

## Introduction

A successful industry is not formed overnight. Even Finland's video game industry started off in the homes of enthusiasts and hobbyists who just loved to experiment on their free time and had a passion for games. Finnish video game industry was born long before Angry Birds (Rovio Entertainment 2009) and over a decade before Max Payne (Remedy Entertainment). The first international Finnish game, Sanxion (Thalamus), was released as early as 1986. Since late 1980's and early 1990's Finland has had a positive attitude towards video game development. This attitude and the passion for games lead the path to today's Finnish game industry that is one of the largest in Europe.

### 1. History of Finnish game industry

The history of Finland's game industry began over thirty years ago. The first commercial Finnish video game Chesmac (Topdata Ltd) was released in 1979, but the industry did not kick off until the early 1980's. It all started, as amateur programmers and developers created the first commercial video games as single person projects. These games were not story rich nor visually impressive, rather they were built on a single idea, such as an interesting graphical mechanic. Back then video game development was more of a hobby than a profession, so trying out new things and testing one's own skills were what attracted people into developing games. (Kuorikoski 2014)

During the 1980's Finnish video gaming revolved heavily around Commodore 64, but in the 1990's PC and Amiga became more common. As platforms, PC and Amiga were more complex than Commodore 64, so more skill and resources were needed to develop video games. As a result, the number of published games dropped in Finland. The enthusiasts who may have been able to produce a full game on their own before now came together and formed the first Finnish video game development companies. (Kuorikoski 2014) Strong demoscene also played a part in creating a foundation for Finnish game industry, enabling skill transfer from a kind of digital literacy to game programming. Finnish game hobbyists were brought together in the demoscenes, such as Assembly, which has been held annually since 1992. The demoscene in Finland is still important, since from the 1990's to this day, many Finnish game studios have been founded by the teams who qualified in different demoscene competitions. (Tyni and Sotamaa 2014; Jørgensen, Sandqvist and Sotamaa 2017)

Finland's strength of developing mobile games began around the turn of the century with the so called WAP hype. Nokia was interested in developing WAP, but the high prices for data transfer on mobile phones and technical issues made the hype fall flat quickly. This paved way for the age of mobile games and digital distribution. Digital distribution made developing games easier for smaller studios or those without publishers. New game studios have been found in Finland regularly since then. (Kuorikoski 2014)

## 2. Current situation

In 2017 Finland's game industry surpassed €2 Billion for the third year in a row (€2,36B in 2017). The game industry is Finland's most financially substantial cultural export. Finland is one of the three biggest game developer countries in Europe. By the end of the year 2016, there were about 260 game studios in Finland, most of them small or medium in size. 15 new game studios and approximately 150 new games were released in 2017. Around 3000 people are employed in the game industry. Even though the biggest cluster of Finnish game studios is in the capital area (42% in 2016), new cluster have been forming in other big cities. (Neogames)

Finnish game industry has seen rapid growth in the past 10 years. The first time it truly had its international breakthrough was in the beginning of this decade. That is when international investors became interested in Finnish game industry and started investing larger sums than ever before. The largest investment was worth €1.1 billion when 51 percent of Supercell's shares were bought by GungHo and Softbank. (Finnish Game Industry report 2016)

Finnish game industry relies heavily on developing mobile games. About 80 percent of Finland's game studios develop mobile games. One of the reasons for this might be the strong presence of Nokia in Finland before and in beginning of the new millennia. Of course, smartphones and other mobile devices are popular as a platform in general too. Several of Finland's internationally most well-known games, such as Angry Birds, Clash of Clans (Supercell 2012) and the iconic Nokia Snake (1998), are mobile games. (Masira and Chowdhury 2014)

After the rise of digital distribution, the next trend in mobile games was the free to play model (F2P from now on). The main purpose of F2P games is to appeal to a larger audience. The games are easy to access for anyone with a suitable device and paying for additional content within the game is voluntary and usually has a flexible price range for different types of players. This is the model for many Finnish mobile games, that have gained international success. Focusing development on F2P games is what

allowed the rapid growth of Finnish game industry. In 2012, App Store's top three spots for the most downloaded games were for a long time occupied by Finnish games; Supercell's F2P mobile games and Rovio's mobile games. (Kuorikoski 2014; Finnish Game Industry Report 2016)

Finnish public funding and supportive attitudes towards new and small businesses, especially in ICT, has consolidated the Finnish game industry. Privately funded companies such as Business Finland, previously known as Tekes, offer grants and loans for game companies in different stages of development. Other supporting industries play a role in keeping Finnish game industry relevant too. Many educational institutions from second level vocational institutions to universities offer different programs in game development, thus ensuring continued growth of skilled workforce. Neogames, the hub of Finnish game industry, is a member based non-profit organization that focuses on wholly supporting and developing Finland's game industry. They help developers, industry bodies, game educators, researchers, investors and other related parties. They also gather and offer reliable up-to date information on Finnish game industry, such as the biennial Finnish Game Industry Report. (Business Finland; Neogames)

As a game market, Finland is too small to be financially successful, especially for bigger companies, so most Finnish companies will aim for global market right from the start for greater profits. This raises development standards too. Even though this creates rivalry between game studios, the Finnish rivalry is cooperative rather than competing. Finnish game studios are all tightly connected and constantly work together to develop the field, all the while enjoying a sort of a shared success from any Finnish game successes, because they all create a positive picture of Finnish game industry, which in turn attracts foreign investors, partners and industry veterans for Finnish game industry in general. Non-profit professional societies like The International Game Developers Association (IGDA), Finnish chapter also work towards creating a cooperative and supportive industry in Finland. (Masira and Chowdhury 2014)

One of the biggest challenges Finnish game industry is currently facing is finding experienced enough employees. Even though game development education is available in several clusters in Finland and there is a stable supply of fresh workers, many companies are trying to lure veterans of the field from other countries. Most Finnish game companies are managed by the developers, rather than professional managers, which can hinder company growth. Other challenges Finnish game industry faces are the same as in other countries, such as saturation of the market, economic challenges of F2P games and the unpredictable nature of the industry. (Finnish Game Industry Report 2016)

### 3. Conclusions

Finland has had a supportive culture towards different ICT fields in the forms of public support and lively hobbyist scene. The passion and drive of the pre-1990's hobbyist is what allowed the formation, growth and nurture of a skilled professional game industry in Finland. Even though the industry has its challenges, it has matured and consolidated, thus having found its place in the global game market. The new growing trends in Finnish game industry are VR and mobile e-sports. The VR market is still quite young and not easily accessible so mobile e-sports could be the next big thing. It remains to be seen whether the next Finnish hit will be another mobile game or perhaps something in the VR or e-sports scene?

## Bibliography

Finnish Game Industry Report 2016. 2017. Neogames. Retrieved on May 17th 2018.

Jørgensen, Kristine. Sandqvist, Ulf and Sotamaa, Olli. "From hobbyists to entrepreneurs: On the formation of the Nordic game industry." *Convergence: The International Journal of Research into New Media Technologies* October. 23, no.5 (2017): 457-476.

Kuorikoski, Juho. 2014. Sinivalkoinen pelikirja; Suomen pelialan kronikka 1984-2014. Fobos.

Masira, Elijah. Chowdhury, Nafis Ahmed. 2014. Finnish Mobile Gaming Cluster. JAMK University of Applied Sciences.

Tyni, Heikki and Sotamaa, Olli. "Assembling a game development scene? Uncovering Finland's largest demo party." *G|A|M|E The Italian Journal of Game Studies* 3 (2014): 109-119.

## Digital Sources:

Business Finland. <https://www.businessfinland.fi/en/for-finnish-customers/home/> Accessed May 31<sup>st</sup> 2018.

Neogames Finland Association. <https://www.neogames.fi/en/> Accessed May 30<sup>th</sup> 2018.