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## Are the game console wars over?

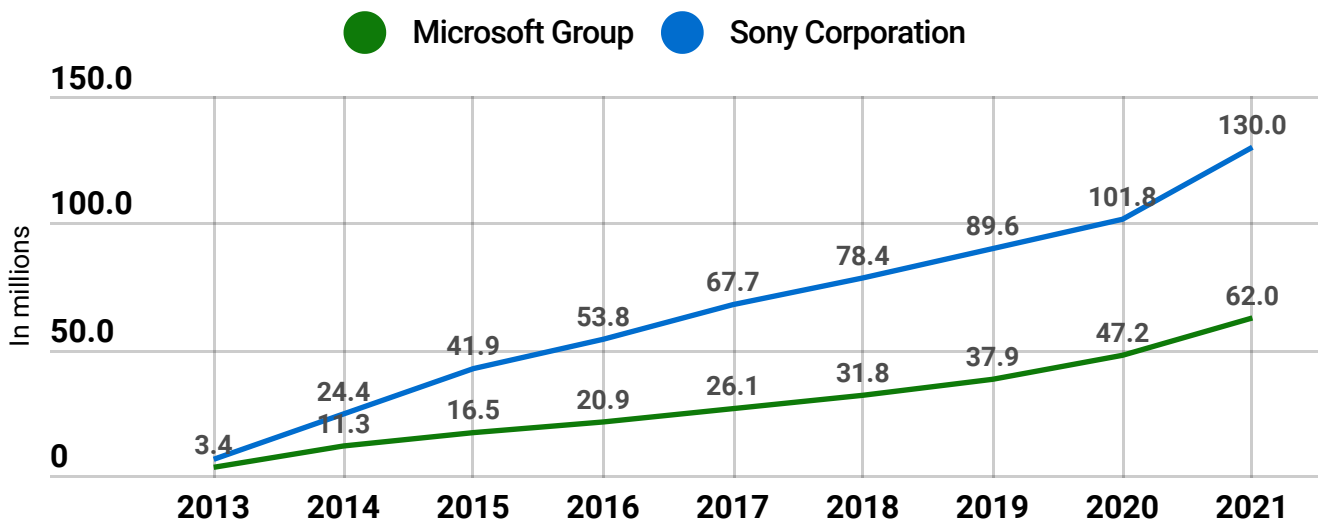
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All eyes were on Sony and Microsoft who released their 9th generation consoles, the PlayStation 5 and Xbox Series X/S, in Fall 2020. A year and a half later, it's time for assessment.

### A bittersweet launch

The pandemic was definitely an incredible success for video game console manufacturers: due to severe lockdowns all over the world at the beginning of 2020, sales of hard- and softwares (Animal Crossing: New Horizons, released in the very middle of the first lockdown, is now the second best selling Nintendo Switch game of all time) exploded in an epic fashion. Paradoxically this surge in demand for electronics combined with facilities shut down also created a global semiconductor shortage, which resulted in ultra-limited stocks of PlayStation 5 and Xbox Series X/S at their launches in Fall the same year. Nevertheless, Sony's latest PlayStation appears to be the evident champion with a reported 17 million units sold worldwide, compared to 12 million for the new Xbox for the year 2021. Those results are consistent with the market share evolution of the two rivals over the years worldwide. In addition to that, the PlayStation 5 also overtook its competitor in two historical Xbox territories: North America and Australia/New Zealand.

### Sony's PS4, PS5 and Microsoft's Xbox One, Xbox Series X/S installed base world evolution



SOURCE: Dataxis©

### War for contents?

However, in the time of sacrosanct content, competition does not only lie in numbers of sold hardwares, but also in the attractive, plural and exclusive game softwares they come with. Microsoft recently announced the acquisition of Activision Blizzard, the leading video game developer, which is known for its infamous franchises such as Diablo, Call of Duty as well as mobile Candy Crush Saga. This acquisition will positively accelerate Microsoft's growth in the gaming business, across consoles but also PCs, mobiles and cloud gaming. Moreover, this deal could also result in an exclusive development of certain franchises for the Xbox brand, which could represent a serious loss for Sony. Simultaneously, the latter officially launched the 2018 Deep Rock Galactic on PlayStation at the beginning of the year, which until now had been a PC and Xbox exclusivity. Since the launch, the number of players has more than doubled to 10 million.

## New competitors are entering the race

Redefining console war mentality, Microsoft and Sony are further developing their subscription-based streaming and cloud gaming services, with respectively the Xbox Game Pass and PlayStation Now. Following Netflix's recent launch into the streaming gaming industry and its stated growth ambitions (notably by hiring EA's veteran Mike Verdu), Phil Spencer also expressed that they were seeing fiercer competitors in the streaming giant than in Sony, clearly marking Microsoft's strategic interest to further develop its streaming and cloud businesses.

Could Microsoft be distancing itself from hardware in the future? It is not an option, and the rumour has it that both manufacturers are already working on their next generation consoles. The rivalry is naturally evolving, diversifying itself, and OTT platforms entering the gaming market will definitely be an opportunity for console manufacturers to create partnerships and integrate new content providers with their operating systems.

Dataxis increases its coverage of the video game industry with the addition of game console installed base by country in Europe, North America and major Asian markets.

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