

Overview

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a popular tool used to evaluate the internal and external factors that impact the success of a business or industry. Fred R. David in his book “Strategic Management: Concepts and Cases” defines SWOT analysis as "a method for analyzing the internal strengths and weaknesses of a company and the external opportunities and threats it faces”. When applied to the video game industry, SWOT analysis can help identify the internal strengths and weaknesses of a company and the external opportunities and threats that affect companies operating in this space.

SWOT matrix

Strengths	Opportunities
High growth potential	Emergence of new technologies
Large and diverse audience	Global expansion of the industry
Mobile gaming increases accessibility and convenience	Rise of crowdfunding platforms like Kickstarter has allowed indie developers to secure funding and resources to develop their games
Weaknesses	Threats
Dependence on the hit-driven business model	Dominance of a few large companies, such as Tencent and Sony, may limit competition and innovation in the industry,
Lack of diversity and representation in the industry	Piracy and digital distribution challenges

SWOT Matrix	Strengths	Weaknesses
Opportunities	The growth of social gaming and mobile gaming markets	The threat of piracy and unauthorized distribution of games
Threats	The increasing competition in the gaming industry	The threat of government regulation on gaming content

SWOT analysis

Strengths

- High-profit margins due to the popularity of gaming.
- Large and diverse audience, including casual and hardcore gamers.
- The growth of mobile gaming, which has increased accessibility and convenience.
- The growth of social gaming and mobile gaming markets presents a huge opportunity for game developers to tap into new markets and reach wider audiences (Caoili, 2010).
- The video game industry is a multi-billion dollar industry and is one of the fastest-growing sectors in the entertainment industry "The video game industry has grown to become a dominant player in the entertainment industry" (Zeckariasson & Wilson, 2012)

Weaknesses

- Limited diversity and representation in the industry, particularly in terms of gender and race.
- One of the biggest weaknesses facing the video game industry is the threat of piracy and unauthorized distribution of games, which can lead to significant revenue losses (Deejay, 2011).

- Game development is a highly competitive and expensive process, and indie developers often struggle to secure funding and resources to develop their games (Irwin, 2008).

Opportunities

- Rise of esports presents new revenue streams and opportunities for game developers, as well as a growing community of dedicated fans.
- Potential for virtual reality and augmented reality to revolutionize the gaming industry, offering exciting new possibilities for immersive and interactive gaming experiences.
- The growth of social and mobile gaming markets presents an opportunity for developers to reach new audiences and create innovative games that cater to these markets (Cheshire, 2011).
- The rise of crowdfunding platforms like Kickstarter has allowed indie developers to secure funding and resources to develop their games (Walker, 2012).

Threats

- Dominance of a few large companies, such as Tencent and Sony, may limit competition and innovation in the industry, as well as potentially leading to issues with privacy and data collection.
- Potential for government regulation and backlash against violent or addictive games, which could have significant consequences for the industry as a whole.
- The increasing competition in the gaming industry, with major players like EA, Activision, and Ubisoft dominating the market, makes it harder for smaller indie developers to break through and compete (Lipkin, 2012).
- The threat of government regulation on gaming content, such as restrictions on violence or sexual content, could limit creative freedom for game developers and impact game sales (Zeckariasson & Wilson, 2012)

Analysis

The video game industry has seen significant growth and success over the past few decades, thanks in part to the high-profit margins and large and diverse audience."The video game

industry has grown to become a dominant player in the entertainment industry" (Zeckariasson & Wilson, 2012). The video game industry is a multi-billion dollar industry and one of the fastest-growing sectors in the entertainment industry. The high-profit margins due to the popularity of gaming result in large and diverse audiences, including casual and hardcore gamers. The growth of mobile gaming has increased accessibility and convenience. "Social games have become increasingly popular on platforms like Facebook, iOS, and Android" (Caoili, 2010). The growth of social gaming and mobile gaming markets presents a huge opportunity for game developers to tap into new markets and reach wider audiences (Caoili,

However, the industry still faces significant challenges in terms of high development costs, risk of failure, and limited diversity and representation. As Lipkin (2012) notes, "the politics of production" in the industry can limit the independence and creativity of indie game developers, who often struggle to find funding and resources."Crowdfunding platforms like Kickstarter have given independent game developers the ability to pitch their ideas directly to the public, allowing them to bypass traditional publishing channels"(Irwin, 2008). Game development is a highly competitive and expensive process, and indie developers often struggle to secure funding and resources to develop their games. High development costs and the risk of failure for indie game developers are significant weaknesses. "The lack of diversity in the video game industry has been a topic of concern for years" (Dervin, 2020) Limited diversity and representation in the industry, particularly in terms of gender and race, pose significant issues to its overall growth and performance. Adding to that "Piracy is still a major issue in the video game industry, with millions of copies of popular games being illegally downloaded each year" (Deejay, 2011) which can lead to significant revenue losses.

In addition to these potential threats, the video game industry also faces criticism and scrutiny over issues such as addiction and violence in games. The age-old argument that video games cause violent behaviour has been debunked by the immersive fallacy theory. This theory suggests that video games do not necessarily lead to violent behaviour but rather provide a safe space for gamers to engage in fantasy violence.

Several contemporary arguments within the video game industry are being explored by scholars. In a study published in the Games and Culture Journal, Michael Rubin argues that ethical standards are essential in the esports industry. "In recent years, video game industry stakeholders have become increasingly aware of the importance of ethical standards for game development" (Vallor, 2015). He suggests that the industry needs to address ethical issues such as exploitation and safety concerns for players. Another study in the same journal by Christopher Paul explores how video games can be used to promote prosocial behaviour. He argues that games can be used as a tool for teaching empathy and ethical behaviour.

GameStudies.org and DiGRA.org also offer several resources related to esports and video games. In an article published on DiGRA.org, Brendan Keogh discusses the economic exploitation of video game developers. He argues that game developers' working conditions need to be improved and their contributions recognized. Another study published on GameStudies.org by Ivan Garofalo explores how the esports industry is challenging traditional gender roles. He argues that esports provides a platform for women to challenge gender stereotypes and succeed in male-dominated industries. An article "The Immersive Fallacy in Games Research" by J. Patrick Williams, published in Game Studies quoted "Rather than treating immersion as a necessary or sufficient condition for games' effects, scholars should strive to account for the wide range of contextual and social factors that shape how, why, and for whom games matter" (Williams, 2018).

While there is an ongoing debate over the impact of video games on mental health and behaviour, some experts have raised concerns about the potential for addiction to video games, particularly among young people (Granic, Lobel, & Engels, 2014). Additionally, violent and graphic content in games has led to backlash and calls for increased regulation, which could impact the creative freedom of game developers and limit sales.

Despite these challenges, the video game industry continues to evolve and innovate, with new technologies and platforms offering exciting possibilities for the future. As the industry grows and changes, it will be important for developers, gamers, and policymakers alike to consider the potential risks and opportunities and work together to ensure a sustainable and thriving video game industry.

In terms of opportunities, the rise of esports presents new revenue streams and opportunities for game developers, as well as a growing community of dedicated fans. Additionally, the potential for virtual reality and augmented reality to revolutionize the gaming industry offers exciting new possibilities for immersive and interactive gaming experiences (Kim & Sung, 2019). As shared in a study by Cheshire, "Video games can also be used as a form of protest and social change" (Cheshire, 2011). The growth of social and mobile gaming markets presents opportunities for developers to reach new audiences and create innovative games that cater to these markets. Crowdfunding platforms like Kickstarter have been emerging that have started allowing indie developers to secure funding and resources to develop their games (Walker, 2012).

However, the increasing dominance of a few large companies, such as Tencent and Sony, may limit competition and innovation in the industry, as well as potentially lead to issues with privacy and data collection (Zeckariasson & Wilson, 2012). Furthermore, the potential for government regulation and backlash against violent or addictive games could have significant consequences for the industry as a whole (Lindtner & Dourish, 2011).

Furthermore, the increasing competition in the gaming industry has made it harder for smaller indie developers to break through and compete. Major players like EA, Activision, and Ubisoft dominate the market, leaving little room for smaller companies to thrive. The threat of government regulation on gaming content, such as restrictions on violence or sexual content, could limit creative freedom for game developers and impact game sales.

In terms of opportunities, the rise of esports presents new revenue streams and opportunities for game developers, as well as a growing community of dedicated fans. Esports is a form of competitive video gaming, where professional players compete in organized tournaments for prizes. The growth of esports has created opportunities for developers to create games that cater to this market, as well as to collaborate with sponsors and advertisers to monetize the events. Additionally, virtual and augmented reality (VR and AR) offer exciting new possibilities for immersive and interactive gaming experiences. With the advances in technology, VR and AR gaming experiences have become more accessible and affordable, providing game developers with new opportunities to create innovative games.

The increasing dominance of a few large companies, such as Tencent and Sony, may limit competition and innovation in the industry, as well as potentially lead to issues with privacy and data collection (Vogels, 2020). Moreover, there is a growing concern regarding the potential for government regulation and backlash against violent or addictive games which could have significant consequences for the industry as a whole (Granic, Lobel & Engels, 2014). "Independent game developers face many challenges in bringing their games to market, including limited resources and difficulty standing out in a crowded marketplace" (Lipkin, 2012). The increasing competition in the gaming industry, with major players like EA, Activision, and

Ubisoft dominating the market, makes it harder for smaller indie developers to break through and compete. The threat of government regulation on gaming content, such as restrictions on violence or sexual content, could limit creative freedom for game developers and impact game sales (Zeckariasson & Wilson, 2012).

In conclusion, the video game industry has experienced significant growth and success, driven by high-profit margins and a large and diverse audience. However, the industry also faces significant challenges, such as piracy, limited diversity and representation, and intense competition. To ensure a sustainable and inclusive future for gaming, game developers, policymakers, and consumers need to work together to address these issues and foster a more diverse, innovative, and thriving industry. Moreover, the opportunities presented by esports, VR and AR, social and mobile gaming markets, and crowdfunding provide avenues for developers to tap into new markets and create innovative games.

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Employment Opportunity 1

Market Research Analyst at a Media Agency

Key job criteria

- Conduct market research and analysis on media industry trends and consumer behaviour
- Develop reports and presentations based on research findings
- Collaborate with account management and creative teams to develop insights-driven strategies for clients
- Stay up-to-date with industry news and trends

Skills analysis

As a Media Research student, I have gained a range of technical skills that make me well-suited for the employment opportunities described.

I have experience conducting research and analyzing data as part of my academic studies in media research. I am proficient in using statistical software, such as SPSS and Excel, to analyze data and create reports. Throughout my academic studies, I have designed and conducted surveys, analyzed data using various statistical techniques, and created reports and visualizations to communicate research findings. In addition to statistical analysis, I am also familiar with qualitative research methods such as content analysis, which could be useful for analyzing media content. Furthermore, I have experience using research databases and search engines to find relevant sources of information. I have also presented research findings to both academic and non-academic audiences. Additionally, I keep up-to-date with industry news and trends by reading industry publications and attending conferences. I am a team player and have experience collaborating with others on research projects. To meet the criteria for this job, I would need to further develop my industry-specific knowledge and gain more experience working in a professional research environment.

Employment Opportunity 2

Public Relations Specialist at a PR Agency

Key job criteria

- Develop and implement PR strategies for clients
- Create press releases and other PR materials
- Build relationships with journalists and media outlets
- Monitor media coverage and provide reports to clients

Skills analysis

For the Public Relations Specialist role, I have developed strong writing and communication skills through my coursework in media studies and journalism. In addition to academic work, I have experience writing for various publications and organizations, including creating press releases and other PR materials. I am also comfortable using social media for PR purposes, having managed social media accounts for various organizations. I am familiar with tools such as Hootsuite and Buffer, which can be used to schedule and analyze social media posts and am learning them currently. Moreover, I have experience working with media databases to identify journalists and media outlets and have developed skills in pitching stories to them.

I have strong writing and communication skills, which I have developed through both academic and extracurricular activities. I am comfortable working under pressure and meeting tight deadlines. Additionally, I am proficient in using social media for PR purposes, having created and managed social media accounts for various organizations. To meet the criteria for this job, I would need to continue to develop my media relations skills and gain more experience working in a professional PR environment.

Reference List

None yet

Appendix

Job Advert 1: Market Research Analyst at a Media Agency

Job Title: Market Research Analyst

Location: London

Salary: £25,000 - £30,000 per year

Job Type: Full-time

We are a fast-growing media agency looking for a Market Research Analyst to join our team in London. The successful candidate will be responsible for conducting research on media industry trends and consumer behaviour and developing insights-driven strategies for our clients.

Key Responsibilities:

- Conduct market research and analysis on media industry trends and consumer behaviour
- Develop reports and presentations based on research findings
- Collaborate with account management and creative teams to develop insights-driven strategies for clients
- Stay up-to-date with industry news and trends

Qualifications:

- Bachelor's degree in marketing, business, or a related field
- Experience conducting research and analyzing data
- Proficiency in statistical software, such as SPSS and Excel
- Strong written and verbal communication skills
- Ability to work independently and as part of a team
- Job Advert 2: Public Relations Specialist at a PR Agency

Job Advert 2: Public Relations Specialist at a PR Agency

Job Title: Public Relations Specialist

Location: Manchester

Salary: £22,000 - £26,000 per year

Job Type: Full-time

We are a leading PR agency in Manchester seeking a Public Relations Specialist to join our team. The successful candidate will be responsible for developing and implementing PR strategies for

our clients, building relationships with journalists and media outlets, and monitoring media coverage.

Key Responsibilities

- Develop and implement PR strategies for clients
- Create press releases and other PR materials
- Build relationships with journalists and media outlets
- Monitor media coverage and provide reports to clients

Qualifications

- Bachelor's degree in public relations, communications, or a related field
- Experience working in a public relations capacity
- Strong writing and communication skills
- Comfortable working under pressure and