

Google shuts internal Stadia game studio

February 2 2021, by Mae Anderson



In this Dec. 17, 2018, file photo a man using a mobile phone walks past Google offices in New York. Google is closing the internal studio tasked with developing games for its Stadia cloud-gaming service, a move that raises questions about the future of its Stadia service itself. Google launched Stadia in November 2019 as a cloud-based gaming service, in deliberate contrast to pricey video-game consoles. But Google said Monday, Feb. 1, 2021 it will no longer invest in creating its own games for the service beyond any planned, near-term titles. (AP Photo/Mark Lennihan, File)

Google is closing the internal studio tasked with developing games for its Stadia cloud-gaming service, a move that raises questions about the future of the Stadia service itself.

Google launched Stadia in November 2019 as a new type of video-game platform that operates without a console and that stores game-playing sessions in the cloud. It lets players jump across devices including phones, PCs and laptops.

But in a [Monday blog post](#), Google said it will no longer invest in creating its own games for the service beyond any "near-term" planned titles. Jade Raymond, who had headed up Stadia Games and Entertainment, is leaving the company. Google didn't disclose the total number of job cuts, but said most of the staff in the game-development division will be moved to other roles.

It's not clear how Stadia itself is faring. The service offers a free tier and Stadia Pro subscriptions that cost \$10 a month. Some games are free and some must be purchased separately. Google hasn't released user figures.

In the blog post, Phil Harrison, general manager of Google Stadia said instead of investing in original games—which can be pricey to create—Stadia will work with third-party publishers to help them bring their games directly to players on Stadia. Stadia users will continue to be able to play games on the [service](#) and Google will continue to bring new third-party titles to the platform.

NPD analyst Mat Piscatella said that because cloud-gaming technology is so new, significant shifts in strategy aren't surprising. But choosing not to offer its own exclusive games on the platform means one less way Google can compete against other more established rivals. Sony and Microsoft just introduced splashy new PlayStation and Xbox consoles in 2020 that offer exclusive games.

"The development of exclusive content for a platform has been one of the most time-tested strategies in video gaming since the dawn of the console age," Piscatella said "We'll have to see how Stadia's next phase develops to determine how much this move may impact its trajectory as a [platform](#)."

R.W. Baird analyst Colin Sebastian said the holiday success of the PlayStation 5 and Xbox Series S/X proved that demand for traditional consoles remains high, making it more difficult for Stadia to break into the market.

But he said Google's Stadia technology could still be a success in the long run.

"The cloud streaming technology will be relevant in years to come, and Google should look to license the technology to other companies, or wait out the video [game](#) industry until the new console cycle grows long in the tooth," he said.

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