Ain't Goin' Away Ever
by Shannon Drake

Also:
Editor's Note
Letters to the Editor
Staff Page

Casual Friday
Gangs of New York
Licensed Insanity
Meet the Team!

Wal-Mart Rules
by Allen Varney

Gaming at the Margins, Part 4:
Break Out of the Best/Worst Trap
by Warren Spector

Friction Costs
by Jason Delia Rocca
I used to have a neighbor who spent at least $100 per month on his yard. He didn’t spend it on buying tools and new plants and soil. He spent it on workers to come and mow the lawn, weed the gardens and plant new flowering plants through the growing seasons. And throughout the year he and his family enjoyed barbeques and games in their yard.

I, however, love gardening. I loved getting out there in the dirt, watching my little seedlings grow from a tiny pair of leaves just poking through the soil, into beautiful, strong plants. Spending a Saturday morning digging and planting was fun for me. And I enjoyed having a nice yard as a setting for barbeques and games in my yard.

My neighbor and I had different modes for achieving the same end. And we both enjoyed and took pride in our nice yards in a similar fashion. True, he couldn’t necessarily name every plant he had growing in his yard, nor could he explain the different sunlight needs of gardenias versus caladium. But I didn’t have a family with whom I needed to spend time as he did. And he may not have received the same pleasure from working in the garden as I did – I can’t fault him for that.

Did his lack of knowledge of his garden, his lack of participation in making his yard beautiful lessen my own knowledge and participation? Only if I was trying to prove that I was better than my neighbor through my picture-perfect yard. But I wasn’t. I actually enjoyed it. It wasn’t merely a means to an end, I liked the journey. For me, the input of labor was most appealing. For my neighbor, it was the input of money.

Where this gets tricky is if the person my neighbor hired and paid $100 per month to care for his lawn was his son. And if part of that deal was learning responsibility for duty and the value of a dollar, as well as yard care. And if the son then went behind his father’s back and hired someone else at $90 per month to care for the yard. Well, some might say, “start saving to send the kid to school for an MBA”; others look at the father, my neighbor, and wonder, “does this break his rules?”

This interesting place provides the backdrop for this week’s issue of The Escapist, “Dungeons and Dollars.” Our writers delve into the economic issues surrounding games, from Shannon Drake’s piece on Red Bedlam, developers of Roma Victor and embracers of virtual property sale, to Jason Della Rocca’s article discussing “friction costs” associated with poor production practices in development. Find these articles and more in this week’s issue of The Escapist.

Cheers,

Julianne Greer

To the Editor: I’ve been reading The Escapist for a couple of months now and am very impressed with both the quality of its content and the format itself. I was particularly “moved” or should I say “relieved” to see that parts of the gaming community are still sticking with Nintendo. They introduced me to videogames all those years ago and easily have produced some of the best software and hardware, and as one of your articles mentioned, met some hurdles on the way.

I think people in this day and age are forgetting what games are all about, and that’s gameplay, as a Nintendo VP clearly outlines: “graphics are eventually taken for granted” and that sentence couldn’t be more the truth. The greatness of Nintendo is that no matter how amazing the graphics may or may not be, the gameplay at its heart is there to entertain. I had a quick run of Ocarina of Time the other day and, the graphics may look old for today, but they were almost completely irrelevant. The
immersive gameplay was enough for me to keep playing, a feat few developers today would be able to match. On a parting note, the Big N just announced record profits since 2001, proving doubters wrong once again. That’s Nintendo Power for you.

- Philip

Dear Mr. Varney: I enjoyed your “Metroid Primed” article. You have a fun, accessible writing style. Just one little geeky correction. You mention “trackless low-res polygons” in 1986. There were no polygons on home systems in 1986. Polygons were limited to expensive home computers or movies like Tron or Last Starfighter. Maybe you meant “pixels” or “sprites”?

- Navarro Parker

[Editor’s Note: This topic was brought up on our blog, The Lounge, as well. Allen responded here.]

From The Lounge: [Re: “The King and the Donkey” by Spanner] Cheers for a great article. It’s this kind of reading that makes the escapist such a pioneer in game journalism. I would never expect to see this topic in a hard copy publication which is what has kept me coming back to The Escapist since my first foray back when Greg Costikyan wrote “Death to the Games Industry.” Clearly an interesting read and something I would never have known short of doing my own research - which I never would have done because I didn’t know the history was so interesting. Are the lives of other such companies this interesting? Will we get to hear more about their history?

- Nikudada

From The Lounge: [Re: “A New Way to Play” by Shannon Drake] First of all, let me state that I am in love with the concept of the gaming system and the controller that the “Revolution” will bring. I haven’t bought a console since Genesis, and I am already drooling over this one.

The point I’d like to make, though, is that I don’t believe that this controller will make any kind of revolutionary changes in the console gaming industry. I hope I’m wrong. You compared the NES’s controller to the Atari’s, and others’, and made the case that it was the NES that set a new standard. I agree. However, the video gaming market today is literally in another plane of existence.

As an example, you’ve got two major markets - PC and Console - who have radically different design and control schemes, yet both are large players and have been, side by side, for years. If there is a mini-revolution (does such a thing exist?) created by the “Revolution,” it would be the birth of a new videogame market, apart from the current ones; although I don’t believe even that will happen. The NES didn’t just beat out Atari and friends because of a control innovation, it had a host of other things going for it as well. An example of this is the fact that, since the days of Commodore, we’re still playing games on PC keyboards.

Anyway, I have a hard time seeing the “Revolution” beat out Sony or Microsoft at anything. Again, I’d love to witness it - heck, I’m buying the system - but I’m afraid, in America, the console industry is at the point where big bucks and predictable marketing strategies rule the field. At the most, Sony and Microsoft will make lightsaber controllers of their own for expanded profit, but it won’t be required for them to keep up. “Revolution” in Japan? No clue. I can only speak from the history of American videogaming. Now let’s hope I have no idea what I’m talking about.

- Big J
According to the community, a titanic struggle is underway. The self-appointed Forces of Light man the ramparts, defending the walls as an onrushing, all-consuming tide of gold farmers and virtual property sellers threaten to engulf All That Is Good in the World. Lines are drawn, sides are chosen, and players enforce vigilante justice against suspected gold farmers, ready to pick up torches and pitchforks if an oddly named character kills too many foozles in a suspiciously preset way.

The old way of doing business teeters as the last remnants of the way the world used to be struggle to uphold the status quo. A few years ago, virtual property (VP) sales were shady; someone private messaged you, offered money and leveling for a quick Paypal. Something funny happened along the way. Despite vociferous protests from the hardcore, an army of someones bought gold and items, giving the sellers enough money to go legit. Nowadays, they’re all-but-mainstream, competing on price and customer service like any other business. Sure, they get their merchandise from sweatshop legions of Asians, but then, so does Nike, and the mainstream still buys sneakers. Enough money changed hands that the big boys started sniffing around, with Advanced Characters going for $30 on Ultima Online’s official site and entire Station Exchange servers in EverQuest 2 devoted to buying and selling items.

Outright assimilation and normalcy loom on the horizon as developers resist and find people buying and selling anyway, or adapt and design their games around the new economic reality. One company pursuing the new way is a U.K. firm called RedBedlam. They’ve been quietly toiling away (apart from the occasional crucifixion) on Roma Victor. RV is different, an MMOG built not on the picked-over corpse of a dead English linguist turned author, but on the far more mundane field of economics. Those who’ve spent time with the young Turks in Asia and Eastern Europe will recognize their model. Pay a tidy sum, receive a decent amount of in-game currency and forget about the monthly fees.

I sent the requisite smoke signals, and soon, I was invited to talk to the...
legendary KFR. The President and Managing Director of RedBedlam is Kerry Fraser-Robinson, a grizzled industry vet with “20-something” years of experience, including time served as an IT consultant, editorial roles with the U. K. versions of CGW and other big-name magazines, and even a stint at Vivendi Universal. His travels in the industry brought him in touch with — here he does a very British little chuckle that’s not quite evil, but definitely implies something is afoot - "a bunch of people who sort of suited my needs.” Feeling the market was ready for their model, they “kicked off the project and that’s how RedBedlam started,” built not on a vision of elves-but-better, but on something else.

"The company was founded specifically to do virtual economics," he says, “And the game came after that.” So, they started the company based on virtual property and economics and the game came after that? "Precisely. Precisely. And I think that’s pretty important."

What inspired KFR and those "who suited his needs" was something far more bland, but far more interesting than another fantasy novel: economics. “I sort of predicted [the virtual property boom], as it were. I remember discussing virtual economics back in the mid-’90s with an economist friend of mine when we were playing Meridian 59. We realized the shillings, or whatever it was in the game, had value, because people wanted them and people would exchange them for stuff. That’s value. If you’d said to someone, ‘I’ll give you 100,000 shillings if you give me five bucks,’ they would’ve, surely. That, to my mind, was the birth of virtual economics, when players all over the world went, ‘Hang on, this is real money.’ If you [build a game] without that in mind, you’ve got a problem. [However], if you’ve designed the game around the concept of virtual economics, then it’s a very, very different story. It’s a different kettle of fish. You don’t have to worry about twinking or inflation. It’s a very natural, very organic sort of economy.”

KFR thinks the resistance from existing players and companies — I used Mythic’s very public stand against VP and gold sellers as an example — is "quite natural, a sort of teething. I think what it is, from Mythic’s standpoint ... they have a certain game, a massively multiplayer game that people play, and there’s an inherent value in the time people spend in the game. Mythic has the problem that they designed these worlds to be non-virtual economics worlds, so yes, of course, there are inevitably people churning out money, that’s kind of inevitable." In a very literal kind of way, time spent in these kinds of games is money.

I asked if there was anything Mythic and their allies in the anti-VP camp could do. “To be honest, from my perspective, [and] I have a great amount of respect for Mythic ... but from my perspective, it seems a little ... well, you’re sitting on the beach, trying to get the sea to turn back. And it won’t. It cannot turn back. There’s all sorts of things you can’t get away from and that’s one of them.” The solution is to “embrace it from the get-go. If they’d designed their games with virtual economics in mind from the first place, they wouldn’t have a problem. They could produce gold faster than the farmers. They’d be able to manage it in
the Escapist

the Escapist lounge

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a way the farmers couldn’t. That would kind of cut the farmers out of the question. [Mythic has] virtual, economically viable content, but they haven’t got a hang [on it]. They haven’t got their hands on that.”

Are they fighting a losing battle? “Well,” he begins in a hesitant, wanting-to-be-diplomatic tone, “yeah. But I think it’s only a problem for them with the current generation of games. If they redesigned or remade those games, or in the next generation of massively multiplayers.” He pauses to gather his thoughts, then shifts gears. “People know now. People know that people will turn whatever game currency into real money. So you have no choice, whether you’re a virtual economic developer like us, or a more traditional developer like Mythic, you have to make sure that one of the central architectures of your world is [accounting for] virtual economic conditions.”

That brings us to Roma Victor. Their virtual economic model is a very simple one: Players purchase an account key, which comes with a small amount of game currency, to access the game itself. Rather than a monthly fee, players can use their credit cards to purchase “sesterces,” RV’s in-game currency, if they need or want more money.

Those with moral objections to virtual property sales and real money transactions can play the game without spending any real money. “Well, you can do. It’s not the,” KFR hesitates, being diplomatic again, “… chosen … method of character development, but you certainly can. To be honest, there’re so many players, and there’s money flowing around — the economy works — so when you log on, it’s not uncommon for players to say, ‘Who are you? New guy, go fetch me some firewood. Here’s 10 sesterces.’ It’s a trickle-down economy.” He laughs, adding, “Republicans all over the place will be happy.”

That leads to the usual anti-VP argument: Rich players will dominate the game. How will they avoid that? “The Republicans?” He quips, still laughing. “Well, there’s certainly an element of that, but it’s not the whole story.” Rather than launching into a prepared spiel,
though, he adds an unexpected comment. “But it’s part of, you know, welcome to real life.” It’s not all hands-off, though. He continues, “However, the truth of the matter is, I’ve got the world right here. It’s got people in it and some of them [are] very rich. And it’s quite a broad spectrum.

“The people at the top of the spectrum, the rich people, generally have to work pretty hard in the game to make sure they keep their in-game assets. Let’s say for the sake of argument” - he admits he’s simplifying and it doesn’t quite work like this, but it works for an example - “you put $10,000 worth of sesterces on your character and you went around in the world. Well, you wouldn’t keep it very long. 10,000 much poorer individuals are much stronger than 1 rich person with 10,000 sesterces. Unless he’s willing to give them one each, he’s not going to keep it for very long.”

So, Roma Victor is a world of Republicans on the run from angry mobs, regulated by violence? He laughs again. “Not exclusively. Not just violence. Primarily, in fact, politics and diplomacy. It sounds trite, but it’s nature. It’s so natural for the rich people and poor people to find some method of getting along. It may be through violence. It may be through politics.” It’s a remarkably realistic way of looking at his world, not quite the rose-tinted blinders so common in the genre. “It happens,” he says. “It’s a fairly natural process.

The rich people realize there’s no point in buying a $10,000 castle if you can’t pay the people to keep that castle safe. If you’ve got $10,000 to spend, it’s best to spend it a dollar at a time, unless you’re a complete lunatic.” Enthusiastically, he adds, “In which case, welcome to our game!”

To the many detractors of his virtual property model, he’d like to say, “Take a look at it. I’d say this is the first few years. Yeah, there’s a lot of people in a panic. It’s a new technology. It’s inevitable. When there’s a new technology, there’s power. And at the moment, there’s a bit of a power vacuum in some places, a bit too much power in other places. And it happens. The Asian sweatshops and all that. I don’t think it’s the way it has to be. The virtual economics industry got loads of bad press before it even got out the door. I don’t think it really deserved to be labeled as a sweatshop/farming thing, when that’s one thing that happened at the beginning of the industry.”

Roma Victor, as he told me earlier, is one of the first games built from the ground up with virtual property and real money transactions taken into account in the design. I ask him how the players are reacting to the world. “Quite well,” he says cheerfully, before adding, “It makes the politics very interesting, because there are some very successful houses that compete against each other, and it’s interesting to see the economic ramifications when they start ramping up in different sorts of trade wars and all the rest.” The conversation winds back around to the “Republicans” from before, as he gives me a real, in-game example. “We’ve got one guy who is much wealthier, personally, in real life, and who’s spent quite a lot of money in game. [He] controls what you might call a ‘legion’ - well, they’re auxiliaries - of soldiers. And these two major houses try to vie for the attention and power of the ‘legion.’ It’s like real life. They love it. They’re having a great time. It makes
the politics and intrigue that much more interesting.

"It's strange, though," he muses. "They don't look at the currency as real. They don't mind losing it. But we've got a one-way system, unlike Project Entropia," where players can "cash out" of the game and get real money back. "We consider it, like, you know how you have arcade games? We're a lot like that. You pay your money into the machine and take your tokens, and use your tokens to play the game. Now, if you put 10 cents into Space Invaders and died on the first level, that's kind of your problem. If you put 10 cents into Space Invaders and tied up the machine for 12 hours, that's kind of … our problem, the arcade provider's problem. And so the trick is making sure the value relationship is right. And, actually, that answers your original question!"

I empathize, remembering a similar conversation from the days when Prodigy, AOL and CompuServe all charged hourly, and we come together discussing how very, very angry multi-thousand dollar bills make parents. "There's a genie that can be unleashed from a bottle, and we wanted to get away from it," he says, getting back into the source of his inspiration. "The problem is, with a monthly fee, you've got people paying $15 a month for their game. As you well know, you've got your Level 60 'I own everything' who knows everything that plays hanging off the edge of his bed, 22 hours a day, seven days a week. Now, he's paying $15 a month for that. And this other guy, who works and comes home and hasn't got any time, but on the weekend, he'd really like to crank out some Star Wars Galaxies or EverQuest or whatever, and he pays $15 a month, too."

That's normal for the industry and fairly obvious, right up until what he says next. "That really sucks," he says, pausing for a moment to let it sink in. "Anybody who knows anything about economics looks at that and goes, 'Well, value broken.' Doesn't work. They should be getting value for what they're paying. We wanted to address that and make sure that people are getting the value of these games that they're paying for."

The idea that people should pay based on what they use is so commonsense, yet utterly foreign to most of the MMOG industry. It seems ludicrous, from an outsider's point of view — and from an economist's — that people who play once a month pay just as much as people who never log out of the game.

He continues. "And we've got people running around, doing the errands, gathering the firewood, who aren't really spending much on the game, but they're playing the game for free or very, very
cheaply. And you’ve got other people who are playing the game very intensively, very hardcore, who are paying into it, who are putting money into the economy, kind of paying for the freeloaders who are helping them out.”

While we’re talking money, I ask him about some of their potential other revenue streams, or maybe if they’d consider letting people take money out. “We might do additional features, like pay for web hosting for guilds and that kind of stuff, but to be honest, there’d be additional merchandise first, like selling t-shirts.” He hearkens back to the arcade model from before, saying, “We’d like to keep the virtual economics side of the game separate, make sure we don’t have inflation or deflation or anything that might affect the game world. That’s why we don’t have transactions back out. No, we’d like to keep it sort of clean and simple. You can just buy sesterces. It’s that simple.”

With any game design, no matter how robust, there’s always an unexpected element to how things will turn out. The potential monkey wrench in any game system is the players. I ask Kerry if they’ve surprised him at all. “They have and they haven’t,” he says. “They literally surprise me every day. They’ve invented something new, or they’re doing something I simply haven’t accounted for. You know, Richard Bartle and I go back a bit, too. I was talking to him about this very subject and he shared the story of when he used to run MUDs, the original MUD.” He admits he’s probably going to get the story wrong, but continues. “There was this one chap who collected roses. And the rose wasn’t a viable item. I mean, you couldn’t do anything with them. They didn’t get you any points or anything. But he had like 10,000 roses in his inventory, and Richard was saying you can’t account for that in design. You can’t account for someone who wants to store 10,000 useless objects. Why would they do that? But they do.”

That leads to a moment of reflection. “And that’s the fun bit about designing about a virtual world, to be honest. Whatever LEGO bricks you put down there, people are going to build the most amazing things out of them, and you’re not going to be able to predict it.” Giving control freaks a bit of a heart attack, he adds, “And if you can predict it, your game is far too narrow. You need to give them that freedom. That’s what they’re playing for. There is activity that you as a developer will not understand, and that is a good thing. If there isn’t activity you can’t understand, you’ve made the game too narrow.”

One dark cloud I saw on the horizon was, of course, the lawyers. Where money changes hands, someone is eventually going to get mad and sue. Has the RedBedlam team run into any legal issues? “When you get kicked out of the arcade center for misbehaving, no one’s going to listen to your complaints about the tokens you bought that morning,” he responds. When you’re spending money — and this is the way virtual economics should work, I think —
when you’re spending money, you’re spending it then.

“Nobody’s trying to set up a new World Bank here, and I think it’s wrong for people to try and do that. A character in a database isn’t something people [should] eat and drink and live and die off of,” he says. “We’d like to keep that delineation between the two. You’re spending [the money] then, well, if the guy who bought $10,000 worth of sesterces went down a dark alley and lost it all,” He’s quick to point out this is impossible, but continues with the example. “That would be entirely his own fault. I’d have no sympathy for him whatsoever.”

As to the legal side of it, “I don’t think he’d have any legal recourse, either, he’s exchanged his money for tokens. It’s a silly argument really. [...] I think the MUD developer people are much more comfortable with [these sorts of communities]. There’s all sorts of people out there that understand that. And the game developers are coming at it, very much sort of the new kids on the block, encountering the new sorts of scary things. And since they’re the new kids on the block, and they’re sort of pop stars, celebrities, they bring mainstream media with them, which is a good thing and a bad thing, because they mess it up.”

So, in closing, I ask if VP is going to continue tiptoeing toward legitimacy. Are we watching the dying throes of the last generation? “I think the resistance to it comes from, well, people just don’t understand it. Often, when something new and powerful comes along, there’s a lot of distrust. And immediately, stories pop up on why you should distrust it, and everyone says, ‘See? Told you so, told you so.’ And then, we look back a few years later and go, ‘Well, that was a flash in the pan, it was part of a much bigger story.’ I think that’s what’s happening. It’s a fairly seismic change. People have acknowledged that virtual stuff can have value to real people. That ain’t goin’ away ever.”

Millionaire playboy Shannon Drake lives a life on the run surrounded by Japanese schoolgirls and videogames. He also writes about anime and games for WarCry.
Do you buy your electronic games at Wal-Mart? Never mind, doesn’t matter. The retail games you buy at GameStop or Best Buy or online are the games Wal-Mart has decided you can buy.

Publisher sales reps inform Wal-Mart buyers of games in development; the games’ subjects, titles, artwork and packaging are vetted and sometimes vetoed by Wal-Mart. If Wal-Mart tells a top-end publisher it won’t carry a certain game, the publisher kills that game. In short, every triple-A game sold at retail in North America is managed start to finish, top to bottom, with the publisher’s gaze fixed squarely on Wal-Mart, and no other.

But how long will that last?

The Power
By consolidating many manufacturing sources and optimizing its supply chain, Wal-Mart has shifted the center of business power from manufacturing to retail. This has forced most American industries to move offshore, but the software business, and electronic games in particular, have been less affected this way. Though selected art resources are increasingly outsourced to India and Southeast Asia, games are largely still produced in relatively small, integral domestic groups. Is this because North American creators understand their audience better than overseas coders? Because the creators here are better skilled? Or is it simply that Wal-Mart customers, who unfailingly seek the lowest prices for food and appliances and shampoo and garden hoses, will still pay high prices for top-line computer games?

For whatever reason, the game business has so far resisted most competition from lower-wage workers overseas. Compared to physical manufacturing, software profit margins remain comfortable and can support professional-class salaries. Yet make no mistake, Wal-Mart’s effect remains powerful.
Tom Gilleland, with the indie developer BeachWare (which has sold casino games through Wal-Mart), says, “Wal-Mart is working from a very strong position that enables them to dictate the content of their software product line. Wal-Mart tells the distributor/publishers what they want, and the distributor/publisher goes and finds it, or has a developer make it. They certainly know what their customers want, or they wouldn’t have been so successful. They also have a very complicated situation in terms of public image, so they avoid controversial products.”

Thus, because of the company’s influence, nowadays it is practically impossible to market a game that contains nudity. “We’re not going to carry any software with any vulgarity or nudity – we’re just not going to do it,” Wal-Mart spokesman Tom Williams told Reuters in October 2002.

Developers have produced “special Wal-Mart editions” of some games, such as Duke Nukem 3D and Blood, that delete the two principal bugaboos, nudity and excessive gore. Other developers just sanitize their games across the board. As a Ritual Entertainment developer remarked in an online chat promoting their Heavy Metal: F.A.K.K. 2 game (2000), “There’s not much nudity other than statues. Wal-Mart is picky about that. When you have to decide between feeding your family or putting nudity in the game, you choose food.”

For the U.S. version of Giants: Citizen Kabuto (2000), Planet Moon put a bikini top on Delphi, the game’s topless sea-nymph heroine, after Wal-Mart refused to carry the seminude version. In an effort to gain a Teen rating from the Electronic Software Ratings Board (ESRB), Planet Moon also toned down the language and changed the red blood to green – but the game got a Mature rating anyway. (Soon afterward, a patch that removed the changes mysteriously appeared online.)

Of course, Wal-Mart, like other major retailers, pulled Grand Theft Auto: San Andreas from its shelves after the “Hot Coffee” fiasco. Take-Two Interactive revised that quarter’s financial guidance down by $45 million. Wal-Mart has since resumed selling a modified version.

Wal-Mart has shaped the field in other ways. Remember five years ago, when computer game boxes all got smaller? That was Wal-Mart. “Wal-Mart was a significant force in driving videogame producers (and software producers of all
kinds) to dramatically reduce the size of their boxes,” says Charles Fishman, senior writer for *Fast Company* magazine and author of the bestselling book *The Wal-Mart Effect*. “Wal-Mart’s goal is to put as much merchandise on the shelves inside a given store-size as possible. By cutting the box size of games and software, Wal-Mart could easily increase the amount of product it displayed by 20 or 30 or 40 percent. More product in the same shelf-space. That’s good for Wal-Mart, and good for customers, and maybe even good, ultimately, for game makers. Smaller boxes cost less.

“And Wal-Mart is increasingly interested in the environmental impact of such changes,” Fishman says. “If you literally cut the packaging of gaming software and routine software in half, […] that eventually comes to forests of trees not cut down. This is something Wal-Mart works on consistently, not just in software boxes.” Fishman’s book opens with a similar story: Wal-Mart eliminated cardboard boxes for deodorants and antiperspirants to save shelf space and money and to reduce waste. (This is part of a larger Wal-Mart environmental initiative.)

More pertinent than the packaging of games is their content. Wal-Mart and other retailers display an ever-decreasing range of game types. More and more, it is difficult-to-impossible to market an adventure game, or a non-Microsoft flight simulator, or a non-Maxis city-builder, or a non-*Civilization* turn-based strategy game. Did the audiences for these forms simply wither away? No, they’re still out there – but they’re not sufficiently profitable for big-box retail chains. The commercial range of games shrinks because of the free market’s uncompromising pursuit of the majority at the expense of all minority tastes. We see this most clearly in Wal-Mart’s signal triumph in game design, *Deer Hunter*.

**The Audience**

In the 1990s, Wal-Mart discovered a previously unrecognized demographic: The mass market gamer, who plays while holding a mouse in one hand and a can of beer in the other.

Game designer Harvey Smith wrote in 2002 about his meeting with Robert Westmoreland, “the cool redneck biz exec behind *Deer Hunter*”:

“He claims that he looked at data on how much software Wal-Mart was selling at the time, thought about the average Wal-Mart shopper, thought about what kind of games the neurotic mixture of feelings it inspires in many American observers. Business magazines simultaneously celebrate the company’s relentless efficiency, clean dealings and willingness to pass on savings to customers, while gasping at its colossal reach, devastation of local competitors, offshoring of entire industries, and damaging effects on product quality and diversity. Social activists decry Wal-Mart’s fanatical union-busting, poverty-level wages (some of its full-time “associates” earn so little, they need food stamps to survive), miserly benefits and ghoulish willingness to take out “dead peasant” life-insurance policies on its own employees without their knowledge. Wal-Mart defends against about 5,000 lawsuits a year.

Senator Hillary Rodham Clinton (D-NY), outspoken videogame critic, served on Wal-Mart’s Board of Directors between 1986 and 1992.
average Wal-Mart shopper would want to play (which, with the exception of *Bass Fisherman*, was at odds with the kinds of games being sold in the store), and then pitched the concept of *Deer Hunter*. Multiple publishers turned it down, calling it ridiculous in some cases. It cost about $110,000 to make. The franchise has allegedly sold 10 million copies. I bet Robert drives a really nice truck.”

Hardcore gamers derided *Deer Hunter* (1997) and its many imitators because they were dull and looked like crap. (The most recent version, *Deer Hunter 2005*, looks better.) So what? The games cost $20 and ran on low-end hardware – and their subjects spoke to far more customers than did *Quake* or *Command & Conquer*. Programmer Zac Belado wrote at the time, “It’s not just computer nerds and simulation freaks that are buying computers and games. *Deer Hunter* [buyers] haven’t seen a product that directly appeals to them, have been largely ignored by the game market (or, worse, ridiculed by games like *Redneck Rampage*), and have finally proven that they have not only the desire for software products, but the money to pay for them.”

Several publishers, running entirely below the industry radar, have found excellent business catering to the Wal-Mart demographic. Clay Dreslough, former executive producer at Midway Games, now runs Sports Mogul Inc. in Middletown, Connecticut. Dreslough’s sports management sims, like the new *Baseball Mogul 2007*, are sold at Wal-Mart, though most of his sales are online. “I think people in the hardcore market are frustrated with Wal-Mart because they might only carry the very top-selling FPS or [MMOG] titles. But for small companies like us, Wal-Mart creates a lot of upside without much downside. That is, even if Wal-Mart drops us one year, we still have other retail outlets, and we still have a strong fan base online.

“I have heard a lot about Wal-Mart hurting the industry and hurting innovation,” Dreslough says, “the theory being that you have to write a specific kind of game to get the scarce shelf space at Wal-Mart, and if you don’t get into Wal-Mart, you can’t be profitable. My experience has been different. I think there’s tons of room for innovation without Wal-Mart. Specifically, even with retail distribution, we still make most of our money online, through downloads of the product and through our popular *Baseball Mogul Online*. Publishing online, without worrying about the retail market, gives you more flexibility to innovate.”

The whole industry is learning that lesson. Game publishers are working hard to create online services that trump Wal-Mart the way iTunes has trumped the music cartels.
not least because it cuts out the used-game market. They also believe online distribution will reduce file sharing – anyway, hope springs eternal.

As national availability of broadband grows, Valve has already started its Steam distribution network. Ritual Entertainment – which ran afoul of Wal-Mart not only for Heavy Metal, but also for its hyper-gory 1998 shooter SiN, is using Steam to distribute its new SiN Episodes, almost as if it had been waiting for online distribution before making a sequel. Lead designer Shawn Ketcherside blogged, “Episodic gaming, because of its faster turnaround, offers the ability to react to consumer feedback (this has been talked about endlessly already), but it also offers flexibility to try new and really innovative ideas. [...] Basically, it’s giving all gamers more choice. Gamers can pick and choose titles, options and gameplay that really appeal to them.”

All the next-gen consoles embrace online, to varying degrees. Xbox Live is already up and running, and Nintendo has said the Revolution will offer downloads of classic NES games. Sony’s PlayStation Network Platform will offer a free service similar to XBox Live.

On a Gamasutra “Question of the Week” feature about digital distribution, most respondents predicted eventual victory for online distribution. BioWare’s Rob Bartel wrote, “The shift to digital distribution is coming to all platforms, and we now find ourselves at the start of that lengthy transition. It will be complete within a decade.” And where is Wal-Mart then? “The big players in the Digital Distribution Era will be those who own the unified portals that will serve as the digital marketplace, and those who own the big-budget games that will serve as development platforms and delivery mechanisms for future content.”

But don’t interpret that to mean Wal-Mart will just fade away. The company owes its current supremacy to its embrace of high tech logistics, and that attitude remains strong; Wal-Mart, along with the Defense Department, is the chief force behind the imminent adoption of radio-frequency ID tags (RFIDs or “arphids”). So it’s possible Wal-Mart itself might move into online games.

But in the digital distribution era, Bentonville’s unquestioned domination of electronic games will still decline. It’s simply too easy to get online without their approval; online is the realm of the infinite shelf. “New opportunities will open up at the micro-studio level,” Bartel says, "where small teams, both casual and professional, first-party and third-party, will be able to develop, market and sell compelling gameplay and new intellectual properties within the frameworks created and supported by the larger players.”

Then, like the great trusts and monopolies of the early 20th Century, Wal-Mart’s dominion will finally fade.

Allen Varney designed the PARANOIA paper-and-dice roleplaying game (2004 edition) and has contributed to computer games from Sony Online, Origin, Interplay, and Looking Glass.
How do we break out of our best of times/worst of times situation and chart a course for the Promised Land that’s clearly out there for us?

I’ve talked about some of the choices we might make, some possible outcomes associated with those choices. But is there some overarching thing that has to happen to increase the odds that we’ll head in the right direction?

My answer to a lot of our current problems is hinted at in the title of this article: I called my Montreal talk, and this article, “Gaming at the Margins” not only because of the status we used to — and could again — be accorded in society. There’s another aspect of “marginalization” I find intriguing.

To my mind, it often seems the most interesting and influential work is done at the “margins,” rather than at the meaty center of a medium or movement. And content, as I’ve said repeatedly in this article, is where we have to make our move if we want to reach the Promised Land.

Best-selling fiction is rarely the stuff that changes the world. The most popular movies and movie stars of years gone by are only occasionally the ones that influenced and changed subsequent thinking about what movies could be. You don’t typically see Thomas Kincade paintings in museums and rarely hear of his influence on other artists. And, to use a somewhat geekier example, it’s been 40 years since an upstart Marvel Comics changed the face of the comic industry by offering readers new kinds of heroes and conflicts — it’s now the alternative comic artists whose work comes to the attention of, and changes, the work of the mainstream publishers.

I’m kind of given to overstatement, so let me be clear that there are mainstream film-makers, writers and artists who have changed things, who have made works of lasting value. But often — even usually, I think — it’s the
independents in whatever medium you choose to examine who move things forward:

• The avant-garde artist (Renoir in his day, Rothko in his, maybe a Keith Haring or a Basquiat, more recently).

• The low-budget and experimental film-makers (if you want to see where MTV came from, you don’t look to Hollywood, you look to the Russian avant-garde of the 20s — check out Vertov or Eisenstein or Pudovkin).

• And in music it ain’t the work of Britney Spears that drives things creatively...

The fundamental problem the game business has is that we went from being a medium that was all “indie” development, all avant-garde experimentalism, to one that actively discourages such efforts. As a business and as a medium, we are, basically, all “mainstream this,” “big-budget that.”

Ten years ago, when I worked for EA, an executive there told me this was coming — that the future didn’t lie in small, innovative, low-profit games, that the future was in roll-the-big-dice blockbusters. I thought he was nuts. And even though history has gone his way (for now) even though I play his game now, I still think he was nuts. We are an industry of blockbusters, but that is precisely what we have to change.

With very few exceptions, the truly innovative titles (when they make it past the corporate gatekeepers at all) rarely influence other titles in any significant way. I mean, it’s not as if Katamari Damacy unleashed a flood of similar titles. Any of you tried selling a game like that to a publisher recently? Wow. Don’t bother.

What usually passes for innovation in the mainstream of game development and publishing is painfully conventional — usually limited to interesting use of physics, or a new lighting effect, or two pre-scripted paths instead of one!

Gaming’s “Indie” (non-)Scene

Until now, there’s only been one way to do business, if you wanted to make a living (or make a statement) making games. That has to change.

First, we have to find alternate sources of funding. I don’t care if it’s wealthy patrons, as some developers have proposed. I don’t care if it’s VCs (well, I do, but, hey, whatever works for you). I don’t care if it’s folks from the film financing community. We just have to divorce funding from distribution, find people who want profit, not ownership.

In addition, we need to find alternate forms of distribution — not replacements for traditional publishers and brick and mortar stores, but ways to augment and complement them. I already talked about Steam, the BioWare online store and others. Those are great starts.

We need to support games in what is currently a no-man’s land of $2-10 million, where games have to — but usually can’t — compete with bigger-budgeted titles.

Sundance changed Hollywood. Something similar has to happen for us. I’d be lying if I said I knew what that
something might be, or when it'll get here, but someone out there reading this is smarter than I am, has a vision of a new way of doing business, a new way of reaching players and new way of funding games. I hope...

Beginning of the End (of this article)
When I think about the choices we’ve been making recently — the choices that will determine whether we continue to live in the best of times or find ourselves slogging through the worst — it will surprise none of you to learn that I see us making a lot of wrong choices.

The state of the game business may be as good as all the positive thinkers out there say — at least for a handful of the biggest publishers and for some of the online guys, mostly. Hit games do sell big numbers and, by some measures, we are, as they say, “bigger than the movies.” Heck, if I had Madden and the NBA and the NHL and MLB and Lord of the Rings and Harry Potter in my portfolio, I’d probably feel pretty good about life, the universe and everything. But what’s good for the biggest players in the industry may not be good for the rest of us — and may not even be good for them in the long run. And no amount of revenue generated, no stock value, no sales report can address the deep-seated concerns I have about where we seem to be heading.

What are you playing?
Perhaps the most revealing way to look at the state of the medium is to ask the question, “What are you playing these days?” That used to be a question that started a fun, usually lengthy, often spirited discussion. Nowadays, the answer seems all too often to be either “World of Warcraft” or “There’s really nothing grabbing my interest.”

Maybe this is just a personal problem — a result of my friends and me getting older. Priorities change. Interests change. Time for games seems tougher to come by. Or maybe my values — notably a fascination with innovation, novelty and forward progress on the story and design side of things — aren’t shared by the folks who make up an increasingly international audience. Maybe it isn’t games or the game business that have changed — maybe it’s me.

I’ll cop to owning part of the problem, sure. But on reflection, I really do believe there’s a level at which games just aren’t as cool, innovative, unique or daring as they once were.

I don’t want to paint too rosy a picture of the past. (Well, I do, but I’ll try to fight it and remain rational.) There was a lot of junk produced in the ’80s, just as there is today. But the medium was so young back then, no one knew what they were doing. So you had everybody trying stuff, just to see what worked.

Of course, everyone had his or her own idea of “what worked” (or might work). And that meant you had people doing
things that were personally meaningful. And it didn’t hurt that teams were smaller, making personal style, and personal statements, much easier.

To personalize the argument, let’s turn the clock back to Origin back in the late ‘80s. Most people who were there at the time remember the Richard and Chris show:

• Richard Garriott was busy creating virtual worlds on an Apple II in the *Ultima* games (and 10 years later, championing the idea that became the MMOG craze).

• Chris Roberts was trying to merge movies and games when most people were still trying to figure out how to make a PC speaker go “bwoop.”

But just to complete the old Origin picture, we had a host of guys doing some crazy stuff:

• Paul Neurath was combining flight sims, arcade games and roleplaying games in a single package.

• Todd Porter was trying to tell stories episodically while recreating the experience of a tabletop RPG.

• Greg Malone was combining traditional roleplaying and arcade-style combat — with the first mocapp’ed stuff I ever saw.

• Stuart Marks turned programming into a game, putting players in the role of AI coders, trying to create AI-driven tanks you could pit against other players’ tanks.

Elsewhere, things were just as exciting, innovative and daring: You had Sierra and Lucas creating a crazy variety of adventure games — I’m stunned they didn’t do a musical comedy game. (Actually, maybe, in *Loom*, they even did that!) People were inventing new genres all the time — *Dune 2*, *SimCity*, *Civilization*, *Myst*, *Tetris*, *Mortal Kombat*, *Wolfenstein* and *Doom*...

Games had style. Developers had style. You could tell who made a game within seconds of beginning to play. There was variety in form, technique, genre, style — you name it.

Nowadays, there are a handful of Japanese developers who take chances. And let’s all, once again, thank God for Will Wright. The rest of us struggle to innovate in even the smallest of ways. Yes, at the end of the day, I do think games are fundamentally less interesting than they were, less interesting than they need to be to survive and thrive in the future.

If we’re going to secure that future, we must:

• Find alternative funding and distribution models that encourage innovation, that allow for “narrowcasting” to a (perhaps) smaller but highly motivated audience.

• We have to embrace the experimental rather than squash it.

• We have to allow more people with more varied interests to participate in game creation.

• We have to broaden the range of acceptable game content.

You could tell who made a game within seconds of beginning to play it.
We’re on the cusp of something.

Can’t you feel it?

Not just business as usual
We all know that the old ways aren’t working. We sorta know that online and mobile games are important, from a creative standpoint, from a business standpoint, maybe even in ways we haven’t thought of yet.

We know new hardware is going to shake things up and people are probably going to want to play games on more than one platform, depending on where they are, which of their machines they have access to and how they want to interact with the game.

We know our audience is changing. We want it to change and grow and be more inclusive.

We know all of this is going to force us to rethink development methodologies.

We know boxed games sold at retail can’t be the only way we reach players.

This isn’t just a time of consolidation or business as usual. This is a time of change. And times of change, scary as they are (and if you’re a game developer or publisher and you’re not scared right now, you’re not paying attention!), are also full of potential.

Beyond that, we know nothing. There’s a lot of talk, a lot of noise, a lot of pontificating. Not a lot of facts. And just as it’s silly to tack a tidy little ending on a game, where everything turns out alright because you rescue a princess or kill a demon, I can’t quite bring myself to wrap this article up with a neat little bow that answers all questions and brings closure to all issues.

We face too many challenges for that to make sense. So, bear with me through a couple of sets of conclusions.

Endgame 1: Developers are artists
There. I said it. I used to resist even thinking that. To heck with that. I’m too old to be modest about our medium.

But gaming — like books, movies and television — is a medium that represents a coming together of art and commerce. We’re out of balance these days. Commerce always seems to win.

We can’t continue to let commerce win all of the arguments.
One key to securing our future is, I think, to make sure the discussion, the dialogue leading up to the big decisions we face, doesn’t take place exclusively in the boardrooms — that we begin to ask a wider variety of questions than typically gets asked when biz guys and marketers run the show. There has to be someone asking something other than “Will this generate maximum revenue?” or “Does this maximize shareholder value?”

There are other worthwhile questions:

- “Does this advance the state of the art?”
- “Does this prepare us for success when players get tired of mugging virtual old ladies?”
- “Does this enrich our culture or debase it?”
- “Do I want to be remembered as someone who figured out how to simulate the actual blood spray pattern caused by a shotgun blast to the head or as someone who created a virtual character people will still be talking about 50 years from now?”

**Endgame 2: No one knows anything**

Lots of people claim to see The Future — it’s online, it’s convergence, it’s console, it’s whatever. It’s nonsense.

Figuring out what to do to reach the grand and glorious future we deserve is part business, part personal and, I think (despite the fact that I just spent many thousands of words writing about the future), largely foolishness.

No one knows what they’re doing, let alone how to lead us to the Promised Land. And scary as that may be to contemplate, it gives me hope, too. In some bizarre, through-the-looking-glass way, we may be approaching a time when expertise and experience count for less than they ever have, rather than more. Doors may be about to open for people with genuinely new ways of thinking about or doing things.

**Endgame 3: The world will end in six years**

I have a friend, a writer named Walton “Bud” Simons, who some of you may remember as the Director of FEMA in Deus Ex. Bud’s always reminding me that the Mayan calendar ends in 2012 — because that’s when the world is going to end. Frankly, I think that’s kinda silly. But what if it were true? What would we want games to become in the last six years of their existence?

If the world were snuffed out tomorrow, would we be satisfied that our last games had cooler explosions or that we created a more compelling simulation of...
criminal life? Would we be proud, as the world ended, that we had convinced another half-million users to give us $15 a month to lose themselves in a fantasy world where the most compelling goal we could offer them was killing monsters so they could buy a cooler sword? How would you feel if your legacy consisted of giving people 15 minutes of meaningless color-matching and pattern recognition? If we just carry on as we always have, I think we put ourselves at terrific risk:

• We’ll lose our audience rather than grow it.
• We’ll stifle our creativity instead of scaling new heights.
• We’ll find ourselves mired in a legal/governmental morass that relegates us to irrelevance.
• And, most tellingly for those of us of a certain age, we’ll find ourselves growing older to find there’s no place for us — as developers or players — in an industry unnecessarily geared toward kids.

None of this doom and gloom stuff is inevitable. We’re not inevitably on the highway to Hell. However, I do believe we have some big decisions to make. And let’s be clear: I’m not talking about false choices, like those in most games. I’m talking about decisions with consequences.

Pick the right direction at the crossroads and the true believers will be proved right; we’ll soar to unforeseen heights of success. Pick the wrong direction(s) and we’ll blow it and find ourselves marginalized; a niche product for a niche audience. And, as cool as games were back in Ye Olden Times, we’ve been there and don’t want to go back again.

I don’t know about you, but I want more from games. As an industry, we’re poised to make some of the most consequential decisions of our careers. Let’s pick the right paths at the crossroads and ensure ourselves the brightest of futures.

We’re not inevitably on the highway to Hell.

Warren Spector is the founder of Junction Point Studios. He worked previously with Origin Systems, Looking Glass Studios, TSR and Steve Jackson Games.
So much in business is determined by a simple acronym: ROI (return on investment). Obviously enough, as a businessperson, if you make an investment, you’d like to receive a return on that investment. In fact, the need for a return on investment is so pervasive, essentially no decision is made without first measuring it, evaluating it and factoring it against ROI from other opportunities. What’s an acceptable ROI? It really depends on the investor. To some, making a modest 5% return is a sound business decision. When we get into the 20% range, many would say that’s a no-brainer investment. Where’s my checkbook?!

In the game industry, most investments are made into new technologies and tools to ensure games have the latest bells and whistles. Other times, investments are made in areas like licensing rights (e.g., for a longstanding successful movie franchise) or market intelligence. All in all, investments are made in the hopes of generating more revenue: Make more and better products, sell more products, etc.

That’s all fine and good, but much of the game industry is ignoring (or is ignorant to) a massive investment opportunity...

**Nuts and Bolts**

Countless studies performed over decades and across many business sectors have proven time and again that mature project management practices and an emphasis on keeping workers happy can net massive returns. And, we’re talking 1,000%-plus massive.

Investing in development practices such as formal code and design inspections, cost and quality estimation tools, and long-range technology planning can bring upwards of 1,000% return on investment over a multi-year time span. Research has shown that improved software practices pay an average ROI of 500% (including false starts) that is sustainable over many years.

A great deal of this return (or more accurately, savings) comes from improving development lifecycle costs. For example, spending more time in early stage planning and prototyping
means unexpected changes and rework can be front-loaded in a project – when change is cheap. Formal production methodologies work to avoid changes late in a project, when the trickle-down impact can be massive - the dreaded beta crunch.

Returns also come from improved production time and more predictable schedules – the stuff producers dream about. No need to explain the benefits here on the gaming front, with so much riding on a holiday shopping window or simultaneous movie launch.

Another area that drives returns is improved quality. Better and smarter production leads to games with fewer bugs and stronger feature sets. Though this is more subjective to gauge, a less painful production enables developers to infuse the game with more of the “fun bits.” More seriously, a front-loaded, iterative pre-production process allows the team to more easily “discover” and fine-tune the fun, as opposed to waiting for everything to miraculously come together at the end of a project.

Lazy Bums
The desired response is, “Where’s my checkbook?!” Right?

Wrong. Unlike writing a check to the bank and getting check + x% back in a year, this is the kind of investment that requires work. And most of us are just too lazy. As one anti-motivation poster said eloquently:

“Hard work often pays off over time, but laziness always pays off now.”

Additionally, the game industry is so in the dark when it comes to project management, many really can’t imagine that another way exists. (“You mean we don’t have to crunch from day one?”) Indeed, some developers have flatly stated that they had no idea such process improvement tools and techniques – which have been used for years elsewhere in software development – even existed. A related problem is the fact that the game industry has had much success under the current regime, and no one is willing to gamble their career on killing the goose that laid the golden eggs. Well, some are, but they are in the minority...

On a more practical level, a major challenge to widespread adoption of such improvements is that much of the production research and knowledge about their benefits is not directly from the game industry. For one, this means developers are too ready to dismiss the research as irrelevant (certainly, some of it is). But, more pragmatically, they don’t have the time or ability to “translate” and apply lessons from other types of projects to games. Moreover, the game industry has an ongoing and rather serious case of xenophobia, manifested in an unwillingness to adopt or in many cases even examine ideas from the “outside.” This behavior is less likely the result of arrogance, than from hacker ethic roots and of caution bred by constant battery from outside forces.

On the whole, everyone is still fighting too many fires related to today’s milestone to be looking at a longer-term pay off.
Churn and Burn
Of graver concern is the widely held view that developers are replaceable cogs in the machine. With a rampant developer-as-commodity attitude, it’s no surprise that more isn’t done to invest in workers’ long-term careers.

No doubt, any discussion of quality of life or saner production schedules framed in an “I don’t want to work hard” context is career suicide. Rather, the industry needs to take an approach that proclaims the ROI potential of happy workers running under smart project management.

Ignoring all the massive ROI potential discussed previously, the reality is that driving staff to the point of burnout is bad business. Humanitarian treatment aside, the friction cost of losing, and subsequently finding, replacing and training someone new ranges from $20,000 to $100,000-plus per head (the total is a mix of direct costs, like recruiting fees and relocation expenses, and indirect costs, like lost productivity during training or loss of tacit knowledge). An entire team walking out at the end of a project is not unheard of. Kudos to the producer who got the project out, but at what expense?

Let’s not even get into the massive costs buried in health care expenses and lost productivity due to sick leave.

Inside Out
In a nutshell, there are investments to generate money and investments to save money. Both approaches are viable paths to a healthy and profitable company and industry. In that regard, it would be interesting to measure the game industry’s actual profitability. We all know about the vast revenue growth ($10 billion in the U.S.A. and counting), but is the industry as whole turning a profit?

I’d wager that we are breaking even, at best. Too much emphasis has been placed on generating gross revenue (i.e., more and more sales) as opposed to driving for a larger net profit. Spending $1 million to make $10 million is better than spending $35 million to make $40 million (or in some cases 50 to make 40).
At a time when next-gen budgets are at the $15 million mark – on the low end of the scale – executives should be salivating at any opportunity to optimize. Simply put, there is an enormous opportunity to generate profits via more efficient production methodologies and treating development staff as investments as opposed to commodities.

**The Bigger Picture**

More fundamental is the notion that immature practices and extreme working conditions are bankrupting the industry’s passion – the love for creating games that drives developers to be developers.

When the average career length of the game development workforce is just over five years and over 50% of developers admit they don’t plan to hang around for more than 10, we have a problem.

How can an industry truly grow, and an art form evolve, if everyone is gone by the time they hit 30?

How can we grow beyond an 11.5% female workforce when the level of commitment expected all but negates any hope of raising a family?

Why does this kind of stuff matter?

Ask yourself what movies would be like if they were created mostly by people with five years of movie-making experience – and were typically male. Spielberg would have checked out way before creating *E.T.* Same for music, art, books – every art form. J.K. Rowling would never have penned *Harry Potter*. The examples are countless.

Immature production practices and poor quality of life are stealing the industry’s ability to innovate and reinvigorate itself with fresh ideas. It’s limiting our ability to attract new and diverse talent. It’s robbing us of our experienced creators, who leave us with their hard earned tacit knowledge in tow. It’s restricting our ability to reach broader audiences and create games with ever more cultural significance.

Investing in developers’ careers is investing in the future viability of the game industry and the continued evolution of the medium of games.

What’s the return on that investment?

*Comments*

Jason Della Rocca is the executive director of the International Game Developers Association. (Opinions expressed do not necessarily represent the IGDA.) If the frequency of posts at his personal blog, Reality Panic, is any indication, he works way too much.
I was talking with a friend of mine while we drove back to school. Considering we're in school not too far from Los Angeles, it seemed appropriate that after wandering through topics like Brazilian Jiu Jitsu and accounting firms, we settled upon one of the then-current events; the execution of Stanley "Tookie" Williams, the founder of the notorious LA-based gang known as the Crips. "Look, man," my friend said to me, "I won't deny that he's a criminal. But wherever gangs or organized crime start, it's because the system there has failed to do what it's supposed to do."

A month later, I'm lying in bed, chatting online with two people who go by the names of "TheeTriforceGameMaster" and "Marvelous," and they're telling me all about their group of gamers. It's an Empire, they tell me. It's based out of New York. They toss around names like the Knights of Arcadia and The Syndicate. "Marvelous," they tell me, "plays Yu-Gi-Oh."

I can see why no one has written about these guys before. If I were any other interviewer, I think my patience would have been taxed by the time Yu-Gi-Oh came up. Certainly the mental image of these two - a high school kid with a Burger King crown and a grown adult man who is never seen in public without his Nintendo Power Glove - is not something wholly conducive to thinking business. And it's not hard to be put off by their sweeping, grandiose Empire rhetoric. But I know something most other game journalists don't: "Marvelous" is the alias for four-time Marvel vs. Capcom 2 national champion Justin Wong, and "TheeTriforceGameMaster" (hereafter known as Triforce) is his manager, of sorts. And they're here to tell me about Empire Arcadia - their New York-based gaming posse turned corporate.

In fighting game communities, their reputations precede them. Justin is known primarily for his Marvel vs. Capcom 2 prowess, of course, but also for his relentlessly patient style of play that makes him a threat in any game he picks up. (He’s also known, somewhat less fortunately, as the victim of the legendary Daigo video that made the internet rounds from Street Fighter III: Third Strike nationals at the Evolution 2004 tournament; Japanese Street...
Fighter legend Daigo Umehara successfully anticipates Justin’s attempt to chip him to death, parries the entire super combo, and counters with a retaliatory combo that wins the match.) His challengers have ranged from local Southern California crowd favorites like “SooMighty” and Seattle-based players like “Rowtron” to Empire’s own members, Ricky Ortiz and Sanford Kelly. But up until this last year, Justin remained dominant. (“I don’t like Marvel any more,” Justin says to me, “It’s all about Tekken 5.”)

Triforce, on the other hand, is a one-man advertising agency. While some people don’t take the Power Glove seriously, Triforce is also known for doing whatever it takes to get Empire Arcadia’s players to where they need to be to compete, and more often than not, “whatever it takes” is up in the thousands of dollars. National champions or no, most competitors make their way to Evolution by carpooling, couch surfing, and living off of Carl’s Jr. in order to make the most of their gaming dollar. Empire Arcadia, by contrast, takes care of all travel and housing arrangements - not only for the players but also their retinue. “The members of Empire Arcadia share an exclusive relationship being that they are with the company,” Triforce tells me. “We sponsor our gamers at times for major events, transportation, housing and food. They compete to try and reimburse some of that and take home a good chunk of it for themselves.” If this weren’t enough, Justin proudly relates to me a time when Empire rolled out en masse (21 people!) to T7, a Canadian fighting game tournament, in order to learn more about the comparatively insular Canadian fighting game scene. Call them the Ambassadors of Ass-whoopin’.

Empire Arcadia plans to build a presence in other gaming scenes than just that of fighting games. Empire Arcadia retains tax status as a for-profit company. (“What type of Empire of Gamers competes only in one genre?” he asks me, and I’m not sure how to answer that one because, frankly, I don’t even know what an Empire of Gamers is supposed to look like. Apparently, Empire player “Prodigy-X” won an In The Groove 2 competition at New York’s Comic Con.)

For all of Empire Arcadia’s competitive success, it is only one small part of what...
the Empire is about. “Basically, we develop the very culture and community of gamers by using various elements to express gaming, such as music, fashion, health, art, film, literature and even education,” Triforce tells me.

I’m a little bit skeptical at first - health? - but a quick look at their press kit yields pictures from all kinds of Empire events. Besides running game events for larger conventions, like doing Gamer’s Night Groove for the NY Comic Con or running tournaments at MAGFest, Empire has their fingers in all kinds of different pies. They’ve publicized short gaming films at local film festivals, held a Valentine’s Day women’s event called A Gamers Valentine, complete with the PMS Clan (Pandora’s Might Soldiers) as the guests of the day, they’ve worked both formally and informally for Nintendo as a publicity street team, they’ve even managed to get Triforce on MTV Game0RZ Week, Power Glove in hand and everything. I ask about the “health” bit; turns out that Empire Arcadia is sponsored by a Vitamin Water company. “Vitamin Water has a genuine interest in the gamer community, especially because of the stereotype that gamers are fat and all. We wanted to find a health company that would help us express gaming through health,” Triforce replies. “Guys like Prodigy - who plays DDR - needed a health drink to help him stay energized while playing. Justin drinks Vitamin Water before he hits the gym.”

One of the more interesting anecdotes Triforce relates to me involves the Major League Gaming organization. While it’s common knowledge that they’ve thrown some fairly large gaming events all across the country, it’s less widely known that they’ve caught some heat in the fighting game community for failing to pay out tournament winnings. Triforce elaborates: “Well, at the time, MLG owed gamers throughout the different communities prize money. They even owed Justin and Ricky, gamers from the Empire. They owed Wes, from Deadly Alliance, for Smash Brothers, Jop for Tekken, and a whole lot of other gamers in other games. It became a huge thing in the community where gamers were complaining, but they didn’t know what to do or how to do it. So the Empire decided to fix our problem and help the community. We got gamers representing each community that was owed money to go to MLG’s headquarters, and we discussed with them how and when they were going to pay players that had been waiting as long as a year.” I look in the press kit. They call this one “Defending the Empire.” Triforce continues, “For the first month, checks started to come and we thought that everything was settled. We even got ours. But even now, some gamers have not gotten what they are owed.”

This is all well and good - I certainly wouldn’t mind some vitamin water sponsorship for The Escapist - but I’m still kind of bewildered as to what could have possibly motivated anyone to form this kind of organization. While it doesn’t sound all that dissimilar, in some respects, from the machinations of any active college campus organization, I can’t imagine what would have gone into putting together, say, an Empire Arcadia business plan. Triforce, of course, is more than happy to explain: “Before I filed for the company, we were just a small private community in the Bronx that just played videogames for fun and entertainment. After looking at the direction the industry was going in terms of the ‘gamer culture,’ I just felt that we
could do more by writing letters to videogame mags and telling them what we wanted." I pause here for a moment. Something is sinking in, somewhere. Triforce continues. "As an official company, we would have a voice stronger than just a regular gamer's voice. Not to put down gamers around the world, but ask yourself, how much voice does a gamer have in the game industry?"

I think I’m beginning to see what he’s getting at. He keeps going. "There is a great difference between ‘Greater Gaming Community’ and the community of the game industry. The industry makes the games, and the gamers like us are the ones that play them. I felt that if we organized the community, we as gamers around the world would have a significant voice."

Click.

"It’s because the system there has failed to do what it’s supposed to do."

Beneath the verbally capitalized phrases like Greater Gaming Community and the militant talk of the different Empire "units" (pre-existing gaming cliques and groups that enter into the Empire fold) and Knights and Valkyries and all of this, lies something that makes sense, sort of. Just like gang life is more than just shooting people wearing the wrong color, gaming life is more than just playing games. By and large, however, it feels like Triforce is right; the community that makes games seems to be rather disconnected from the people who play games.

It seems so ludicrous, at first, to hear him talk about health, fashion, art and literature when we talk about videogames - but when I think about it, it makes just about as much sense as talking about, say, Asian American health issues, hip-hop fashion, queer community art shows or sports literature. Maybe he’s not taking games too seriously at all. Maybe he’s just taking them as seriously as people take everything else that matters to them, whether it’s racial identity, sexual orientation or all-consuming hobbies.

By now, the interview is wrapping up; after all, I’ve taken up almost two hours of their time and they’re busy people.

"I’m a gamer, not a businessman," Triforce tells me on his way out. "My executive staff takes my vision, my dreams, and makes them into feasible marketing plans and services. Myself, guys like Justin, and the rest of us, we use our gamer skill to execute them." Instead, it’s Justin who hints, lightly, at what I’m thinking. "There will always be people [who don’t take games seriously], but they can’t be like that forever. We’ll show them that we’re serious about what we do."

Don’t worry, Marvelous, I think you already have.

Pat Miller has been doing this for way too long.

There is a great difference between ‘Greater Gaming Community’ and the community of the game industry.
Movie tie-ins, sports titles, TV shows on your desktop. Licenses seem to have a death grip on the videogame industry. Whether it’s Jack Bauer running around to the sound of a ticking clock, or the latest NFL game, licenses make games easier to sell.

Licensed games are the ones that keep you up at night before they release, but let you sleep soundly once you have them. Welcome to the wonderful world of marketing.

An informal survey of my bloated videogame shelf reveals eight licensed titles, well below a fifth of the total, and all of them sports titles. Yet, when I stop to think about the games I am eagerly anticipating, at least half of them carry major non-videogame labels.

It’s always this way. I first got into the “religiously follow a game umpteen times before an uncertain launch” community with Middle Earth Online, which obviously never came to be. Since then, I’ve followed all sorts of licensed and non-licensed games, both as a fan and a journalist. Yet, for a myriad of reasons, I never seem to buy them.
The biggest reason may be their tendency to get cancelled. It’s hard to make a game when you have to worry only about your own crazy ideas. It’s damn near impossible when your crazy ideas need to go through a licensing board who know nothing about videogames. Then comes the rush to get them out to coincide with the book, film, game or show they’re based on.

Let me regale you with the true story of a game based on a license. In the interests of secrecy, I have omitted any names. A developer is in need of a project and knows some higher ups at a big entertainment company. That big company has an important date three months out when a product will hit the market. To promote that product, they want a videogame. The developers, desperate, claim they can deliver the world in three months. (Developers, stop snickering.)

So what do they do? They take an engine demo, reskin it for the theme of the license they’ve secured and shove it out the door. To their credit, they did make a game – in the loosest sense of the word – in three months. The problem was that it made no sense, was terribly tested, had fun bugs like non-existent textures and a host of other issues. Thanks to its license, it doesn’t even slide quietly into bargain-bin oblivion. Instead, it goes down like a ball of flames, being reviewed at record low levels all the way. The game tanked, but the developers achieved their deadline and the IP release in question had a game to go with it.

This is one example of the crap some game companies are forced to spit out in the name of a license. While extreme, having played some of the movie, book and TV tie-in games that hit the shelves, I have to wonder if it is really as uncommon as one might think. Fairly or not, I mentally discount any game that launches simultaneously with the major product that dragged it along. Most of the time they’re terrible, and the bulk of those that were good had either an extremely long incubation period – such as being based on a movie trilogy – or actually slipped their launch much later than the product they’re based on.

Ironically, as videogames matured into a legitimate entertainment medium of
their own, we’ve seen a dynamic turn-around. Movies and TV are now licensing games at record rates. There was once a time when we’d run a digital Angelina Jolie around, not watch Jolie act out our favorite short-shorts clad, gun toting explorer on the big screen. Sadly, it seems like the quality relationship is pretty much the same. The movies based on good games have been, for the most part, terrible.

Cross-promotion is a reality we’ll have to deal with. It helps sell product and makes a lot of people a lot of money. It would be nice to stand up and yell that it should end, but I’m going to be realistic about it. I want to find a way to make it work. To do this, let’s look at movie-based games.

The biggest problem game developers face when hit with a movie license is a game generally takes longer to make than a movie. Games can take several years, and while movies can too, the timeframe is normally a bit shorter. They also suffer from changing visuals, re-writes and cast changes. It would be fine and good to give the game developers a script of the movie before filming starts and let them get going, but what happens when the director decides they need to change a major plot point or an actor drops from the project? Suddenly, the game is in a state of emergency. For cross-promotion to work, the game and film need to be similar enough that gamers go see the movie and movie-goers grab the game.

The solution is better cooperation. They need to share early scripts, get a heads-up on casting decisions and, most importantly, concept art from all stages. If they build the game from the same basic template as the sets are built, they may not be identical, but at least they’ll be in the same stratosphere.

There have been a host of decent games tied into successful movies or television, but they’re the exception. With the built in marketing power of the film, it would seem that these games have the highest chance of reaching out to the non-gamer. Yet, we as an industry continually deliver to them sub-par products. If companies can do what it takes to make good movie, film and television based games, a door is opened for the rest of us. As we all know, it only takes one game to get you hooked. These big licenses represent a huge opportunity to hook a whole new audience. It’s time we capitalized on that.

Dana “Lepidus” Massey is the Lead Content Editor for and former Co-Lead Game Designer for Wish.
Shannon Drake, “Ain’t Going Away Ever”
I live in a small town where Jesus walks the earth after 8:00 p.m., smiting those who go out after dark. A decent gaming store is the stuff of legend, so I have to use the local EB.

Allen Varney, “Wal-Mart Rules”
Up until I started researching “Wal-Mart Rules,” I bought most of my games at Wal-Mart. It was cheap and convenient. Now, I dunno.... Online, I imagine.

Jason Della Rocca, “Friction Costs”
I get most of my games from the EB down the street. I’m a bit old school in that I like the experience of going to the shop, picking up the box, etc. I was going to be all adventurous in 2004 and purchase Half-Life 2 via Steam, but someone got me the boxed version as a gift instead!

Dana Massey, “Licensed Insanity”
EB and on impulse. Someone take my credit card away from me. Please.

JR Sutich, Contributing Editor
I buy most of my games at the mall on impulse. EB Games works well enough for that purpose. Thankfully, review copies keep that whole process to a minimum.

Joe Blancato, Content Editor
If it’s available, digital distribution is the way to go. On the six megabit cable modem at home, I can download a game faster than I can buy one at the store, counting travel time. And, hey, more money (ideally) goes to the developer.

Jon Hayter, Producer
Most of my games are purchased at the local EB. Which is fine I guess - I’d rather buy there than Wal-Mart. My only problem with EB is they’re getting pretty feral about bringing in my returns. Someday soon I expect an EB employee to follow me home, rummage through my apartment and then yell at me for not trading in all the games I own. It’s not quite as unbelievable as it should be.

Julianne Greer, Executive Editor
There’s an EB at the mall about two miles from my home. I know most of the people there now, so it’s nice to go and see friendly people while getting a new game. It’s also the closest place to get a game for me.