

“Save me”: Alternative payment method for in-app purchases

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The mobile smart phone has become the most sought after technology tool, among the younger generation of the world. Sri Lanka is no exception with mobile penetration at more than 100% with growth of smart phone usage growing exponentially. Gaming with the aid of computers has become a billion dollar business and the wide usage of mobiles meant that a wider audience has now access to such tools. Companies are moving away from broad based advertising to more targeted direct advertising to capture market share. Use of mobile apps is widespread and the potential for companies to generate revenue streams by tapping into these applications have huge potential. The business strategy adopted by some developers is to offer the game for free while progress in levels of the game require in-app purchases to improve the gaming success and gain competitive advantage among players. In the perspective of the developers, in-app purchasing done by the gaming individuals is the main revenue stream. In developing countries like Sri Lanka, players of these games are reluctant or unable to spend money to purchase these in-apps, since there is no financial benefit other than succeeding in the game. The other reason is that credit card details should be provided to purchase them. Most young people do not have or have access to credit card facilities. Thus, developers of game products are inhibited due to the lack of monetary incentive to build new gaming products and the players are inhibited by not being able to utilize the total advantages provided by the game. “Save – me” is a product designed to overcome these constraints by introducing an alternative method for payment and thus provide an incentive for mobile game developers to expand their market and increase their revenues, leading to the development of the information technology sector in the country.

The current revenue models used by game developers include, selling the game for a fixed amount as a onetime fee, generating revenue from advertising while providing the game at no cost, and product or service providers financing the cost of the game through use of virtual coins. The models were evaluated using cost-benefit and sensitivity analysis. The latter was selected for its innovativeness and the ability to address the issue in a cost effective manner. The web portal solution includes three stakeholders. i.e. gamers, developers and manufacturers of goods and services targeting the gaming segment of the population. The process will commence with manufacturers / distributors assigning a discount to their products, in order to boost their revenue. Instead of giving customers the monetary discounts, the manufacturers will purchase virtual coins from “Save me”, and assign those coins to selected games on the portal. Customers who have registered on the portal, can earn these virtual coins instead of the discount, by progressing through the game and collecting these virtual coins. They can then exchange these virtual coins by going to their local supermarket which acts as a distributor and exchange the coins for the physical product that the manufacturer wants to promote. The game developers will be sharing the revenue via the purchases done by the players together with the portal owner.

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