

FROM BEGINNING TO MATURITY: EXPLORING THE STAGES OF DEVELOPMENT OF CHINA'S GAMING INDUSTRY

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This study proposes a new framework for the classification of the development stages of China's gaming industry. The article divides the development of China's gaming industry into five stages: the nascent stage, initial development stage, rapid growth stage, diversification stage, and the stage of maturity and globalization. The study focuses on analyzing the characteristics of each stage and explores the impact of emerging technologies such as mobile internet, cloud computing, and artificial intelligence on the online gaming industry.

Keywords: China's gaming industry; development stages; digital economy.

ОТ ЗАРОЖДЕНИЯ К ЗРЕЛОСТИ: ИССЛЕДОВАНИЕ ЭТАПОВ РАЗВИТИЯ ИГРОВОЙ ИНДУСТРИИ КИТАЯ

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Исследование предлагает новую структуру периодизации развития игровой индустрии Китая. В статье развитие китайской игровой индустрии разделено на пять этапов: зарождение, начальное развитие, период быстрого роста, период диверсификации и зрелость с глобализацией. Особое внимание уделено характеристикам каждого этапа, а также анализу влияния таких передовых технологий, как мобильный интернет, облачные вычисления и искусственный интеллект, на развитие индустрии онлайн-игр.

Ключевые слова: игровая индустрия Китая; этапы развития; цифровая экономика.

With the rapid development of China's digital economy, the gaming industry, as a significant component, has demonstrated immense economic potential and social impact. From the early nascent stage, dominated by single-player games, to the current stage of diversification and globalization, China's gaming industry has undergone swift technological innovations and market transformations within just a few decades. Particularly with the widespread adoption of mobile internet, the deep application of cloud computing and artificial intelligence, and the rise of the esports industry, China's gaming industry has not only flourished domestically but also steadily secured a foothold in the global market. Existing literature on the development stages of China's gaming industry mostly draws from foreign experiences or early frameworks, lacking in-depth analysis of China's unique policy environment and market characteristics. Therefore, this study attempts to propose a new framework for classifying the development stages of China's gaming industry, dividing it into five distinct stages, with the aim of providing a reference for future industry research and policy-making.

The nascent stage (1980–1995) marks the beginning of China's gaming industry, during which technological infrastructure was relatively underdeveloped, with arcade and home console games dominating the market. Foreign companies like Nintendo and Sega held a dominant position, with Nintendo's introduction of the Famicom (NES) in 1985 marking the official start of China's video game market. Due to limited domestic game development capabilities, the market was primarily flooded with popular foreign games such as Super Mario, Contra, and Double Dragon. These games were widely distributed through piracy, hindering the development of a legitimate market. Nevertheless, this period laid the foundation for Chinese consumers to become familiar with video games and provided the initial spark for the future growth of the industry.

The initial development stage (1996–2002) was a crucial phase where China's gaming industry began to mature. The rise of internet technology led to the gradual popularization of online gaming, offering new growth opportunities. Domestic game developers such as Shanda and NetEase emerged, exploring business models suited to the Chinese market. Despite the market becoming more standardized, piracy remained a significant challenge to the industry's healthy development. In 1996, China's first domestically developed online game, Xia Ke Xing, was officially launched, marking the beginning of Chinese online gaming. In 2001, Shanda's release of Legend of Mir achieved great commercial success, ushering in a new era of online gaming in China and accelerating the industry's rapid expansion.

The rapid growth stage (2003–2012) saw explosive growth in China's gaming industry. In 2003, online gaming was officially included in China's 863

Program – a national high-tech research and development initiative aimed at narrowing the technological gap with developed countries [1]. With the widespread adoption of broadband internet, client-based online games became mainstream, and game development technology matured, driving rapid industry expansion. Simultaneously, mobile internet began to emerge, and mobile gaming started to take shape during this period. Significant capital poured into the gaming industry, with companies like Tencent dominating the market through a combination of licensing popular foreign games and in-house development. Although the government began regulating game content, the overall market environment remained relatively relaxed, fostering rapid industry growth. Notable games such as NetEase's *Fantasy Westward Journey* (2003) and Tencent's *CrossFire* (2007) became immensely popular, solidifying their positions as leading titles in the market [2].

The diversification stage (2013–2017) marked a shift from a single-form industry to a diversified one. The widespread adoption of smartphones led to the rapid rise of mobile gaming, which became a major growth driver for the industry. Emerging technologies such as cloud computing and artificial intelligence were gradually applied to game development and operations, enhancing and innovating the gaming experience. The rapid expansion of the mobile gaming market also fostered closer integration between games and social platforms, further blending social interaction with gameplay. During this period, internationalization became a significant trend, with Chinese game companies actively expanding into overseas markets, increasing the global influence of Chinese games. The government tightened content regulation and strengthened copyright protection, fostering a more standardized and healthier industry environment. The launch of *Honor of Kings* in 2015 not only became a phenomenon in mobile gaming but also marked the full rise of the Chinese mobile gaming industry. Other titles such as *Onmyoji* and *Fantasy Westward Journey* effectively maintained player engagement through their cross-media strategies [3].

The maturity and globalization stage (2018 to present) signifies the Chinese gaming industry's entry into global competition. The market became more concentrated, with leading companies such as Tencent and NetEase continuing to dominate through self-developed games and international expansion. Meanwhile, the rapid rise of the esports industry further accelerated the commercialization and socialization of games, greatly enhancing the industry's influence. As Chinese game companies expanded into global markets, international competition became a critical battlefield. Government regulation also became stricter, particularly in terms of protecting minors and increasing scrutiny over game content. Representative games like *Genshin Impact* and *Black Myth: Wukong* achieved great success both domestically and

internationally, showcasing the global competitiveness of Chinese game companies.

The Chinese gaming industry has evolved through five stages, from its nascent phase to its current globalization phase, driven by technological progress, market expansion, and policy adjustments. The rise of mobile internet and emerging technologies, particularly the growth of mobile gaming and esports, has accelerated the industry's commercialization and globalization. Today, Chinese gaming companies are performing exceptionally well in the global market. With further technological advancements and an accelerated pace of internationalization, China's gaming industry is expected to maintain strong growth, becoming a crucial component of the global digital economy.

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