Evolution of video games industry's ecosystems

December 4th, 2013

The *Innovation & Regulation Chair* (Ecole Polytechnique, Telecom Paris-Tech & Orange) with *Mosaic*, HEC Montréal, Pole Creativité & Innovation, are organizing a Strategy and Research Conference on the Evolution of Video Games Industry Ecosystems:

- Changes in business models;
- Evolutions of video games industry clusters.

This conference is linked to an issue of *Communications & Strategies Journal* to be edited by IDATE: "Video game industry: new paradigm of business model". A *Call for Paper* is joined to this program.

This conference will present the state of the art in video game industry economic research, with a particular focus on the structure and the evolution of business models, such as app's economy, blockbuster's economy, free to play models, etc., the resistance of the video games hardware market.

The second session, organized with the Game Industry Support, will be dedicated to a discussion about institutional and economic functions of video game industry's *clusters* and the role of associations in Canada and Europe (France, United Kingdom, Sweden, Finland…).

Co-organized and hosted by the *GameConnection Europe*, at Paris/Saint-Denis, this conference will be partly a video conference with *Mosaic, Pole Creativité et Innovation* HEC Montreal.

1st session — *Evolution of business models*

9.15	Laurent MICHAUD, Video games Analyst, IDATE ***The new deal of video game industry: hardware and casual games***
10.30	Jean-Paul SIMON, JPS Public Policy Consulting, Seville ***Business models in(re)construction***
10:50	Myriam DAVIDOVICI-NORA, Assistant Professor in Economics at Telecom-Paris-Tech ***Innovation of business models: from Free-to-Play to experience as service.***
11.10	*Coffee break*
11.20	Joe COX, Senior Lecturer, Economics and Finance, University of Portsmouth ***Blockbuster's economy in the video games industry***
11h40	Peter ZACKARIASONN, Associate Professor in Marketing, University of Gothenburg, Sweden ***On creativity and business models in the video game industry***
12.00	**Discussion**: ***Which direction for the business models evolution***?

Animation by Philippe CHANTEPIE, associate researcher at the Innovation & Regulation Chair, General Inspectorate of the French ministry of Culture & Medias and by Olivier MAUCO, lecturer at ICAN and ESGI, serious games designer.

- Marc MOSSÉ, Head of public affairs, Microsoft, France.
- Nicolas GAUME, Chairman of Syndicat National du Jeu Vidéo, France.
- Julien MAYEUX, Financial Planning Director, French studios at Ubisoft.
- Agostino SIMONETTA, Senior Account Manager at Sony Computer Entertainment Europe

13h *Lunch*

2nd session *Create and develop value by actors: clusters and associations*

with Game Industry Support

14.15 à Paris
8.15 AM at Montreal

Discussion: The value by the ecosystem.
Animation by Fred HASSON, *Video Games Analyst*, Founder of TIGA, United Kingdom

In Paris

Giuditta DE PRATO, EC JRC-IPTS, Séville
Center of excellence in the European Union

Juan MATEOS-GARCIA, Economics Research Fellow, Nesta, United Kingdom
What do creative clusters look like today? How do we find them? How do we build them?

Serge LANDRY, Chairman and CEO at CIAIC
Opportunity to set up a formal International Game Developper Industry Association (IGDIA)

Per STROMBACK, Managing Director of Spelplan, Association of Swedish Game Developers.
Education and potentially present the new Nordic Game Institute

Pierre-Emmanuel DAIGRE, chargé de mission Capital Games
Jeux vidéo : capitale et Europe.

Tanguy SELO, Imaginove, Lyon, France
Place of the video game in transmedia content

In Montréal

Laurent SIMON, HEC Montréal, Mosaic.
Montreal & video game industry: adolescence or maturity?

Francis BAILLET - VP affaires corporatives - Ubisoft Montréal
Video game industry at Montreal: Situation, incentives and new challenges.

Alexandre PELLETIER-NORMAND, Production Champion, ExecutionLabs.
Entrepreneurship, incubation and acceleration: a unique model.

Quentin GALLET, Producteur, Ubisoft Montreal
Business and value creation models: New plans, new models and experiments

Jason DELLA ROCCA, Founder of International Game Developers Association (IGDA), Execution Labs, Montréal
Cluster Connections: Building Relationships for More Awesome

Conclusions

Pierre-Jean BENGHOZI, Member Arcep, Head of research at CNRS, Professor at Ecole polytechnique, co-founder of the Chair Innovation & Regulation
Philippe CHANTEPIE, associate researcher at the Innovation & Regulation Chair, General Inspectorate of the French ministry of Culture & Medias

REGISTRATION

Registration is <u>free but mandatory</u> at:

alain.vallee@telecom-paristech.fr

Registration give access to the seminar and lunch
and to the show floor at *Game Connection Europe*.

The seminar takes place at **GameConnection PARIS - DECEMBER, 3-5, 2013** **DOCKS DE PARIS**
32 rue Proudhon, 93210 La Plaine Saint Denis.

Subway: *Front Populaire* (line 12) + 5 mn walk

http://www.game-connection.com/gameconn/content/gameconnection-europe

Communications & Strategies, edited by IDATE, launched a *Call for papers*: “Video game industry: new business model paradigm”.

Call for papers

Dossier to be published in no. 94 – 2nd quarter 2014

Video game industry:

New business model paradigm

Edited by Philippe CHANTEPIE, Laurent MICHAUD, Laurent SIMON & Peter ZACKARIASSON

2013 is a turning point for the most recent member of the cultural industries video games. The latest generation of game consoles, having arrived at a slower pace (8 years compared to 5 previously), is disrupting the old dynamics of innovation strategy, led for a decade or more by the downstream industries, console manufacturers Nintendo, Sony and Microsoft.

The technical developments and timing of these industrial innovation strategies have determined the business cycles of upstream operators (studios, publishers) and the distribution of value in the industry for several decades, both in the fixed and handheld console markets. But are they running out of steam? Are they lagging behind in the deeper transformations in the sector: the boom in social gaming, the new entrants that are often intermediaries (Facebook, Apple Appstore), new developments in digital convergence (smartphones, tablets, connected TV), the internationalization of upstream actors in the chain from China, South Korea and India, the disintermediation of distribution (Steam, Apple Appstore), the restructuring of business models and prices, the reduction of product life cycles, etc. The entire industrial structure is affected by the digital content revolution in uses and business models: disintermediation, deflated production costs despite the talent economy, changes in the pricing models of non-rival goods between subscription and rental models, the uncertainties of the star system, etc., where the use of networks, hits and multifaceted valuations seem to dominate as much as temptations to protect the models (access control, non-interoperability, rental limitation, etc.).

The most innovative sector in the cultural industries, the one that used to describe itself as "digital native" now seems to be the last to ensure real "digital transition", which is not about the technology, but uses and economics. By the end of 2013, this "historic" segment, according to IDATE, will represent just over 45% of the video game world market while representing 78% in 2008. Simultaneously, online computer gaming (social network and occasional gaming, browser games, massively multiplayer) and smartphone and tablet games only accounted for 23% of the total market in 2008. But by the end of 2013, their contribution to the global market for software games could be around 54%, according to the same institute. Moreover, since 2008, technological and non-technological progress, built around networks and the uses they generate, has enabled new entrants to engage in creating, publishing and distributing games, which has sometimes met with dazzling, massive, or at least viral support from players. Rovio, SuperCell, Zynga, Mojang, King.com, Kabam, Natural Motion, GungHo... are success stories based on dematerialized games related to SaaS, multiplayer, offering a multi -screen (ubiquitous) gaming experience, integrating a social and occasional component and based on business models dominated by free-to-play. These features may be disruptive elements for natives of traditional segments, but they are key success factors for young studios.

Contributors are invited to consider, for example, the following questions:

- How sustainable are the new business models?
- Are we witnessing an implosion or a reshuffle of the value chain and stakeholders through the intermediaries?
- What is the scope for extending to video games a model based on a huge audience? And for competition to the digital model for content distribution?
- What new occupations and areas of research are involved in the current transition?

Authors will be invited to share their viewpoints and present a preliminary version of their contribution during a workshop organized in Paris in 2013, beginning-December.

Please send submissions (in the form of full papers)
by February 15th 2014 to:s.nigon@idate.org

Submission of papers

All papers submitted for publication will be reviewed by at least two referees/experts using the "double blind" system. Proposals must be submitted in Word format (.doc) and should not exceed 6,500 words – including the abstract and references. As far as possible, the publisher recommends that you insert some illustrations (tables, diagrams) in the paper, in order to facilitate the general comprehension. Please ensure that they are readable in grey scale, and that they are of high-definition, in order to guarantee the printing quality. Bibliographical references should be included at the end of the article. Should these references appear in the text, please indicate the author's name and the year of publication in brackets.

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