

BEYOND IMAGINATION — THE FUTURE OF CREATIVE TECHNOLOGY

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PRESENT

BEYOND GAMING

GAMES TRENDS IN 2022

WE LOOKED AT INDUSTRY PREDICTIONS FOR THE YEAR AHEAD AND HOPE THAT DIVERSITY, EQUITY, AND INCLUSION ARE AT THE HEART OF ITS EVOLUTION.

The past two years were interesting ones for the gaming industry. On one hand there was a feeling of stasis, with many product and game launches cancelled or stalled, alongside countless cancelled events. On the other hand, gaming became a lifeline for many during days of lockdown and social distancing.

People logged on to tend to their island and to visit friends; they embraced the social aspect of the multi-player experience even further, sometimes forgoing the 'play' element completely for socialisation. This period also accelerated the rate of technological development and acceptance, with the attitude towards virtual worlds softening, creating a space for the resurgence of VR tech.

While the future is still uncertain, there are a few trend predictions that we can make for the year ahead.



PROGRESS ON DIVERSITY, EQUITY, AND INCLUSION

Diversity, equity, and inclusion continue to be a big topic of discussion within the industry, with tangible results starting to be seen already. For starters, there are more diverse characters on screen, not only women but also non-binary and multicultural characters too, better representing the gamut of people engaging with games today. We're seeing a shift away from the same demographic (typically white men in their mid 20s to 30s) designing games for everyone else. Focus groups are used more frequently to ensure that the product is targeting its demographics correctly.

Most importantly, more diverse candidates, including women, people of colour, and the LGBTQ+ community are involved in making games. The argument for this extends far beyond ideology as we know that having diverse teams leads to a better product – investing in diversity makes solid financial sense. I see more diverse teams, designers, and CEOs not as a trend, but a cultural shift that's changing the face of game design for the better.



VR ADOPTION

VR and AR adoption will continue to accelerate as the tech, price point, and content available improves. The industry has seen an influx of gamers over the pandemic and sales of VR headsets were strong over the Christmas period. VR had a false start a few years ago, when the hardware was available but little compelling content beyond demos to go alongside it. Now, gaming studios have caught up, offering consumers a lot of choice and quality games to maximise VR headsets' potential. We also can't discount how age affects comfort levels when it comes to the adoption of new technology; a lot of the VR gamers today have grown up surrounded by tech and the internet, making them natural users of this immersive world. Still, we're in the speculation stage of what a truly killer app for VR will look like.



CONTINUED METAVERSE DEVELOPMENT

The metaverse is happening, though we still don't know what it will look like exactly or when it'll come to fruition. Similar to the early days of the internet, there's a lot of speculation and some fraud. Some companies are leading the way and actively building it while others are making speculative investments. NFTs, while sure to have a place in the metaverse, are a divisive topic right now, with many gamers suspicious of their true value. To encompass the metaverse, games are becoming more expansive, and incorporating 'experiential' elements beyond gameplay itself. The best example of this is of course Travis Scott's concert inside Fortnite, followed by Ariana Grande's multi-day event. Epic Games recently completed a \$1 billion funding round to support future growth opportunities, with a big metaverse focus.

METAVERSE AND VR DRIVING M&A

The M&A that went on at the height of the pandemic was rather unprecedented - it didn't start with Microsoft and Sony, and it won't end there. The industry thought that Microsoft's acquisition of Bethesda, valued at \$7.5 billion, was going to be one of the biggest in history but it was completely blown out of the water by its surprise acquisition of Activision Blizzard, valued at close to \$70 billion, making it the largest acquisition the industry has ever seen. For Microsoft, it was a play driven by both the metaverse and content in general, getting the company into mobile, which it hasn't done well in in the past. We can also expect more M&A from Sony, following their acquisition of numerous game studios, including Valkyrie Entertainment just a few months ago, not to mention the pending acquisition of Bungie.

MORE IP GOING ACROSS MEDIA

There were a lot of early misses with companies trying to make their IP work across media, but it's working much smoother now. Harry Potter is one of the best examples of this, starting as books and transforming the IP into films, games, theme parks, and much more. More IP will be leveraged in this way from the likes of Netflix and Amazon, including the recent announcement of *Bioshock* and the forthcoming *The Last of Us* TV adaptation has gamers excited. This will in turn drive even more M&A as companies and brands try to capture the market as efficiently as possible.

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