



INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



Effects of Twitch Streaming Towards the Video Games Developers in the Industry

Khairi Khairuddin & Zulkifli Abd Latiff

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v12-i7/14190>

DOI:10.6007/IJARBSS/v12-i7/14190

Received: 14 May 2022, **Revised:** 17 June 2022, **Accepted:** 27 June 2022

Published Online: 12 July 2022

In-Text Citation: (Khairuddin & Abd Latiff, 2022)

To Cite this Article: Khairuddin, K., & Abd Latiff, Z. (2022). Effects of Twitch Streaming Towards the Video Games Developers in the Industry. *International Journal of Academic Research in Business and Social Sciences*. 12(7), 585 – 592.

Copyright: © 2022 The Author(s)

Published by Human Resource Management Academic Research Society (www.hrmars.com)

This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: <http://creativecommons.org/licences/by/4.0/legalcode>

Vol. 12, No. 7, 2022, Pg. 585 – 592

<http://hrmars.com/index.php/pages/detail/IJARBSS>

JOURNAL HOMEPAGE

Full Terms & Conditions of access and use can be found at
<http://hrmars.com/index.php/pages/detail/publication-ethics>



INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



www.hrmar.com

ISSN: 2222-6990

Effects of Twitch Streaming Towards the Video Games Developers in the Industry

Khairi Khairuddin & Zulkifli Abd Latiff

Faculty of Communication and Media Studies, Universiti Teknologi MARA, Malaysia

Email: khairi.k@uitm.edu.my.com

Abstract

This study focuses on how the social media platform Twitch.tv is a benefit or detriment to the video games industry. With live streaming becoming the new form of interaction on social media, Twitch.tv is considered to be at the top of the field. The platform's primary focus is more towards gaming thus the aim of this research is targeted at whether this platform would impact the industry as the content shown on the platform could directly affect the sales of the game. This study provides the necessary information that allows developers from the industries to design and create their games with the utilization of Twitch.tv in mind. A Qualitative method was used where interviews were conducted towards an industry developer and student developers where questions were asked regarding their views of the platforms and how they have used the platforms for their own games and designs with the social media platform in mind. The interviews proved that Twitch.tv is a useful marketing tool with more benefits than detriments. The research shows that multiplayer games benefit a lot from the use of Twitch.tv while Singleplayer suffers a setback from the social media platform. Further research for this study can be conducted in which the correlation and marketing can be done from both streamers and developers directly.

Keywords: Twitch, Tv, Streaming, Video Games Industry, Video Game Developers

Introduction

"The onset of the digital age has created new lifestyles and new habits of consumption among younger generations who are embracing the use of digital media devices as the primary means for communication" (Espinoza et al., 2017). At the current age, the transition into digitalization is becoming more apparent and clear. With the prospect of digitization being apparent, the usage of social media has become something that is a necessity as information and data can be found through social media. This is further supported by "Active social media users have passed the 3.8 billion mark with this number increasing by more than 9 percent (321 million new users) since this time last year" (Chafey, 2020). The current platform that is being viewed the most nowadays is the streaming platform Twitch.tv. Twitch.tv is a streaming platform that "creates a virtual 'Third Place' where users watch live-streamed videos while interacting with each other simultaneously" (Dux, 2018). Thus the purpose of this paper is to look into the streaming platform Twitch as "Twitch.tv boasts 100+ million unique monthly visitors, and about 10 million daily active users" (Smith, 2017).

Problem statement - As Twitch.tv is gaining popularity and is gaining viewers, its affect towards the video games industry has to be put into question as the stated "A dedicated viewer could potentially tune into a stream when the streamer begins playing a new game, watch the entire game being played, and then feel satisfied that - having seen the complete game - there is no longer any pressing need to make a purchase of the game" (Mark & Jamie, 2018). This would affect the sales of video games which would impact the video games industry as less sales equals to the company not receiving money for future developments of games.

This can be viewed as true with some particular type of games such as single player or story driven based games as viewers are already exposed to the full content through streaming as stated ". For certain kinds of games, the impact of streaming is seen as largely negative, benefitting streamers and the platform more than developers, which has implications for what developers consider commercially feasible" (Parker & Perks, 2021)

However, on the other side of the spectrum, it can also be said that smaller video game companies can benefit from streaming platforms in that it can be a source of free online promotion. Successful streamers already have a following and are continuously growing their followers each day. Streamers like Ninja who has 18 million followers and an average viewer count of 300,000 per stream can help the smaller video game company to promote their games freely or cheaply by providing the streamer a free copy of the game to play on their platform as stated "having a game streamed in sufficient numbers can improve discoverability on digital distribution platforms thanks to increased searches and wishlisting" (Parker & Perks, 2021)

Research Objective

Research objectives serve as the base for understanding the purpose of the research as well as narrowing down the target of the research. By answering the research objectives, the research will be able to conduct an analysis and an understanding to the purpose of the research. Thus, the research objectives are listed below :

RO 1: What are the positive effects that Twitch.tv is having to the video games industry.

RO 2: What are the negative effects that Twitch.tv is having to the video games industry.

RO 3: What are the challenges that developers faced due to Twitch.

Literature Review

Twitch.tv

Twitch. TV is a live streaming site for shared content. The platform functions primarily as a website for streaming live gaming content which includes esports tournaments, music broadcasts and even streaming what is known as "real life." Such feeds are created by producers of content, who document themselves and post themselves to the web. They live streamed a game of Pokémon Red and allowed its audience to control the playable character through the use of specific commands given through the in-built chat function within the website (McWhertor, 2014). Twitch 's popularity has also impacted the game development industry for better or for worse. Since twitch encourages content owners to live stream themselves playing games on the site, revenues of such games are impacted as the quality of the games is "spoiled" by live streamers and future customers have no desire to purchase these games any longer. Although some game development companies have made more profit from Twitch due to their live streaming services.

The natural age range of viewers of Twitch.tv seems to be around the age of 25 - 34 as based on Statista "The statistics show the distribution of Twitch users worldwide as of the second quarter of 2019, broken down by age group. In the measured period, 32 percent of users who accessed Twitch in 2019 were aged between 25 and 34 years." (Clement, 2021). This shows that the average viewers of Twitch are people that have less time on their hands as they are either busy studying or working which results them into watching Twitch streamers to gain the content of a game rather than playing the games themselves as it is less time consuming.

Twitch is as today the number one streaming platform with over 100 million viewers as mentioned "Twitch.tv boasts 100+ million unique monthly visitors, and about 10 million daily active users" (Smith, 2017). Twitch viewers are able to sign up for an account for free and even post their content for free on twitch to be streamed on the platform. Twitch earns their money from their taking a small cut from their streamers as well as advertisements which brings them a net value of 2 Billion US dollars "Market research company Nielsen estimates that Twitch brought in revenue from all sources of about \$2 billion in 2020" (Nielsen, 2022)

Video Games Industry

The video game industry is an economic sector that functions as a source to develop, market and distribute video games. The creation of smartphones and its progress in technology has allowed the games industry's market from selected groups of dedicated players to almost anyone that has a smartphone in hand as mentioned " in 2012 and 2013, there was a significant shift in user activity from PCs to mobiles, which was driven by the rapid expansion of China's mobile Internet-user base, including smartphones as well as new mobile apps and games." (Fung, 2017). In the process of games development as well as gone through major changes as technology grew. This further enhanced with social media platforms providing free streaming services which can garner big audiences online as games such as Rocket League which was tailor made for live streaming received successful gains and positive critical acclaim when content creators streamed themselves playing on Twitch as well as conducting tournaments using the platform (Johnson & Woodcock, 2019)

The video games industry is a fast paced moving industry as the industry is closely tied to the changes of technology. As technology grew from computers to portable devices to smartphones and now virtual reality the industry changes significantly with each transition. Developers have to adapt and make use of the ever rapidly moving growth of technology. Each new change provides a multitude of opportunities for the developers to create something unique and tread new ground in the industry as is with the introduction of smartphones has introduced a whole new brand of games suited to only work with smartphones and create a whole new market for developers. With the existence of smartphones the industry changed by creating small short games that allows their players to hop in and out of the game at any time and not invest a lot of effort and time as with traditional games. These games are called "casual games" which also introduces a whole new market and innovative ideas for making money such as with advertisements within games as well as micro transactions which has completely changed the industry indefinitely.

Although changes in hardware garners change within the industry. Sometimes, changes with software also creates a change. Twitch.Tv and streaming services also provides a major change in the industry. Streaming platforms such as twitch has changed the way games are played as well as how games can be marketed as mentioned within a study

conducted by Pashkov (2021), where within the study conducted mentioned that “All of the interviewees expressed their positivity towards livestreams and agreed that it affected their purchasing mindset in some ways, although there were no particular responds that worth mentioning” (Pashkov, 2021)

Theoretical Framework

Uses and Gratification Theory

Uses and gratification theory is the primary theory that is used to guide the study. This is because the theory of uses and gratification relates strongly to the idea and concept that the study is looking into. The concept in question is about how and why youths use the media to their own benefit (Severin et al., 1997). As games have become recently popular with the appearance of smartphones and with easily accessible access to social media due to the internet being readily available, anyone can create content and it can be viewed by anyone regardless of location and time.

Conceptual Framework

Based on the literature review, this is the conceptual framework for the research that was created.

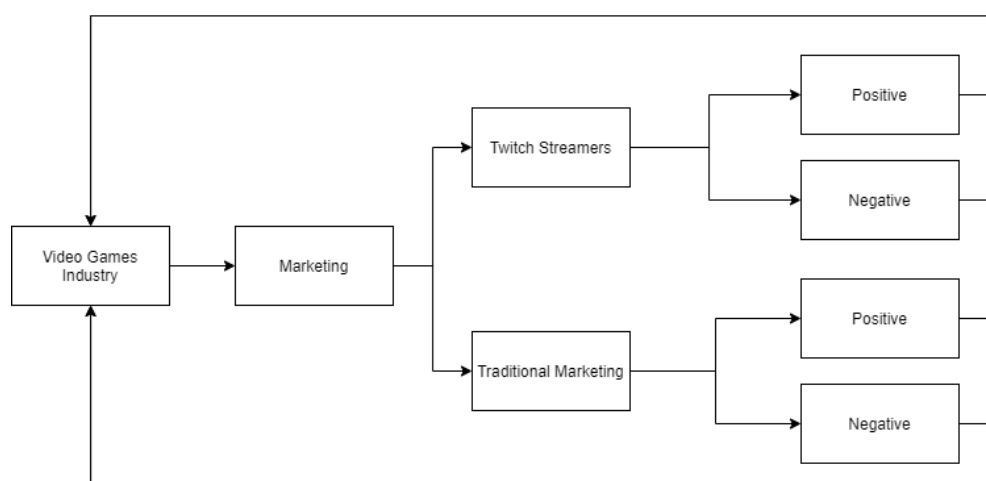


Figure 1. Conceptual Framework for the study

Methodology

Research design is the methods and procedures used in collecting participants and extracting the required data from them. The primary method of data collection will be done through interviews. As “Interviewing is the most widely used form of data collection in qualitative research” (Creswell, 2007). The target of the interviews will be game developers themselves as well as students that are studying game development. This is because by interviewing developers, the insight obtained from their knowledge and experience will serve to help get a better understanding of the positive and negative effects on the industry as the developers are already within the industry. While interviewing students of games development will help gain a different perspective from the developers within the industry because the students are usually known to be interested in games as such they are most likely to watch game streams and learning from their perspective as an audience of game streams from Twitch.tv as well as their insight from game development courses will prove to be insightful.

Data Collection Method

The interviews will be conducted through online means as it will help in saving time in scheduling the appropriate time slot to conduct the interviews. Online interviews also help in covering long distances especially through the current Covid - 19 pandemic where the movement control order is placed thus limiting long distance movements. Due to the Covid - 19 pandemic as well, safety is of major concern as the spread of the virus can be transmitted through verbal interaction thus by using online interviews it will help secure the safety and reduce the stress during the interview. Thus the interviews will be conducted through the usage of online free softwares such as Skype, Google Meet or Discord which will also be recorded with the consent of the interviewee.

Sampling Method

The sample will be selected through Saturation sampling, in that the number of participants will be selected based on the quality and quantity of data gathered by the researcher. This will help gather sufficient data as the conclusion of sufficient data gathered is based on the researcher's conclusion.

Validity and Reliability

In order to assess the validity of the study, the interviews conducted were recorded with an online software, which records both sides of the interview. The interviews were then transcribed by the researcher which were then reviewed while listening to the audio to check whether there were any inconsistencies between the interview and the researcher's transcripts. The transcripts were then shared to the interviewees while listening to the recorded audio as confirmation that the interview was conducted. The reliability of the data was then checked through the use of peer checkers in that two individuals within the same field of the researcher would check the data.

Results and Discussions

Through the transcription obtained from the interview, a number of important factors were gained through the use of Thematic Analysis by Daly et al (1997) in which the data is analyzed by looking through patterns and similarities within qualitative data.

Positive Effects

Based on Student Perspective

During the interview, a few general questions were given out to help understand the interviewees' understanding of the platform. The game development student is a frequent user of Twitch.tv and uses the platform to support his friends by watching their friends' content. In the perspective of a student developer of the industry, the platform Twitch.tv is considered to be useful in that it provides free marketing for the developers to promote their games as the streamers provide context and enjoyment which can lead to the audience wanting to experience the same feeling.

Based on Industry Developer

During the interview with the developer, the developer claims that he does not watch Twitch.tv often but instead watch videos on YouTube but is aware of the platform and its uses. The developer states that the platform is useful for advertising and marketing the game especially if it is a free-to-play game. The platform can also be used in development for

exposure of the game to the audience in a less expensive method compared to using more traditional methods such as exhibitions, flyers and etc.

Negative Effects

Based on Student Perspective

The negative aspect however there weren't that many claims created by the student developer. The only noteworthy aspect given by the student was that the content created by the streamers on Twitch.tv can affect the sales. This was mentioned that the streamer is able to affect the sales of the game depending on their thoughts of the game that is being streamed "If the streamer trash talks the game then it would significantly impact the sale of the game" said by the student developer.

Based on Industry Developer

The negative aspect based on the developer has mentioned that games that are paid and are single player will be affected heavily from the platform as the audience that watches the stream may not buy the game as they have experienced it from the platform. In the terms of marketing, as the game provides exposure cheaply, it is only effective if the exposure is done through famous or well known streamers which can be expensive on its own to pay the streamer to play the game.

Discussion

Twitch.tv as a streaming platform provides a lot of benefits than negatives as per the interview done by a student developer and a developer in the industry. It has been mentioned in both interviews that Twitch.tv is a good marketing tool which can be utilised to increase sales as the content provided by streamers can be beneficial to expose as well as provide good publicity for the game. However these streamers can also be a detriment to the sales as what they say about the game can affect the sales. This is even more apparent with single player games which streamers can stream the entire game to their audience and said audience no longer needs to buy the game since they have experienced it. Further research could be done in this regard as the interviews done were primarily done towards industry developers but not the streamers as their perspective of the platform and the industry could help further the study.

Conclusion

Twitch.tv is a new platform of social media that uses live streaming as its main operation. The main content used on the platform is gaming live streaming although it has other content, gaming is still its primary focus. The aim of this study is to discover and understand whether there are any benefits or detriments of having Twitch.tv towards the video games industry. The study uses the theory of uses and gratification as its theory for the study. The study was conducted through qualitative means in which interviews towards individuals within the games industry. These interviews were done through online means and were targeted towards developers in the study as well as student developers as their insight of being within the audience of Twitch.tv as well as a developer can help provide a unique insight. The answers provided from the interviews mention that Twitch.tv is a useful tool for marketing and its use is more beneficial rather than detriment towards the video games industry. Further study however could be conducted in which the study could look into a streamers perspective of the impact of Twitch.tv towards the video games industry.

References

- Muller, J. (2020). Smartphone users in Malaysia 2017-2023. <https://www.statista.com/statistics/494587/smartphone-users-in-malaysia/>.
- Chafey, D. (2020). Global social media research summary 2020. Smart Insights. <https://www.smartinsights.com/social-media-marketing/social-media-strategy/new-global-social-media-research/>.
- Miller, P. (2011). Twitch.tv Releases iPhone App, Feeds Your Addiction. PCWorld. https://www.pcworld.com/article/242753/twitch_tv_releases_iphone_app_feeds_your_addiction.html.
- Lipson, A. S., & Brain, R. D. (2016). Videogame Law: Cases, Statutes, Forms, Problems & Materials. Carolina Academic Press.
- Luenendonk, M. (2019). The Gaming Industry – An Introduction. Cleverism. <https://www.cleverism.com/gaming-industry-introduction/>.
- Fung, A. (2017). The impact of the rise of mobile games on the creativity and structure of the games industry in china. In *Mobile Gaming in Asia* (pp. 91-103). Springer, Dordrecht.
- Cabras, I., Goumagias, N. D., Fernandes, K., Cowling, P., Li, F., Kudenko, D., & Nucciarelli, A. (2017). Exploring survival rates of companies in the UK video-games industry: An empirical study. *Technological forecasting and social change*, 117, 305-314.
- Espinoza, M., Cevallos, N., & Tusev, A. (2017). Changes in media consumption and its impact in modern advertising: a case study of advertising strategies in Ecuador. *INNOVA Research Journal*, 120-135.
- Dux, J. (2018). Social live-streaming: twitch. tv and uses and gratification theory social network analysis. *Computer Science & Information Technology*, 47-61.
- Johnson, M. R., & Woodcock, J. (2019). The impacts of live streaming and Twitch. tv on the video game industry. *Media, Culture & Society*, 41(5), 670-688.
- McWhertor, M. (2014). How Twitch is crowd-sourcing an amazing Pokémon multiplayer game. Retrieved from <https://www.polygon.com/2014/2/14/5411790/twitch-plays-pokemon-creator-interview-twitchplayspokemon>
- Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches*. Sage publications.
- Oseni, K., Dingley, K., & Hart, P. (2018). Instant messaging and social networks: The advantages in online research methodology. *International Journal of Information and Education Technology*, 8(1), 56-62.
- Daly, J., Kellehear, A., & Gliksman, M. *The public health researcher: A methodological approach*. (1997).
- Parker, F., & Perks, M. E. (2021). Streaming ambivalence: Livestreaming and indie game development. *Convergence*, 27(6), 1735-1752.
- Clement, J. (2021). Twitch users by age 2019. Statista. Retrieved June 7, 2022, from <https://www.statista.com/statistics/634057/twitch-user-age-worldwide/>
- Nielsen. (2022). *The Future of Video Gaming Is Bright—Even as Real Experiences Return*.
- Pashkov, S. (2021). *Video game industry market analysis: Approaches that resulted in industry success and high demand*.