Get on top of your game

The history of the home video-game industry is a perfect example of how the interaction between competitors gives birth to an industry and determines its future development.

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By Joan Enric Ricart

“Avoid missing ball for high score.” That was the only instruction needed to play Pong, the Atari video game said to have started an industry that is expected to be worth $50 billion in 2011, according to PricewaterhouseCoopers. By 1971, the programming technology to create applications like Pong had been around for some time. But it took a series of business choices, such as not patenting the device, and errors of implementation, such as requiring users to read a bunch of instructions before they could play, to get the industry off the ground. In other words, it took a business model.

The history of the video-game industry is a perfect illustration of how the interaction between participants gives birth to an industry and influences the way it evolves. Companies adopt strategic decisions and business models that shape their industry.

If your company is battling to stay in the race and you see curves in the road ahead, maybe it’s time for you to grab the controller. Ready? Loading.

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