In to the new technology and the

Business, Industries

In today's modern society, it is no secret that entertainment mediums such as movies and video games are a big part of our everyday lives and culture.

Over the last decade video game industry in particularly has grown beyond highest expectations and with the help of a new and advanced technology has risen to the new heights and standards, unlocking its full potential and allowing it to reach mass market audiences meanwhile becoming worldwide sensation. Even though this was not always the case when talking about video games and their popularity, with the recent 21st century technological boom the new way that video games are made and played are changing constantly. By trying to adapt to the new technology and the markets that surround both of them, game design industry has to create new innovative methods that keep the industry on top growing into the best game service to their audience. At least from economic stand point it appears that game design industry can well adapt to the new challenges of the market and where many other industries fail, they manage not only to stay on top, but according to the 2017 Global Games Market it is expected to generate a cross all playing platforms a staggering total of 116 billion dollars of revenue worldwide by the end of 2017 financial year. Even though these high numbers sound very promising, not all of the companies entered 2018 on such a high note. One of the well-known whales of industry the Electronic Arts company lost 3 billion dollars in stock value after one of their most anticipated game of the year – Start Wars Battlefront 2 faced a huge failure and outrage after the initial game launch. Seemingly the game itself checked all marks of the successful triple a title: high graphics, well known franchise,

engaging gameplay. However, it was the implemented in-game monetization that singlehandedly killed a very promising title.

A type of monetization usually found in mobile games who are using free to play business model to attract audience and mostly rely on in-game microtransactions to make a profit, this time was not only used in a full retail priced game but was changed in a way where players had to pay in order to unlock basic game features such as different characters and weapons making a big part of the game a pay to win experience. This type of EA's game design not only outraged their customers who afterwards boycotted the game refusing to buy it, but also brought the attention of mass media about a problem not discussed before – is free to play business model is not just a pay to win. The free to play business model, a new and creative innovation praised by many and created to tackle the challenges that the game design industry had to overcome throughout the recent years, now left many wandering about the morality, legality, benefits and in this thesis about the disruption of this business model that it could bring in the future.

In this thesis I am going to try to find an answer to my question and determine if free to play business model is a disruptive idea? First of all, I will introduce the key concepts of disruptive innovations published by one of the Harvard Business School professors – Clayton M. Christensen in 1995 while examining disruptive innovations outside the gaming industry like Uber and Airbnb which should help to determine when the disruptive innovation is disruptive. Secondly, look closely into the game design industry and its history. What changed over the years from business perspective, what was

taboo and now became a norm and aspiration when developing a game. Introduce with the concept of free to play games, the type of microtransaction systems usually found in them and the impact it left on the game design industry from the design, business and consumer perspective. Explore the difference between great and harmful game monetization while looking at the game examples across all platforms like Pokémon Go, Battlefront 2 and others.

Finally considering all previously mentioned points, come with a conclusion if Free to Play is disruptive by definition or just caused a great disturbance to game design and its market and whether or not the free to play business model is here to stay or will be replaced by something new.

725words Disruptive Innovation   In these modern times, with the new advanced technology allowing video games to be enjoyed on anything that has a screen, the video game industry is seemingly at its highest it has ever been grossing a whopping 116 billion dollars in revenue and projected to rise up to 143. 5 billion dollars by 2020. Market leaders like Tencent, Sony, Blizzard, Microsoft and Nintendo are amongst those who share the largest part of the industry. However according to the Harvard professor and inventor of disruptive innovation concept – Clayton M. Christensen " One of the most consistent patterns in business is the failure of leading companies to stay at the top of their industries when technologies or markets change". (Christensen, 1995.

p43). This could very well be the case for game design industry giants, knowing what a great impact technology can have to this market and the

challenges that it has to withstand trying to overcome all of the new innovations and designs that change every year. Since it is not entirely clear what does free to play business model holds in the future for the industry, especially now when its being adapted by industry incumbents, arguably in unethical and harmful way to the players, in some cases even being questioned by the governments and regulated by the law, it raises a question if free to play is heading towards C. Christensen's theory of disruptive innovation.   The term disruptive innovation first time appeared and was determined by Harvard Business School scholars Clayton M.

Christensen and Joseph L. Bower in their paper titled " Disruptive Technologies: Catching the Wave" in 1995. This theory has proven to be a powerful way of thinking in business environment and marked as one of the most influential business ideas in early 21st century.