

The background is dark with abstract, wavy patterns of small purple dots. In the center, there is a large, white, stylized logo. The logo consists of a circular element on the left, followed by the letters 'M', 'C', 'I', and 'A' in a bold, sans-serif font. The 'C' and 'I' are slightly larger than the 'M' and 'A'.

# CMCIA

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# Understanding the Games Tech Market

What does the market for tech services in the games industry look like?

Game Developers Conference  
24 March 2023

Q&A

# Who we are

A thick purple line that starts from the Informa Tech logo, goes down, then right, then down again, forming a horizontal bar that connects to the three entities below.

**OMDIA**

**GDC**



# Questions we answer

How much did consumers  
spend on games in 2022?

**\$179bn**

What's the average time a  
game spends on Game Pass?

**461 days**

How many PS5s will be sold in  
the US in 2025?

**5.6m**

# But what about...

**How much do developers  
spend on game engines?**

?

**Which companies sell game  
analytics tools?**

?

**What share of games revenue  
is earned by tech vendors?**

?

# How do you define games tech?

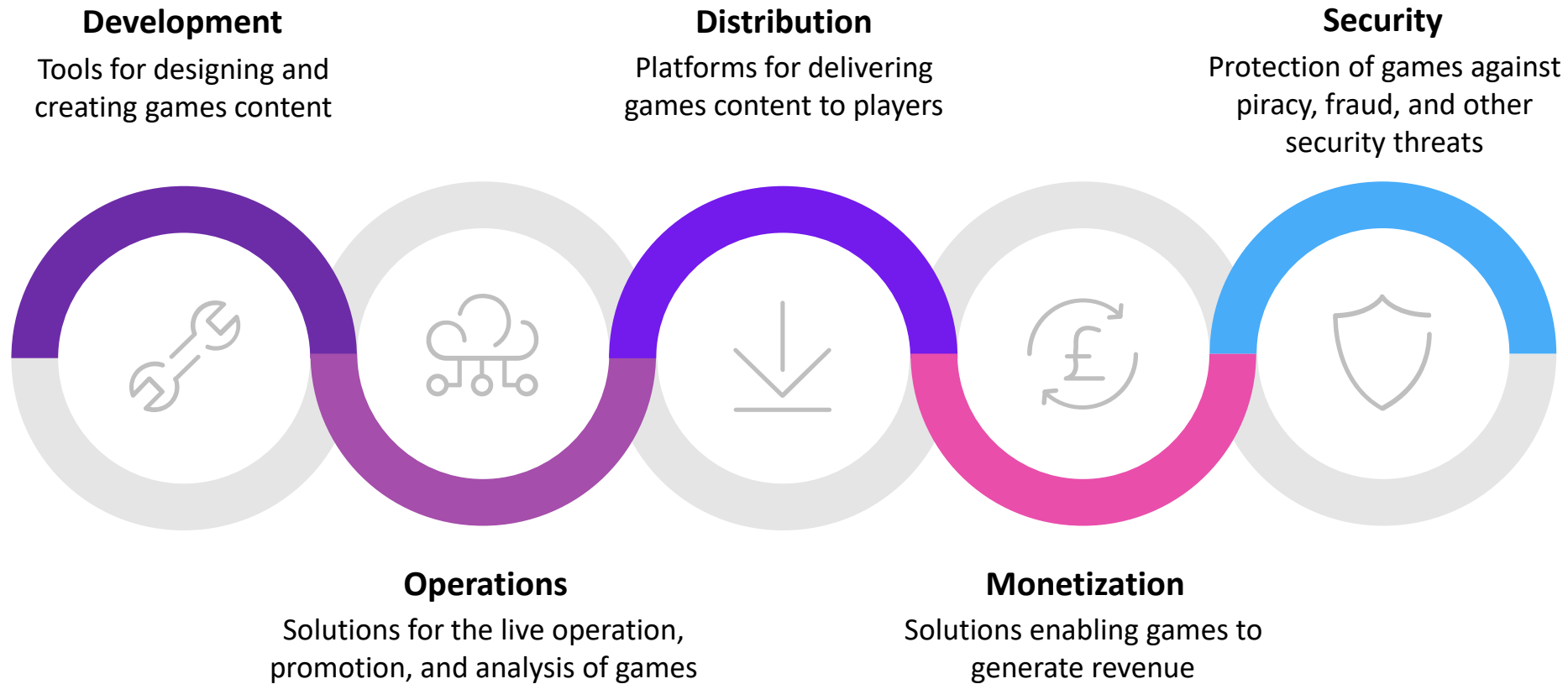


# What we want to capture

- Technology products and services consumed by the games industry.
- Technology **used to make and run games**—not payroll software.
- ...but not necessarily uniquely used by games.
- Tech used **for** games rather than **from** games.
- In a nutshell: **the part of the games industry made up by tech suppliers.**



# Omdia's games tech taxonomy



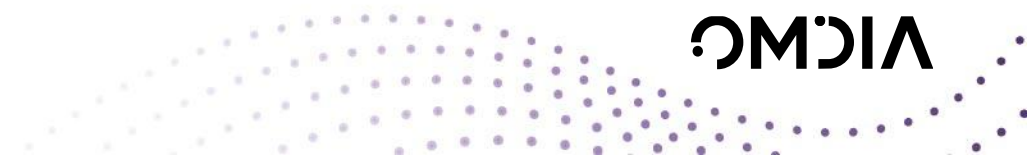


# We categorize the market into a total of 53 sub-categories



# More than 300 companies offer games tech solutions

210	360	4D Sight	Abal	Ableton	Accelbyte	Accelerat-XR	Access Games	Acquire	Active Fence	AdBright	Aderow	AdInMo	Adinte	Adjoe	Admani	Admazing	Adobe	AdPumb	AdSage	Adsparc	Adsyield
Adverty	Agora	Aiming	Aiven	Akamai	Alibaba	Alida	Amazon	AMD	Amdocs	Anything World	ANYZAC	Anzu	App Radar	Apple	AppLovin	AppSealing	AppsFlyer	Aptoide	Arcturus	Arm	Askblu.ai
Audio-kinetic	AudioMob	Autify	Autodesk	Azerion	Backtrace	Baidu Union	Bangle	Bango	BattlEye	Bayes Esports	BCN Monetize	Beamable	Bidstack	Blacknut	Blade Shadow	Blastmode	Blender	Boku	Booming Tech	BugSplat	Buildbox
Byron Technologies	ByteBrew	Cellbig	Chartboost	Cheetah Mobile	Chukong Technologies	CleverTap	CLO Virtual Fashion	Clova AI	Cockroach Labs	Coda Payments	Code Qiankun	Codemagic	Cognitive 3D	Coherence	Construct	ControlZee	CoreWeave	CRI Ware	Crytek	Cyber Cloud	Cygames
Cyrex	Data Artist	Databricks	Daz Productions	Dear Culture	Defold	devtodev	Digital Turbine	Digital.ai	Discord	Dive	Dolby Labs	Domob	DOTWELL	Echo3D	Edgegap	Elias Software	Epic Games	Era Software	Estoteric Software	E-teng	Exit Games
Fabric	Faceware Technologies	Falco Security	Fanatical	Firebolt	Flaggs	Flurry	Fragcolor	Frameplay	FusionAuth	G2A	Gadsme	Game UI Database	Game Analytics	GameBake	Game Bench	Game Driver	Gamer Safer	Gamesight	Gameye	G-Core Labs	Geeklab
Genvid	Globant	Gloud	Godot	GOG	Google	Granzella Games	Graphcore	Gridly	Guard-square	Hadean	Haima Cloud	Havok	Helpshift	Heroic Labs	Hive	Honey comb.io	Horangi	Huawei	HyprMX	i3D	IceGamer Studio
iFlytek	Improbable	Incredibuild	Indicative	IndieBI	INFINI	InfluxData	InMobi	Inspir.ai	Intel	Inworld AI	Irdeto	IronSource	Itch.io	JetBrains	Juice Labs	Kakao	Kaskada	Kochava	KT Cloud	Kunlun	Kythera AI
Lab Cave	Lacework	Layabox	Layer	Leanplum	Leaseweb	Liftoff	Lightrain Music	Liqid	LIV	Live2D	Liveramp	Logz.io	LootLocker	Lucid Sight	Ludeo	Ludo	Lumen Technologies	M2	Machinations.io	Madhouse	Magic Media
Mana Interactive	Marvelous Japan	Marz Esport	mavens	Maxon	Maxst	Meleap	Meta	Metaboli	Metanomic	Microsoft	Migu	Mintegral	Mixpanel	Mobvista	Mod.io	Modulate	Moloco	Motion Analysis	Movella	Mudstack	Mugenup
Nadia	Nasuni	Naver	Nenly	NetEase	New Relic	NextPlay Technologies	NHN Corp	Niantic	Nintendo	Noesis GUI	Now.gg	Number Eight	Numfum	Nuuvem	Nvidia	Odeeo	OptiTrack	Oracle	Original Force	Overwolf	OVHCloud
OWO	Pangle	Panivox	Papaya Mobile	Parallelz	Parsec	PatchKit	Pecan AI	Perfect World	Perforce	Persistent Studios	Plask	Play Brain	Play.co	Playable Factory	PlayerWON	PlayHeart	Playtest Cloud	Playwin	Pragma	Procedural Worlds	Pyou
Qlik	Qualcomm	Qualisys	Rapport	Raylib	Rct.ai	Reallusion	Realwith	Relentlo	Remerge	Revolgy	Robot Cache	Sandbox Network	Sayollo	Scalarr	Scenario	Segasam	Servers.com	Share Creators	Silicon Studio	Simpool	Singular
Sizzle	Skillz	SmartBear	Soleilab	Sony	Spark Gear	Spectrum Labs	Split Metrics	StackPath	Stencyl	Stream Hatchet	Stretch Sense	Super Biz	Superscale	Swrve	TapNation	Tappx	TapTap	Tencent	Tenjin	Tensor Works	Testin
The Game Creators	Thinking Data	Thirdverse	Threedee	TianYu ShuKe	Tiled	Tilting Point	Tipalti	TLM Partners	TT	UID WORKS	UnitQ	Unity	UPLTV	User Insight	Userwise	Utomik	Utopia Analytics	Valve	Verimatrix	Verve Group	Vicon
VSPN	Wacom	WanPlus	Wappier	Wellbia	Wemade	Whomor	Wizcorp	Worldline	Wysilab	Xsolla	Yidian Art	Yomob	Youmi	Yoyo Games	YY.com	Zoho	Zuar				

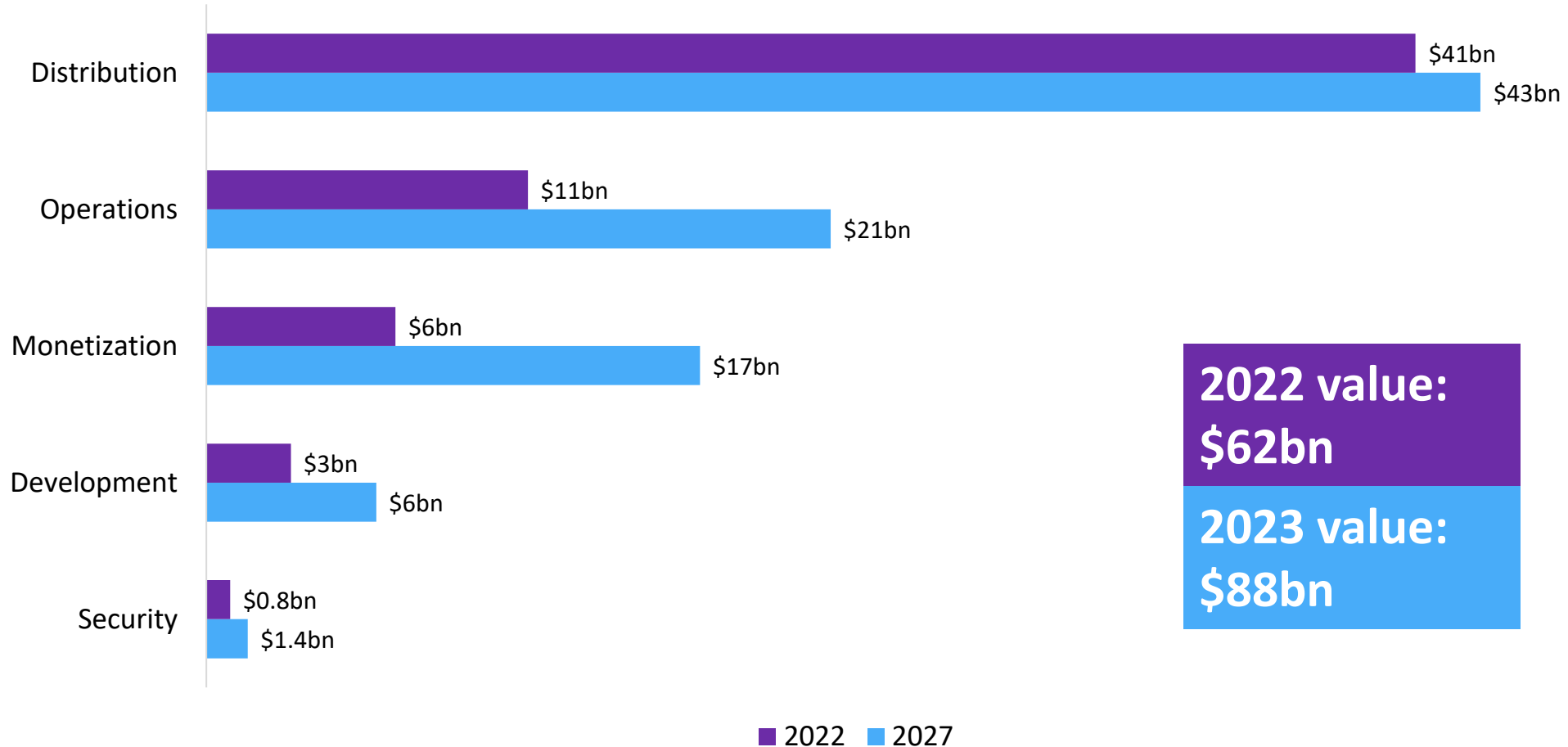


OMNIA

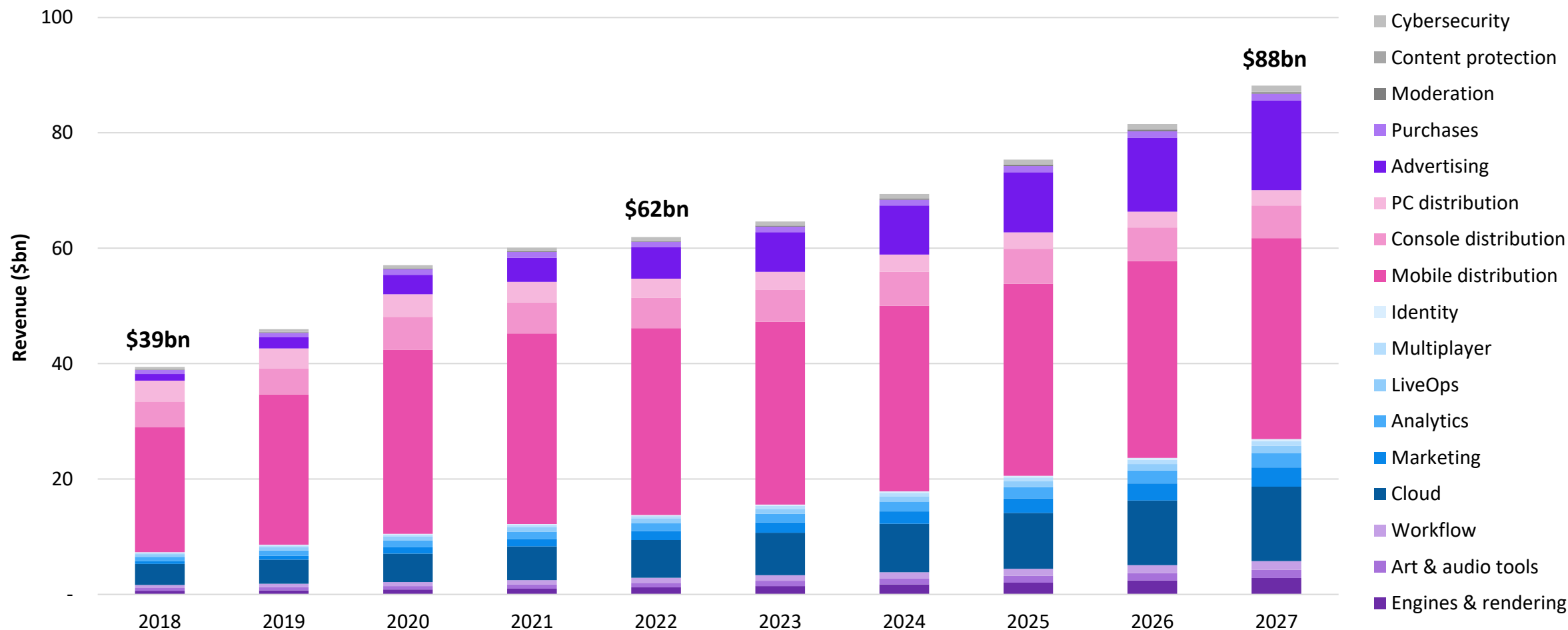


**How big is the games  
tech market?**

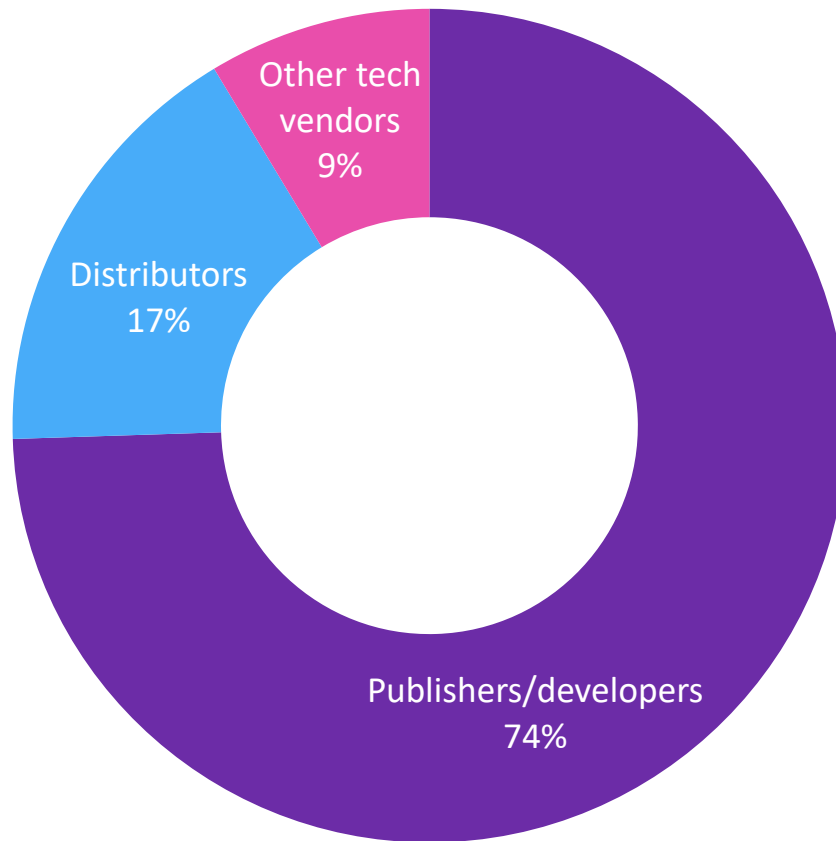
# The games tech market is big and growing fast



# Almost every market segment is growing strongly



Share of total games industry revenue, 2022



**Tech vendors  
capture about a  
quarter of  
industry revenue**



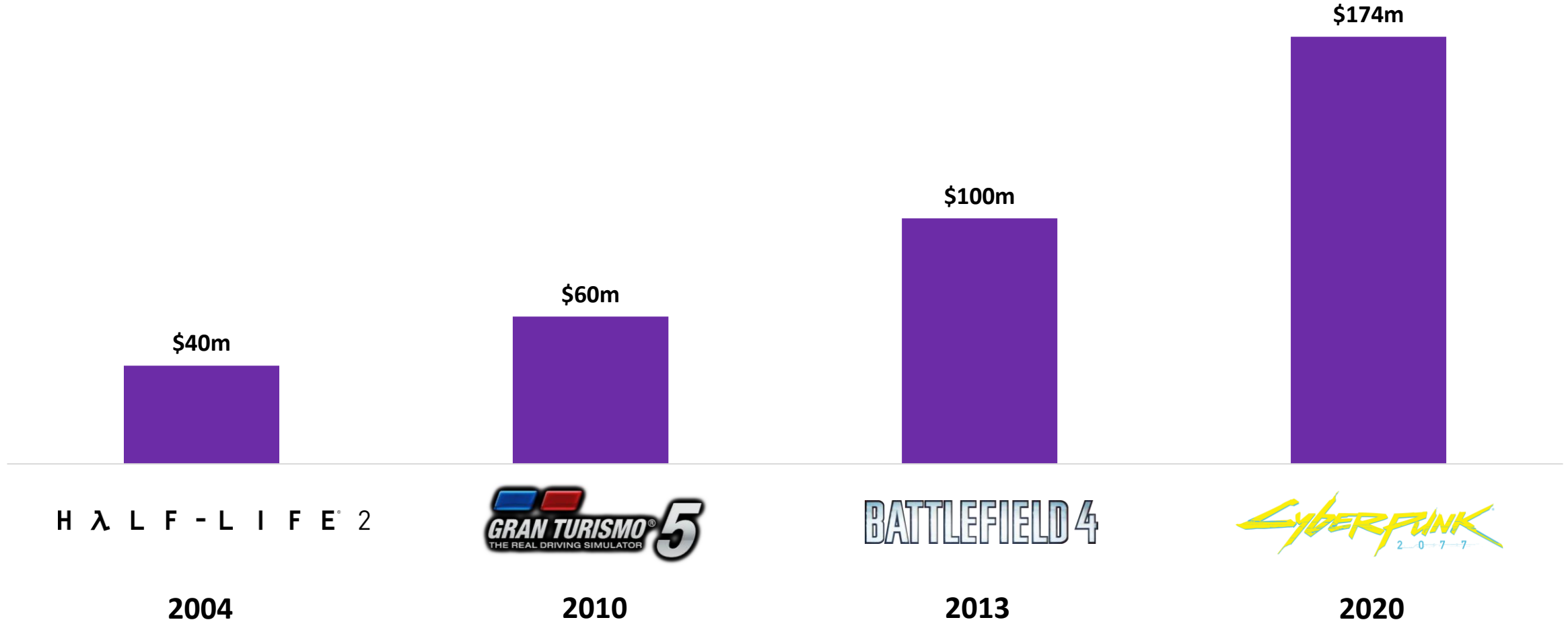
# What's going on here?

- Development costs are increasing.
- Marketing costs are increasing.
- Live service games are hard.
- Monetization is becoming more complex.
- Distribution platforms are getting squeezed.



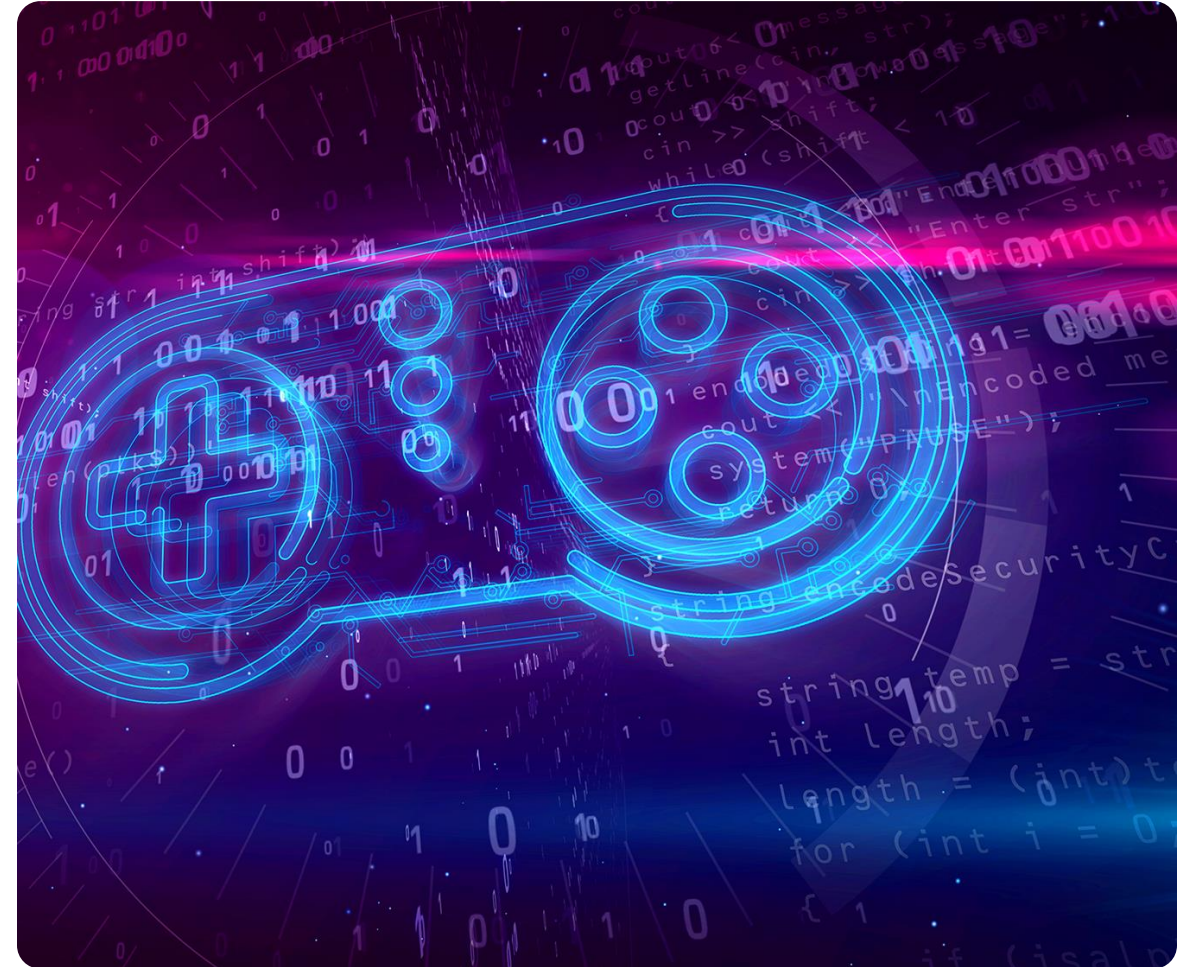
# Increasing development and marketing costs

# AAA development costs are exploding



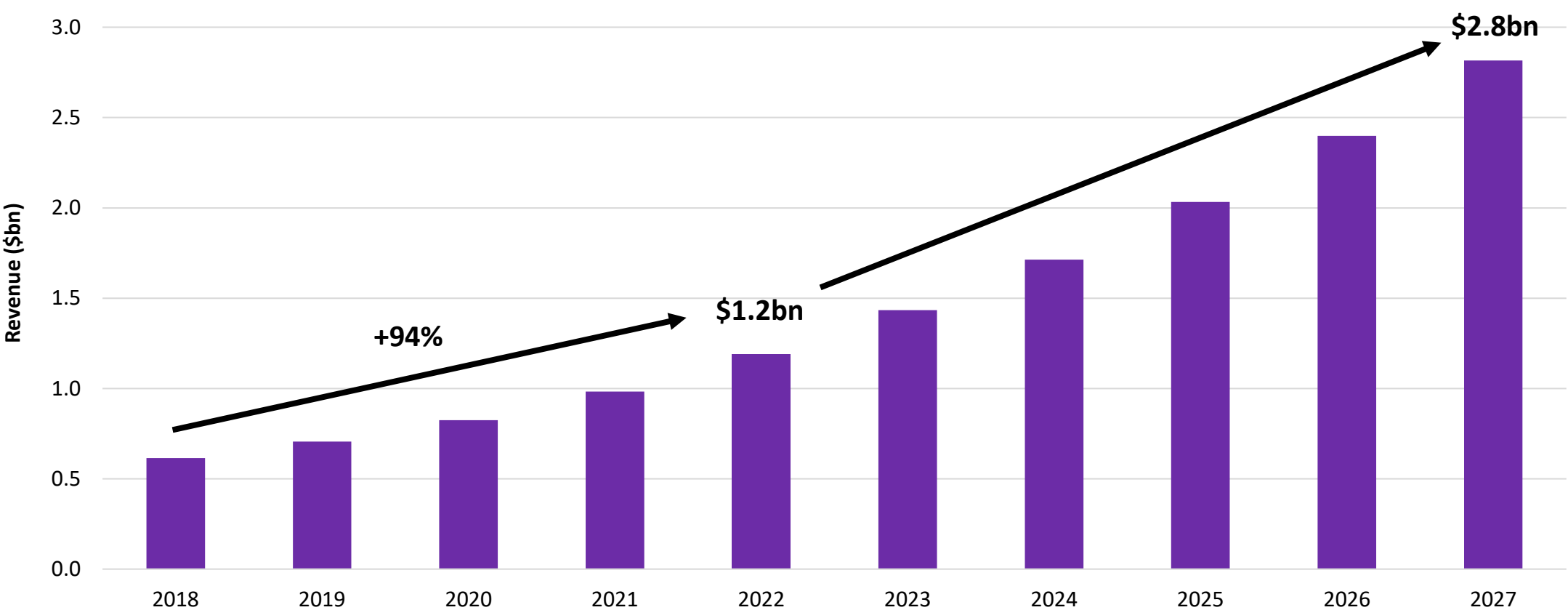
# Why game development is getting so expensive

- Exponential improvement in graphics hardware.
- Diminishing returns on labor.
- AAA publishers sucked into console hardware arms race.
- Mobile publishers locked in user acquisition cost spiral.
- Exacerbated further by general inflation and labor shortages.



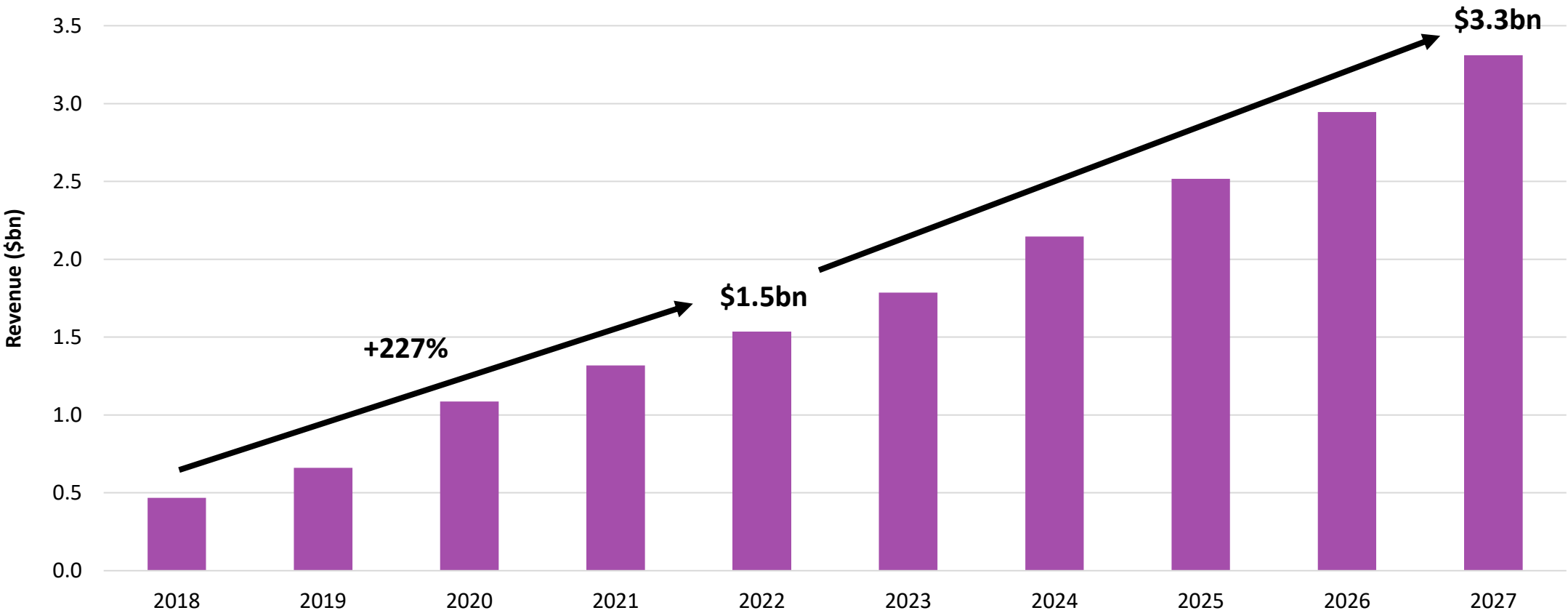
# Developers are spending a lot more on dev tools

Engines & rendering tech revenue, 2018-27



# ...and on user acquisition

Marketing tech revenue, 2018-27





**Live service games are  
especially demanding**

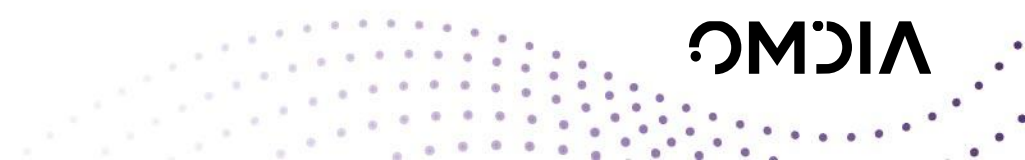
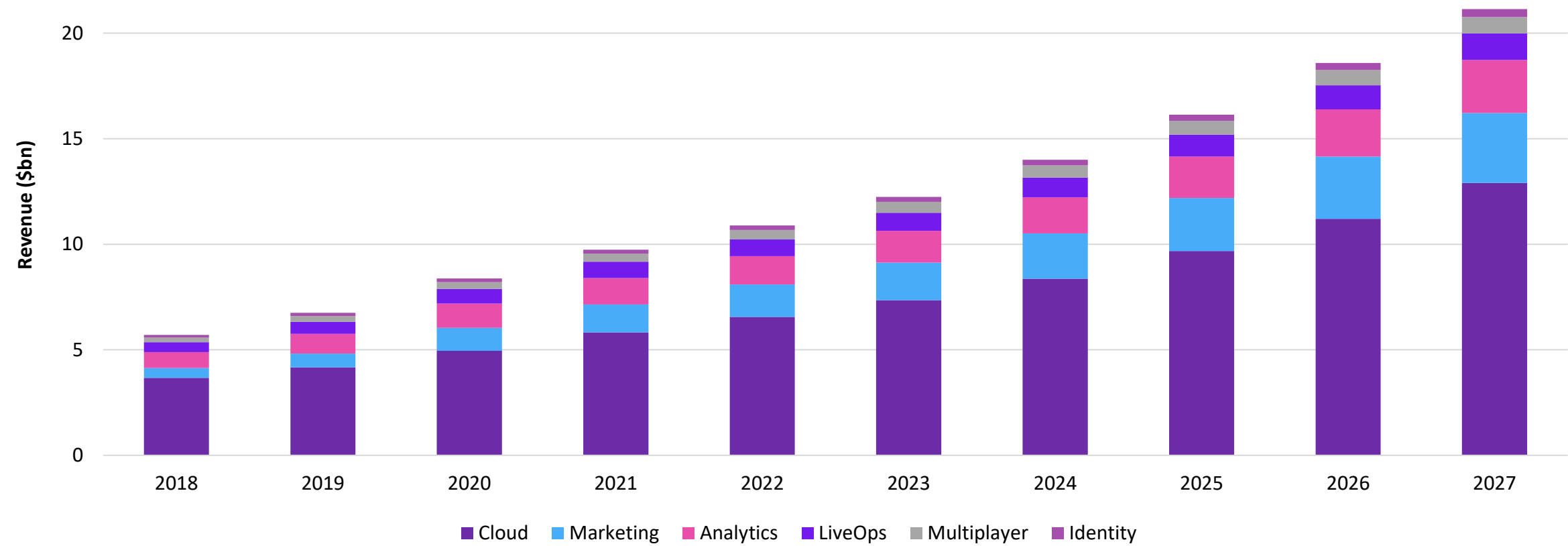
# Live service games are hard

- High technical complexity.
- Beyond the core expertise of most game studios.
- Very hard to build everything in-house.
- Tech vendors want to fill the gaps.



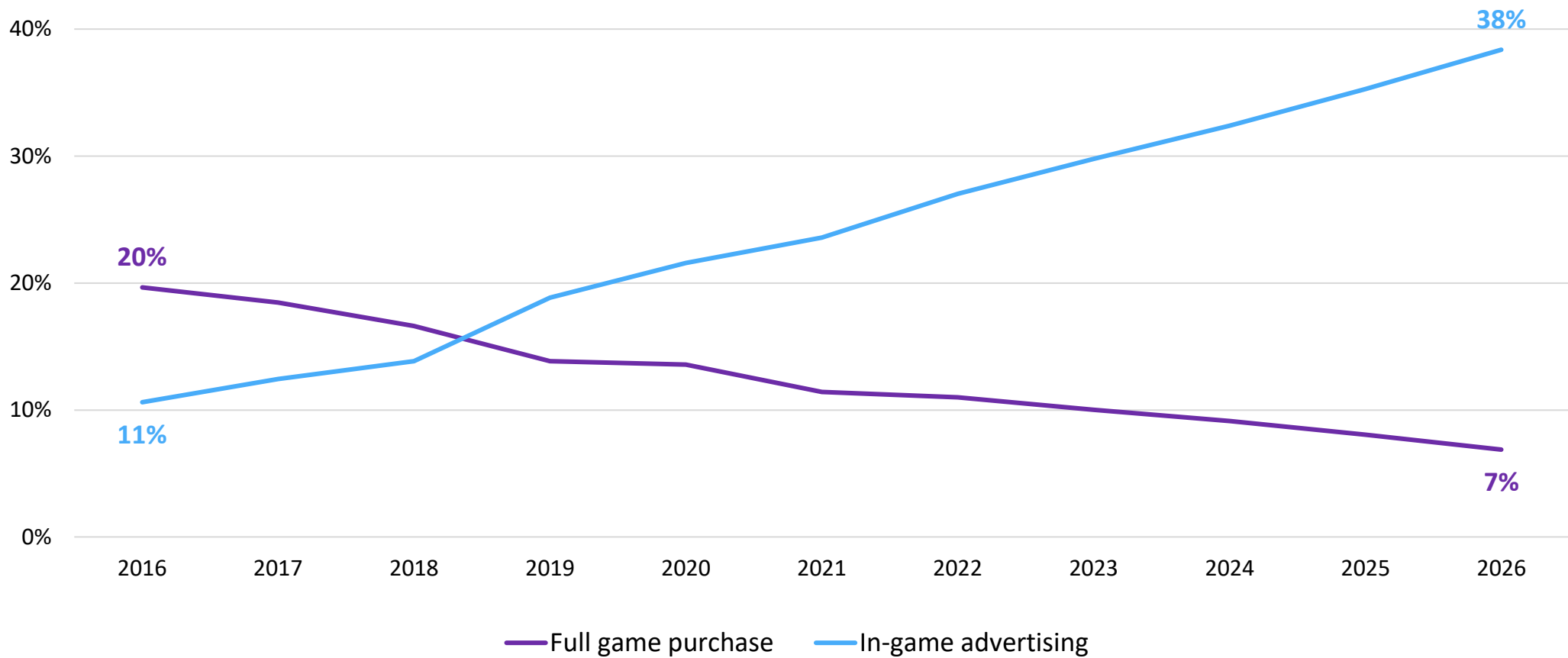
# Live service games drive billions in cloud and related spending

Operations tech spending, 2018-27



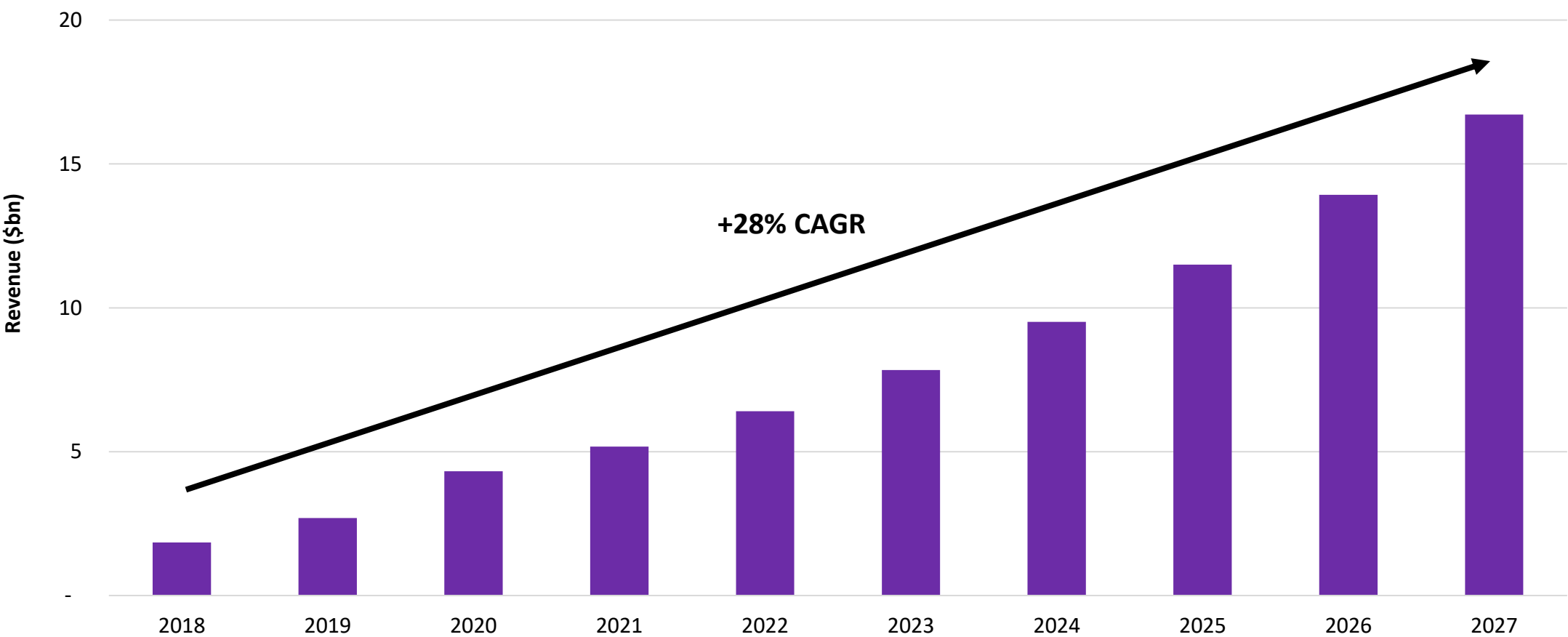
# Monetization is becoming more complex

Total games industry revenue share by monetization model, 2016-26



# No games tech segment is growing faster than monetization

Monetization tech revenue, 2018-27

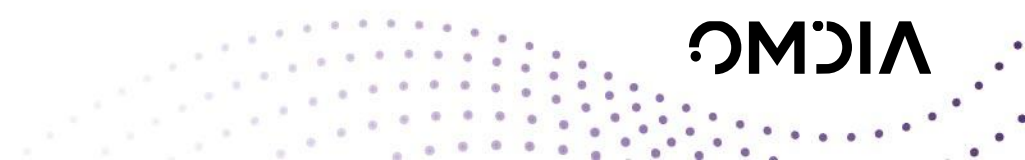
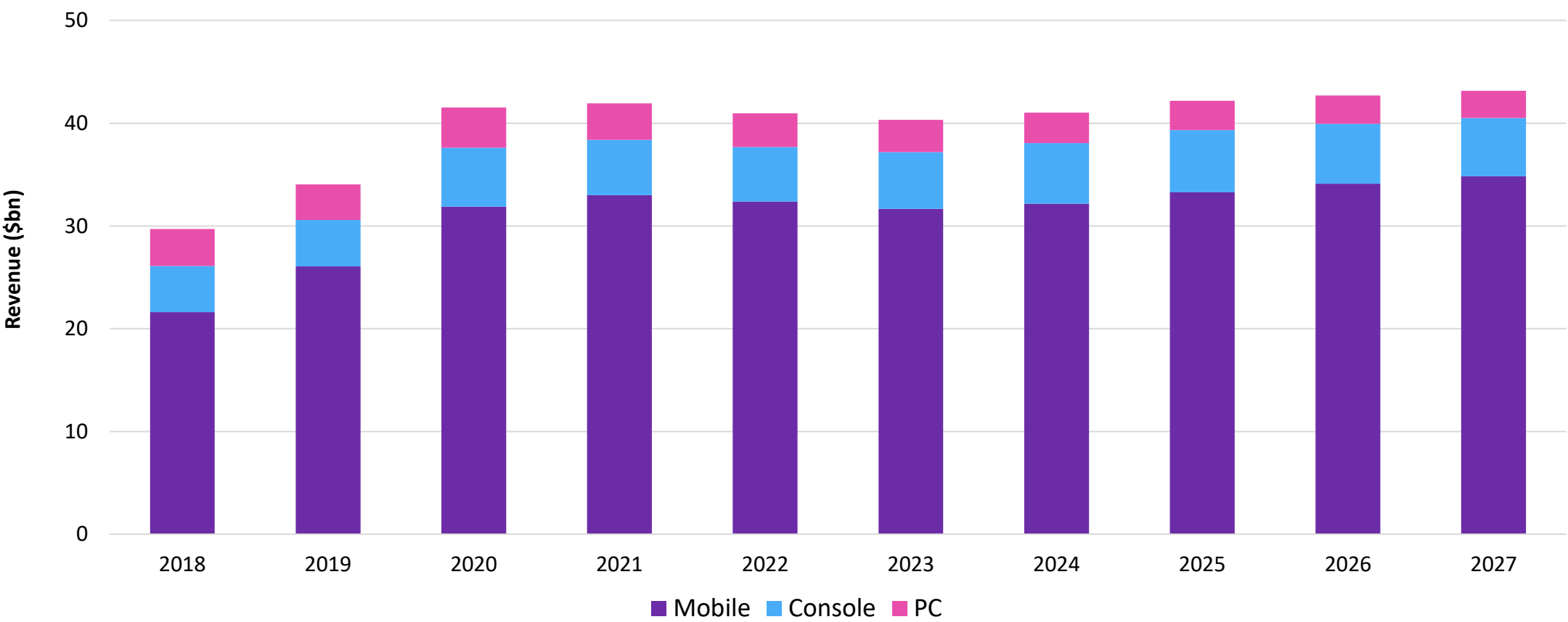


# Distribution platforms are getting squeezed



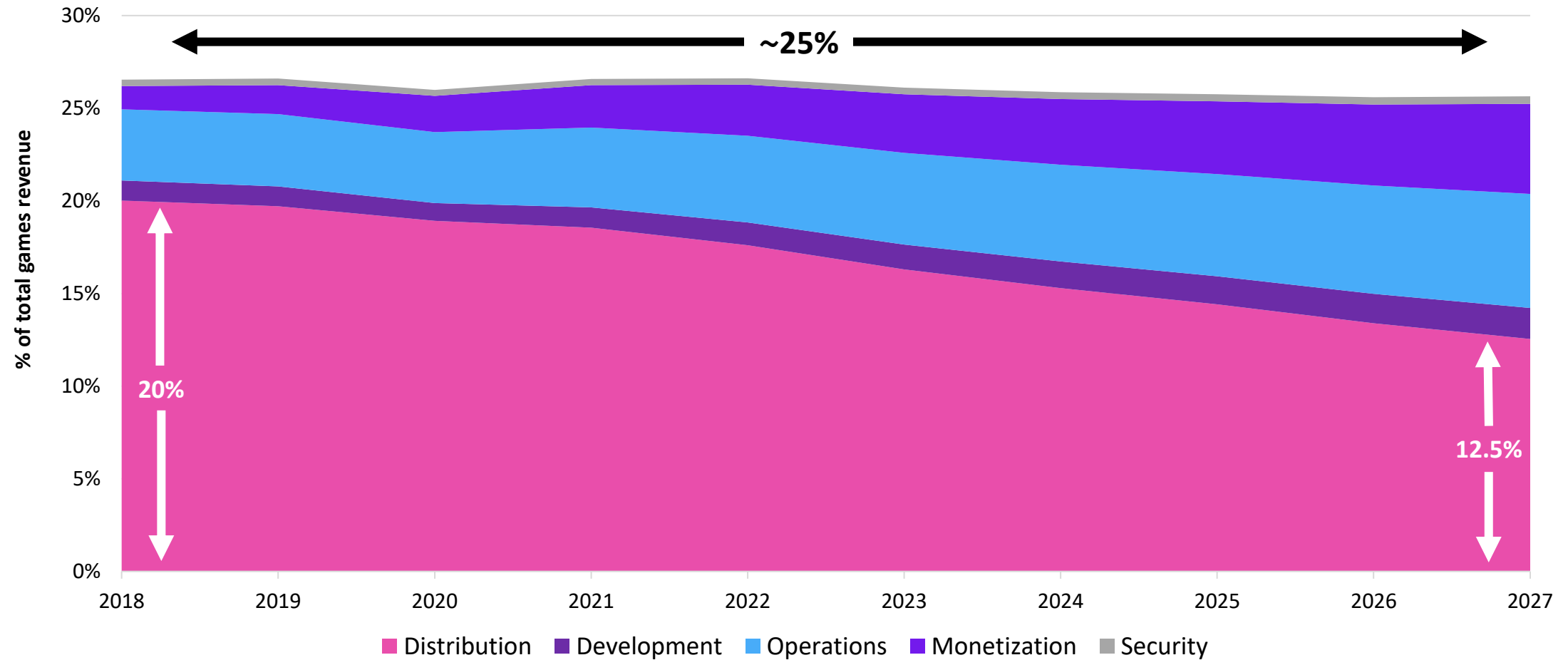
# Distribution revenue is flatlining

Distribution revenue by device group, 2018-27



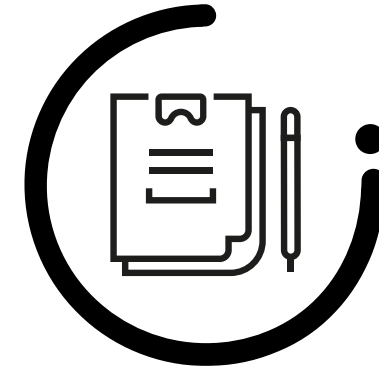
# Tech spending expands to fill the gap left by distribution

Share of total games revenue by games tech area, 2018-27



# Get involved!

- You can apply now to join Omdia's exclusive game developer research community.
- Share your experience.
- Receive free exclusive data.
- More details at Omdia booth (P1732).



# OMDIA

# Get in touch!



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# Thank you

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