

which consist of two distinct components: software and hardware. Hardware is the physical platform that is capable of rendering the software, or the game. These two components differentiate the video games sector from the toys sector. Due to technological limitations, during the industry's first steps, software was embedded within the hardware. As a result, the first video games were physical products called, booths. Arcade games are operated via inserting coins, and as a result they are also called coin-ops. The similarities between arcade mechanical and electronic games in terms of monetisation, lead the newly founded video games industry to employ the arcade games business model (revenue model, distribution channels, resources, and partnerships).

That changed in 1972, when Atari, the evolutionary successor of Syzygy, commercially released the first console, called Atari 2600. Atari 2600 was a video games platform that was capable of rendering multiple video games. The lower production costs increased the demographic reach of the industry and repositioned the sector as a family friendly activity. This event triggered the horizontal disintegration of the industrial value chain increasing the diversity of the industrial BMs. For example developing studios and publishing companies appeared that focused mainly on the software production, marketing, and sales links of the industry's value chain. Development studios focus mainly on the design, and production of video games. On the other hand, publishers focus on the localisation, marketing, and sales of video games. However, it is quite common for publishers to own one or more development studios and they are the main source of funding for Third-party development studios.

In 2000, the advent of mobile phones (smartphones) as gaming platforms allowed video game companies to access a whole new spectrum of consumer segments (Newman 2013) and increased the demographic reach of the industry dramatically (Srinivasan and Venkatraman 2010). Nowadays, casual gaming, or mobile gaming is the fastest growing segment of the global video games industry (Feijoo et al. 2012). However, this new development unveiled the limitations of the dominant BMs (i.e., buy-to-play) in terms of offering novel value propositions and revenue models (Freemium, Free-to-play, etc.) (Marchand and Hennig-Thurau 2013). More recently, an increasing number of IT companies invest intensively in new technologies, such Cloud Computing, and Virtual reality (Facebook, Apple, and Google). These technologies can potentially challenge the current equilibrium of the industrial BM network. For that purpose, the development of a new set of tools is necessary to support managerial strategic decision-making, and encourage BM driven empirical studies.

1.1 Economic impact of the global video games industry

The economic impact of the global video games industry has increased significantly during the last 15 years (Table 1). The sector experienced a growth rate of approximately 8% on average annually, which is considerably faster than the global economic growth (Euromonitor 2016). The annual turnover of the sector is estimated to be slightly above £40bn (Euromonitor 2016). In terms of sales, the largest national market is the US, followed by Europe. However, during the last year, Asia has experienced a significant increase in economic impact, following China's explosive market growth. However, the industry is also characterised by concentration, which has increased since 2009. The market share of the four largest publishers in the UK (C4) increased from 44% in 2009, to 49% in 2014 (Euromonitor 2016). This phenomenon highlights the challenges that SME's and entrepreneurs have to address in terms of navigating within a limited resource space.