The Market Game
innovation in the video game market

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The purpose of this paper is to explore market innovations in the video game industry, using sociology of translation as conceptual framework to create an understanding. In the early 1970s a market that made t possible for people to interact with video game was first introduced, through the construction of arcade machines: coin operated bulky wooden boxes with a TV-screen and hard-wired setup for one game only. Although there had been other, earlier, possibilities to play games. One of them being *Spacewar*, a two player game constructed in 1962 by the MIT student Steve Russell and his friends. But this game never had any commercial breakthrough, in that early version, it was played by thousand of students on computer throughout the US campuses. The video game market has since these early years grown to a size where the revenues surpass that of the Hollywood box offices, and video games makes its presence in most spaces.

Video games consisting of ones and zeroes and are very susceptible to technological innovations. This makes the game market very volatile, constant presenting new possibilities as new technology are enrolled: how games are produces, distributed and consumed. From early 1970s until today developers and publishers of video games have showed an extraordinary capacity to use technology to innovate a market of games: coin operated machines – gaming consoles – home computers – handheld devices – online technology – mobile technology – micro payment. The core gaming idea seems to be preserved: there are no major differences between gaming concepts between a game from 1970 and 2011, the difference if how this has been packaged and communicated to gamers.

The history of video games, and the development of these, has been the topic of a large number of books (Demaria and Wilson 2004, Herz 1997, Kent 2001, King and Borland 2003, Kline et al. 2003, Kushner 2003, Poole 2000). Throughout these books the history of this industry is carved out as part of culture, technology and efforts of the undertaking of passionate persons. When creating an understanding of market innovations in this paper I will use this literature as information on the industry. Conceptual framework of market innovation will be constructed from an Actor-Network perspective (Akrich 1992, Akrich and Latour 1992, Latour 1996, 1999, 2005) and studies on markets building on this perspective (Araujo 2010, Callon 1998, MacKenzie 2009, MacKenzie et al. 2007).

In reframing the history of video game development in an Actor-Network framework I have the possibility to contribute to the understanding of how markets are constructed, but also make an contribution to the understanding of the video game industry itself. Following previous studies on market construction and innovation it is important to add this market as it is assumed that the cultural markets follows a different logic then

markets of traditional services and goods. It is my experience, from studying this industry more then ten years, that this marketplace presents some very interesting aspects of market innovation. It is comparatively a young market where the actors involved in the construction span from idealist artists to state of the art technology, and 'traditional' media actors trying to create an understanding of the video game market. Secondly, as the video game industry belong to what is known as the creative industries, it is assumed that creating video games is a creative endeavour. In this paper I will show that this indeed is creative process, but the creativity is to be found where most would not expect – in the construction of a marketplace, and not in the actual development of game content.

Keywords: video game, technology, market innovation, popular culture

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