

# Video games battle for the cloud as industry girds for change

8 June 2019



Head of Stadia Games and Entertainment Jade Raymond speaks on-stage during the annual Game Developers Conference at Moscone Center in San Francisco, California

The knock-down, drag-out battle in the video game world heads to the cloud as the premier industry event looks to adapt to a consumer shift to streaming services.

New blockbuster titles will be on center stage as usual at the annual Electronic Entertainment Expo (E3) opening in Los Angeles on Tuesday, but the big question for the sector will be how consumers play.

The E3 opens with gamers gradually moving away from traditional console play and Google seeking to capitalize on that trend with a new Netflix-style service allowing people to play cloud-powered games on any connected device.

Adapting to the new trends will be critical for players in the massive [video game](#) industry which last year generated more than \$135 billion globally, and \$43.4 billion in the United States.

According to the Entertainment Software

Association, which runs E3, more than 164 million adults in the United States play video games, and three out of four US households have at least one video game player.

## 'Access wherever, whenever'

Xbox maker Microsoft will hold a keenly anticipated press event on Sunday where it is likely to say more about its Project xCloud, a streaming video game service it recently began letting employees test outside the office.

"Microsoft will play a major role at this E3 as it lays out its vision for a hybrid future of getting people access to content wherever, whenever," NPD video game analyst Mat Piscatella told AFP.

Major games expected to be shown off at E3 included new installments of Call of Duty, Apex Legends, FIFA, Pokemon, and Tom Clancy's Ghost Recon.

At least some of those titles will be available on Google Stadia later this year, which has inked a deal with French-based video game giant Ubisoft.

"Streaming is going to be what we think about at E3," said Yves Guillemot, co-founder and chief executive of Ubisoft.



Sony launched its PlayStation Now game service five years ago, allowing titles to be streamed to its current-generation consoles or Windows-powered computers

"It is really fantastic. It is a way to reach more players."

Streaming games from the cloud could make console-quality play possible on all kinds of internet-linked devices, and let the massive power of data centers be used to ramp-up features, graphics, effects and the number of simultaneous players, Guillemot noted.

### Playing together

Microsoft and Sony last month announced an alliance to improve their platforms for streaming entertainment from the internet cloud.

Sony, whose PlayStation consoles are a key force in the industry, won't be holding an E3 event this year, but Microsoft may provide more insight into its collaboration with its Japan-based console rival.

Microsoft's Azure cloud computing platform will be used by the companies to support game and [digital content](#) streaming services, according to the two firms.

Google on Thursday released new details about Stadia, which will be available in 14 countries starting in November.

For the launch, Google will sell its "founders edition bundle" hardware pack for \$129, with a monthly subscription price of \$9.99. In Europe, the price will be 129 euros and 9.99 euros per month.

The Stadia tech platform aims to connect people for interactive play on PCs, tablets, smartphones and other devices.

The new gaming platform disrupt the gaming industry by allowing users to avoid consoles and game software on disc or download.

Subscribers will have access to free games and will be able to purchase some blockbuster titles as well. The first free title will be the shooter [game](#) Destiny 2 from developer Bungie.

Stadia will launch in the United States, Britain, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain and Sweden.

### Time of transition

NPD analyst Piscatella expected a few surprises at Xbox and Ubisoft press events being held before E3 opens its show floor as the industry gears up for the cloud and new-generation consoles.

"We'll get peeks at products and concepts that won't really potentially impact the market meaningfully until perhaps mid-2020 or later," Piscatella said.

Wedbush Securities analyst Michael Pachter told AFP the new games will remain the stars of the E3 show this year.

"This is a software and streaming show, not much on the hardware front," he said.

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### On-demand game rivals get ready to rumble in the cloud

As console-quality video games head into the internet cloud, contenders are stepping up to win fans with Netflix-style on-demand services for play.

Hosting blockbuster titles at datacenters and letting people play them on an array of internet-linked devices will allow game makers to add rich new features and broaden their audiences in what is already a \$135 billion global video game industry.

### Stadia

Internet giant Google will launch its video game streaming service Stadia in 14 countries starting in November.

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hardware pack for \$129, with a monthly subscription price of \$9.99. In Europe, the price will be 129 euros and 9.99 euros per month.

Subscribers will have access to free games and will be able to purchase titles as well.

The first free title will be the shooter game Destiny 2 from developer Bungie.

Users may also purchase hit titles such as Assassin's Creed Odyssey and Ghost Recon Breakpoint from game giant Ubisoft.

Google chief executive Sundar Pichai has said the initiative is "to build a game platform for everyone."

As it produces its own games, Google is also courting studios to move to its cloud-based model.

### **xCloud**

US technology veteran Microsoft recently began letting employees home test its Project xCloud game-streaming technology.

Microsoft has described a vision to let people play Xbox games "with the people you want, on the devices you want."

Microsoft said it has updated Azure datacenters in regions including Asia, Europe and North America, to synchronize with xCloud.

There are currently more than 1,900 games in development for Xbox One, all of which could run on Project xCloud along with games already released, according to Microsoft.

Details on pricing or availability of xCloud have not been revealed, but might be disclosed at a press event Sunday ahead of the Electronic Entertainment Expo in Los Angeles.

### **PlayStation Now**

Sony launched its PlayStation Now game service five years ago, allowing titles to be streamed to its current-generation consoles or Windows-powered computers.

The subscription service also allows for downloading games to PlayStation 4 consoles.

PlayStation Now was priced at \$20 monthly, or \$99 for a year but the annual rate was discounted temporarily ahead of E3.

Longtime video game console rivals Microsoft and Sony recently announced an alliance to improve their platforms for streaming entertainment from the internet cloud.



Ann Thai, Apple senior product marketing manager for app store, introduces Apple Arcade during a launch event

Microsoft's Azure cloud computing platform will be used by the two companies to support game and digital content streaming services, according to a statement from the companies.

Sony chief executive Kenichiro Yoshida said that Sony's mission is to evolve the PlayStation platform into one that uses the internet cloud to provide players top-quality entertainment experiences any time, at any place.

### **Apple Arcade**

Apple has announced plans to launch a new game subscription service called Apple Arcade later this year with at least 100 titles available at its debut.

"Apple Arcade will introduce an innovative way to

access a collection of brand new games that will not be available on any other mobile platform or in any other subscription service," Apple said in a statement.

The game service will be available in 150 countries, with pricing yet to be announced.

Arcade subscriptions will allow unlimited play across iPhones, iPads, Mac computers and Apple TV, according to a website devoted to the service.

It said advertisers would not be able to track the activity of subscribers to the new service and that Arcade would have no ads.

Apple is working with game makers to create titles for Arcade.

### **Project Atlas**

Video game titan Electronic Arts (EA) has laid out a vision of streaming video games enhanced with artificial intelligence to create "living, breathing worlds that constantly evolve."

EA, maker of the popular Battlefield and FIFA game franchises, is working on a platform to harness the power of cloud computing and artificial intelligence in a game service hosted on the California-based company's servers, according to an online post by chief technology officer Ken Moss.

The effort is called "Project Atlas."

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APA citation: Video games battle for the cloud as industry girds for change (2019, June 8) retrieved 17 June 2019 from <https://techxplore.com/news/2019-06-video-games-cloud-industry-girds.html>

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