

# An in depth look at blizzard entertainment



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This report is a in-depth look at Blizzard Entertainment the company, to find out why Blizzard entertainment is so successful in the gaming industry. We will look at the reasons on how it could come out with best selling games over and over again and how they manage to sell 2. 4 million copies of one game within the first 24 hours. Furthermore, we will understand how Blizzard entertainment runs such a big company to such efficiency using the business model SWOT and PEST in the analysis of its success. A look at the current developments and what future developments it might have or where it can go from here will be discussed as well.

## I. A Brief History of Blizzard Entertainment

Well, Blizzard Entertainment was not always as we had known it, originally founded in 1991 February as Silicon & Synapse by Chairman Allen Adham, president Michael Morhaime and vice president Frank Pearce All Graduates from UCLA. In the days of Silicon & Synapse it was more on focused on making game ports for other Gaming studios. Until the Breakthrough Game The Lost Vikings, it was hailed as one of the forefathers of that Game Genre .

A year after that they released Rock & Roll Racing another Cult Hit that paved the way for its predecessors in the Racer Shooter Genre. In 1994 It was only then its name was reestablished as Blizzard Entertainment. The first big scale game it released by Blizzard Entertainment, was Warcraft: Orcs & Humans and it was a hit with the gamers. Ever since they have made a benchmark in the game, the gaming world was at their fingertips now. After such success with Blizzard Entertainment's original Warcraft game, Warcraft: Orcs & Humans , was touted as one of the best strategy games of

1994, and the game's epic sequel, 1995's Warcraft II : Tides Of Darkness, won numerous awards, including the company's first Game of the Year award. Warcraft III : Reign Of Chaos, released in July 2002, has likewise won several accolades , just like Starcraft another hit Game Series released by Blizzard Entertainment, It has become a staple of professional tournament gaming, along with its expansion, the award-winning Warcraft III : The Frozen Throne, which was released in July 2003.

## II. Current Projects and a look at the rise of WOW ( World Of Warcraft)

Well Blizzard has many notable achievements in its released games, None of it comes close To World Of Warcraft, more widely known as WOW. World of Warcraft stands as the greatest game in the popular Warcraft series. World of Warcraft has been an extraordinary success since its launch in November 2004. It has impressed game critics and has captivated millions of players, who adore the virtual world created by this game. It is no longer just a game but is now a genuine phenomenon, and one that shows no signs of abating. It is one of the key games of recent times, and stands as a landmark title for online gaming. World of Warcraft is the forth title in the series of Warcraft games, which has been entertaining people for over a decade

To understand more about the appeal of World of Warcraft, let us recall the time when WOW was released. It was not merely some massively multiplayer online role-playing game. It created a truly engaging online world set in the heart of Azeroth, a fantastic land that is filled with heroes and monsters and many other creatures. The game's strength is that it functions as an experience, as a world that exists on its own terms that you may visit and

explore as you please. The game sold more than 240, 000 copies in its first 24 hours on the market, more than any other PC game in history. Since then it released two other expansion sets which was a greater success than the one before. Blizzard is also making attempt to diversify beyond their original aim of just making games. Blizzard Entertainment is currently working with Legendary Pictures in making a live action Warcraft movie.

III. tso

The 8 Core Values are namely :

Gameplay First,

Blizzard Entertainment's success can be attributed to the gaming experiences they provide the consumer or player. The goal of each discipline within the company regardless of job post be it art, programming or customer support, is to create games as fun as possible for as many people as possible. In order to achieve this aim, it is in Blizzard Entertainment's prime belief that its workers also enjoy the process of game making.

Commitment to Quality,

This is the most well known core value of Blizzard Entertainment, which is not only applied in creating the best gaming experience for the consumers, but also practiced in every aspect of their job. They approach each task carefully and seriously, and seek honest feedback and use it to improve the quality of their work. Afterall, games are remembered for their high quality, and not how late they are released into the public.

Play nice, Play Fair,

In their business first impressions are important — but lasting impressions are the ones that matter. Blizzard Entertainment strives to maintain a high level of respect and integrity in all interactions with us, players, colleagues, and business partners. The conduct of each Blizzard Entertainment employee, be it online or offline, can reflect on the entire company.

Embrace your inner Geek,

The employees at Blizzard are encouraged to show their geek side . Cutting-edge technology, comic books, science fiction, top-end video cards, action figures with the kung-fu grip.... Whatever it is they're passionate about, it matters that each employee embraces it! Their unique enthusiasm helps to shape the fun, creative culture of Blizzard Entertainment. Happy and truly passionate workers make better workers, and what Blizzard Entertainment is all about today.

Every voice matters,

Great ideas can come from anywhere. Blizzard Entertainment is what it is today because of the voices of our players and of each member of the company. Every employee is encouraged to speak up, listen, be respectful of other opinions, and embrace criticism as just another avenue for great ideas. All because Blizzard values its employees and listens to the different ideas.

Think globally,

Blizzard Entertainment is a global company and everywhere on the planet there are people who play Blizzard Entertainment games. While respecting the cultural diversity that makes people unique, we strive to grow and support our global gaming community. We also seek the most passionate, talented people in the world to enrich our company and help us forge the future vision of Blizzard Entertainment. No country is too big or too small for Blizzard to take on or think about.

Lead responsibility,

Blizzard Entertainment believes its products and practices can affect not only our employees and players — but the industry at large. As one of the world's leading game companies, they are committed to making ethical decisions, always keeping the players in mind, and setting a strong example of professionalism and excellence at all times and for other game companies to exemplify.

Learn and Grow

The games industry is ever-changing. Technology improves, techniques change, and design philosophies become outdated. Since the founding of Blizzard Entertainment, it has worked to improve through experience, teaching one another and cultivating the desire to be the best at what they do. They see this as an individual responsibility as well as the company's. Employees can count on their peers, managers, and the company itself to be supportive and help them gain the knowledge and training they need.

IV. A in-depth SWOT Analysis

This Analysis will help us better understand of Blizzard Entertainment's Success and its weaknesses. Using The SWOT Analysis model we can see the opportunities and reevaluate the strategies to cope with its weaknesses.

#### Strengths –

Good market position globally

One of the very best pc game developers and held in high esteem by its customers.

Very large age group from its larger customer base.

Takes Feedback from its players and customers quickly and seriously.

Developed World Of Warcraft to huge success and acclaim.

#### Weaknesses –

May lack some competitive edge in some market segments over rival companies

Relies on its current game titles more than it should.

Very slow to release its games, often over the stipulated release date.

#### Opportunities –

Business can be further diversified into other industries, example, making a film which it is trying to do now. Acquire more gaming sectors.

More varied games. Look at a brand new type of pc game to boomz everyone away.

Opening up of other global markets, getting more customers worldwide further.

Working together with another pc gaming company to have a co-project.

Threats –

Other big pc game producing companies, might pose some competition with maybe more attractive graphics or different game genres, Example, FPS.

The time it takes to release a game might turn some gamers off, or they might just stop waiting all together.

Limited experience in other industries it might want to diversify into

Piracy

3rd party clients such as Garena, lancraft blueserver and many others.

## **Strengths**

Blizzard Entertainment has a good market position globally, meaning in the games market it has a huge cut of the customers and transactions that happen in it. Blizzard Is very well respected by the gamers, customers and other companies alike for their awesome games which are well designed and enjoyable for a very wide age group. When Blizzard comes out with a new game other companies will always try to better it learning from its strengths.



From kids to adults, blizzard games have players every age range, making it well welcomed by all.

Blizzard Entertainment leaves no gamer from the casual gamer to hardcore, professional gamer satisfied. The games Are simple enough and fast for the casual gamer to play, but also well balanced with good competitive potential. Intact, World Cyber Games (WCG) the world's largest scale gaming competition has 2 Blizzard Entertainment games to compete in, Namely Starcraft 2, Warcraft 3 and Dota, which is a custom map made from Warcraft 3.

Blizzard Entertainment's World Of Warcraft easily overshadows all of its accomplishments with 12 million subscribers and increasing. Making it the most played online MMORPG, no small feat without its dedicated team of staff. If a bug is reported or game defect , blizzard will take it seriously and respond quickly to look into the problem and solve the issue.

## **Weaknesses**

While Blizzard Entertainment is certainly a very successful company but it is not perfect or infallible. One of its Weaknesses is its most of its games revolve around the same genre of the real time strategy (RTS) or Role Playing Games (RPG). Some game diversity would be a fresh change and might get into a bigger cut of the market and different gamer groups. On top of that Blizzard's Entertainments game graphics might be less visual compared to other games therefore might have less competitive edge in some market segments over rival companies example sports gaming or fps.

Though Blizzard Entertainment has very good games it keeps expanding on the already expanded game stories, example Warcraft which has great gameplay and good storyline, however it Blizzard keep concentrating on the same story and how to make a better installment people might get bored to keep playing the same story that's over extended or stretched.

While Blizzard Entertainment are showing great signs of market diversification by trying to make a movie, their experience is very little in that field and almost non-existent. Might hit many glitches and problems along the way it might hard to solve with little experience. Which Blizzard Entertainment is attempting to avoid by working with a experience movie company, Legendary Films.

Everyone agrees that Blizzard Entertainment makes great games, but another thing they agree is they take a really long to do that often over the stipulated release date. An impatient customer is never a happy customer. Game Quality should never be compromised but still the releases could be faster.

## **Opportunities**

No doubt Blizzard Entertainment is very successful in its games and products, it can further diversify into other game genres it might not have touched, example sports gaming or FPS. Warcraft has a very rich storyline and might be good as a comic or book, gaining more exposure for Blizzard Entertainment as well in the process.

Gameplay improvements and Graphical improvements to its current games with patches or when a new game comes out because the gaming industry is

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always improving, and gamers demand more every time. Look at a brand new game Genre with a totally new gaming engine of which the likes were never seen before and Blizzard Entertainment is on its way to another great selling game.

Working with another experienced gaming company will help expand its horizons and its pool of talent, with more ideas and more funding,

Blizzard Entertainment has a great global market share and good global coverage, but there are still countries that have not even heard of it, with the expanding global market and opening of markets, it would be a great time to reach even more countries.

Blizzard Entertainment is currently working with Legendary Pictures, the studio behind the feature films such as Watchmen, The Dark Knight, Batman Begins, Superman Returns, and 300, in making of a live-action Warcraft movie.

## **Threats**

Blizzard Entertainment faces serious competition from other companies that have some game genres that other gamers find more fun, example FPS. On top of that though Warcraft 3 has great cinematics, its in game graphics cant be compared. So many other games out there with much better graphics. EA games has Tiberiam Wars with much better graphics but of the same RTS genre , how about Relic Gaming's Company of Heros.

The Time it takes for Blizzard Entertainment to release its games is a great internal threat, for it may lose many loyal customers that got sick of waiting

for the usually delayed games. Customers hate to wait unnecessarily and may buy other games instead.

Blizzard Entertainment move into diversifying its market by moving into the movie industry which it has little experience, and requires a lot of funding. By going into other Game Genre's its not familiar with also can be a risky move that might spell disaster by spreading itself too thin.

Piracy is without a doubt one of the greatest threats to Blizzard Entertainment, infact to any industry that relies on the IP law. File Sharing is now everywhere and very easily accessible, one can even get the game without going out of his home and without spending a single cent for the game. Piracy costs Blizzard Entertainment millions of dollars every year. Why would people pay if they can get it free?

Along with Piracy is 3rd party clients that make it possible for the games to be played online for free without the need for a original cd-key. In the past without these programs playing online with a pirated game would be impossible, and that would be one of the reasons why original games where still popular for the fact it had a cd-key that allows it to be played online. With these programs it bypasses all these security measures and there is no longer the need to pay for the game.

## **V. Final SWOT Evaluation**

It is clear enough from this evaluation that Blizzard Entertainment has a very successful business model, but at the same time has so much more that it could improve on and diversify into. The very rich storyline of Warcraft has so much potential from movies to books to comics to Television series. The

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move that Blizzard Entertainment decided to make by working on a Warcraft movie was a good market decision to capture the growing movie industry and movie fans. Its lack in experience in the industry is offset by doing the movie with a more experienced movie company Legendary Pictures, the studio behind the feature films such as Watchmen, The Dark Knight, Batman Begins, Superman Returns, and 300, with a proven track record. But it should be warned that yes Blizzard Entertainment can go into other industries, but it must not neglect its main market share the gamers, and some hardcore fans might be turned off by the change Blizzard Entertainment.

The Strengths are many and can be further worked upon by looking at the same game with different angles. Continuing to make games based on the gamers demand would be the best bet, for that means their games will always be in demand.

The threats and weaknesses are numerous as well, however with the right well thought strategies they can be avoided and countered to keep Blizzard Entertainment ahead in the gaming world.

However the greatest threat is Piracy and 3rd party clients, which in the case the saying " if you cant beat them , join em" doing business with the 3rd party clients might help Blizzard Entertainment gain back its lost profits from the programs and piracy.

## **VI. Conclusion**

Blizzard Entertainment is a great game developer, and to continue in a increasing volatile market it has to keep changing to meet the demands of

the new world. But if it continues to deliver its mission statement “

Dedicated to creating the most epic entertainment experiences..... ever”

following its 8 core values. I don't doubt and not for a second that Blizzard

Entertainment will continue deliver gaming experiences that redefine gaming.