

# Video game industry: the colossus of modern-day entertainment



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## Video Game Industry: The Colossus of Modern-Day Entertainment

The video game industry is one of the leading entertainment industries today. Video games can be played on many different platforms. For example, video games are played on PC computers, Xbox One, PlayStation 4, Nintendo Switch, and mobile devices. Each one of these platforms have a significant value in the industry. Certain platforms, like mobile devices, have been rising in video games and helping the industry grow. Video games are played all around the globe and by multiple age categories. The popularity and accessibility have helped the industry grow astronomically.

To begin, the growth of mobile games has impacted the video game industry greatly. Mobile video games consist of games you can play on a smartphone (iOS or Android device) or a tablet (like the iPad). According to Tom Wijman (2018), “mobile revenues will grow +25.5% year on year to reach \$70.3 billion.” This means that mobile games will bring in more revenue than PC games and console games (Xbox 1, PS4). Mobile games are more accessible to people. Consumers no longer have to have a huge or expensive PC set up, the latest Xbox, or PlayStation to be able to play games. Younger consumers now have access to these games as well. Mobile games will only continue to grow. They typically are not as expensive as games on other platforms and do not require an expensive set-up (PC, Xbox 1, PS4, etc.). Mobile gaming is expanding so much that by 2021, it could be a 100-billion-dollar market (Wijman, 2018). According to Marchand and Hennig-Thurau (2013), mobile games have grown from 6% to 20% from 2008 to 2012 of the sales on different platforms (p. 144). This shows the trend of mobile games continuously having an increasing number of yearly sales as compared to

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other platforms. This supports the claim that sales of mobile games are dominating this industry. Many of these mobile games are not from major game companies like Activision, Bilzzard, EA, etc. Mobile games also come from entrepreneurs who have to be creative with their marketing. So how are these mobile games from entrepreneurs helping to boost this industry? According to Waller, Hockin, and Smith (2017), most entrepreneurs rely on word-of mouth and social media to market their games (p. 8). This makes sense considering that social media is so huge in today's society that these games receive a lot of attention from marketing on those platforms. The rise of social media has an impact on the rise of mobile games.

Additionally, the video game industry as a whole is growing. Even though mobile games are rising due to greater accessibility, PC and Console games still help the industry to grow. According to Zachariasson and Wilson (2010), over a 25-year period the video game industry as grown yearly between 10% and 15% (para. 3). The video game industry has only been going up for years. This is overall on every platform that the industry is growing as a whole. According to Marchand and Hennig-Thurau (2013), in 2012 there were revenues " estimated \$67 billion for console and portable hardware and software, as well as games for mobile devices (e. g., tablets and smartphones). Sales of so-called virtual goods within games generated an additional \$14. 8 billion..." (p. 1). These revenues exceed the revenues of global music sales, book sales and movies sales (Marchand & Hennig-Thurau, 2013, p. 1). This shows that playing video games in becoming more popular than going to the movies or reading books. It is forecasted that in 2018 2. 3 billion gamers around the world with spend a total of \$137. 9 billion on

games (Wijam, 2018). It is not just the game itself that players pay for that make this revenue. Players can also purchase downloadable content (DCLs) and other add-in that increase the revenue of the video game industry. According to Bajon (2016), virtual reality games are also expected to help the growing industry.

Furthermore, the video game industry has helped the economy and employment in the U. S. According to a press release by the Entertainment Software Association in 2019, in 2018 consumer spending in the U. S. jumped up 18% to \$43. 4 billion and that the video game industry provides more than 220, 000 jobs across the country. This is a huge amount of jobs around the country. Working in the video game industry is now something that people strive to do with help from many colleges providing degrees in different aspects of the field. According to Taylor (2015), the video game industry grew 9% from 2009 to 2012 and outperformed the U. S. economy's 2. 4% and that employment in the industry grew at 9%. Many industries have a low or negative employment rate today, but the video game industry has a high employment rate which shows just how much the industry is growing.

Continuing, the sales statistics show how big and profitable the video game industry is. According to Activision Blizzard, a game publishing company, Call of Duty: Modern Warfare 3 (released in 2011) sold more than 6. 5 million units worth \$400 million of the game in the first 24 hours of the release in North America and the United Kingdom. This game was made available on Xbox 360, PS3, and PC. According to Lynch, Grand Theft Auto V broke six

world records, confirmed by Guinness World Records, and grossed over \$1 billion in sales in the first three days after the game was released.

Additionally, video game innovation has also helped the video game industry grow. Today mobile and online games can either be paid for or “freemium,” which means a free-trial period or the full game for free (De Prato, Feijóo, & Simon, 2014, 27). These multiplayer and free games have been changing up the industry by making the games more accessible and keeping players more invested in the game. With these free games, more consumers are willing to play. Another innovation that is helping the video game industry is the rise of games inspired by movies. Lara Croft: Tomb Raider and Resident Evil have inspired many successful games. There are also several different gaming platforms that allow customers to play games without having a specific set-up.

Moreover, free games are helping the video game industry grow. Free games can still produce revenue and create a big buzz around the video game industry. One of the most popular and profitable free game right now is Fortnite. Fortnite is available on every platform including Windows and Mac computers, smartphones, tablets, PS4, Xbox One, and Nintendo switch, which is part of the reason why this game is so popular. Unlike other games this game is easily accessible due to the many platforms that it is on so almost anyone could play this free game without having an expensive set-up. Fortnite is a battle-royale style game. Battle-royale is when there are a hundred players loaded into the same map and the objective is to be the last player standing. According to Sherwood (2018), there are over 125 million players worldwide and Epic Games (the publisher of Fortnite) has made \$1 <https://assignbuster.com/video-game-industry-the-colossus-of-modern-day-entertainment/>

billion in revenue (para. 2). So how does this free game, that is boosting the video game industry, create so much money? Players do not have to spend any money on the game, but many buy items in the game. Players can pay for certain “skins” (looks) for their in-game weapons, avatar looks, and dance moves called emotes that the avatars do. These emotes are popular cultural dances moves which makes the game more appealing even for younger players. It makes the game more relevant to today’s culture. Many parents worry about violent video games, but this game, which includes silly dance moves, has been able to conquer the younger generations. This battle-royale style game has kicked off a frenzy of other battle-royale style games. Game companies have rushed to create similar games due to all the buzz and profit that Fornite has. Even games like Call of Duty and Battlefield came out with a battle-royale style game.

In conclusion, the video game industry is one of the biggest industries in the world. Mobile games and other innovations have helped the industry grow.

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