The Paradox of Profit: Structural Constraints on Game Design and the Need for Systemic Replayability in the Gacha Genre

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INTRODUCTION

The gacha game/gacha genre business model, epitomized by *Genshin Impact*'s (miHoYo 2020) staggering profits, has validated the strategy of monetizing character acquisition and progression. This financial success, however, is often achieved at the expense of sustainable game design. Drawing on the MDA (Mechanics-Dynamics-Aesthetics) framework to analyze the friction between business goals and player experience (Hunicke et al, 2004), this paper posits that the primary challenge facing the gacha genre is the fundamental conflict between the need to sell new characters (which requires a high production rate of consumable, linear narrative content) and the need to offer deep, high-agency gameplay that ensures long-term player retention. We argue

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that overcoming this "**Paradox of Profit**" requires a fundamental shift toward robust systemic depth and non-linear, skill-based content.

The current design architecture of *Genshin Impact* (miHoYo 2020) is inherently linear. New content is released as vast new regions or narrative quest chains, which are rapidly consumed by veteran players. The primary loop—daily quests and resin expenditure—is designed to be maximally frictionless and minimally challenging, reinforcing a sense of financial obligation rather than genuine engagement. The key constraint is "monetization lock-in": since new characters and weapons are the central product, any significant design changes, such as introducing a new, highly effective progression system outside of linear leveling, must be carefully calibrated so as not to devalue past investments or future sales.

This constraint prevents the creation of permanent, challenging content that might otherwise reduce the perceived need to acquire new, powerful characters. Consequently, this leads to the widely reported feeling that the game lacks meaningful "endgame" content (Blom, 2023), driving player churn when the linear story content is exhausted.

To combat this structural fatigue and achieve long-term viability, gacha game designers must move beyond the content treadmill by prioritizing systemic depth and genuine replayability. We propose solutions across three dimensions, focusing on their design feasibility within the current live-service model:

1. Horizontal Replayability and Reward Diversification

Currently, quest rewards are dominated by Primogems, the gacha currency. This structure forces players to treat story progression as a means to an end—the gacha pull—rather than an intrinsically rewarding experience. Once the pull is made, engagement often drops, particularly if the desired reward is not achieved. We propose expanding and diversifying the types of rewards to build permanent value outside the Primogem economy. Rewards should include novel items that interact with the world and deepen the player experience, such as wearable items (cosmetics obtainable through complex world exploration or secret missions) and interactive instruments. From a feasibility standpoint, these rewards utilize existing assets but recontextualize them: validating time spent exploring and developing the world's cultural capital, rather than just funding the next banner.

2. Implementing Skill-Based and Non-Resource-Gated Modes

To decouple success from monetary investment, gacha games should introduce modes where success relies primarily on player skill, mechanical mastery, and character synergy, rather than raw character stats. A negative example is *Honkai: Star Rail*'s (miHoYo 2023) *Arbitration Challenge*, which heavily emphasizes resource accumulation and requires twelve fully built characters. Conversely, HoYoverse's own *Zenless Zone Zero* (miHoYo 2024) provides a superior model in its *Simulated Battle Trial*, where success and reward acquisition are tied directly to physical gameplay skills. Implementing such modes in Genshin Impact is design-feasible as it does not

require new assets, but rather a retuning of enemy logic and damage values to prioritize mechanics (dodging, reaction timing) over raw statistical output.

3. Macro-Level Ecosystem Solutions

Furthermore, gacha profitability can be enhanced through the integration of the IP ecosystem. Given the high overlap in player bases across *miHoYo* titles (*Honkai Impact 3, Genshin Impact, Honkai: Star Rail*), cross-game collaborations should evolve beyond simple character drops. These collaborations should be systemic, featuring shared storylines, coordinated mechanics. This mirrors the "content ecosystem" approach seen in successful user-generated content platforms, transforming the linear story flow of individual games into a cyclical experience. This approach provides a powerful retention tool that incentivizes players to re-engage with all titles, ultimately achieving a win-win balance between sustained player replay value and commercial gains.

In conclusion, the immense profitability of the gacha model has constrained game design toward linear, consumable content. To ensure the long-term sustainability of the genre, particularly for flagship titles like *Genshin Impact*, designers must embrace structural changes that prioritize systemic depth, non-monetary rewards, and skill-based challenges. This shift will transform the genre from a platform for narrative consumption into a challenging and enduring live-service game.

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BIO

Lam Yau Hing is a final year undergraduate student in School of Creative Media, City University of Hong Kong. She is interested in animation and video games. She almost never wins her 50/50 in *Genshin Impact* banners, but she deeply believes one day she will. She is currently a full-time *Proxy* , part-time *traveler* and *trailblazer*.

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