

GAMES AS A SERVICE

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Abstract: *Gaming as a Service (GaaS) is distribution model where games are licensed through a subscription. Today most individuals use some sort of this web based software. It has become the preferred model for many video game developers like EA, Blizzard, etc.*

Keywords: *Gaming, service, developer, game, micro-transaction, server, license, subscription.*

1. Introduction

Gaming is an industry that started to experiment with this business model in recent years. The big start was when Video Game Developers made this transitions solely for financial purposes. This Business models allows a constant flow of money as opposed to a one-time payment for a purchase of an offline physical game.

2. The types of GaaS

- *Game subscriptions*

A big number of Massively Multiplayer Online games (MMOs) use monthly subscription models. The revenue supports the servers used to run the game, management and the development of new content added to the game at different intervals.

- *Game subscription services*

The subscription services like EA/Origin Access and Xbox Game Pass provide access to a library of digital games for a specific period based on your license (usually 1, 3 or 12 months). The customer of course can go for a monthly subscription thus being able to play until he stops to renew the service. The games are downloaded offline but access to them is granted only during the subscription period.

- *Gaming on demand*

Services like PlayStation Now allow players to play on their local devices while the games are run on remote servers. This makes having a specific range of powerful hardware unnecessary. The drawback is that you are required to have a specific internet speed and a constant and stable connection to the servers. The geographical location of the consumer can play a big role here.

- *Micro-transactions*

Micro-transactions represent lower cost purchases relatively to the cost of a full game. The content varies between different in-game items like weapons, vehicles, power-ups, in-game currency, etc. Some of these items allow the player choose between spending in-game money or real world currencies. The developers design their games to ensure that at least some portion of the consumers spend real money. This approach is generally how free-to-play games operate but in the last 5 years it started to make its way to the fully priced titles. Depending on the genre of the game some have their micro-transactions implemented in a way that doesn't directly affect gameplay or other players while others create an unfair advantage for those who spend money compared to those that don't. It is an issue especially concerning multiplayer games.

3. GaaS pros and cons

Table 1

Pros	Cons
New regular content	Internet Connection requirement
A constantly changing experience	Server Dependency
Advanced Multiplayer	Constant stream of user data

4. Distribution

GaaS doesn't require physical distribution means as it is deployment is immediate. Most companies that provide it have their own digital store where they sell their licenses. This business model renders third party retailers unnecessary. The reported earnings of GameStop, a major retailer that relies on people buying physical games that can be traded for something else later gave us an idea on just how fast the trend digital games and GaaS are taking over.

This is very good news for the customers who want to get as much as possible out of their games. As the developers are investing in games after launch to ensure those games are making as much money as possible, the new content is designed to keep people interested for as long as possible while trying to add and stimulate scenarios for fans to constantly spend money on licenses, subscriptions and micro-transactions. Although many big publishers, like Activision and Take-Two, don't mention "games as service" often, their business model still revolves a lot around GaaS.

Big developers like Square Enix stated that they see GaaS model to go mainstream in the future and that they will approach it in their future projects [1]. Today publishers rely less on the \$60 upfront cost. Current reports say that revenue per user is expected to grow twice as fast. The full price tag is something fewer and fewer consumers are interested in paying [2].

Conclusion

Although GaaS model is aimed to increase the revenue it will also eliminate various legal issues concerning software licenses. It gives developers full control over their product over its lifespan. The consumer doesn't actually own a game, instead he owns a license to run the game for as long as the service is available. This move is clearly for the good of the companies. The problem many customers have is that they essentially have no authority over the products they buy. The opinions however are very divided. Some individuals want a constantly changing gaming environment while others like to stick to the traditional unaltered offline experiences.

References:

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