenty kanw modeli biznesu na przykładzie twórców gier komputerowych i wideo

Streszczenie. Uwzględniając rosnące znaczenie podejścia relacyjnego, w artykule omówiono relacyjne komponenty modeli biznesu. Przyjęty przedmiot rozważań uzasadniają luki w wiedzy na temat struktury modeli biznesu, zwłaszcza struktury modeli biznesu zorientowanych nie tylko na tworzenie, ale również współtworzenie wartości. Kontekstem prowadzonych rozważań jest branża gier komputerowych i wideo, która w ostatnich latach dynamicznie się rozwija. Wyniki badań wskazują, że twórcy gier w przyjmowanych modelach biznesu kładą nacisk na dwa komponenty relacyjne: relacje z klientami (bezpośrednie i pośrednie) oraz kluczowych partnerów (platformy, przez które gry są sprzedawane lub udostępniane, twórcy gier oraz wydawcy gier). Dodatkowo w świetle przeprowadzonych półstrukturyzowanych wywiadów zidentyfikowano dwa komponenty modeli biznesu, które nie mają charakteru bezpośrednio relacyjnego, ale uwzględniają relacyjne aspekty, tj. kluczowe aktywności i kluczowe zasoby.

Słowa kluczowe: modele biznesu, podejście relacyjne, sieci międzyorganizacyjne, relacje w modelach biznesu, branża gier komputerowych i wideo, kanwy modeli biznesu