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The increasing technological advancements have impacted greatly on different sectors resulting to evident improvements. The computer game industry is one such sector that has benefited greatly from the technological advancements. This is especially with increased internet spread enabling people in different parts of the world to become aware of computer games and conveniently access them. As such, the computer game industry has become more productive and developed as the need to create better games increases to serve the increased demand. However, amid these developments there are a number of challenges such as piracy hence derailing progress of the computer game industry. Piracy affects most media related industries but the computer game industry is seemingly more affected prompting an evaluation of measures employed by game makers to prevent piracy.

A research survey conducted by Internet's Advertising Bureau (IAB) revealed that almost half of UK, population play video games on an IP connected device (Davies, 2011). This implies that there are high numbers of people participating in video games hence increasing the market potential. However, despite this increased demand, profit margins in the computer games industry are relatively low. The research by Davies reveals that there is little advertising on video games by the producers. Effective advertising makes sense of the set price of a product thereby prompting people to buy without paying much consideration to the price. According to Park and Lee, gamers are bound to purchase items they find to be valuable (2011). This

implies that creation of value through advertising may increase chances of purchasing video games rather than depending on free downloads. Additionally, game publishers and developers are seemingly adamant to pursue legal frameworks to curb piracy. This is in comparison to other media related industries such as recording and movie industries (Holm). This reduced indulgence in legal frameworks may contribute to increased engagement in piracy activities. According to Liang and Phau, moral judgment and self-efficacy have little impact on engagement in piracy activities. Furthermore, Liang and Phau argue that campaigns creating awareness of the implications of piracy may reduce piracy rates (2012). However, it is also important to pay attention to the set prices for video games to reduce free download preference. According to Cox, this may be done by targeting the purchasing power parity to ensure that the price range is balanced across the globe (2008). This implies that setting favorable prices may significantly reduce piracy rates in relation to video games. Conclusively, piracy in the gaming industry is seemingly associated with high prices. High prices prompt gamers to depend heavily on free downloads rather that legal purchasing such as from the official brands. However, advertising may reduce piracy levels due to value creation. Additionally, campaigns indicating implications of piracy may be effective in reducing participation in piracy activities. However, amid this efforts game developers need to pay attention to prices such as considerations on purchasing power parity. Nevertheless, despite these challenges, computer game industry is still a profitable market in the modern day.

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