



# DISRUPTIVE FORCES AT PLAY IN THE GAMING LANDSCAPE



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“ Early video games  
were developed in  
research labs by  
scientists. ”



## INTRODUCTION

The first video games was originated in the 1950's, as a result of a British professor's dissertation, where he created a game of tic-tac-toe, initially for animation, but accidentally creating a new form of media. Today, video games are available in almost every existing platform. Whether one picks up their smartphone/ handheld devices, or switches on their television or computer, there are video games installed.

Early video games were developed in research labs by scientists. In 1962, Steve Russell developed a game called "Spacewar" for the PDP-1 (Programmed Data Processor-1) , which was the first game to be played across multiple computer installations. These developments slowly allowed the market to become saturated, and there were over 800 different consoles released in the 1970s, which would lead the game industry to crash in the 1980s. [1]

Understanding the trends, companies began devising fewer consoles and offering more games to attract customers, the graphics and bit rates were slowly improved, and gameplay became faster. From the first generation consoles in the 1970s to the eighth generation in the present market, the industry has undergone several transformations and there are still ways for the company to innovate further.

In the present generation (8th), there are 4 popular consoles, i.e. the PlayStation 4 (Sony), the Xbox One (Microsoft), Wii U (Nintendo) and Switch (Nintendo). Also, there are high performing personal computers and mobiles which offer gaming capabilities.

The ninth generation of consoles should begin with the arrival of the PlayStation 5 (Sony) and Xbox Series X (Microsoft) in late 2020. [2]



[1] History.com Editors. (2017). Video Game History.

[2] Sega Retro. (2017). Generations of video games.

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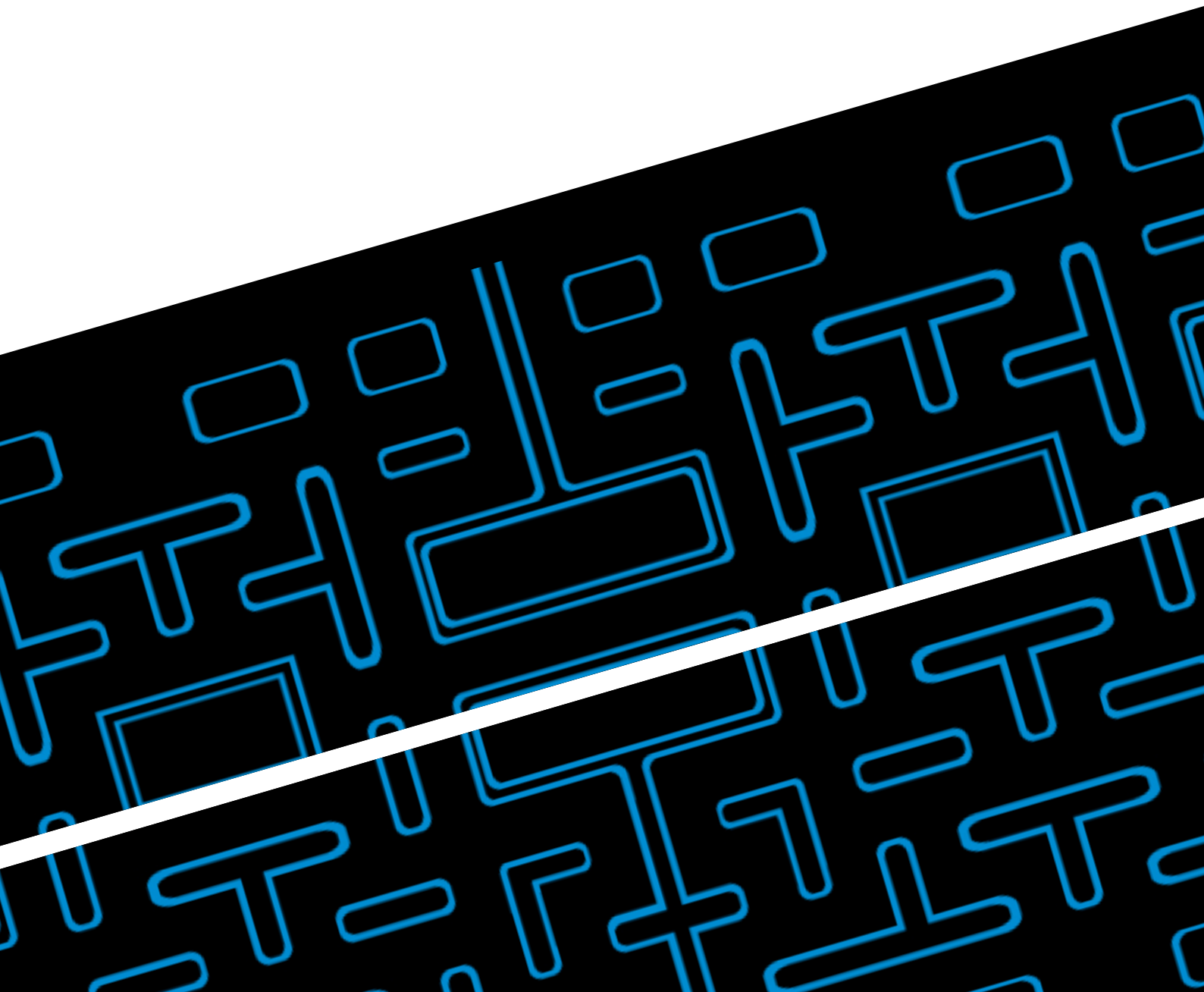
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# 4 CHALLENGES OF THE GAMING INDUSTRY



## 1. Player Acquisition

The first challenge for the industry is to capture the attention of those who do not play video games and those who prefer to do other activities, such as stream content or go to outings.



## 2. Player Retention

The second challenge is to retain the gamers who continue to play. Companies that wish to keep its customer base, need to offer interesting titles or ones with a lot of replay value, so that a gamer remains interested in the software.



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The Gaming industry is witnessing innovation from several disruptors notably, mobile and console. Mobility is expected to bring in more users in the gaming sphere, and if their interest is piqued, then they are likely to switch to/ add console gaming in their repertoire. Console gaming will achieve a boost with the launch of the Sony PlayStation 5 and the Microsoft Xbox Series X, which will kickstart its ninth generation. These consoles are anticipated to double up as media streaming devices and cloud streaming games, thus adding more applications as well as giving users with good internet connections (over 20mbps) a chance to play more games. The larger the libraries of the consoles, the more value is delivered to the customers.

Cloud gaming is a sleeping giant because game libraries are relatively small when compared to television and cinema libraries on other streaming sites. However, it could bring older gamers back into the mix, as some of them have chosen careers and families over purchasing gaming hardware products and accessories, and the temptation to use subscriptions to access AAA games will emerge.

Blockchain is another dark-horse disruptor, which is pushed forward due to its security, yet held back by the lack of mainstream 4K graphics in the games. In the present market, serious gamers will investigate it, although casual gamers may not.

Social gaming, (which began on PCs), is going to continue to grow, as more people will enjoy competing/collaborating with one another or beating each others high scores. The main aspect that is currently driving mobile and console gaming is the ability to play together and compete or collaborate. Developers of today should look towards the goal of their game before creating it. If they wish to have a consistent and large consumer segment, they must look towards a free-to-play model with micro-transactions, while if they wish to appeal towards single player segments, the game should be story-driven and have adequate challenge for replay value.

Tournament organizers should look to popular video game professionals on YouTube and Steam and invite them to compete as well as add value to local gamers wishing to participate, while e-sports organizations should look into the game usage statistics to predict ideal game titles for competitions.

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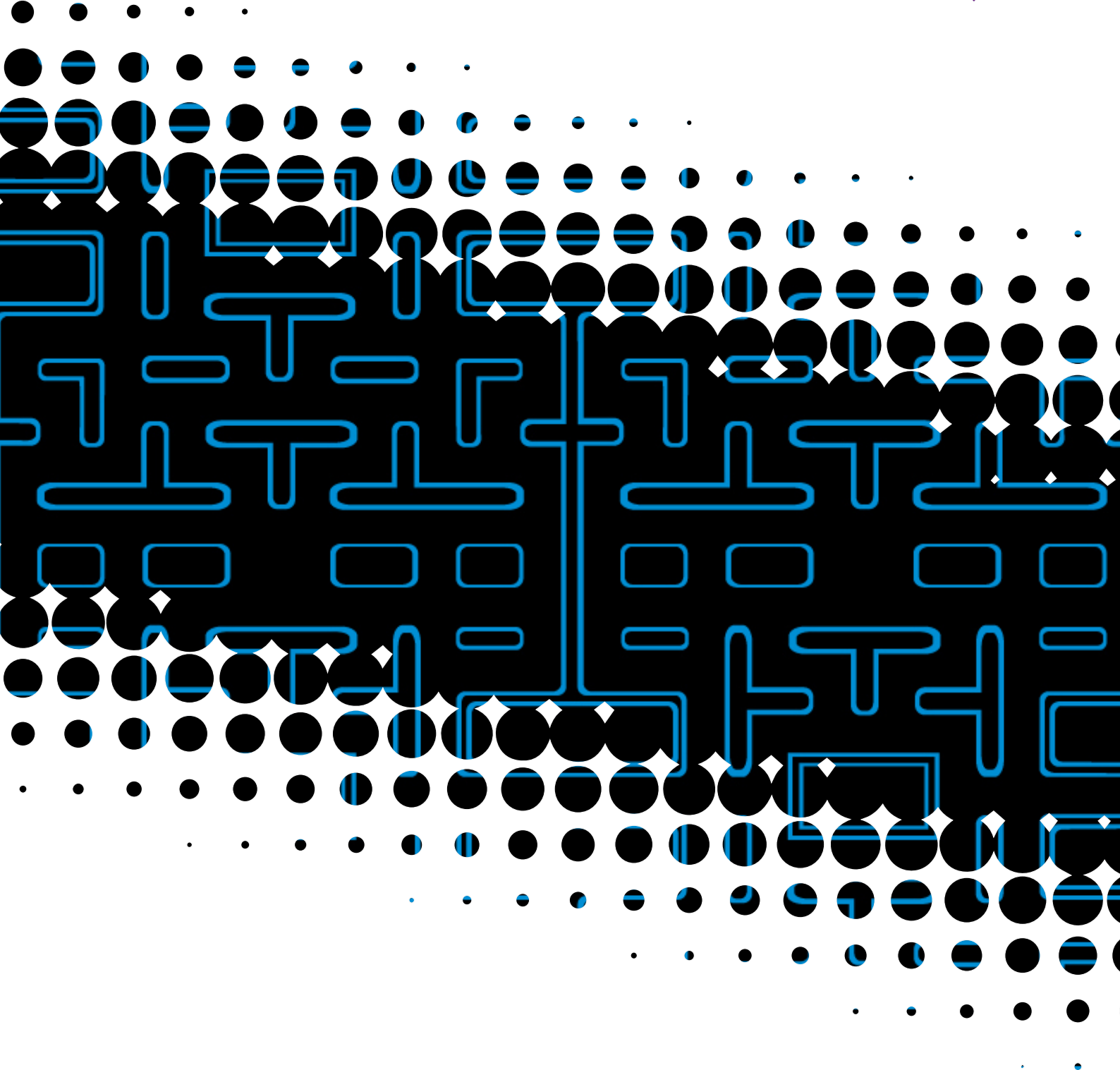
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