MAXIMIZING IMPACT

ON CROSS-PLATFORM EXCLUSIVITY AND DEVELOPING SMALLER GAMES

Virtuos commentary on key trends in the Newzoo 2024 Global Games Market Report

CROSS-PLATFORM RELEASES AND EXCLUSIVITY

Multiplatform is the New Normal in Gaming

We believe that the trend of cross-platform releases is likely to continue and increase as developers turn to it for a wider audience reach, higher revenue potential and more inclusive gaming experiences. While Newzoo has touched on Microsoft and Sony's move towards cross-platform releases, this shift is also magnified by historically single-platform developers like Square Enix, which recently announced plans to abandon exclusivity and "aggressively pursue" a multiplatform strategy for its biggest games in a bid to improve profitability.[1]

Here at Virtuos, we observe a clear acceleration in cross-platform launches with our largest clients making it a strategic goal to better monetize their catalogue. However, some platform exclusivity is likely to be retained, especially for Nintendo, as timed exclusivity and key flagship titles can create brand loyalty and differentiation. The number of titles released on all four major ecosystems (PC, PlayStation, Xbox, Nintendo) among the top 20 selling titles in the US has doubled from 2021 to 2023.[2] This demonstrates that cross-platform release is an increasingly successful strategy for developers to minimize risk and maximize revenue in today's market, and it is quickly becoming the norm.

The Effect of Cross-Play on Revenue and Playtime

The release of multiplayer titles across multiple platforms provides developers with the option of enabling cross-play, allowing gamers on different platforms to play together. Cross-play is not only associated to increased revenue and engagement, but an improved matchmaking experience as well. In an interview with GamesIndustry.biz, Psyonix's Corey Davis revealed that cross-platform boosted engagement for their games, such as Rocket League, by lowering barriers to playing with friends and significantly improving the matchmaking experience.[3]

Cross-platform players are also associated with higher spending and hours. A study conducted by Epic Games on Fortnite players found that 18.3% of players have played on multiple devices, and more than 60% partied with someone from another platform.[4] These cross-platform players averaged 570% more play time and 375% higher monthly revenue per user than single-platform players. Newzoo similarly uncovered that strong cross-platform behaviours are associated with a 107% increase in share of payers and a 183% increase in average time spent playing per week.[5] Thus, developers of multi-platform multiplayer games can leverage cross-play to tap on this attractive segment of players and potentially boost the revenue and engagement of their titles.

[1] Parrish, Ash. "Square Enix Plans to 'Aggressively Pursue' Multiplatform Game Releases." *The Verge*, 13 May 2024.
[2] Makuch, Eddie. "The 20 Best-Selling Games of 2023 in the US." *GameSpot*, 19 January 2024.
[3] GI Academy. "Epic Games: Why Cross-Play Matters." *GamesIndustry.biz*, 17 August 2020.
[4] Epic Games. "Why Cross-Play Matters." *Epic Games*, 17 June 2021.
[5] Newzoo. "PC and Console Gaming Report 2023 | Free Market and Industry Report." *Newzoo*, 16 March 2023.

Tackling Cross-Platform Development Challenges

Scalability should be prioritized when developers look to develop for multiple platforms. Establishing workflows and pipelines that accommodate scalable content development is critical to ensure art assets look and perform well on all platforms. To create content that scales well, developers can make use of both off-the-shelf and custom solutions to reduce development overheads from the additional challenges introduced by cross-platform releases.

One major technical challenge that developers face in cross-platform development is the memory constraints of low-end PC or console hardware. As the popularity of high-fidelity open worlds continue to grow, so does the challenge of translating these worlds for older hardware. To overcome memory limitations, developers of cross-platform releases should implement strict controls on content, such as carefully setting streaming budgets for levels or defining stricter workflow for assets and collision data. Developing proprietary tools to mitigate these challenges can greatly streamline the cross-platform development process. For example, Virtuos developed an asset optimization pipeline tool to automatically adapt content to fit memory or performance limitations brought on by older hardware. Adapted content includes 3D meshes, 2D textures, materials and particle systems.

Optimizing for older CPUs in PCs and consoles is another challenge encountered by developers looking at multiple platforms. Modern games often make use of multi-threaded functionalities like particle simulation, making it challenging for a lower end CPU with less cores or HDD type storage to run them without performance drops. This requires developers to be strict when setting budget for content. Again, developers can look to custom tools to lower the overhead of multi-platform releases, which is becoming the norm. This is a known issue to Virtuos, which has developed a custom tool to automate the testing process—launching a game and running pre-defined actions on specified hardware. The tool then stores performance statistics into a database where engineers can analyze performance data, identify bottlenecks and swiftly rectify them, mitigating risks in the cross-platform development process.

RIGHT SIZING SINGLE-PLAYER GAMES FOR TODAY'S MARKET

Quality Over Quantity: The Rise of Shorter Games in a Saturated Market

Gamers are spending less time on games. According to Newzoo's 2024 PC and Console Gaming report, average quarterly playtime has decreased by 26% since Q1 2021. The multitude of high-quality titles available to gamers means that the amount of time required to fully experience a game has become less of a priority than the quality of the experience itself.

Developers can use this to their advantage and rethink product offerings, such as reducing development risk by releasing shorter but richer experiences. This strategy enables developers to lower costs, collect feedback, release more games and bring them to the market quicker.

The following has been observed in successful shorter games:

Smaller in Quantity, Not Quality

A shorter experience with a lower price tag means players expect less content, but not less quality. Developers should prioritize the most crucial elements of their games, relying on smart gameplay shortcuts to create a succinct but satisfying player experience. For example, Warhammer: Vermintide 2's core gameplay includes only 13 levels lasting about 30 minutes each, but a smart combination of polished combat, excellent level design, and smart AI created a satisfying and replayable experience that resonated with gamers to sell over 2 million copies.

Strong Gameplay Systems Retain Players

Strong gameplay systems allow developers to reduce the scope of content required to create a satisfying gameplay experience. Creating stronger system driven games means that depth will be driven by replayability and player exploration, rather than a large amount of content. An example of that is the Hitman franchise —per How Long to Beat, Hitman 3's main story averages 8 hours, while completing it with all playstyles averages 18 hours. Relying on the same core systems to drive gameplay since the first Hitman in 2016, Hitman 3 managed to become the "biggest digital launch for the franchise" and reached over 50 million players, according to IO interactive.

Choosing the Right Strategy for Your Title

Depending on the type of game, developers can rely on many different strategies that have found success in the market. Some which we have observed are (a) multiplayer games with a short campaign to learn the ropes and immerse in some lore like Titanfall 2, (b) a shorter game that focuses on one core aspect to deliver a fulfilling gameplay experience such as the Hellblade series, which focuses on telling its emotional story, or (c) leveraging distributed development that enables even small core creative teams to deliver high quality experiences with a shortened development cycle, like when Ember Lab, a 12-person team, partnered with Virtuos to release Kena: Bridge of Spirits.

Opportunities Behind Every Market Trend

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The past few years have demonstrated the volatility of the gaming industry. Despite this, Newzoo's prediction that the overall market will see a 3.1% CAGR from 2022 to 2027 indicates a steady demand in the years to come. By staying flexible and adapting their products and workflows in anticipation of market forces, developers can continually tap on the hidden opportunities presented by each trend in this ever-changing market.

We Make Games Better, Together.