STATE OF THE GAME INDUSTRY 2019

Presented by:

GDC

March 18–22, 2019
San Francisco

The Game Developers Conference has surveyed nearly 4,000 game developers as part of the seventh annual State of the Industry Survey, which provides a snapshot of the game industry and highlights industry trends ahead of GDC 2019 in March.

Significant trends revealed by the survey results include that nearly half of game makers support unionization in the game industry, a majority think Steam no longer earns its slice of devs' revenues, and roughly half work over 40 hours a week on games.

The full report also offers intriguing insight into how game industry professionals feel about the Switch and other consoles, the state of AR/VR, and the ever-present challenge of getting your game in front of the people who will enjoy it most.

The 2019 State of the Industry Survey is the seventh in an ongoing series of yearly reports that offer insight into the shape of the industry as a prelude to GDC in San Francisco. Organized by Informa Tech, GDC 2019 will take place this year March 18th through the 22nd at the Moscone Convention Center in San Francisco, California.

Nearly half of game makers work over 40 hours a week on games

Since there's been so much public discussion about labor conditions in the game industry, we thought it was a good idea to ask respondents to tell us what their average hours worked in a week and maximum hours worked in a week were over the past twelve months.

Nearly half of respondents (44 percent) say they spend more than 40 hours a week, on average, working on games. The most common workweek proved to be 36-40 hours per week, with 24 percent of respondents saying that was their average. 21 percent of respondents said they worked on games 41-45 hours per week on average and 17 percent said they averaged 0-20 hours per week on games.

Notably, 3 percent of respondents said they average over 60 hours of work per week on games, and 5 percent said they average 51-60 hours.

When it came to talking about their maximum overtime, the largest share of respondents (19 percent) said 46-50 hours was the most they'd worked on games in a single week during the past twelve months. 18 percent said 51-60 hours was the most they'd worked on games in a single week (though note this answer encompasses 10 hours, rather than 5, and will thus attract more responses), and 11 percent said 41-45 hours.

However, we saw that at least some respondents claimed to have worked as much as a hundred-hour week in the past twelve months. 2 percent said they'd worked at least 91-100 hours in one week, 1 percent said they'd hit 101-110, and another 1 percent (or almost 40 people) said they'd worked more than 110 hours in a week on games within the past year.

"Self-pressure" was the most common reason game makers gave for working overtime

We also gave respondents the option of telling us the reason(s) why they thought they'd worked those maximums, and what their general studio size (small, medium, large) was when it happened.

Respondents could choose multiple reasons and the most popular answer, given by 69 percent of respondents, was that it was at least partially self-pressure -- personally putting in extra work because the respondents felt they wanted or needed to. More than half of those who gave this answer worked at small outfits of 10 people or less, while a third worked at a studio of more than 30 people.

The second most popular response, given by 59 percent of respondents, was that they don't feel the number of hours worked to be excessive. Here again, more than half of those who said this worked alone or in small groups, while a third worked on large teams.

The third most popular proved to be management pressure, with 26 percent of respondents saying they'd crunched because it was made clear by someone above them that they needed to work those hours. A disproportionately large number of them (39 percent) said they work at large companies of 30+ people, while 42 percent said they work at small companies of ten or less.

We observe a similar pattern if we zoom in on the data and only look at the responses of one subset of respondents. If we look at just the responses from those who say they work at small studios (10 people or less), we again see the most popular answer is "self-pressure", followed by "I don't consider the hours excessive," though "I don't know, I just did" beat out "management pressure" to take third place.

What were the reasons you believe caused you to work those maximum number of hours per week?

I don't consider the amount of time I worked to be excessive. **28%**

Management pressure (it was made clear that we needed to work those hours). **10%**

Peer pressure (everyone else was working those hours). **10%**

Self-pressure (I was personally working hard and felt I needed/wanted to). **33%**

I don’t know, I just did. **12%**

Other **7%**

We also note that while “I don’t know, I just did” was a relatively uncommon answer to this question (given by just 20 percent of respondents), the folks that did give it were disproportionately indie, with 65 percent of those who gave this answer identifying as working at a studio of 10 people or less.

Steam is the storefront to beat on PC, but some devs thrive on smaller competitors

Given how many notable new game storefronts debuted in 2018 (such as the Epic Games Store and Discord Store), we gave survey respondents the option to tell us which PC/Mac game storefronts they sell their games on, and what percentage of their sales came from each.

As you might expect, the most popular answer was Steam, with roughly 47 percent of those who responded saying they sell games on Valve’s storefront.

Selling directly to customers (via your own website, for example) was the second most popular answer with 26 percent, followed by Itch and publisher-owned storefronts (like Electronic Arts' Origin or Battle.net) with 18 percent.

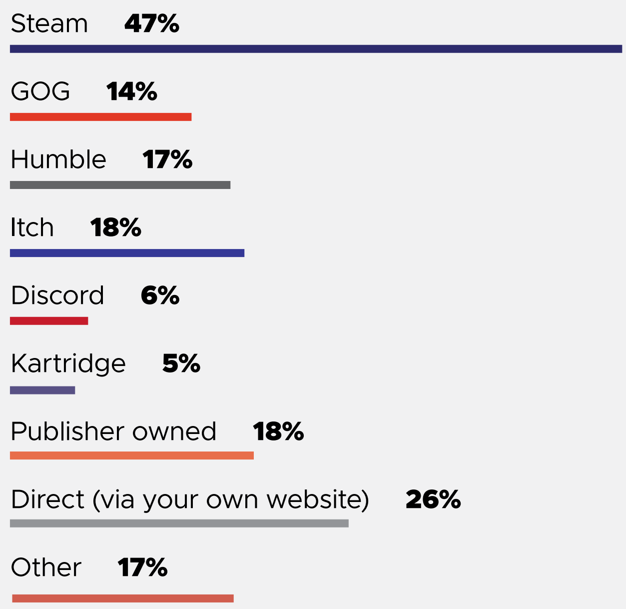
Of the respondents who said they sell their games on Steam, the majority (55 percent) say Steam accounts for 75-100 percent of their sales revenue. There’s a similar slant among the devs who said they sell their games direct, with the largest share (41 percent) saying direct sales make up 75-100 percent of their sales.

Among the much smaller number of respondents who sell their games on publisher-owned storefronts, 36 percent said such storefronts generate 75-100 percent of their revenues. More than half (51 percent) said publisher-owned storefronts generate 50 percent or less of their earnings.

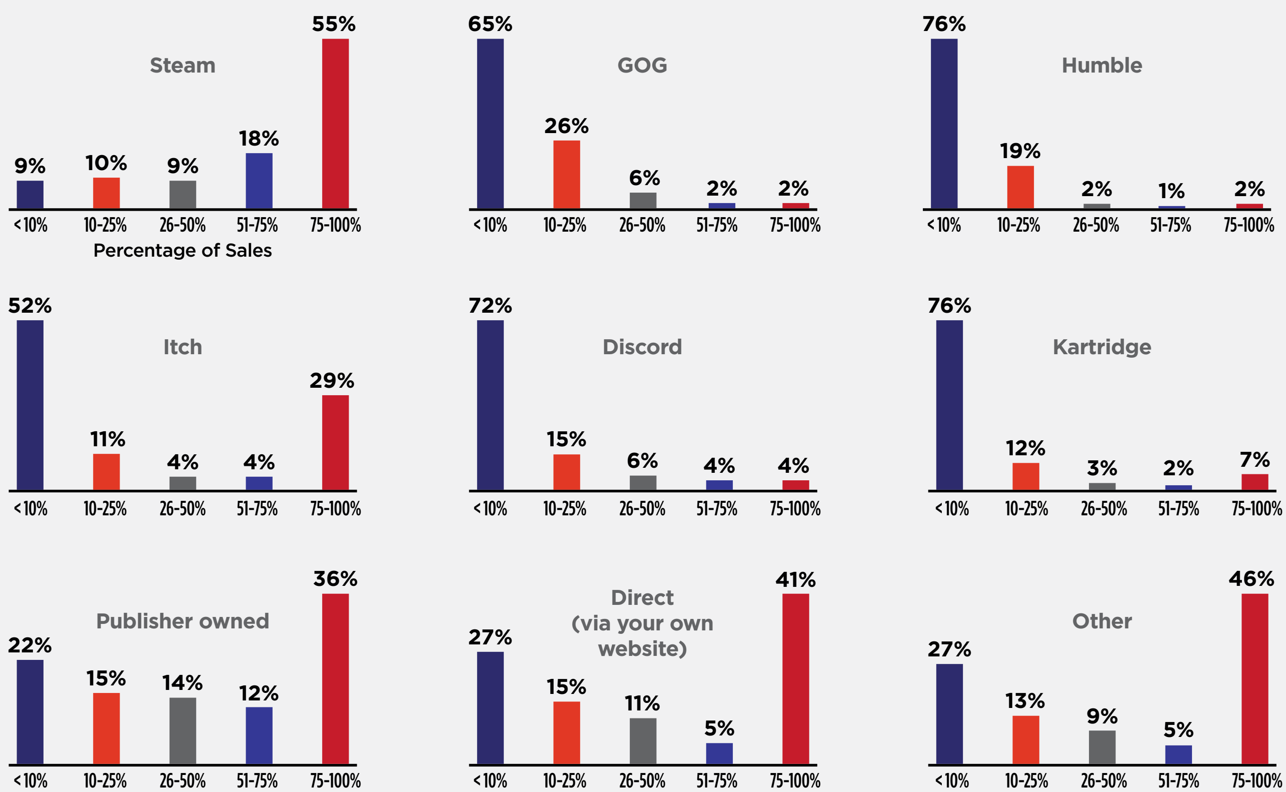
The same was true of GOG, Humble, and Discord, each of which accounted for less than 10 percent of revenues earned by the majority of the (few) respondents who sell games there.

While Itch had a similar ratio (52 percent of devs who use it say it generates less than 10 percent of their revenues), it also had a surprisingly high number of respondents (29 percent) who said Itch accounts for 75-100 percent of their earnings. This suggests Itch is doing something to cultivate a specific audience uniquely accessible to certain devs.

Which PC/Mac video game store do you sell games on?



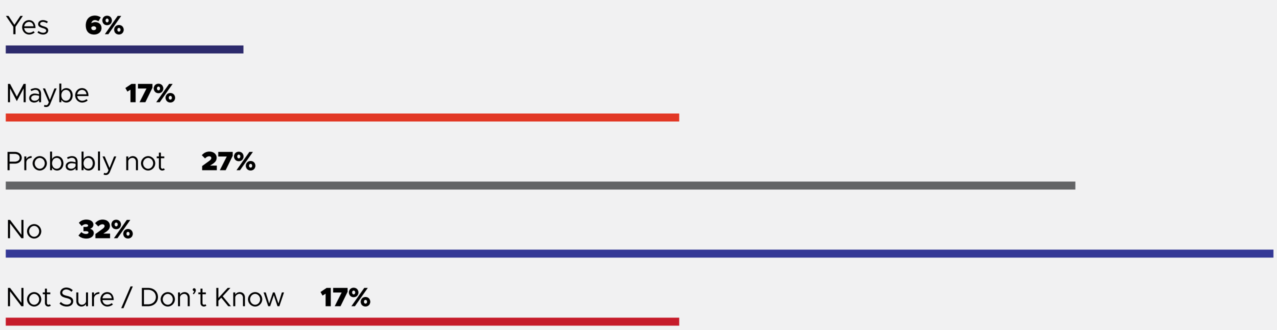
What percentage of your sales comes from each storefront?



Most game makers aren't sure Steam still justifies its 30 percent cut

In light of how much competition is heating up on the games marketplace front, we also asked respondents whether they felt that Steam -- in its current form -- justifies a 30 percent cut of your game's revenue.

Do you think that Steam, in its current form, justifies a 30% cut of your game's revenue?



Only 6 percent said yes, and 17 percent said maybe. The rest either said no or weren't sure, with the largest share (32 percent) saying Steam currently does not justify Valve's 30 percent take. 27 percent said such a large cut probably isn't justified, and 17 percent said they just didn't know.

"Take less revenue from sales and curate their store better for visibility for real games," is what one respondent wrote when we asked what features respondents felt Steam could add to better serve developers.

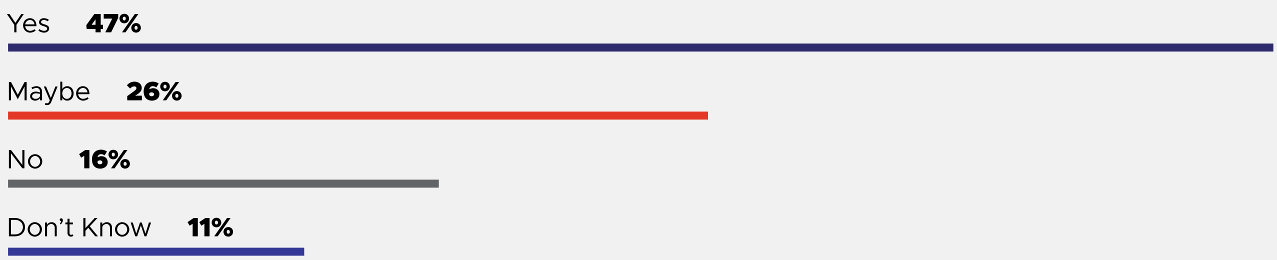
"Better support for amateur, hobbyist, and independent creators," wrote another. "More fostering of things like game jams and actual development communities to be created on the platform."

"They need to have visibility for low-budget games," opined one respondent. "They need to fix the broken troll review system. They need to only charge 5 percent for games that are simply hosted with achievements and make less than $10,000 per month. They need to give visibility to games that are updated to give a reason to update your game as no one sees updates now so there is little point in doing them."

Nearly half of game industry professionals think game industry workers should unionize

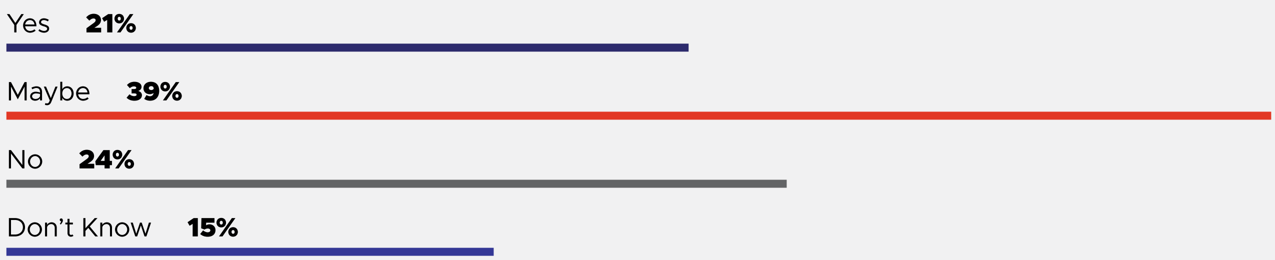
Unionization is a hot topic in the game industry these days, and nearly half of the game industry professionals we surveyed think it's a good idea. When we asked whether they thought game industry workers should unionize, 47 percent said yes. 26 percent said maybe, 16 percent said no, and 11 percent said they didn't know.

Do you think that workers in the video game industry should unionize?



When asked whether they think video game workers actually will unionize, the largest share (39 percent) gave an uncertain “maybe.” 24 percent of respondents said they don’t think game workers will unionize; just 21 percent said yes they will unionize, and 15 percent said they don’t know.

Do you think that workers in the video game industry will unionize?



Given room to write in explanations of their views, one respondent suggested that “companies will just do what Walmart does when they vote in a union: they close the Walmart/game studio and open a new one a mile down the road across the city limits.”

“It is critical that people who work in games are able to maintain a healthy lifestyle, live normal lives, and be able to enjoy a high quality of life that will work well for their spouses and families,” wrote another respondent. “People who work in games should not have to work an unhealthy number of hours and be subjected to poor working conditions just because someone up the chain of command can't schedule an appropriate release date or because they need to show their ‘passion.’ Poor decisions made by those who wield power should NOT be the reason why game workers are having to look for new jobs to replace the ones that just went up in smoke.”

“There is too much supply: too many people want into the industry,” added another. “Those who unionize will be shoved out of the way as companies hire those with fewer demands.”

> *“When one executive can get a $20 million bonus in exchange for crunching hundreds of people, shipping before the game is ready, then laying off those people, the industry is ripe for self-correction.”*

“Over the decades I've seen crunch turn from a ‘worst case’ part of innovating into an expected part of game development,” said another. “As a manager and owner, I see no pressure from studio heads or publishers in AAA to change this. When one executive can get a $20 million bonus in exchange for crunching hundreds of people, shipping before the game is ready, then laying off those people, the industry is ripe for self-correction. I would welcome our employees unionizing in the current environment.”

European and North American devs are still the majority

When asked which region of the world they reside in, a majority of survey respondents said either North America or Europe. This is in keeping with survey results from prior years and is to be expected, given that GDC is based in the United States.

Still, it’s intriguing to see where attendees are coming from, and this year the results shifted a few points in Europe’s favor.
When asked which continent or major region they reside in, 59 percent of those surveyed said North America and 25 percent said Europe, while 7 percent said Asia. 4 percent said South America, and 3 percent were from Australia or New Zealand.

That’s roughly the same spread as last year’s State of the Industry survey, which suggests GDC’s attendee base is relatively stable. In last year’s survey 63 percent of those surveyed said North America and 22 percent said Europe. 8 percent said Asia, 4 percent said South America, and 2 percent hailed from Australia or New Zealand.

Men and women still split the industry roughly 80/20

19 percent of survey respondents marked “Female” and 77 percent marked “Male” when asked what gender (if any) they identify with. The rest of the respondents either marked “Other” (2 percent) or declined to answer (2 percent).

It’s a small but noticeable shift from last year, when 80 percent of survey respondents identified as “Male” and just 17 percent identified as “Female”.

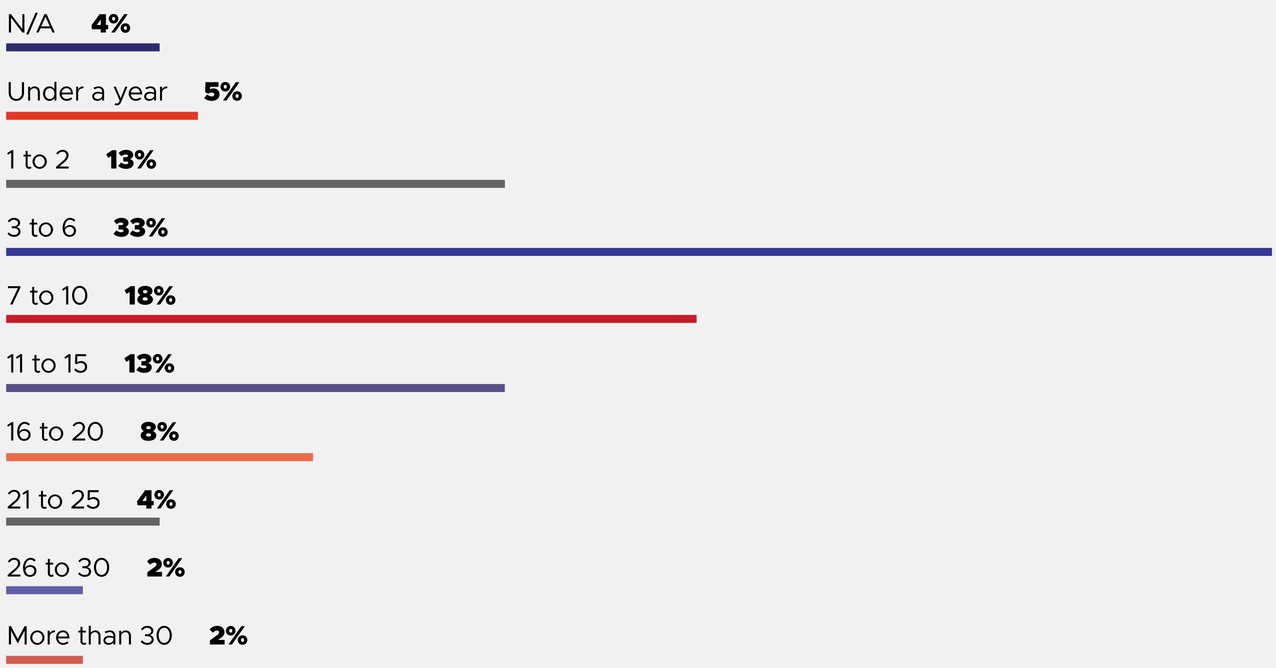
Most respondents have been making games for less than a decade

We once again asked survey respondents how long they’ve been making games, and the largest share of those polled -- 33 percent -- said 3-6 years. 18 percent said they’d been making games for 7-10 years, and 13 percent said they’d only been making games for 1-2 years.

By comparison, another 13 percent said they’d been making games for 11-15 years, and 8 percent said they’d been at it for 16-20 years. Most impressive of all, 7 percent of respondents said they’ve been making games for over 20 years!

Still, the majority of respondents (over 70 percent) said they'd been making games for less than a decade.

How many year(s), if any, have you been involved in game development?

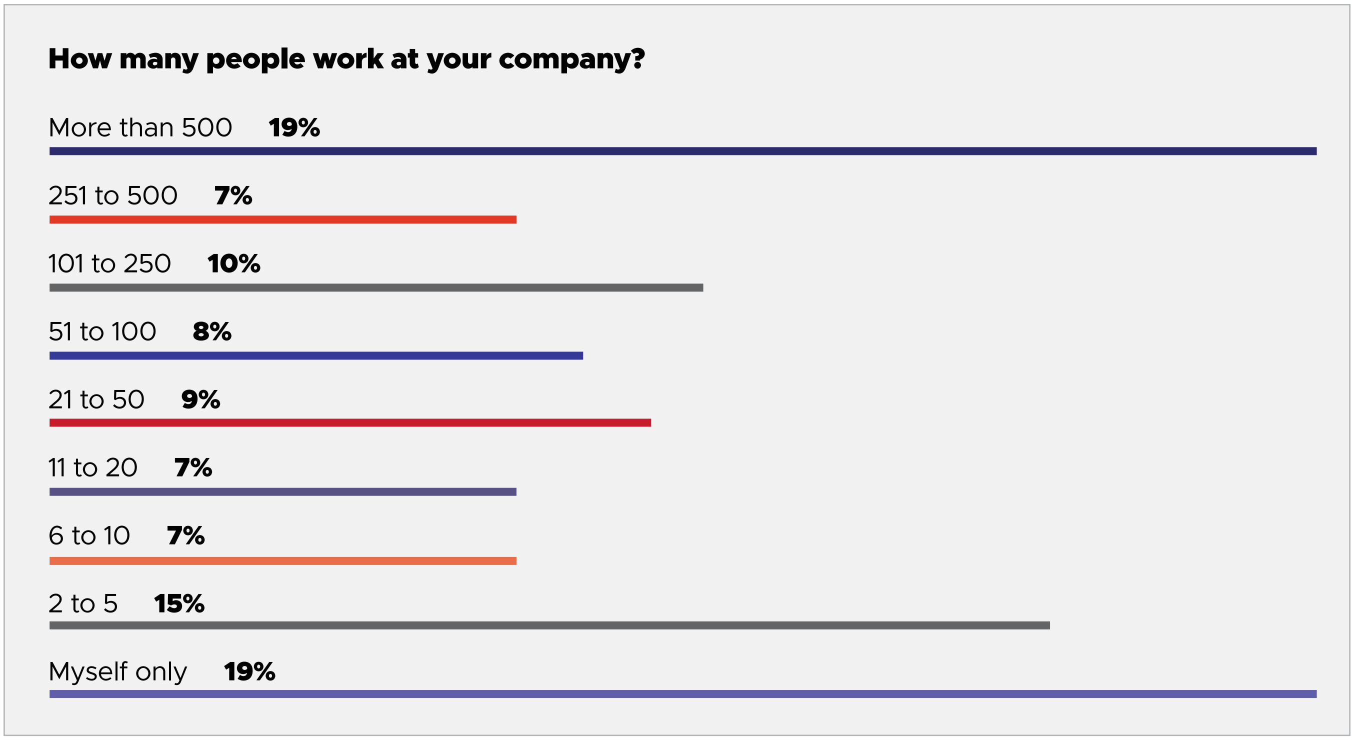


Survey results over the past three years have shown nearly the exact same curve, suggesting the game industry (or at least, the portion served by our survey) has a semi-permanent predilection for young talent. In last year's survey, for example, 32 percent said they'd been making games for 3-6 years, 17 percent said they'd been making games for 7-10 years, and 14 percent said 1-2 years.

Most game makers are still on their own or at very large companies, though nearly half saw their team size expand in 2018

Every year we ask survey respondents how many people work at their company, and every year we see a clear trend towards the very large or the very small.

This year was no exception; when asked how many people work at their company, the most popular answer was "Over 500" (19 percent), followed by "Myself only" (19 percent) and "2 to 5" (15 percent). That's basically the same split we saw in last year's survey results, cementing our understanding of the industry as a space where small teams can compete effectively with gigantic companies.

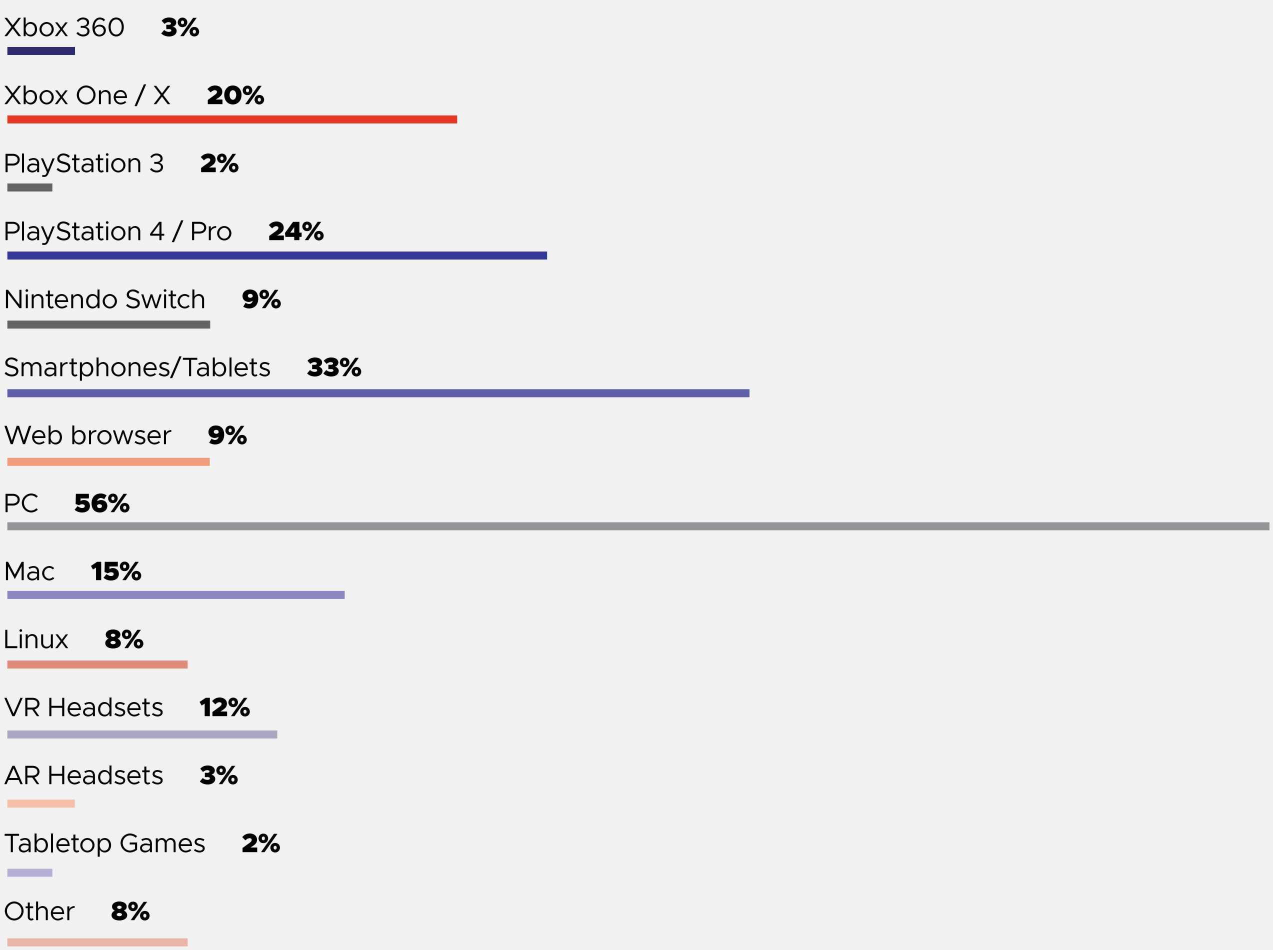


Also, nearly half (46 percent) of respondents said their company expanded in terms of staff in 2018, while 36 percent said their company size stayed the same and 11 percent said it shrank during 2018. Sadly, just over 1 percent (or nearly 50 people) said their company closed entirely during the year.

PC and mobile are still the top platforms among devs, but PC's lead is gaining

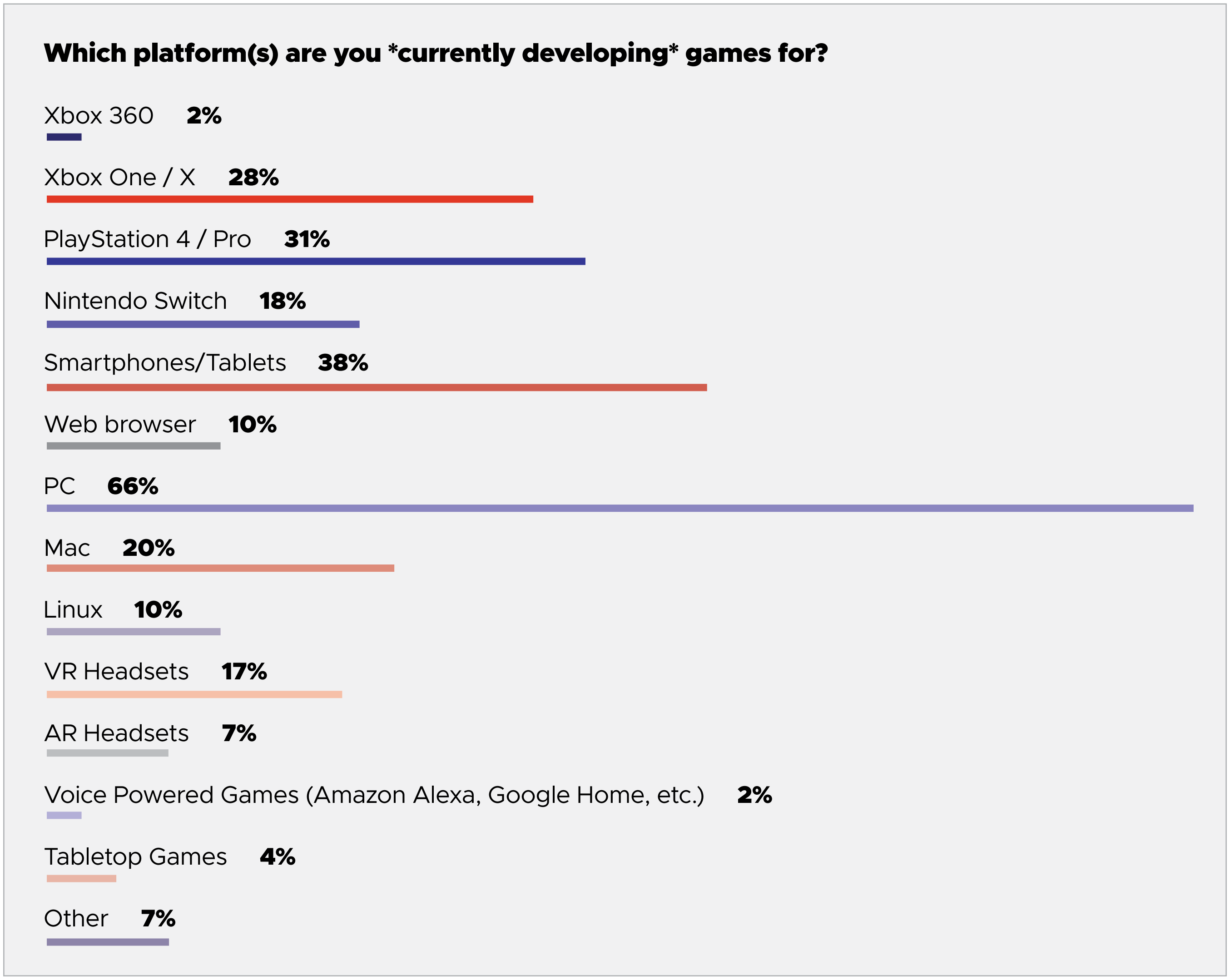
When asked what platform their last game was released on, 56 percent of those surveyed said PC, 33 percent said smartphone/tablet, 24 percent said PlayStation 4 or 4 Pro, and 20 percent said Xbox One or Xbox One X.

Which platform(s) was your *last completed* game released on?



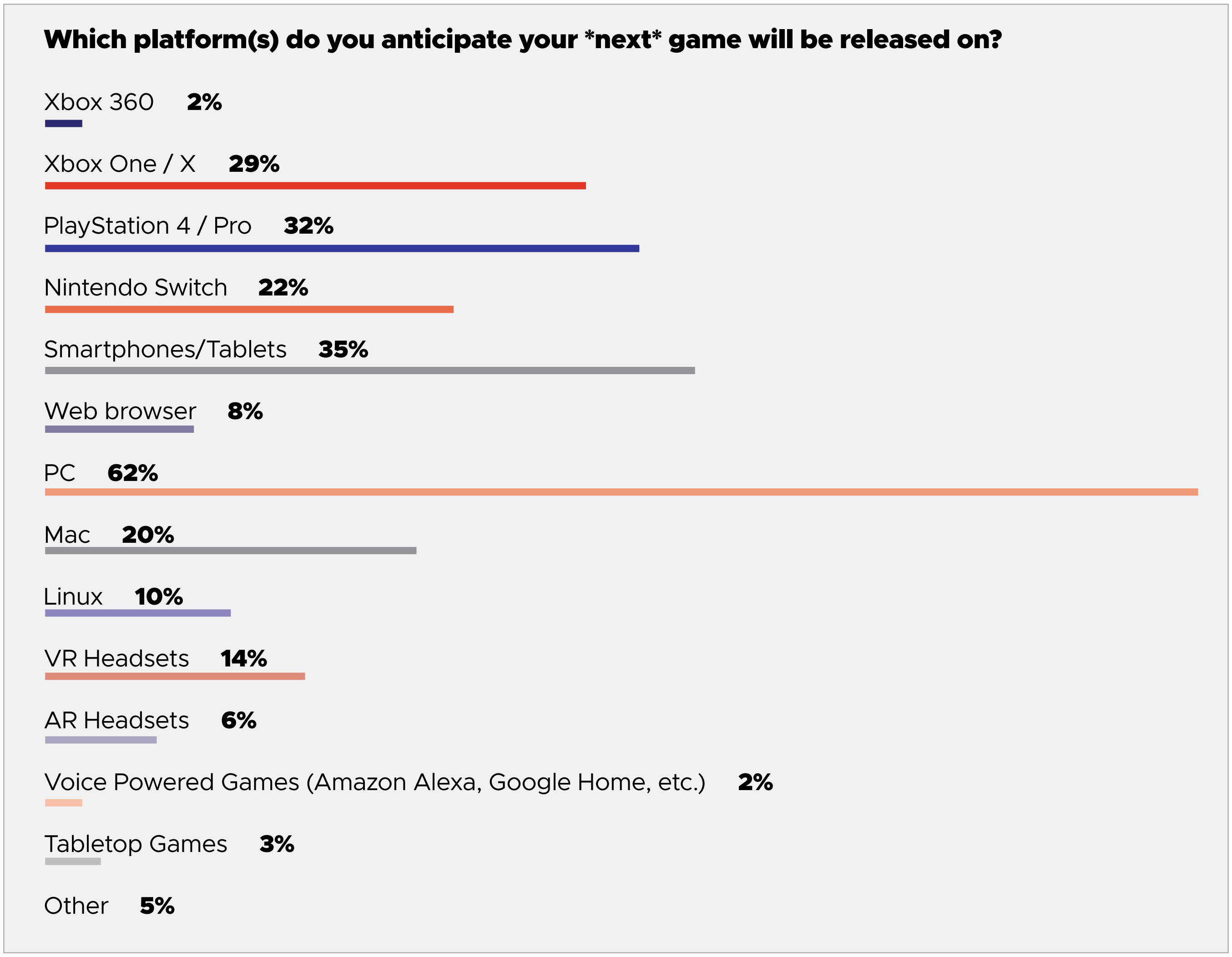
This year's results are roughly the same as those of last year's survey, though the number of respondents who said they just released a Switch game nearly doubled from 5 to 9 percent. While PC dominates every year we ask this question, this is the first year in which more than half of our respondents have just come off a PC game.

When asked what platforms they're currently making games for, two thirds of respondents (66 percent) said PC, 38 percent said smartphone/tablet, 31 percent said PlayStation 4/PlayStation 4 Pro, and 28 percent said Xbox One/Xbox One X.



Here again we note a striking similarity to last year's results, with PC again edging up its lead as the most popular platform for devs' current projects. Nintendo's Switch saw the biggest year-over-year increase in dev interest, up to 19 percent this year from 12 percent a year earlier.

When asked which platforms they expected their next game would be released on, 62 percent of respondents said PC and 35 percent said smartphones and tablets. 32 percent said PS4/PS4 Pro, 29 percent said Xbox One/One X, and 22 percent said Nintendo Switch.

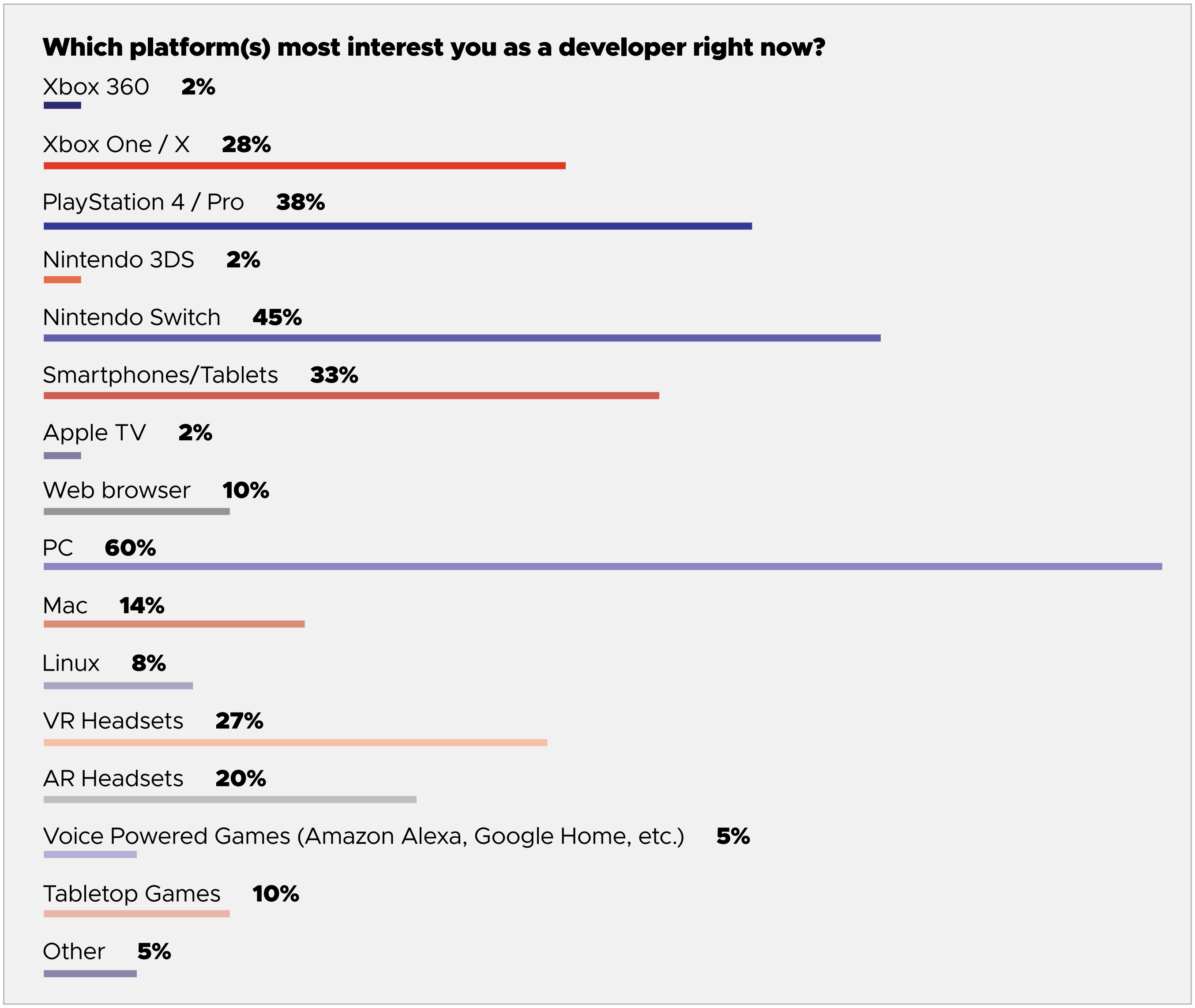


Again we see PC on top and increasing its lead year-over-year, while dev interest in other platforms remains relatively steady.

Almost half of game makers think Nintendo's Switch is the most interesting console

Since the projects you work on don't always reflect your true interests, we also asked devs to tell us which platforms (if any) interest them most. 60 percent of respondents said they're interested in the PC, 45 percent said the Nintendo Switch, and 38 percent said PlayStation 4.

That's significantly more dev focus on the Switch than we saw last year, when just 36 percent of respondents said they were interested in it. After a strong launch year, it seems Nintendo's latest console has carved out a market for itself that interests more game makers than any other console.



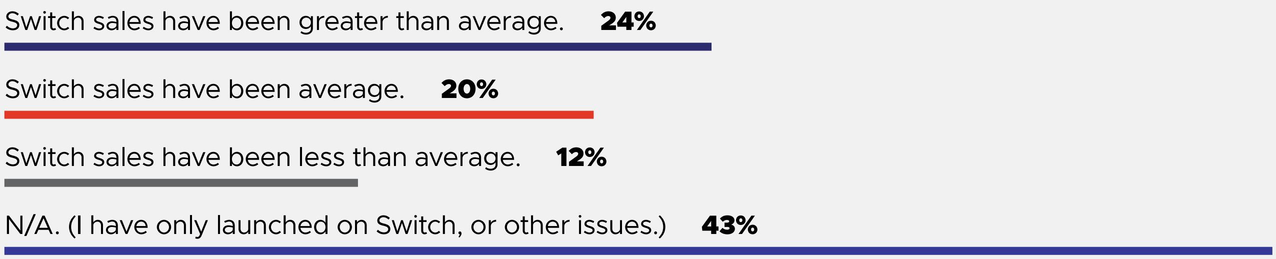
Nearly 1 in 4 devs sees their game perform best on Switch, compared to other consoles

To get a sense of how well devs are doing on the Switch, we asked survey respondents whether they'd launched a game on Nintendo's new console, and how it had performed on the Switch relative to other platforms.

The number of respondents who have launched a game on Switch is small (13 percent), though that's still roughly double the 6 percent of respondents in last year's survey who said they'd made a Switch game. This year 10 percent of respondents say they're working on their first Switch game right now and 31 percent say they're considering making a Switch game.

Among those who said they'd launched a game on Switch, the largest share (43 percent) said they couldn't compare how their game had done on Switch compared to other platforms, either because they'd launched exclusively on Switch or for some other reason.

Since launching your game on Nintendo Switch, how have Switch game sales compared to the average across all the platforms you've launched on?



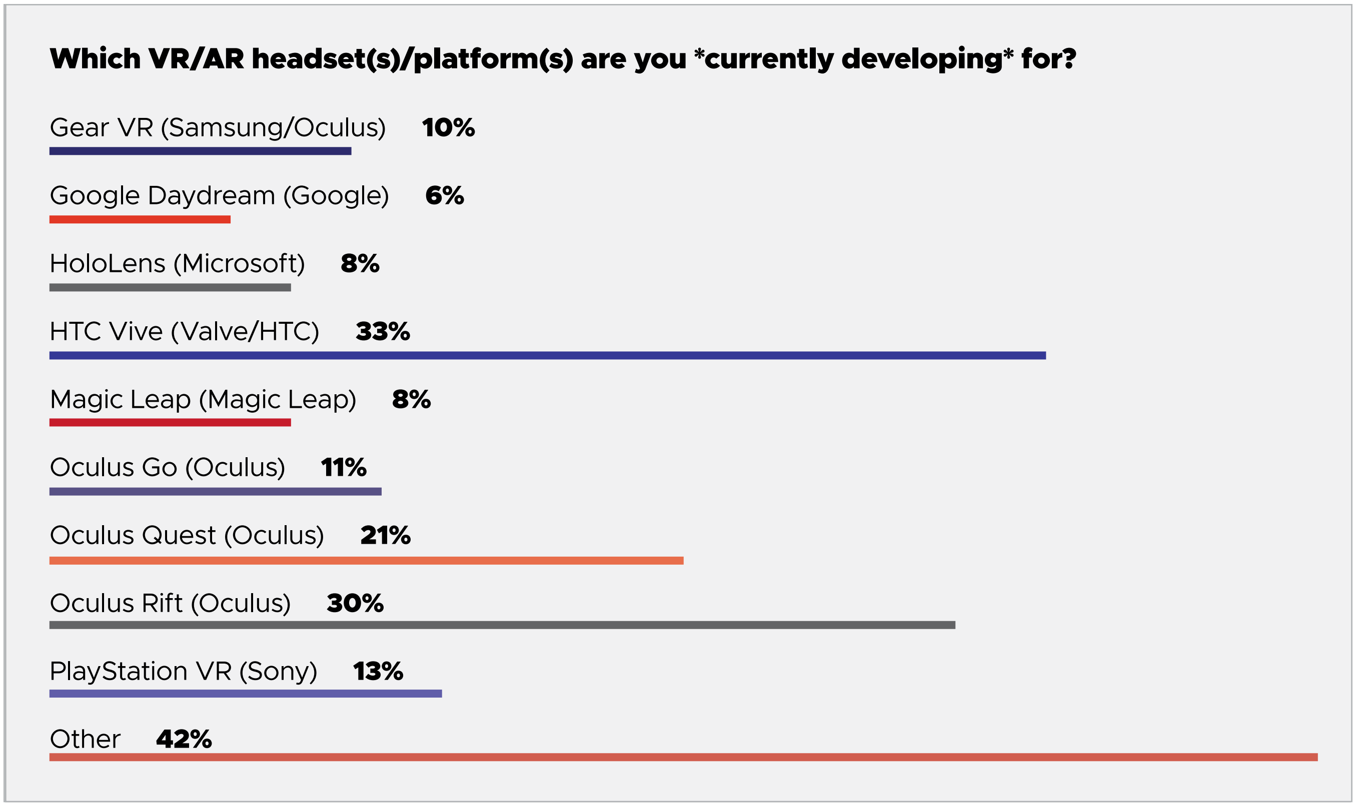
Nearly 1 in 4 (24 percent) of respondents who had launched a game on Switch said it had sold better on Nintendo's new console than on other platforms, while 20 percent said their Switch sales were average and 12 percent said their game actually sold worse on Switch than other platforms.

When we compare these results against last year's survey, we see a small but significant uptick in the number of devs who say they've made or are making a game for Switch and the number of respondents who say they can't compare their Switch sales against other platforms -- perhaps signaling a recent rise in the number of devs making games exclusively for Nintendo's new console.

HTC Vive remains most popular platform among AR/VR game makers for the third year running

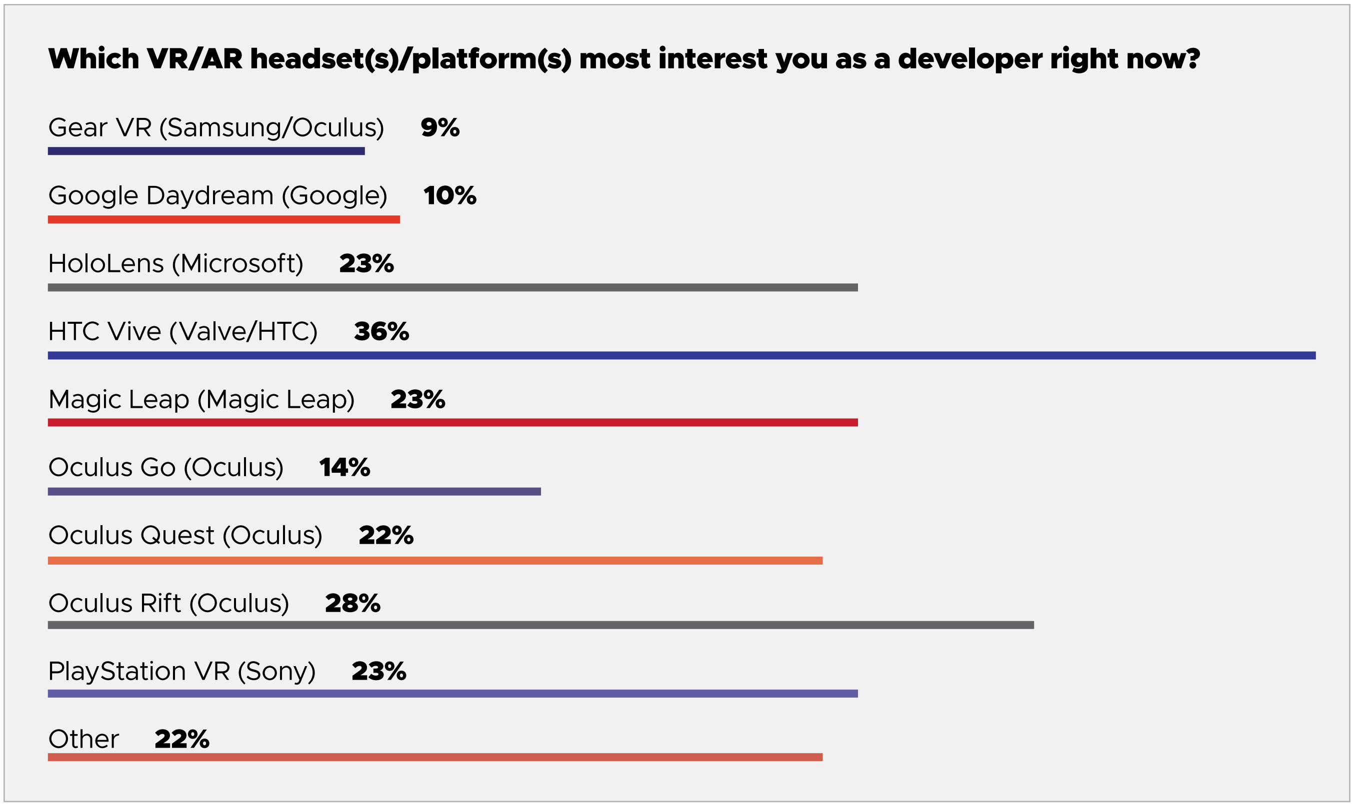
We also surveyed respondents on their involvement with AR/VR games, and the response was evenly split; roughly 52 percent of the game industry professionals we surveyed said they've never been involved with developing virtual- or augmented-reality games.

When we asked the 48 percent that have to tell us which platform(s) they're currently making games for, the most popular answer proved to be the HTC Vive, with one in three (33 percent) of respondents currently working on a Vive game. 30 percent said they're currently targeting Oculus Rift and in distant third were the 13 percent who said they're currently targeting Sony's PlayStation VR.



That's roughly the same as what last year's respondents said, cementing the HTC Vive's position as the most popular AR/VR platform among game makers. When we asked which AR/VR platform their next game would be released on, the largest share -- 28 percent -- said the HTC Vive, followed by the Oculus Rift with 25 percent and 23 percent were undecided.

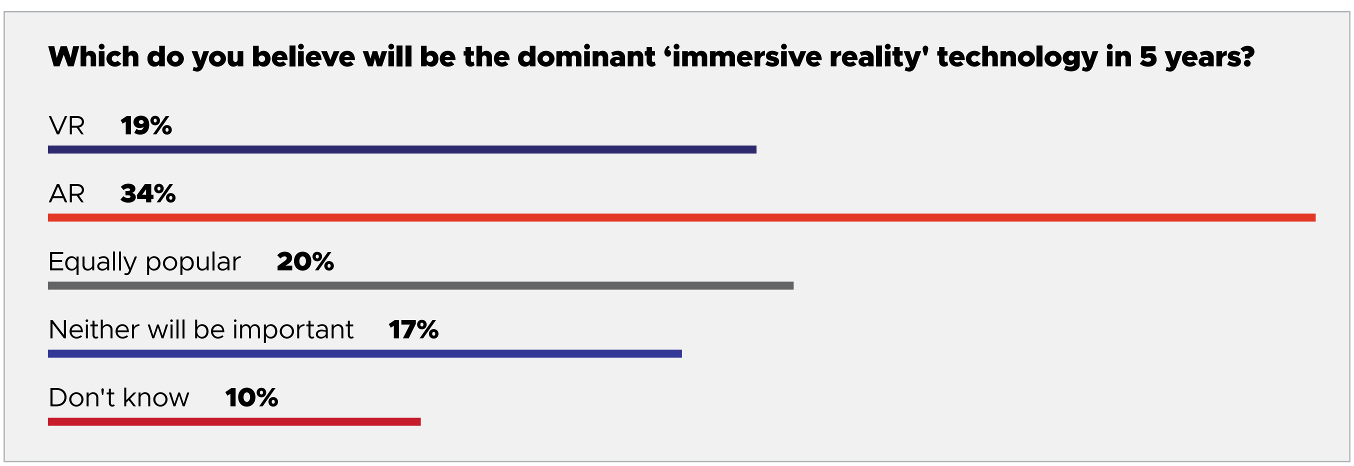
That suggests a gentle slide away from the Rift, as when we asked respondents which AR/VR platforms they put their last game out on, the Oculus Rift and the HTC Vive were the most popular answers with 37 percent apiece. Samsung's Gear VR and Sony's PlayStation VR headsets were distant third and fourth, with 15 and 13 percent respectively.



In terms of general interest it seems the Vive also wins out, as when we asked respondents which AR/VR platform(s) they're most interested in, the largest share (36 percent) said the Vive. 28 percent said the Oculus Rift, and the PlayStation VR, Microsoft's HoloLens, and the Magic Leap tied with 23 percent apiece.

One in 3 game makers believes AR will be the dominant 'immersive reality' tech in 5 years

The game makers we surveyed seem to be pretty bullish on the future of augmented reality, as one in three (34 percent) said "AR" when asked whether they believe AR or VR will be the dominant 'immersive reality' technology in five years' time.

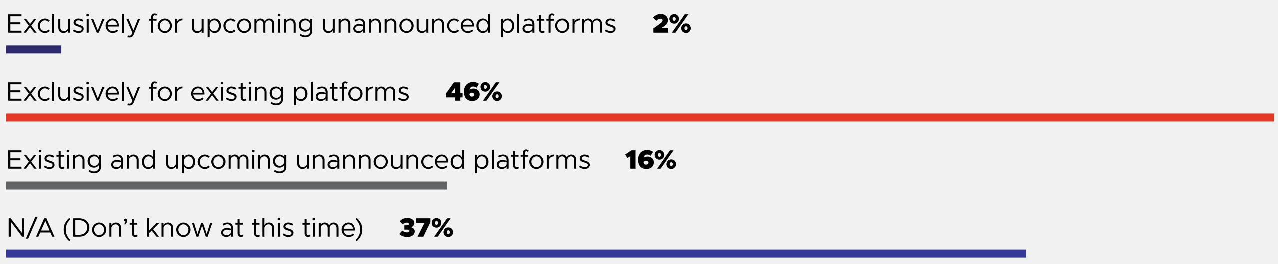


Intriguingly, 20 percent said they think AR and VR will be equally dominant in five years, while 19 percent throw in with VR and 18 percent figure neither will be important in half a decade.

With no new consoles on the horizon, few devs are making games for unannounced platforms

Now that the current crop of consoles is aging nicely, we thought it would be interesting to ask respondents whether they're or not they're developing their next game for any upcoming, unannounced platforms.

Are you developing your *next* game for upcoming unannounced game platforms, and/or existing platforms?*

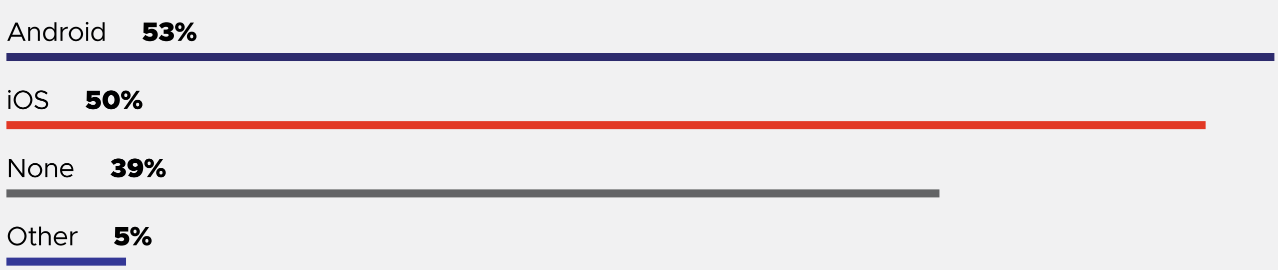


Predictably, very few (under a hundred, or less than two percent of) respondents said their next game is being designed exclusively for an unannounced platform. 16 percent said their next game is being developed for both existing and upcoming, unannounced platforms and the largest share (46 percent) said their next game is only coming to existing platforms. 37 percent said they didn't know at this time.

Android is now the place to be on mobile

The most interesting market for mobile game makers seems to be Android, at least among those we've surveyed over the past few years.

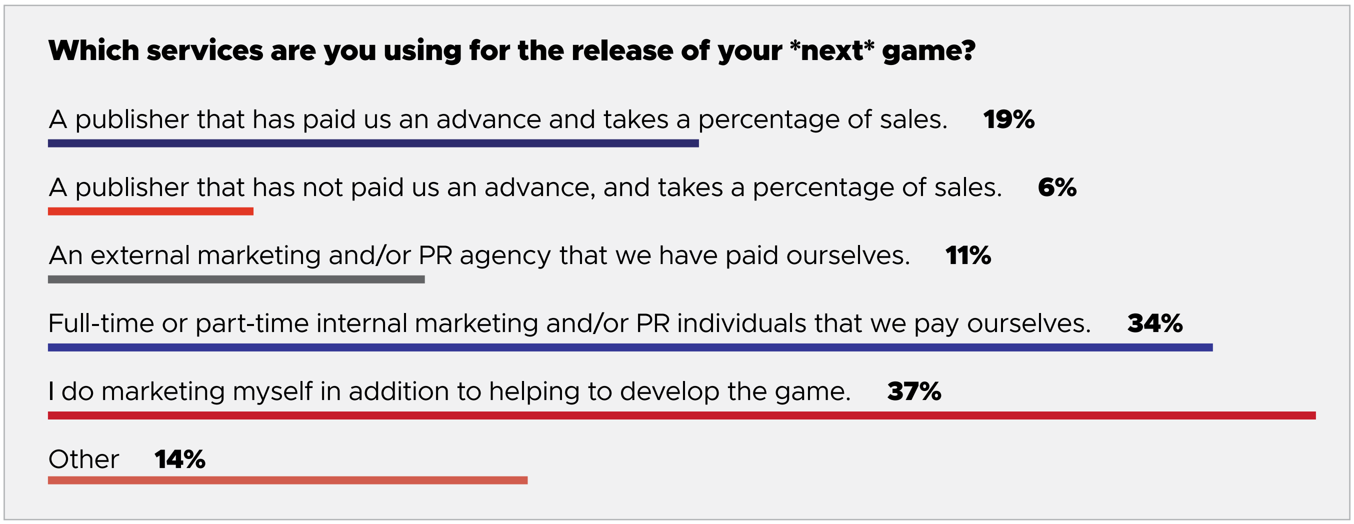
Which smartphone platform(s) is/are your company currently making games for?



When we asked this year's respondents which smartphone platforms (if any) they're making games for, 53 percent said Android, making it the most popular response for the third year running. Apple's iOS was a close second with 50 percent, while 39 percent said they weren't making games for mobile at all and 5 percent said they were targeting "other" mobile platforms.

A quarter of game makers are working with a publisher on their next game

How are today's game makers getting the word out about their work? Our survey results suggest mostly on their own, even if they don't have any marketing teams in-house. When we asked them to tell us which service(s) they're using to launch their next game, 37 percent said they do marketing work themselves (in addition to developing games) and 34 percent said they use full- or part-time internal marketing staff they pay themselves.



More notably, 19 percent say they use a publisher who pays an advance and takes a cut of sales, while 6 percent said they use a publisher who hasn't paid an advance and will take a cut of earnings. 11 percent said they use an external marketing agency, and 14 percent said they use other means.

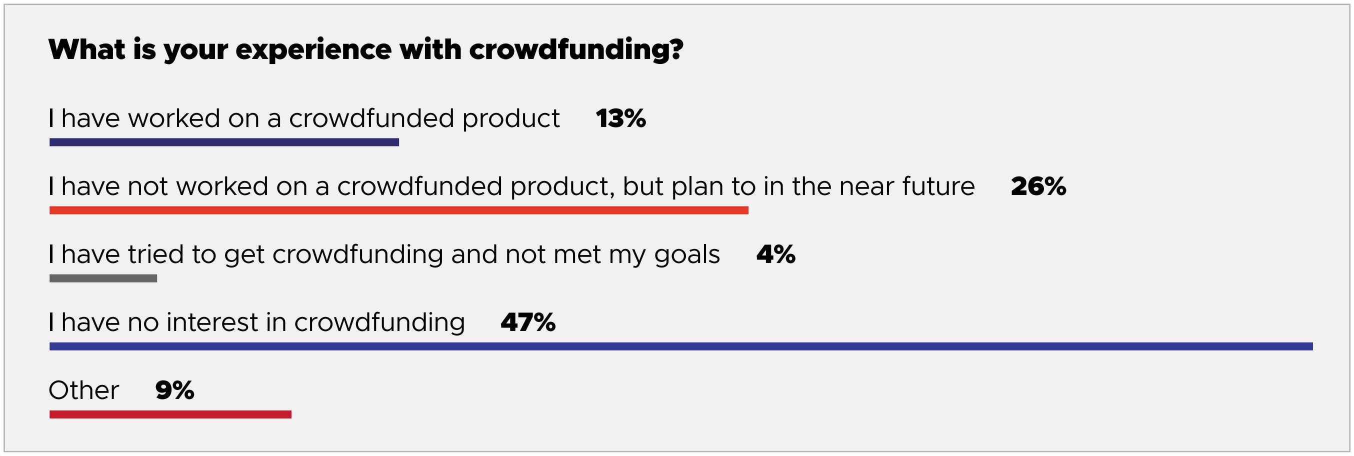
We note that only one in four respondents are working with a publisher, a slight uptick over last year but still quite a low number compared to the game industry before the prevalence of self-publishing.

Most game makers are still self-funded, and interest in crowdfunding is low

As in years past, most of the game makers we surveyed rely on company or personal funds to pay for their work, rather than outside investments or crowdfunding.

When asked where their funding comes from, 51 percent of respondents said their company's existing funds and 33 percent said their own pockets. 17 percent said at least some of their funding comes from an external publisher, while the smallest slice (3 percent) of respondents said they get at least some of their funding from pre-release alpha sales on platforms like Steam's Early Access.

We saw very similar results last year when we asked the same question, suggesting that big companies maintain a steady foothold in the industry even as one in three devs ends up putting at least some of their own money into their work.

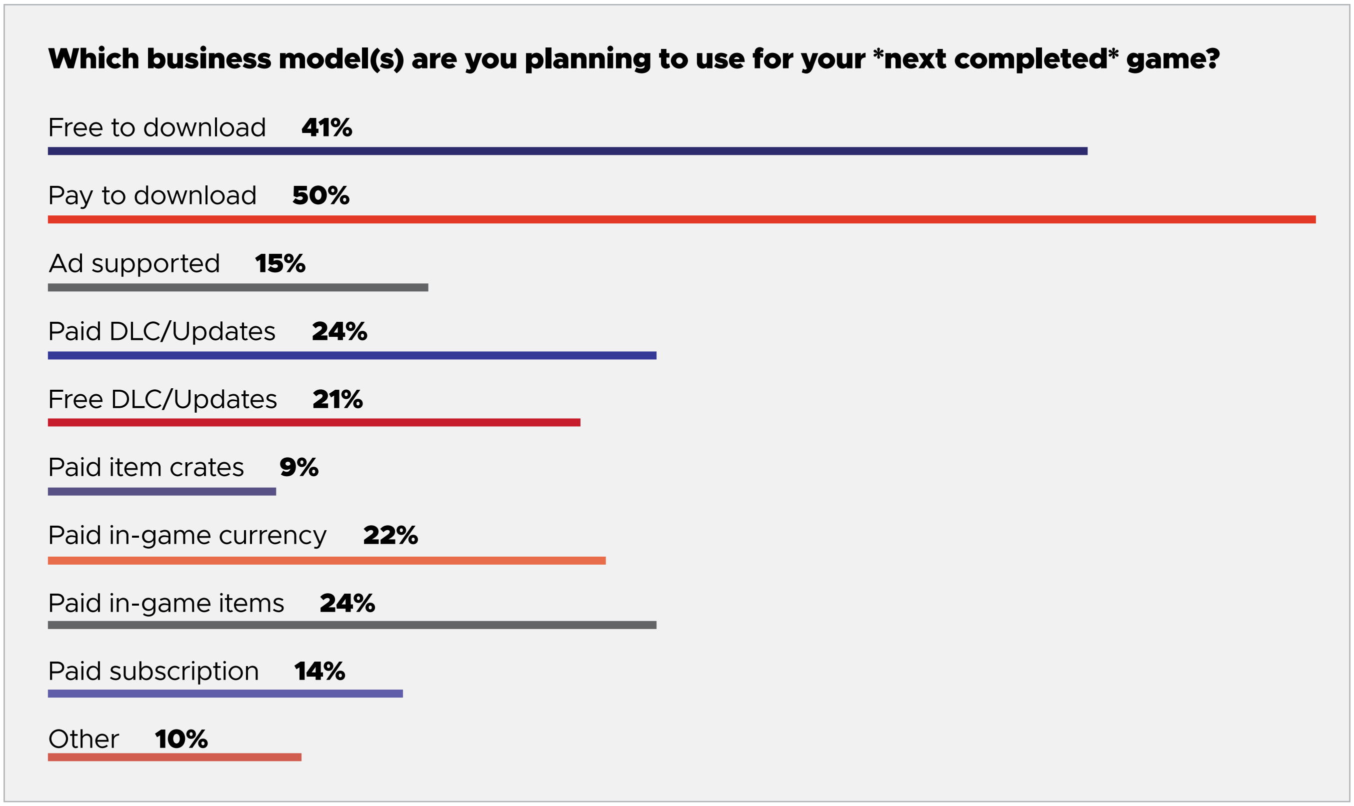


Game makers' interest in crowdfunding, once fiercely growing, now seems to be on the wane; just 6 percent of respondents said at least some of their funding comes from crowdfunding, and 48 percent said they had no interest in crowdfunding at all.

26 percent said they hadn't worked on a crowdfunding project but wanted to, while 13 percent said they have worked on a successfully crowdfunded project and 4 percent said they'd tried and failed to crowdfund a project.

Less than a tenth of game makers are working on a game with "loot box" mechanics

Given the recent conversations about regulating so-called "loot box" monetization schemes in games, we polled devs on which business model(s) they plan to use in their next game. The largest share of respondents, 50 percent, said their next game would be "pay to download" in some sense, while 41 percent said their next game would be in some way "free" to download and play.



The next three most popular monetization options were paid in-game items (24 percent), paid updates/downloadable content (24 percent), and paid in-game currency (22 percent).

Notably, fewer than one in ten (9 percent) of respondents said their next project would include “paid item crates”, suggesting game makers’ interest in such “loot box’ mechanics may be cooling now that they sit in the crosshairs of gambling regulators around the world.

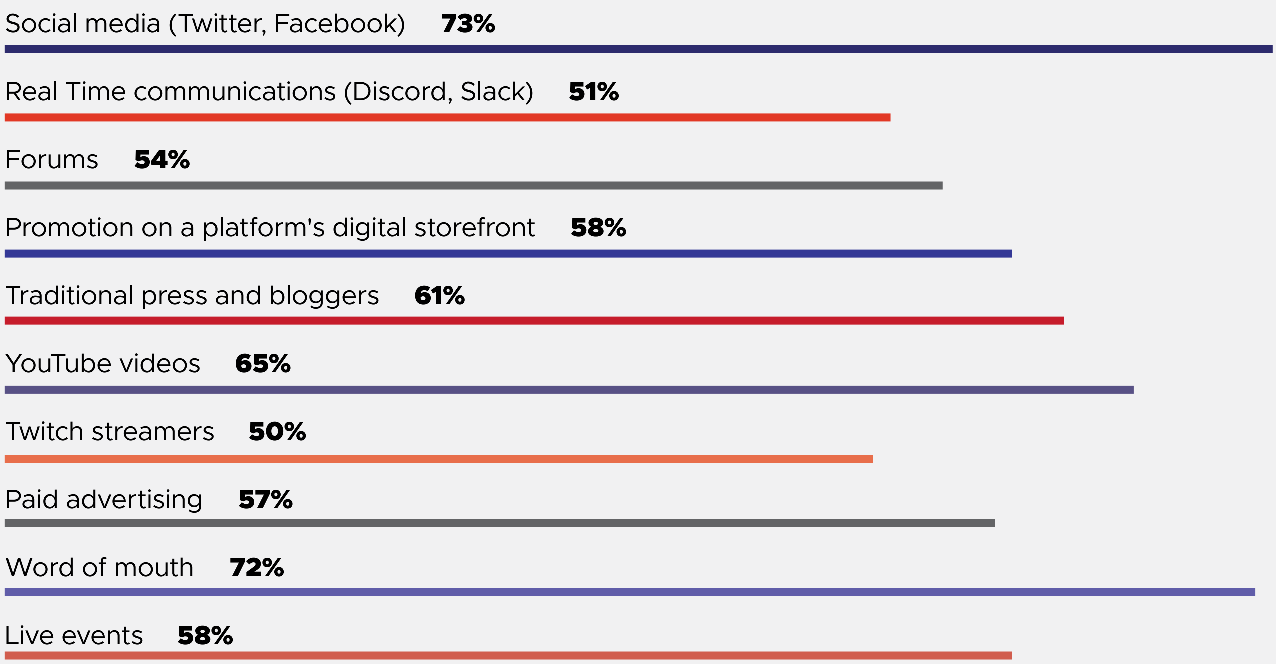
Social media is the #1 way for most game makers to get the word out about their games

To get a better sense of how game makers are selling their games, we once again asked survey respondents to tell us what promotional methods they invested in most to help their last completed game get discovered.

The most popular answer once again proved to be “Social Media” with 73 percent of respondents saying they’d use it to promote their last game and nearly half of those that did (43 percent) saying it was what they invested the most time into.

Word of mouth proved to be the second most popular avenue to invest in with 72 percent, while 65 percent of respondents invested in YouTube videos and 58 percent said they'd invested time or money in promotion on a publisher's storefront. However, on average respondents tended to rank their investment in these promotional avenues lower than they did in social media.

Which discovery methods did you put the most investment (time or money) into for your *last completed* game?

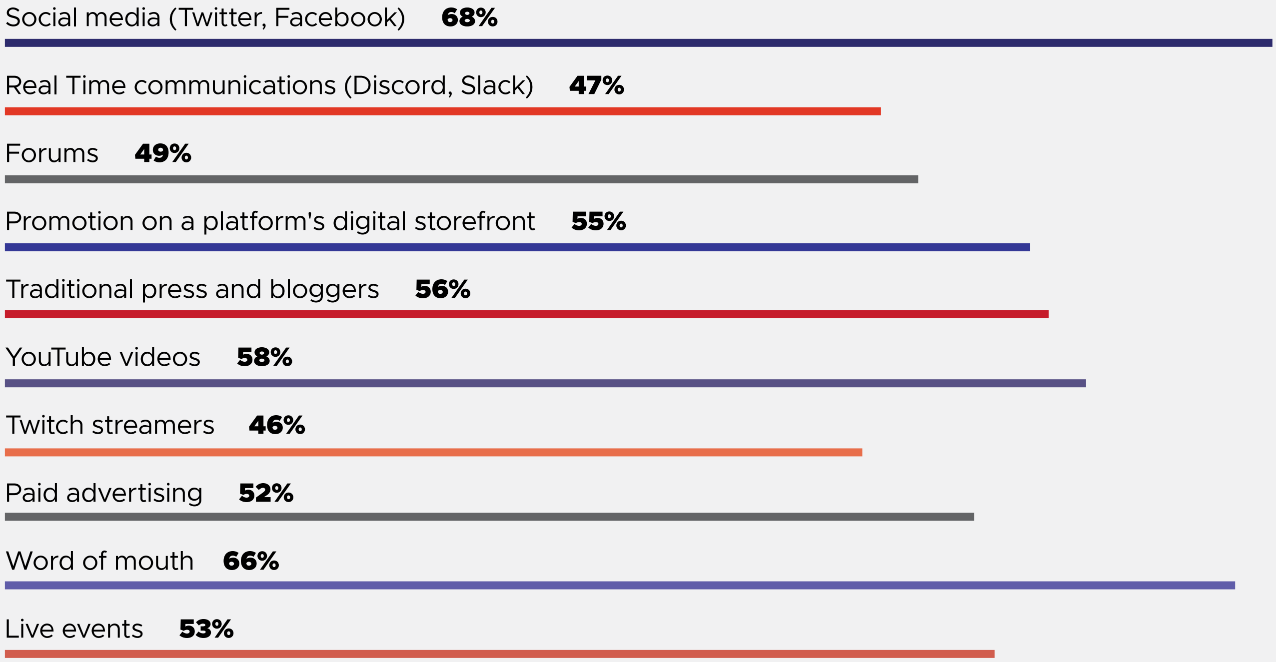


We followed up that question by asking respondents to tell us, in ranked order, what discovery methods actually proved to be the most effective for their last game launch. Here again social media was seen to be the most winning investment, with 68 percent saying social media was effective and the largest share (38 percent) of them saying it was their most effective discovery method overall.

66 percent said word of mouth had proven effective, 58 percent said YouTube videos had proven worthwhile, and 55 percent said promotion by a platform-holder proved effective.

Intriguingly, the "most disappointing" form of promotion (at least in terms of how many people ranked it lowest in terms of proven value) turned out to be live events, with 24 percent of respondents who rated live events effective ranking it the lowest possible value.

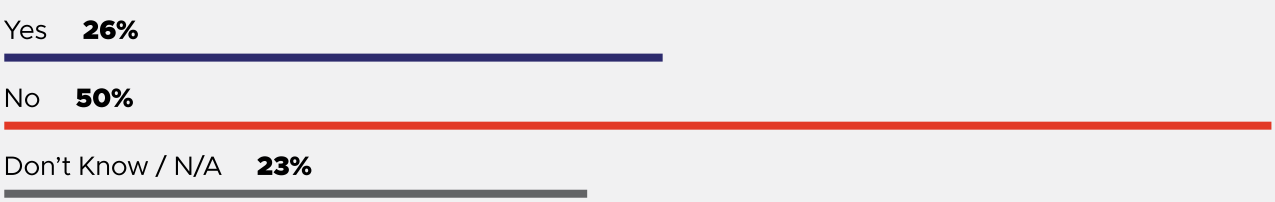
Which discovery methods (planned or organic) did you actually find to be the most effective for your *last completed* game?



More than a quarter of game makers are working on a game with accessibility features

Given how important it is to makes games accessible to the broadest number of people, we thought it would be worthwhile to ask game makers whether they'd implemented any accessibility measures (for players with color blindness, motor impairments, etc.) into their current game.

Have you implemented any accessibility measures (for those with sensory impairment, motor impairment, or other impairments) into your current game?



Half of our respondents said no, but 26 percent said they had and 23 percent said they didn't know for sure.

“We never use color to denote importance,” wrote in one respondent to explain what they’d done to make their game more accessible. “Due to color-blindness, we only use shape and form. We also allow for fully customizable controls to work with adaptive controllers.”

“We added colorblind support. This was a direct result of a local IGDA event where the focus was on raising awareness of accessibility concerns in games.”

“We added colorblind support,” volunteered another. “This was a direct result of a local IGDA event where the focus was on raising awareness of accessibility concerns in games.”

“Our games have colorblind modes,” wrote another. “And we consider potential issues when designing control schemes (avoiding multiple button presses, holding buttons, or anything else that might be difficult for some impairments).”

With a sample size of nearly 4,000 game industry professionals, this 2019 State of the Industry Survey is the seventh in an ongoing series of yearly reports that offer insight into the shape of the industry as a prelude to GDC in San Francisco. Organized by Informa Tech, GDC 2019 will take place this year March 18th through the 22nd at the Moscone Convention Center in San Francisco, California.