

# Access over ownership - subscription models are dominating the tech industry

By [Marce Bester](#), issued by [ASUS](#)

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The subscription economy is forever changing how consumers interact with brands. As a result, we're raising a generation that'll have a complicated relationship with ownership.



And tech industry behemoths are heavily invested. Last month, Sony's PlayStation announced its newly revamped PlayStation Plus subscription service for games. The new offering is positioned in direct competition with Microsoft's Xbox Game Pass, which has seen impressive penetration in the casual gaming market. Of the Xbox's 400 million monthly players, 25 million have active Game Pass subscriptions.

This brings about a variety of benefits – both for the brand and the consumer. The brand's guaranteed a consistent revenue stream for the foreseeable future, and the consumer gets instant access to quality games (or software, or products) for a small monthly fee.

It's the accessibility model that Netflix popularised. And it isn't completely new.

But we are learning more about how people prefer to engage with brands.

Consumers' need to own is being supplanted with a need for richer life experiences and a desire to invest in those experiences. In the same vein, there is something to be said about the psychology behind consumer behaviour when opting for a monthly service cost in lieu of a larger once-off cost.

As a result, we're seeing this shift in consumption patterns where access is valued more than ownership, depending on the perceived value of the product, especially in the tech and gaming industries.

## **Making those subs count**

Gaming's upward trend seems mostly unfazed by the Covid-19 pandemic and its largely adverse effects on various other

industries. If anything, the rapid shift towards digital working- and social environments increased focus on digital social environments like the ones found in online gaming communities.

And we're accessing games in a completely different way now – via subscription services, battle passes, in-game currencies and microtransactions. Game publishers are finding increasingly creative ways to offer games to players.

There is a huge likelihood that subscription models are becoming the predominant way consumers access games and interact with publishers and industry brands like Microsoft and Sony.

In addition to those two gaming hardware and software titans, the industry's players are betting big on subs. Discord's Nitro service offers a catalogue of games for subscribers. There's also Humble which allows access to a trove of games every month. Don't forget the likes of EA Play, Nintendo Switch Online, Apple Arcade, Google's Stadia and Nvidia's GeForce Now.

Hardware manufacturers in the gaming market, like Asus' Republic of Gamers, have opted to offer bundled options that include a limited run of Xbox Game Pass subscriptions with new devices sold. "It's essential that we offer this form of bundling with our products, as we respond to the increasing trend in subscription gaming," says Juan Mouton, country marketing manager at Asus South Africa.

Why? Well, because subscription services offer brands something called recurring revenue streams. And because it's continuously engaging with that captured audience, they have an ongoing opportunity to articulate the value of additional services and premium content.

### **This is how you challenge ownership**

This is bringing about a shift in consumer behaviour too, which means publishers may struggle to get R1,000 out of gamers for a first-party title. Something Sony is adamant it can continue to do in this subscription-dominated market.

If access to games follows a similar path that music and TV did, it's completely possible that players won't be too keen on paying a premium for titles.

According to industry analyst Pier Harding-Rolls (via [PC Gamer](#)), it's premature to compare the gaming industry with what happened to music and films. Harding-Rolls believes subscription services will only account for 8.4% of all video game spending by 2027. Sure, that's more than double what it is now, but fairly modest.

Game Pass is offering insight into the potential success of gaming subscriptions as a whole.

Statista's latest report claims that Microsoft's Xbox Game Pass subscriber number consists of about half of Sony's PlayStation Plus' active users. It even drags behind Nintendo's Online subscription's active users. But it's still considered successful as a service offering.

- Xbox Game Pass has 25 million active users
- Nintendo Switch Online has 32 million active users
- PlayStation Plus has 48 million active users

### **Is it really about quality vs quantity?**

In its current form, PlayStation Plus offers far less value than Xbox Game Pass. And that's not even talking to the fact that Xbox Game Pass is available on Xbox One, Xbox Series X/S and PC platforms. PS Plus is only available on PlayStation 2, PSP, PlayStation 4 and PlayStation 5.

In terms of value, PS Plus subscribers are drawing the shorter match, with access to three free games per month (this

used to be two), and the ability to access online servers in multiplayer games. Turn your attention to Game Pass Ultimate, and the value seems incomparable. For a similar monthly cost investment (R120) players gain access to over 100 titles, including day-one access to new titles from Microsoft's growing list of publishers.

Sony isn't offering day-one access to its first-party games via the new subscription model. Because why would it offer a game that normally retails for over R1,000 free to players paying a minimal monthly fee?

Sony's first-party titles tend to perform admirably during game award season, so, in a bid to preserve its pride, it's keeping valuable titles out of the subscription service offering. Sony executive Sony exec Jim Ryan said as much in an interview with [GamezIndustry.biz](#): "We feel like we are in a good virtuous cycle with the studios, where the investment delivers success, which enables yet more investment, which delivers yet more success. We like that cycle and we think our gamers like that cycle."

It's a conundrum that marketing departments and brand strategists have contemplated for decades: do you offer quantity over quality or the reverse?

## ABOUT THE AUTHOR

Marce Bester is technical public relations manager at ASUS South Africa.

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