



FLINT – NOVEMBER 2020



# The Impact of COVID-19 and the Future of Game Development



## WHO IS PIKPOK?



- Developer and publisher of videogames across mobile, tablet, desktop, console, VR, and wearables
- 420m+ self published mobile downloads
- Distribute to over 200 territories in up to 25 languages
- New platform launch titles on Apple Watch, Apple TV, Apple Arcade, Samsung Gear VR, Oculus Rift, and Snap Games
- 12 Apple Editors Choice Awards plus BAFTA nomination

170 highly experienced and talented staff based in Wellington, New Zealand

PIK  
POK



# END TO END PUBLISHING SOLUTION



## Intellectual Property

Internal ideation  
Brands/Licenses  
Third party content

## Development

Internal dev capability  
Third party developers  
Outsource production support

## Distribution

Mobile  
Tablet  
Desktop  
Console

## Promotion

Portfolio cross promotion  
Paid user acquisition  
Platform featuring  
Event/seasonal content  
Community leverage

## Monetization

Dynamic Advertising  
Rewarded Video  
Premium Pricing/IAP  
Subscriptions  
Merchandising



10s of millions of unique monthly actives

100s of millions of monthly ad impressions

Integrated Social and Cross Promotion Platform

Localize into up to 25 languages





INTO  
THE DEAD 2



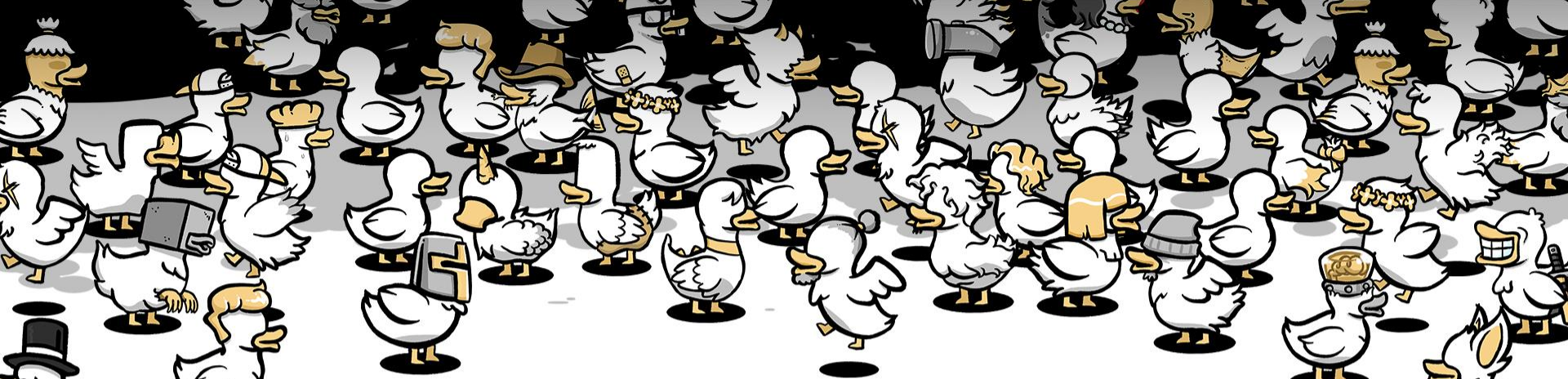
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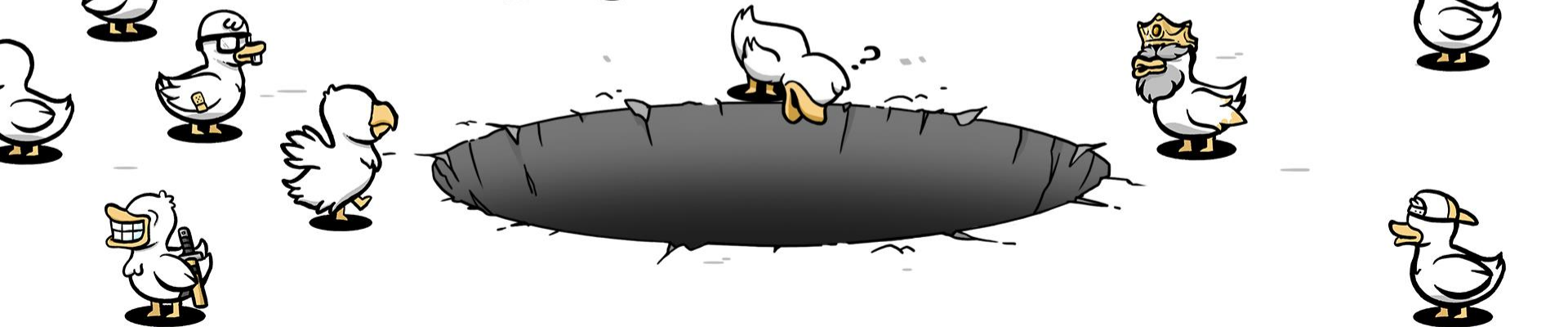
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# READY SET GOLF™



# CLUSTERDUCK™



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**CAT CLUB**



**BEATSHAPERS**





# pikpok path to global lockdown

- Jan and Feb 2020 at “better than expected” levels of revenue
- kept a close eye on evolving COVID situation, and stayed ahead of gov. guidance
- messaging to all staff to manage expectations with detailed forecast of impacts
- 3 weeks prior to lockdown – trialed small team of 6 working remotely
- 2 weeks prior to lockdown – extended trial to 20 people
- 1 week prior to lockdown – extended work from home to 50 people
- On lockdown week – cycled remaining 100 people to WFH in 3 days



# what were the work from home logistics?

- expanded studio server bandwidth for more VPN access
- moved most workstations out to homes, provided cameras/headsets/chairs etc
- evaluated that all homes met temporary government requirements
- increased transparency, guidance, and support to manage expectations and anxiety
- subsidized increased power costs for staff

# COVID-19 has driven engagement for an already thriving gaming industry

Brian Heater @bheater / 2:45 am NZST • July 21, 2020

Comment



Image Credits: Getty Images

A few days after releasing [new figures](#) for the month of June, [NPD is offering up some broader trends](#) for the gaming industry at large. It likely won't surprise you to hear that the industry continues to thrive in 2020, and COVID-19-driven stay-at-home orders have only further contributed to gaming adoption here in the U.S.

According to the report, three out of four people in the U.S. play some amount of video games. That's 244 million people — up by 32 million from 2018. Among those who play, 39% are light gamers, playing less than five hours a week; 32% are classified as moderate, at five to 15 hours, and 20% play more than 15 hours a week, putting them in the heavy camp. On average, gamers surveyed play around 14 hours a week, up from the 12 hours reported in 2018.

The novel coronavirus has driven adoption, as gaming sales have suggested for several months now. Of those surveyed, 35% say they're playing more than they were prior to pandemic restrictions. Though most are simply playing on non-gaming-specific devices they already owned — primarily things like smartphones, tablets and computers.



# pikpok and global lockdown?

- multiple local and overseas industry events cancelled outright
- some new foreign hires stuck overseas
- 30% increase in revenue for 3 months, from April to June
  - more players
  - individual players playing more often and for longer
- estimated drop in productivity/velocity to ~80% but could still do almost all tasks
  - so many (slow) formal videoconference calls meant less time for actual work
  - ad hoc questions didn't happen as much, info and guidance slow to propagate
- recruited 8 new staff
- needed to manage sense of isolation and anxiety for some staff

CORONAVIRUS ●

# China removes Plague Inc game from app store

29/02/2020

Sae Strang



The company said it's working "very hard" to try and find a way to get the game back in the hands of Chinese players. Photo credit: Ndemc.

**Popular pandemic simulation game *Plague Inc* has been removed from Apple's App Store in China.**

According to *Plague Inc* creators Ndemc Creations, authorities say the game "includes content that is illegal in China as determined by the Cyberspace Administration of China".

The game allows players to create an illness and evolve it, with the goal of wiping out humanity. The app may have been removed from the store as the COVID-19 epidemic, which originated in China, spreads.



# pikpok post lockdown?

- threat of being locked out of China App Store, but no change yet
- no international business/conference travel expected this year
- foreign hires stuck overseas, and border lockdown poses recruitment challenges
- foreign outsourcing partners slower in some cases as they remain under restrictions
- revenues and activity has returned to pre-COVID “better than expected” levels
- permanent improvements to office hygiene standards and guidance
- continued expansion, with team now at 170 and continuing to grow
- new work from home policy being trialed
  - staff have yearly allowance, apply like annual leave, laptop pool to support
- almost all large meetings and studio addresses now livestreamed



# challenges to a more flexible WFH policy

- highly varied roles with different needs makes forming blanket “fair” policy tough
- very collaborative work, that relies on casual ad hoc discussion
- workstations and software high spec, so expensive to replicate for home
- not all staff have home environment suitable for OSH or confidentiality reasons
- some work relies on access to and transfer of very large files
- some proprietary hardware storage and service access must happen at office
- IP and data security requirements and concerns
- onboarding new staff and building rapport in new teams more challenging

# COVID-19 pandemic turns console gamers to digital sales in record numbers

*Console sales reached the digital tipping point this summer*

By Owen S. Good | Aug 11, 2020, 4:49pm EDT

f t SHARE



In a year unlike any other — no E3, for starters — console gaming crossed a significant threshold early. | Photo: Samit Sarkar/Polygon

Console video game sales will be a majority-digital marketplace when the next generation launches in a few months, and the novel coronavirus carried them over that threshold.

That's the inescapable feeling after video gaming's major publishers touted huge surges in their installation bases and online sales — full-copy games as well as microtransactions — during the first full quarter of the lockdown lifestyle that the COVID-19 pandemic has imposed on much of the world.

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## other market trends to consider

- Loot box regulation being investigated in multiple markets, new policy tabled
- New regulatory efforts in data privacy, especially around children, in multiple markets
- Chinese game content regulation, market continues to evolve
- Increased sensitivity of platform holders to violence and adult content
- Shift towards “all you can eat” Netflix style game content platforms
- Shift to next generation of consoles
- Resurgence of streaming platforms
- Shift over next decade from smartphone to AR/MR platforms
- Large, ongoing growth in game audience in markets like China, India, SE Asia, and LATAM



## some predictions

- game industry will lead evolution of remote collaborative tools and processes
- rapidly changing business models/platforms will create turmoil and drive companies to mitigate risk through consolidation and diversification
- mixed reality platforms/games will become next gold rush opportunity

## Impact of the COVID-19 pandemic on the video game industry

From Wikipedia, the free encyclopedia



This article documents an ongoing situation relating to the **COVID-19 pandemic**. The article may change rapidly as information becomes available, and not all information cited may be accurate. The **latest updates** to this article may **not reflect** the most current information. Please refer to your local government for the latest advice and information pertaining to a specific location. Please help **improve this article** using **reliable sources** or help by discussing changes on the talk page.  (*June 2020*)  (*Learn how and when to remove this template message*)

This article **does not follow Wikipedia's guidelines on the use of different tenses**. Please consider *copy editing* to the **present tense**, as the article is about a **current event**.  (*June 2020*)  (*Learn how and when to remove this template message*)

The **COVID-19 pandemic** has had a substantial impact on the **video game industry**. The video game industry has been impacted by the outbreak in various ways, most often due to concerns over travel to and from China or elsewhere or related to slowdowns in the manufacturing processes within China.

### Contents

- 1 Overview
- 2 Cancelled or affected industry events
- 3 Esports
- 4 Hardware production
- 5 Sales
- 6 Hardware and software releases
- 7 Services
- 8 Retailers
- 9 Industry trade bodies
- 10 Industry support of mitigation and relief efforts
- 11 Popular games during the pandemic
- 12 Notable deaths
- 13 References

## Overview

In contrast to many other economic sectors that are drastically affected by the pandemic, the video game industry has been far more resilient to the pandemic. Most video game developers, publishers and operators have been able to maintain operations with employees working from home remotely to sustain game development and digital releases, though as movement control orders persisted, some productivity issues have arose.<sup>[1]</sup> Further, with many people globally at home and unable to work, online gaming has seen record numbers of players during the pandemic as a popular activity to counter physical distancing for society, a practice recommended by the World Health Organization<sup>[2]</sup> which helped boost revenues for many companies in the gaming industry.<sup>[3][4]</sup>

There has still been negative impacts on the industry, notably with major trade events like the E3 2020 cancelled or postponed which may have impacted relationships between the smaller developers and publishers. This has particularly impacted indie developers who typically use these events for face-to-face meetings with potential partners to gain funding and publishing support, and caused them to have to delay or cancel projects.<sup>[5]</sup> Further, many esports leagues had to alter plans for their games, transitioning from live events to remote play or cancellation altogether. Portions of the sector that relied on physical products, such as retail stores and peripheral makers, as well as those dependent on in-person activities such as quality assurance through playtesting, ratings evaluation, and marketing, also struggled with global stay-at-home orders.<sup>[6]</sup>

The origin of the pandemic in China is also expected to impact the supply chains for electronics for the year which may limit hardware availability once the pandemic begins to slow down. This may impact plans for Microsoft and Sony Corp. to release their next-generation consoles, the Xbox Series X and PlayStation 5 in the part of the year.<sup>[7]</sup>

## Cancelled or affected industry events

Many trade events and expositions for the industry have been cancelled or postponed due to banned against public gathers during the pandemic. Of note, the largest trade event E3 2020 was ultimately cancelled by March 2020 by the Entertainment Software Association (ESA) after several weeks of doubt.<sup>[8]</sup> However, on March 11, 2020, the ESA affirmed that they cancelled the physical E3 show amid the fears of the outbreak as they are looking to arrange for virtual presentations from its exhibitors.<sup>[9]</sup> However, by April 2020, the ESA determined that the logistics of arranging a virtual event was too difficult due to disruptions from the pandemic, fully cancelling the show in 2020, but with plans in place to return in 2021. The ESA offered the E3 website to help partners to support product announcements in lieu of the E3 show.<sup>[10]</sup> Additional events have been arranged in lieu of E3, with Geoff Keighley having arranged a four-month Summer Game Fest with several game developers, publishers, and other industry leaders to provide announcements and game demos from May to August 2020 as a replacement for the E3 and other cancelled events.<sup>[11]</sup>

Other cancelled or postponed events include:

- The Taipei Game Show, planned from February 6–9, 2020 was postponed until June 25–28, 2020,<sup>[12][13]</sup> but was canceled in March 2020 due to the escalation of the pandemic.<sup>[14]</sup>
- The Mobile World Congress, to have been held in Barcelona, Spain in March 2020 was cancelled as several of the China-based vendors had to cancel plans.<sup>[15]</sup>

Part of a series on the  
**COVID-19 pandemic**



SARS-CoV-2 (virus) · COVID-19 (disease)	
Timeline	<span>[show]</span>
Locations	<span>[show]</span>
International response	<span>[show]</span>
Medical response	<span>[show]</span>
Impact	<span>[hide]</span>
<b>Socio-economic</b>	
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<b>By industry</b>	
Arts and culture · Aviation · Cannabis · Cinema (films) · Education · Event cancellations · Fashion · Food (Canada meat · U.S. meat) · Journalism · Music · Performing arts · Retail · Sports · Television (U.S.) · Tourism · Video games	
<b>COVID-19 Portal</b>	
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