Development and Prospect of China Mobile Game Market

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Abstract. The size of the Chinese market is close to that of the United States, the world's largest game market. When it comes to mobile games, China is already the world's largest single mobile game market. Ten years ago, in the era of mainframe and end game, it was unimaginable to reach such a scale. At that time, the Chinese game market was divided by South Korea, Japan and the United States. According to the 2021 China Game Industry Report, the actual sales revenue of China's mobile game market in 2021 will be 225.538 billion yuan, up 7.6% year on year. Although the income still keeps growing, compared with the previous annual growth rate, it has reached the bottom. This paper analyzes the Chinese mobile game market, finds out the problems and gives the corresponding solutions.

Keywords: Mobile game, China, Development.

1. Introduction

According to the White Paper on Global Mobile Game Buying Volume in the First Half of 2022 released by Approving in conjunction with Grapevine, despite the increasingly fierce competition in the global game market, domestic mobile games have always maintained the first echelon position in the overseas buying volume market under their experience in the domestic buying volume market. Among the 500 mobile games with the highest advertising volume in the overseas market in 2022, mobile games from developers in mainland China accounted for about 42.7%, twice the sum of Vietnam, Türkiye and Russia. The outbound products of mobile game manufacturers in mainland China account for 73.5%, mainly in six categories: leisure, role play, puzzle solving, strategy, card and simulation [1-3].

With the rapid development of mobile Internet and intelligent mobile terminal equipment in China, the scale of China's game market has continued to grow, in which the rapid development of mobile games far exceeds that of end games and page games. Since 2016, after the mobile game anti super end game, China's game market has gradually established a development trend focusing on the development of mobile games. After the growth of China's mobile game users in 2020 showed a small increase, the number of China's mobile game users will increase to 655.88 million in 2021, an increase of 1.53 million over the previous year, with a user growth rate of 0.23%. There is limited room for further growth. Under the influence of policies such as minor protection, users in the future will also mainly focus on people over the age of 18 [4-7].

Therefore, this paper will forecast the future development of China's mobile game market through various analysis

2. The development status of China's mobile game market

Although in April 2022, the State Press and Publication Administration released the latest version of the game "over reviewed" list, ending the "version freeze period" since last summer, it remains to be seen whether the situation is clear. In the eight months since the release of the version number stopped, the domestic mobile game industry has faced a great impact [8].

According to the information report at the end of last year, 14000 game companies applied for cancellation in the five months when the version number was suspended, accounting for nearly 80% of the total number in 2020. Survivors in the industry have had to rely too much on existing games for survival, which has led to a large number of "end to hand" and "old refurbishment" phenomena;

On the other hand, the ability of stock games to drive consumption is gradually weakening until a relatively stable state is formed, and the willingness of new players to consume is also decreasing.

According to the 2021 China Game Industry Report, the actual sales revenue of China's mobile game market in 2021 will be 225.538 billion yuan, up 7.6% year on year. Although the income still keeps growing, compared with the previous annual growth rate, it has reached the bottom [9].

With the increasingly strict supervision of the state on anti-addiction and juvenile protection policies, some large factories also experienced a decline in their performance growth. From 2013 to 2021, the actual sales revenue of China's mobile game market showed a growth trend, but the growth rate declined. By 2021, the actual sales revenue of China's mobile game market will be 225.54 billion yuan, up 7.6% year on year [10].

Behind the stagflation of the domestic mobile game industry in 2021, the decline of the housing economy effect is also an important factor. Although the domestic epidemic situation is still not optimistic, after the mobile app industry has harvested a considerable number of incremental users in the past two years, the dividend of the mobile Internet population has become saturated. According to CNNIC data, the overall number of Internet users will exceed 1 billion in 2021, and the penetration rate of mobile Internet users will be close to 100%. The user growth bonus hit the top and the user's usage habits of the app returned to the pre-epidemic level.

From the perspective of the revenue scale of mobile games going to sea, the revenue scale of domestic games going to sea has been steadily rising in recent years. The 2021 China Game Industry Report shows that the sales revenue of the overseas market of domestically independently researched and developed mobile games reached the US $16.09 billion, an increase of 21.7% year on year, much higher than the 7.6% growth rate of the domestic mobile game market. From 2014 to 2021, the proportion of revenue from domestic self-developed mobile games to the total revenue from overseas markets has been growing rapidly. By 2021, the proportion has reached nearly 30%, which is the year with the largest increase in proportion in recent years.

With the development trend of the overseas mobile game market in recent years and the catalytic support of the global epidemic effect, the overseas mobile game market will still have a broad space in the future. According to the calculation of domestic securities research institutions, it is estimated that the neutral forecast value of the global mobile game market size in 2024 will be about 116 billion dollars, while the scale of domestic seagoing revenue will be about 26 billion dollars (equivalent to about 167.4 billion yuan, calculated at the exchange rate of 1:6.45 yuan to the U.S. dollar). In other words, according to neutral measurement data, it is estimated that the revenue scale of domestic outbound mobile games in 2024 will be about 1.6 times that in 2021, and the market growth space in the next two years will reach 62%. Therefore, the forecast data is of more optimistic significance for domestic mobile game manufacturers that have not yet gone to sea.

Judging from the market structure proportion of domestic outbound revenue in recent three years, the United States and Japan are the top two countries of China's self-developed mobile tourism revenue, but the cumulative revenue proportion of the top two markets is gradually decreasing, which also indicates that China's mobile tourism market head trend is gradually weakening, while the exploration and investment in emerging markets such as Southeast Asia and South America are constantly strengthening.

3. Outlook of the mobile game market

According to the network statistics, in 2019, due to the lean development of the market and the development of short video media and multiple channels, the number of domestic mobile Internet game players reached 652 million at the end of 19, showing a steady upward trend. The growing number of users will certainly promote the further fine development of the game industry and the diversified promotion of the competitive stock. In 19 years, the scale of the domestic game market was 185 billion yuan, with month-on-month growth of 15.5%. With the continuous increase of game users, the scale of the domestic market has gradually increased steadily. The domestic mobile Internet game industry chain has gradually matured and developed, with a refined division of labor. From game content providers to game content distributors, from hardware to software, the overall industrial division is orderly, and each party in the industrial chain plays a decisive role. In recent years, the state has continuously strengthened its supervision of the cultural and entertainment industry. Since last year, mobile games have successively restricted the number of games, which has played a good role in improving the overall quality and product quality of the entire game industry. Small and medium-sized game developers who have not obtained version numbers are also actively transforming. In the short term, it seems that the number of new games released is relatively small, but this is only a buffer period. As time goes by, various game manufacturers will expand more towards free games or games without internal purchase services. The mode is upgraded using advertisement realization, flow realization, cross-border brand and IP realization. Although the mobile game buying market will be affected to some extent during the transition period, the impact is not significant. From the past data, the majority of mobile game purchases are made by large mobile game manufacturers, which have obtained multiple editions and strong comprehensive strength. Therefore, it has little impact on the overall purchase volume, and the overall purchase volume will still show an upward trend. In addition, due to the cooperation in business and the strengthening of capital between small and medium-sized mobile game manufacturers, as well as the successful transformation of the product model, growth through buying is still one of the mainstream ways. Secondly, manufacturers began to attach importance to overseas promotion, and domestic information flows and app stores also launched overseas promotion services, so budget consumption did not show a weakening trend.

3.1. Changes in game books

In the eighties and nineties of the last century, all kinds of notebook computers began to be introduced to the market. However, at that time, notebook computers were still in the process of exploration. It was not until the T1100 notebook computer launched by Toshiba of Japan adopted the flip design in 1985 that the development pattern after notebook computers was established. However, in the early stage of notebook development, there was no concept of an e-sports game book. After all, the performance of the notebook was weak, and the game software was not rich enough. Playing games in the notebook was not a good choice. After the year 2000, ATI and Nvidia, the two major graphics chip manufacturers in the industry, began to show their skills in the field of notebook graphics cards, so the notebook finally ushered in a new era in graphics processing performance. It is precisely in this era background that we have finally arrived at the ALIENWARE Area-51m, the first notebook specially designed for game players. Yes, ALIENWARE, the ceiling-level brand of the current Esports game book, launched this game book with a bold design and exaggerated performance at that time. ALIENWARE Area-51m adopts the prominent green color as the main color and adopts the 2.8GHz Pentium 4 processor, 512MB DDR PC-2100 memory, 40GB 5400PRM hard disk, and the ATI Mobility Radeon 9000 independent graphics card with 64MB video memory, which supports DVD drive. This configuration is even better than the performance of ordinary desktops at that time. Although the E-sports game book represented by ALIENWARE can conquer game players in terms of performance, the mainstream notebook market at that time did not develop the E-sports game book. Intel launched the "Centrino" platform in 2003, which pushed the notebook towards a new direction of high performance and low power consumption, and enhanced mobile scene experience with a wireless network connection. In 2006, Intel introduced the third generation Centrino platform and introduced the Core dual-core processor with a 65mm process, which is also the first appearance of the Core brand, and the Core brand has always been in use. In 2006, there were two major events in the industry of Esports games. One was Dell's successful acquisition of ALIENWARE, and the other was the official establishment of the national brand of ROG players. Dell's acquisition of ALIENWARE has been rumored for a long time, and it is not surprising that it is finally true. Although ALIENWARE was acquired by Dell at that time, it maintained its independent brand operation. The founder of ALIENWARE also said that ALIENWARE would continue to bring players the most powerful and avant-garde products. Facts have proved that ALIENWARE did not gradually lose its popularity after it was acquired by Dell, but continued to maintain its influence in the high-end e-sports game book market. With the help of Dell's channels and influence, ALIENWARE also got more opportunities to face a wider consumer market in the future. In June 2006, the ROG brand was officially launched. Now, the ROG product line has covered many different categories such as motherboards, video cards, laptops and peripherals. In 2007, ROG launched the G1/G2 game notebook, officially entering the Esports game book market. In 2009, Dell brought ALIENWARE into the Chinese mainland market and launched the very classic ALIENWARE M17x, which was called the game native king at that time. In the same year, ROG also launched the ROG G53J 3D game book, and MSI also released the game book that mainly plays e-sports. The industry of e-sports games has started to become lively.

3.2. Government supervision

With the popularization and rapid development of wireless network technology, mobile games have gradually replaced end games and page games as emerging forces in the game industry. In recent years, the trend of diversified, competitive and social mobile games has made the development of mobile games reach an unprecedented height. The MOBA-type competitive mobile game represented by the glory of the king has become a national topic.

In 2016, the size of China's mobile game market reached 81.92-billion-yuan, accounting for 49.5% of the overall game sales revenue. Since 2013, mobile games have developed rapidly at a compound annual growth rate of 94%. Due to the large market scale, a large number of players and users, and the relatively low production cost of the game, the mobile game industry has attracted countless gold seekers. The influx of a large number of players has also resulted in a large number of game products, but they are full of rough manufacturing. Some people say frankly that in the rapidly developing mobile game market, even if the participants are "pigs can rush to the sky", pornographic, violent, and falsified historical content is constantly emerging. Although relevant pornographic scenes and characters are shielded by relevant mobile game companies, some players can still recover pornographic and other characters and content through technical means, which is just the tip of the iceberg of the adverse effects of mobile games. The same as the era of end games and page games, mobile games "killing young people" and other voices of cynicism emerge endlessly.

On July 1, 2016, the Notice of the State Administration of Press, Publication, Radio, Film and Television on the Management of Mobile Game Publishing Services was officially implemented. According to the regulations, all mobile games must have a version number before they can be put on the shelves, and all mobile games without approval will be offline; Those who have published and operated online before the implementation of the new regulations also need to go through the relevant approval procedures, otherwise, they cannot continue to publish and operate online. Among them, the game operation and version number application must require anti addiction system to be set in the game. The regulation was rated as "the strictest mobile game regulation in history". The introduction of new rules for mobile games has raised the industry threshold and eliminated some junk games. The model of profiteering through the seductive promotion will be banned, which will help regulate the market. However, the review process is cumbersome. When a large number of games are launched in a short time, the approval cannot keep up, which will affect the launch and operation of small and medium-sized game manufacturers' products. For big game manufacturers, the self-regulation work before the new regulations was basically in place, and the product quality was also guaranteed, which was not the key target of the new regulations. Therefore, the performance and stock price of the big game factory have not significantly fluctuated and are affected.

4. Conclusion

At present, playing games is still one of the most popular forms of entertainment for Chinese netizens. Under the background of national entertainment, China's mobile game industry is expected to continue to welcome good development opportunities, and its market share will maintain steady growth. According to the 2019 China Game Industry Report released by the Game Working Committee of the China Audio Digital Association, the actual sales revenue of China's game market in 2019 was 230.88 billion yuan, up 7.7% year on year. From the perspective of market segmentation, mobile games account for nearly 70% of the overall marketing revenue, which is in the leading position. In 2019, the mobile game marketing revenue was 158.11 billion yuan, with a year-on-year growth of 18.0%, becoming the main factor driving the overall growth of the game market. On this basis, there are still many problems to be solved in the supervision of mobile games.

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