Sony chief warns technical problems persist for cloud gaming

Enlarge / Sony chief Kenichiro Yoshida.
Tokuyuki Matsubuchi via FT

reader comments

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Sony’s chief executive has warned that cloud gaming is still technically “very tricky,” playing down the risk to the console maker of the industry quickly converting to a technology on which its rival Microsoft has bet heavily.

In an interview with the Financial Times, Kenichiro Yoshida said the PlayStation creator would still study “various options” in the future for streaming games over the Internet itself, adding it could utilize GT Sophy, its artificial intelligence agent, to enhance cloud gaming.

“I think cloud itself is an amazing business model, but when it comes to games, the technical difficulties are high,” said Yoshida, citing latency—the fast response times demanded by gamers—as the biggest issue. “So there will be challenges to cloud gaming, but we want to take on those challenges.”

Despite various attempts to remake the gaming industry around the cloud, many users have yet to switch from a console or high-end gaming PC to streaming games entirely over the Internet, fearing the lags that can be caused by slowing Internet connectivity and server speeds.

Publishers have also not been fully supportive. In January, Google shut down its Stadia streaming service after most game producers held back from making their top titles available on the platform.

The promise of cloud gaming is still unfulfilled after more than a decade of development. Sony was one of the first big companies to enter the market, having acquired cloud gaming company Gaikai for $380 million in 2012 and later the technologies of its rival, OnLive.

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While it launched a cloud gaming subscription service in 2014 that is now integrated with its upgraded and expanded service PS Plus Premium, analysts say Sony has not capitalized on its early bet to establish itself as a leader in the field.

Yoshida also pointed to the costly inefficiencies of cloud gaming where servers are idle for much of the day before having to cope with the high levels of traffic of gamers playing during the evening or “dark time.” He added that Sony had responded by unleashing GT Sophy in the quiet hours to learn how to beat human competitors in the auto-racing simulator *Gran Turismo*.

“The dark time for cloud gaming had been an issue for Microsoft as well as Google, but it was meaningful that we were able to use those [quieter] hours for AI learning,” said Yoshida, speaking at the company’s headquarters in Tokyo.

He declined to comment on the impact Sony foresees from Microsoft’s $75 billion agreed purchase of the publisher Activision, the company behind the *Call of Duty* and *World of Warcraft* game franchises, saying regulatory reviews were continuing.

But the deal has rattled the global gaming industry, where the US software company is engaged in a cut-throat battle with Sony for dominance of console gaming.

Industry and regulatory concerns have focused on whether Microsoft would make Activision’s games exclusive to its own cloud gaming service, a move that could potentially accelerate the shift away from consoles.

Last month, the UK competition regulator blocked the acquisition, concluding that the takeover would cement Microsoft’s dominance of the nascent cloud gaming market. According to Microsoft, its Xbox Cloud Gaming service has more than 20 million users.

The regulatory response has been mixed, however, with EU regulators clearing the purchase on the basis that Microsoft had made concessions to alleviate its concerns.

If it goes through, the deal would make Microsoft the third-biggest gaming company by revenue, behind China’s Tencent and Sony.

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