

The global expansion of videogames. Risks of corporate concentration in the era of digital capitalism

La expansión global de los videojuegos. Riesgos de la concentración corporativa en la era del capitalismo digital



César Bárcenas Curtis. PhD in Political and Social Science, specialized in Communication, by the Universidad Nacional Autónoma de México. Member of the *Sistema Nacional de Investigadores* (National System of Researchers, SNI), with a Level 1. Professor at the Social Science and Law School of the *Universidad Autónoma de Tamaulipas*. He recently published the books: “*Índice de potencialidad de las industrias culturales y creativas en Tamaulipas. Un análisis desde el marco regional*” (Potentiality Index for the Cultural and Creative Industries in Tamaulipas. An Analysis from the Regional Framework), and “*El apagón analógico en México: Oportunidades y riesgos para las políticas de comunicación de servicio público ante la transición a la televisión digital terrestre*” (The Analog Shutdown in México: Opportunities and Risks for the Public Service Communication Policies in Front of the Transition towards Digital Terrestrial Television”, works from which the main contributions are the opening and development of a discussion in the context of technological transition, as well as, building and consolidating a line of research regarding cultural and creative industries in Mexico, in the context of digital convergence and transmedia environments.s.

Universidad Autónoma de Tamaulipas, Mexico
cbarcen@docentes.uat.edu.mx
ORCID: 0000-0001-6724-6492

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Abstract:

The relevance of the economic aspect of the video game industry is developed from a series of processes of concentration of corporations specialized in information and communication technologies. These companies work from a capitalist logic where they dominate, control and direct the different creative stages of the design and commercialization. The main objective of this essay is identify the processes of concentration and integration of the video game industry in a global way, with the intention of establishing some characteristics of this industry in the processes of digital capitalism. Therefore, the main objective of this essay is to establish the characteristics of the video game industry in the processes of digital capitalism, from its processes of concentration and integration. The main observations

Resumen:

La relevancia del aspecto económico de la industria de los videojuegos se desarrolla a partir de una serie de procesos de concentración de corporativos especializados en las tecnologías de la información y la comunicación. Estas empresas trabajan a partir de una lógica capitalista donde dominan, controlan y dirigen las distintas etapas creativas del diseño y comercialización de éstos. Tomando en cuenta lo anterior, el objetivo principal de este es ensayo es establecer algunas de las características de la industria de los videojuegos en los procesos del capitalismo digital, a partir de sus procesos de concentración e integración. Las principales observaciones se encuentran relacionadas con los modelos de negocios de los grandes corporativos para desarrollar y comercializar videojuegos, al utilizar estrategias para evitar riesgos

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are related to the business models of large corporations to develop and market video games, using strategies to avoid risks and generate effective monetization processes. Likewise, the practice of video games is redefining consumption habits where the intensive use of the mobile phone to play that generates new cultural practices. Cultural and creative industries evolve continuously and permanently, so the expansion of the video game industry has reached a level of planetary hegemony in technological and economic terms and enables the development of new agencies.

Keywords:

Concentration; cultural and creative industries; digital convergence; digital capitalism; videogames.

y generar procesos de monetización efectivos. Asimismo, la práctica de los videojuegos está redefiniendo hábitos de consumo donde predomina el uso intensivo del teléfono móvil para jugar, lo que genera nuevos fenómenos culturales. En este caso, las industrias culturales y creativas evolucionan de manera continua y permanente, por lo que la expansión de los videojuegos ha alcanzado un nivel de hegemonía planetaria en términos tecnológicos y económicos posibilitando el desarrollo de nuevas agencias.

Palabras clave:

Capitalismo digital; concentración; convergencia digital; industria cultural; videojuegos.

1. Introduction

In 2021, the global revenue for the videogame industry amounted an approximate of 93 billion USD in the mobile devices market. Additionally, the use of consoles added another 50 billion USD and, lastly, computer games generated 36.7 billion USD (Clement, 2022). It is important to highlight that the videogame industry obtains this income from 3 main sources: 1) *Hardware* (consoles, processors, monitors, controllers, and other accessories); 2) *Software* (videogame purchases), and 3) Online gaming services. Currently, videogames create, globally, more revenue than movie theaters, which received 21 billion USD (Navarro, 2022). However, it is important to point out that this data requires a further exhaustive review on the impact of the Covid-19 pandemic in the movie exhibition around the world.

The growth in the economical aspect of the videogame industry was related to -initially- the concentration processes previously used by the film industry. In this context, Disney is one of the most emblematic examples, since it maintains a presence in different cultural industries, such as television, movies, and others. (Wasko, 2017). In the digital context, the evolution and organization of the cultural industries has been increased by a series of corporations dedicated to the development of information and communication technologies. Companies such as Microsoft, Nintendo, Sony, among others, function from a capitalist logic, in which they domain, control and direct the different stages that go from the conception of creative ideas, to the production and distribution of the products (Trenta, 2018). Similarly, in the presence of a series of economical, technological, and specially, cultural interrelations and interactions, there is a corporate tendency in the videogame industry to show a prevalence of oligopolies with enough resources to carry out *marketing* and promotional advertising campaigns (Moriset & Miège, 2005).

For instance, *Halo*, the television series produced by Microsoft and released on March 2022 in the platform Paramount +, is based on the universe of the videogame with the same name, which represents one of the most important content of the Xbox console, developed and marketed also by Microsoft. In this case, it can be observed that the business model based on the digital distribution, in which the different consoles have Internet connectivity, is no longer enough (Trenta, 2014: 350). Hence, now is in use a model where the game and console developer is involved in the production of films or television series, a situation similar to the *streaming* platforms. To give an example, Netflix produces its own content, which markets in and adds value to its own platform

(Heredia, 2017). In this context, the permanent interactions between the videogame and film industries are being reoriented to create business and *marketing* strategies, to exploit the content in the different *streaming* platforms and maximize the value and popularity of the different videogame franchises (Brookey, 2010).

Halo is an example on how a series of interactions between different cultural industries is established; this series of interactions generate, from a franchise, a structure for production, distribution and consumption of content, based on the “accumulation and concentration”. From this phenomenon, it can be observed that digital convergence has a fundamental role: the capitalization, marketing, and expansion, developed by technological and media corporations (Knoche, 2021). In this sense, the digital convergence, being a process that includes 3 levels -1) Cultural Convergence; 2) Communication Systems Convergence; 3) Corporate Convergence-, as Murdock (2000) points out, offers a content in a different moment and space, transforming social relations in terms of production and reproduction of capital (Lefebvre, 1979).

This convergence, integration and expansion processes, from the technological interoperability and infrastructure of the Internet, allow companies such as Microsoft or Apple, to offer services and access in different devices (Birkinbine, 2017: 390). The creation of platforms for *streaming* such as Apple TV or, in the case of the Xbox console, online gaming, reinforce and expand the range of commercial hegemony and operation for the technological operators to a global level. Videogames produced and distributed by Sony Computer Entertainment, Tencent Holdings Limited, Microsoft and Nintendo Company are part of such phenomenon.

In appearance, the dynamics of cultural industries are based on a concentration and integration process that consolidates the capitalist production system (Hesmondhalgh, 2008: 553). Consequently, the theoretical analysis of such transformation processes in the cultural industries -through the years- has had a series of approaches, as pointed out by Miège (2011). At the beginning, from the Frankfurt School perspective, in which cultural goods are produced from an industrial structure defined by the consumption of standardized content, which completely contrasts with what a work of art stands for (Horkheimer & Adorno, 2006). After this, the American School perspective, by Schiller (1997) and Smythe (1997), analyzed the expansion and intersection of telecommunications sector, the media markets and the cultural industries, in which a corporate concentration and dominance is observed, defined by the transnationalization of informational and cultural content.

From the approach based on the information society, characterized by the prevalence of new technologies as a foundation for the economic development and growth, conceptual bases for the creative industries sustained in intellectual property were established (Garnham, 2005). The conceptual setting for the information society or network society is defined from a social structure in which the production and consumption relations are based and developed from digital technologies (Castells, 2009). Hence, a series of risks is established, related to the corporate expansion of telecommunication, software and content platforms operators (Bustamante, 2009).

In 1997, the conceptual transition was expressed in a document by the British Labour Party (Labour Party, 1997), in which the term cultural industries was replaced with creative industries, bringing along ideological and political implications, by giving preponderance to innovation over culture. At the same time, according to Zallo (2011), a series of debates were established regarding the attributions and characteristics of creative industries, which include activities such as design, architecture, advertising, fashion, arts, handcrafting, antiques, performing arts, software and videogames. In this case, the risk is to “subsume and dilute” culture in the terms of innovation and creativity.

From this context, the main goal for the present essay is to identify some of the processes of corporate concentration and integration of the global videogame industry. Therefore, the intention is to set up a series of main characteristics for this industry in the context of digital capitalism, which becomes transverse by defining and establishing processes that are “financial, organizational, computerized, cultural, and communicational” (Zallo, 2011: 165). Simultaneously, it is proposed a conceptual review on the differences between the notions of cultural industry, cultural industries and creative industries, with the intention of identifying some of the theoretical features on the cultural and symbolic production. To begin with, as a hypothesis, it is possible to point out that theoretical relations between cultural industries and creative industries are being altered, even though is important also to highlight that these reformulations might be scientifically inaccurate.

The scientific statute and the usefulness of the terms “creative economy” and “creative industries” are subject to discussion. These concepts are unstable, inaccurate, inconsistent and ideologically instrumentalized, in contrast with the clear statute of “cultural economics” or the classic concept of “cultural industries,” particularly from a critical conception of both (Zallo, 2011: 158).

2. Cultural Industries vs. Creative Industries

The conceptual evolution of the term cultural industry is traceable from the approach of the critical theory belonging to the Frankfurt School, that mainly questions the submission of the culture to the precepts of capitalist development (Castro, 2016). In agreement with Szpilbarg & Saferstein (2014), among the referents of this school of thought are authors such as Hegel, Marx, Weber & Freud, whose works and theories allow to set up the analysis and deliberate about historical materialism and the power relations developed by the capitalist bourgeoisie.

In a turbulent and convulse social context due to World War II, during which the Nazism, Stalinism and Economic Rationalism were present, Benjamín (2006) observed that the power relations of culture production were transformed. For instance, to Frankfurt school theoreticians, one of this features was observed once the mechanical reproduction eliminates the “aura” of the work of art, therefore provoking the disappearance of its authenticity, since vast quantities of copies are produced, such as the case of films. Hence, the only value from a work of art, which is founded on a ritual that represents the original use value, disappears when it is reproduced in an indefinite and continuous form. Besides, Horkheimer & Adorno (2006), in reference to the topic of mass culture, questioned the development of a capitalist culture based in power structures that develop standardized consumer products that are accepted without much opposition.

From this critical approach, it is emphasized that the works derived from a cultural industry, as in the case of films, which are reproduced through technological media, establish an economical and ideological power over a mass society subjected to the capital axis. In this line of thought, the consumers of products from cultural industry are exposed to expressions that enslave them and offer a fictional paradise. In this sense, the transformation of culture into a commodity requires and uses advertising as an “elixir” to guide the consumer in the market, therefore achieving a more efficient process for capitalism. As from this phenomena, Frankfurt School defined cultural industry as a process of culture industrialization by means of a series of commercial imperatives that allow an efficient way to sustain the production system (Kellner & Durham, 2006).

Now, during the 20th Century, the conceptual transition from cultural industry towards the notion of cultural industries was built from an analytic approach, based on its value and importance for the strategies of political and economic order proposed by

international organizations such as the UNESCO. In this case, forty years after the end of World War II, a series of technological innovations have been developed, including new processes related with computing and the recording and reproduction formats for content, that modified the production processes in the press, films, music, television and the emergence of the video format (UNESCO, 1982).

[...] certain new modalities, in full growth, for the use of computing, have by themselves given birth to new types of messages, new relations between “senders” and “receivers”, and new socioeconomic and sociocultural balances between those who hold the power strings and the huge mass formed by those towards whom the industrialized culture products are distributed, either with a focus on a short term economical profit (population as market) or with the intention of political and social control (population as opinion) (UNESCO, 1982: 10).

In this case, the interactions between the cultural, economic and technological development became closer by means of placing a greater value and better dimensioning the importance of media as a space to transmit cultural expressions that include and reflect different views of the world. From the cultural industries standpoint, it is proposed that ideas and values of certain content showed in the media not only have the capacity of generating a profit, but also can be turned into “cultural alienation,” since it goes against the identity of communities, peoples and citizens in general.

Hence, establishing cultural and communication policies to protect national and regional cultures became one of the challenges of research regarding cultural industries. In this sense, the research objectives begun to orientate towards a series of definitions regarding the production, distribution, and marketing phases, specifically to evaluate the forms in which they are funded, profitability, competence, etcetera, in order to know firsthand the conditions of national cultural industries in front of the pressure of a culture developed and defined by cultural production capitalist companies.

It is estimated that, in general, a cultural industry exists when cultural goods and services are produced, reproduced, preserved and distributed by commercial and industrial criteria, this is, serially and applying economical strategies, instead of looking for a cultural development purpose (UNESCO, 1982: 21).

From this perspective, the vision of cultural industries held by the UNESCO, gives a fundamental weight to the cultural policies for cultural, social and educational development, and, at the same time, boots the creation of protection mechanisms for the cultural economies of developing countries (Carrasco & Saperas, 2012). In this context, tensions related with the artistic creation protection started to become a main topic of discussion for the promotion of the cultural expressions and the problems surrounding it, which include jobs, fair wages for the artists and the new relations generated by the employment of new technologies, among others.

The concept of cultural industries began to contemplate topics related to creation, in which the production of goods and services “combines the creation, production and marketing of copyright protected content” (UNCTAD, 2008). In this case, creativity started to represent the possibility of accessing information and knowledge with the intention of economic growth and promote the development of globalization processes for cultural products. The creative discourse started to take shape from setting of ideas to develop new cultural products and technological and scientific innovations to promote the ventures and productivity with the main goal of generating income.

Governments of countries such as Australia and the United Kingdom, at the beginning of 1990, started the adoption of cultural policies based on the paradigm of creative industries, as per Castro (2016), by emphasizing the economic value of culture from

a perspective where it is proposed that it should generate wealth through “innovation, marketing and design.” In the case of the UK government, it was used as a conceptual reference the information society and the knowledge to establish a series of policies based on the creativity and intellectual property, therefore consolidating these guidelines from the transformations of cultural expressions in its production and reception at the digital convergence.

Creative industries can be defined as the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. They comprise a group of activities based on knowledge, that produce tangible goods and intangible intellectual or artistic services with creative content, economic value and market objectives (UNCTAD, 2008: 4).

From these conceptual principles, Schlesinger (2009, p. 83) points out that creative industries base themselves on the individual creations to generate products protected by intellectual property, in order to create wealth and employment, representing a rupture with cultural industries, since they put creativity over culture. Therefore, culture is marketed in a way that ideological and economic interests are put first as a form of power (Bustamante, 2011). However, beyond observing a rupture between cultural industries and creative industries, we could recognize a mutual symbiosis, as put in a document from 1988 by the Department for Culture, Media and Sport of the United Kingdom. In this case, advertising, architecture, arts and antiques, design, fashion, films and video, interactive entertainment software, music, performing arts, publishing houses, software and videogames, television and radio, are considered part of the creative industries.

It is important to point out that this “symbiosis between cultural industries and creative industries” is under discussion, since, as Castro indicates (2016), there are different classification models for the creative industries: 1. The United Kingdom Model; 2. The Symbolic Texts Model; 3. The Concentric Circles Model; 4. The Copyright Model from the World Intellectual Property Organization; 5. The UNESCO Model; 6. The Model from the United Nations Conference on Trade and Development (UNCTAD). In most of these classifications the videogame industry is present, evidencing its strategic importance in economical and intellectual property terms. Nevertheless, the mercantile significance of videogames, proposed by the perspective of creative industries, poses the risk of limiting the possibility of cultural interactions with greater diversity.

3. Cultural industries in the digital convergence

Digital convergence has divided cultural industries in three levels, as mentioned before, according to what was proposed by Murdock (2000), by pointing out that a cultural convergence, a communication systems convergence and a corporate convergence has developed. In this case, these three levels have specific characteristics:

3.1. Cultural convergence

In the case of cultural convergence, the transformations in the cultural industries are related to the changes in daily routines and experiences. Therefore, there is a recomposition of the cultural activities and expressions in which producers and consumers participate and interact in different forms through digital devices (Murdock 2000). It is important to point out that these human practices and interactions are not developed in a compulsory manner from the perspective of the technological determinism, since in these processes the users have the possibility of modifying and altering the programming of a device or application (Hutchby, 2001). In this case, technologies by themselves do not determine social transformations, even though it is important to indicate that

they have the possibility of imposing certain conditions, but in the end the ones responsible of defining the use and application of this technologies are the users themselves.

[...] technology is not only received, but socially defined through a process of adoption, and eventually integrated in the new collective and institutional practices (Karaganis, 2007, p. 9).

At a certain point, users have the possibility of making exchanges and connections between the content from the media, which can incentivize the creation of content by the users (Jenkins, 2006; Prado, 2008-2009). Hence, the process of cultural convergence has modified the consumption relations for the cultural industries, by integrating in an application text, audio and video, as it happens today with the content in the press, television, radio and films.

In the case of videogames, users perform a series of appropriation practices by storing, organizing or personalizing (Schäfer, 2009), which, at the same time, sets new relations between videogame products and users. One of the most representative historical moments for the new relations of cultural convergence was the launch –in 2016– of the augmented reality videogame *Pokémon Go*, in which the player used his mobile phone to move in different geographical locations, from a city, for example, in order to participate and interact with the game establishing a series of different cultural experiences and interactions (Tulloch & Johnson, 2022).

3.2. *Communication systems convergence*

Regarding photography, films, telephones, radio, and television, the broadcasting and reproduction characteristics originally relied on analogical systems that needed a physical support, such as celluloid film or photographic paper, in order to print the negatives. However, with the transformation of the content and information such as text, music, images, etcetera, in digital data, they all had the chance to converge in a single device, such as a mobile phone. In consequence, communication systems convergence implies the union of telephone, television and computer through different platforms in order to transport a series of services and content through devices with multiple functions (Comisión Europea, 1997, p. 7).

Also, the transition from telephone cables lines to an optic fiber system, allowed the broadcasting of digital data by means of a mobile telephone that can use Internet to download images and audio, as well as other types of broadcasts. In line with this analysis, in regards to the evolution of the consoles to videogame platforms, a series of transformations have been developing in the technological ecosystem, that includes the design and graphics in each game. Although, in this case, what is most important to highlight is that the options for gaming have expanded and extended from playing with a console such as the Atari, that used cartridges and had a sole location, to the use of an Xbox console with Internet connection, which allows interaction and a virtual displacement to participate in games in different geographic locations.

3.3. *Corporate convergence*

The development of new distribution channels represented an important opportunity for media companies to expand their markets, even though that, at the beginning, they mistrusted the power of computer systems, telecommunications and Internet operators, these companies developed alliances to control content market key points, which includes rights on films, sports and original productions (Murdock, 2000). At this point, videogames historically represented a cultural and industrial link with film

productions by developing transmedia type processes (Jenkins, 2006), in which content such as *Halo*, as we mentioned before, moves along different platforms as a videogame, a series, etcetera, establishing an entertainment system where content is ubiquitous for the viewer or the player, hence creating an “intertextual commodity” (Marshall en Roig *et.al*, 2009).

From this series of processes and economic and cultural interactions, the large film and videogame corporations create a series of interchangeable products for every platform. These processes are developed from the ownership of intellectual property licenses to generate sequels, merchandising and several products around a film, a series or a videogame, such as the now emblematic case of *Star Wars*, from George Lucas. Vertical and horizontal integrations have allowed and ensured the control of the investment and distribution channels for a greater efficiency and effectiveness, by facilitating the transit of content that can move from a PC to a console, and then into a mobile phone (Kerr, 2006: 47).

From the above, it can be inferred a redefinition of cultural industries in a context of digital convergence, where a series of changes have developed, including the evolution of the Internet, the liberalization of regulations and markets for the media, as well as the financing and investment in the fields of culture and information. Therefore, the intention is to identify some of the dominant forces in the videogame industry, that define the production and technological innovation processes, as well as consumption cycles (Dyer & Sharman, 2005). To perform this task, the Miège Model (2011) was used as a methodological framework, for the theoretical revision and discussion in this work regarding the main transformations of the cultural industries in the digital convergence: 1) Globalization and expansion of consumer markets for culture and information; 2) Increase of communications industries over content industries; 3) Power of information and communications technology over cultural and informational practices; 4) Preservation of content industries, with the presence of common characteristics between industries; 5) Growing problems and pressures faced by social agents, producers and, particularly, artists inside the different branches of the information and cultural industries.

4. Methodology

From the framework proposed by Miège (2011), a series of variables are evidenced, that influence the constant and permanent expansion of videogame consumption. For instance, there is a growth in the collectible sector surrounding the different videogame franchises, related with the marketing of action figures, trading cards, comics and graphic novels (Zandt, 2022). In this line, the information and communications technologies developed by *hardware* and *software* producers, telecommunications and telephone operators, etcetera, consolidate their power. The implications in this expansion processes suggest that the produced and consumed cultural goods, are originated by the same technological companies, redefining business models and extending the commercial and operational power from the development of technology and content.

In this case, the content is fundamental to position companies such as Microsoft and Apple, that are involved in the music, film, and, of course, videogame industry. It should be noted that these processes have and influence in the consumption and generate different forms of interaction that transform cultural practices. Particularly, not only the relations among the different cultural industries are reinforced, but also the position of economic power from technology, telecommunications and content creation oligopolies. In this sense, innovation and creativity are an integral part of this companies, in order to maintain a market dominance by means of the concentration in the development and promotions of contents of any kind. Lastly, but not least important: from

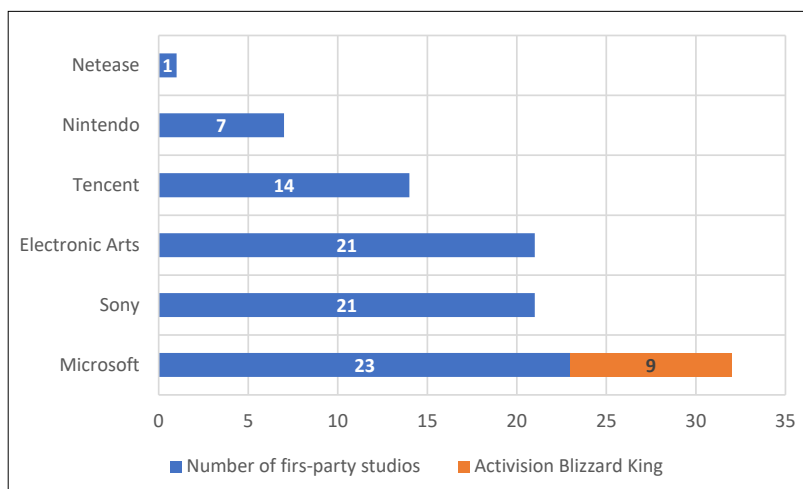
this capitalist context a series of pressures upon the creation and production are generated, worsening the conditions for cultural and creative workers.

Consequently, a documentary, descriptive study, is presented; this kind of studies are characterized by “the review of documents, which constitute the primary analysis unit” (Corbetta, 2007). Based on user consumption and market trends statistics (Statista, 2022), as well as financial reports by the industry itself (Nintendo Co, 2022, Sony Interactive Entertainment, 2022; Microsoft Co, 2022), a political economy is built for the processes of concentration and integration in the videogame industry, in the context of their transformations due to the digital convergence.

5. Results and discussion

One of the first observations to stand out here are the strategies employed by the large videogame corporations to reach their current revenue levels. For instance, one of such tactics is the purchase of animation studios and set them up to develop and produce videogames to be marketed. This kind of actions allow companies such as *Tencent* to increase the content generation, without fully assuming the risks (Simon, 2021). In this way, they develop very effective monetization processes, by offering different forms to acquire or participate in a videogame (physical copies, online, subscriptions, etcetera). One of such cases could be observed on January 18, 2022; on this date, Microsoft announced the purchase of Activision Blizzard by 68.700 million dollars, a process that is foreseen to be completed before June 30, 2023 (Zandt, 2022).

Figure 1. Number of Studios owned by videogame companies

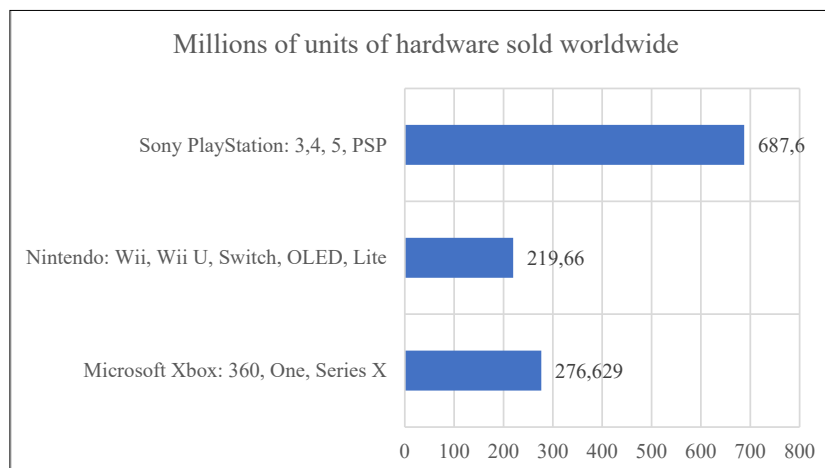


Source: <https://www.statista.com/chart/26756/number-of-first-party-studios-owned-by-selected-public-video-game-companies/>

Now, the strategy, by large corporations, of acquiring studios to develop videogames, has among its main objectives the intention to position the different consoles. In this case, technology sales priority is based in the development and acquisition of content that increase the brand value, which confirms a domain and control of videogame companies over the content development to market their consoles and all services surrounding a franchise. On this regard, in Figure 2 can be observed the domain in the sale of consoles by Microsoft, Nintendo and Sony, which proves that certain consumption habits being defined, have an influence in everyday cultural practices. Beyond the large revenues of this companies can be observed, now more than ever, the generation of cultural phenomena of the transmedia type, related with fandom, cosplay, etcetera. In this form, fans of a videogame participate in different ways to add value to franchises that range from *Halo* to *Mario Bros*.

In this sense, since there is a domain, by a few companies, in the production of consoles available in the market, consumption processes are developed, that establish a series of hegemonies limiting the options for a wider cultural diversity. To highlight these changes and reassert the prevalence of some of this franchises, it is presented bellow some data regarding the games with higher sales for each console, reaffirming the position of power of some videogames in the cultural practices of the users.

In the case of the X-Box, the videogame with highest sales for this console is Grand Theft Auto V (Clement, 2021), that establishes a series of interactions expressed through user experiences with the narrative content of the story (Murphy, 2016). Additionally, some of the historically bestselling and most representative games of Nintendo, such as The Legend of Zelda, Mario Bros., and Pokémon (Statista, 2022), represent for many gamers a meaningful part of their personal life experiences (Cuff, 2017), something that Nintendo takes advantage of, by using fan nostalgia and establishing marketing strategies to keep the loyalty of the players, offering them the option of an extended access to this games in an exclusive manner through consoles such as the Nintendo Switch. Finally, regarding the PlayStation 4 console, in 2021 the biggest selling games were Spider-Man and Gods of War (Clement, 2022), hence demonstrating that the success of world renowned franchises, represents the continuity of a cultural hegemony integrated by experiences, beliefs, values, goals, feelings and attitudes (Gee, 2008), that permanently extend their domain to every market, restricting the possibilities for a greater diversity and plurality.

Figure 2. Global console active installed base from Microsoft, Nintendo and Sony

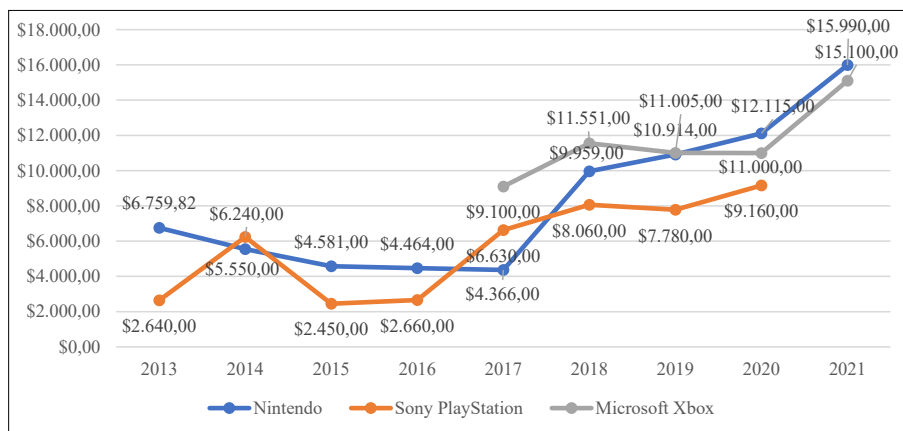
Source: Nintendo Co (2022). Financial Results Explanatory Material. https://www.nintendo.co.jp/ir/pdf/2022/220203_3e.pdf

Sony Interactive Entertainment (2022). Business Data & Sales. <https://www.sie.com/en/corporate/data.html>

Microsoft Co (2022) Earnings Release. Balance Sheet. <https://www.microsoft.com/en-us/Investor/earnings/FY-2022-Q1/balance-sheets>

From Figure 3, it can be observed a sustained growth in sales for the main videogame companies. This includes a series of variables related with this increase, among which stands out the effect of Covid 19 pandemic (Portafolio, 2020). Additionally, another element to highlight in this process is the intensive use of mobile phones in gaming (Clement, 2021). In this case, technological companies developing telephones establish synergies with mobile phone operators to increase bandwidth and offer a diversity of services that include videogames. In this context, there is an integration process between technology corporations that redefines the structure and operation of cultural industries. Hence, as Miège points out (2011), these processes impact in a series of social, economic, technological and cultural transformations based on the digital convergence; such transformations consolidate a series of mutations based on: 1) Concentration; 2) Regulation adjustments; 3) Individualization and differentiation; 4) Convergence and homogenization.

Figure 3. Net sales (in millions of dollars)



**Source: Sony Interactive Entertainment (2022). Business Data & Sales. <https://www.sie.com/en/corporate/data.html>
 Nintendo Co (2022). Financial Results Explanatory Material. https://www.nintendo.co.jp/ir/pdf/2022/220203_3e.pdf
 Microsoft Co (2022). Earnings Release. Balance Sheet. <https://www.microsoft.com/en-us/Investor/earnings/FY-2022-Q1/balance-sheets>**

Based on what is stated above, there is a confirmation on the existence of a series of concentration processes in the case of the videogame industry that, according to Kerr (2006), can be defined as follows: 1) Market concentration. Monopolies and oligopolies. 2) Revenue model. Retail and online sales, subscriptions, free access, advertising. 3) Level of openness in hardware. Open, mixed, closed. 4) Characteristics of software process. Cost, extension, size.

On the first item, regarding the videogame market concentration, in 2018 the Chinese company Tencent obtained revenues for over 20 billion dollars, during a year in which also companies such as Sony, Microsoft, Apple, Activision Blizzard, Google, Electronic Arts, and Nintendo, consolidated as the most important in dominance and concentration of the videogame business to this date (Armstrong, 2019). Microsoft, for instance, is in charge of every stage in the production of its games, but also of the subscription, payment and downloading required to play. In this case, a dominion on the videogame franchises is established by the developers and exploitation rights proprietary companies, from the acquisition of studios as the main asset tasked with the development and production of content.

Secondly, the strengthening of the economic power for these companies is based on their business model, represented by a variety of advertising and distribution strategies that include free downloads or the payment of a rate though platforms such as Apple, Google Play, PlayStation, Xbox. Also, there is an increase in subscriptions through Facebook, Twitter, Instagram, and other social networks (Clement, 2022).

Thirdly, the hardware -represented by the videogame consoles- has decreased, since it has been replaced by mobile phones as the preferred gaming device. On this last point, related to software, during 2017, in the United States, revenues associated with this subsector increased to 29 billion dollars, representing an 80% contribution to the revenues of the United States industry, which in

total obtained 36 billion dollars during the same year (Richter, 2018). In this case, software represents a fundamental value since it contains the architecture on which the videogame technological features are based (Srinivasan & Venkatraman, 2020).

Lastly, it is also possible to point out that this series of mutations and transformations experienced by the videogame industry has consolidated it as a cultural industry, but also, at the same time, as a creative industry characterized and based on industrialization processes that have a wide economical contribution from creative developments and innovation. In this case, it is important to highlight that this processes are not free from tensions between cultural and creative perspectives, even though, from a theoretical standpoint, videogame developing companies also create and produce symbolic content, as pointed out by Kerr (2017: 179). Hence, videogames represent a creative and cultural industry in which, from the production of content, advertising strategies are established to sale and distribute in different global markets, transforming its products in consumer goods.

6. Conclusions

From the mutations of cultural industries proposed by Miège (2011), it is possible to point out that the expansion of the videogame industry is reaching a level of global hegemony, in economic and technological terms, on the sector of cultural industries. This prevalence of videogames in the consumption habits establishes new agencies (Giddens, 1986), which in turn influences the cultural and social structures, which are exposed to a corporate power that defines, at the same time, the symbolic universes from a capitalist standpoint (Murdock, 1997). In this case, following on Zallo (1988), cultural industries are conformed by commodities with symbolic content with a purpose of “social and ideological reproduction.”

The annual growth in the revenues of videogame companies, besides being an example of market concentration, represents a risk for the diversity of cultural production, since they redefine the operational structure of conglomerates. As has been exposed, large corporations acquire a series of studios to produce content and offer consoles, services and applications for the users. At the same time, they participate in a direct manner in the production of movies and series from their franchises, to be distributed through the different streaming platforms. Therefore, it is evident that technological corporations are redefining cultural practices from consumption strategies based on intensive marketing, in which content is vital to keep the capital flux.

In this case, the conceptual relation is maintained in a constant evolution in which, simultaneously, a series of interactions from the market rules are increased, in order to market musical, audiovisual, editorial content, among others, in a different time and space. In this way, they are continuously and permanently characterized by their development from three key elements: 1) Creative work value; 2) Constant production renovation; 3) Unpredictable and variable demand.

In this context, one of the pending issues to be researched upon in this topic is related with the need to deepen the analysis on the pressures to which are exposed the producers and artists working in the videogame industry. Particularly, it is necessary to identify their working conditions and the possible disparities and inequities arising from their activity (Tremblay, 2011).

Finally, taking into account the propositions by Carrillo (2015), the research agenda for a creative and cultural industry, such as the videogames one, should include research on cultural practices in a digital environment and its impact and interactions in the social networks among the communities of gamers. Also, the case of the e-sports deserves a more dedicated approach, in order to

identify not just the variable of sporting event and show that they represent, but also as a part of the videogame industry with very specific characteristics, which could develop new agencies.

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