



# THE AGE OF THE DINOSAURS!

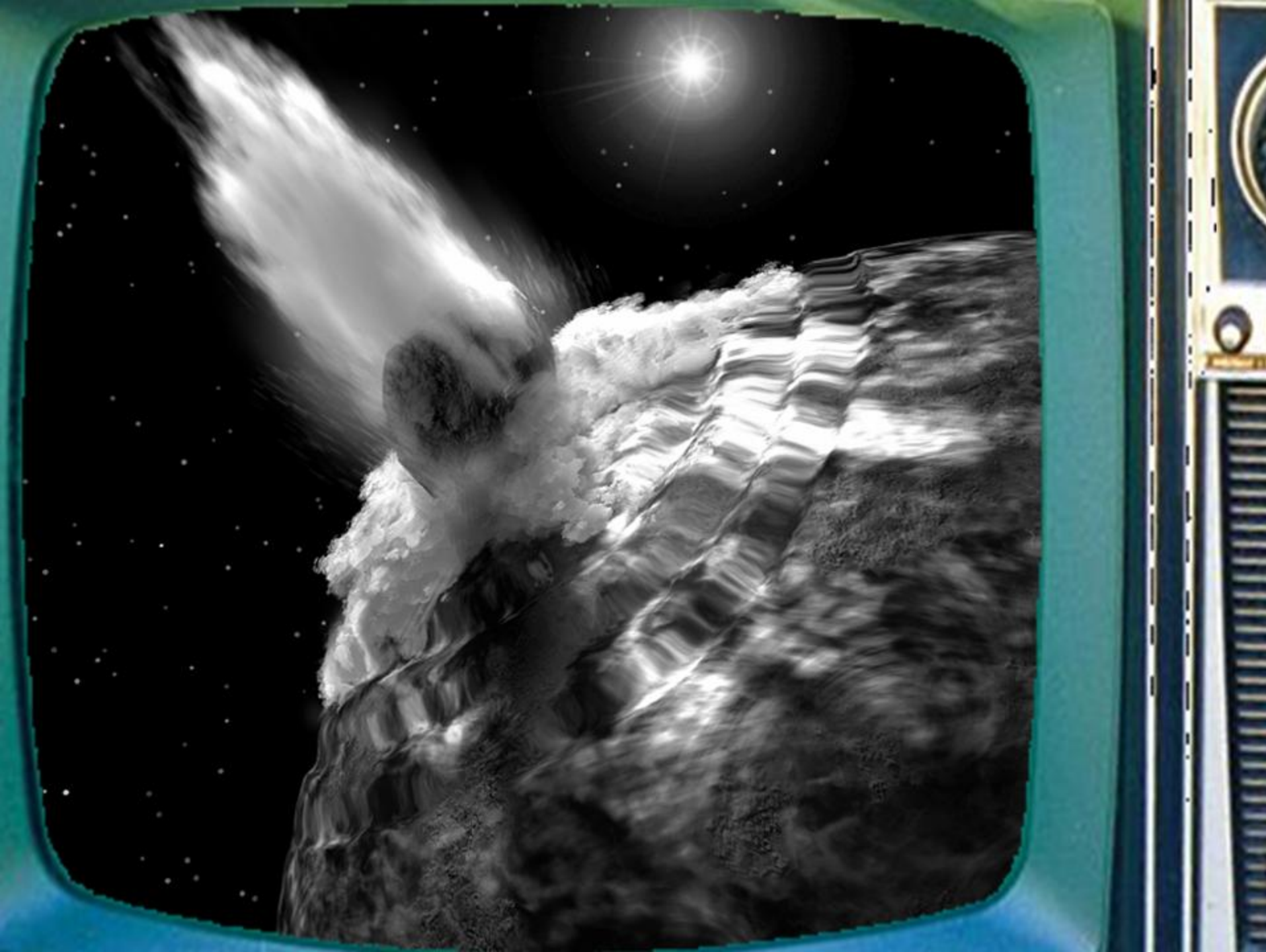
A RAPH KOSTER PRODUCTION

SPONSORED BY

A GRANT FROM THE AUSTIN GAME  
CONFERENCE

MMVIMMORPG

**Let's review what happened  
to the dinosaurs.**



# **THE TRUTH ABOUT EVOLUTION**

Evolution is not about  
progress.



“Progress” is a value judgment.

**EVOLUTION IS ABOUT  
ADAPTATION,**

- Collection
- Hacking and slashing
- Nothing but questing
- Team based PvP games
- Free for all PvP games
- Flight sims
- Battle mechs
- Roleplay-enforced worlds
- ...with combat systems
- Pure chat
- Educational
- Collaborative writing
- Professional meetings
- User-created worlds
- Procedurally-created worlds
- Programming practice
- Game shows
- Recreations of favorite fictional worlds
- Non-Euclidean worlds
- Simulations of history
- Sims of real world physics
- Sims of large-scale populations

**KINDS OF WORLDS THAT USED TO  
EXIST**

- Hacking and slashing
- Team based PvP games
- Free for all PvP games
- User-created worlds
- Recreations of favorite fictional worlds
- Pure chat
- Dancing

What we see here is adaptation to an evolutionary niche.

# **THE OVERALL ECOLOGY**

# The pieces of the content puzzle:

- The funder
- The creator
- The editorial gate
- The publisher
- The distributor
- The re-users

<b>FUNDER</b>	Writer or publisher
<b>CREATOR</b>	Writer
<b>EDITOR</b>	Publisher
<b>PUBLISHER</b>	Publisher
<b>DISTRIBUTOR</b>	Publisher
<b>RE-USER</b>	Writer (Audiobooks, movie rights)

**BOOKS**

<b>FUNDER</b>	Publisher
<b>CREATOR</b>	Musician
<b>EDITOR</b>	Publisher
<b>PUBLISHER</b>	Publisher
<b>DISTRIBUTOR</b>	Publisher
<b>RE-USER</b>	Publisher (TV, publishing)

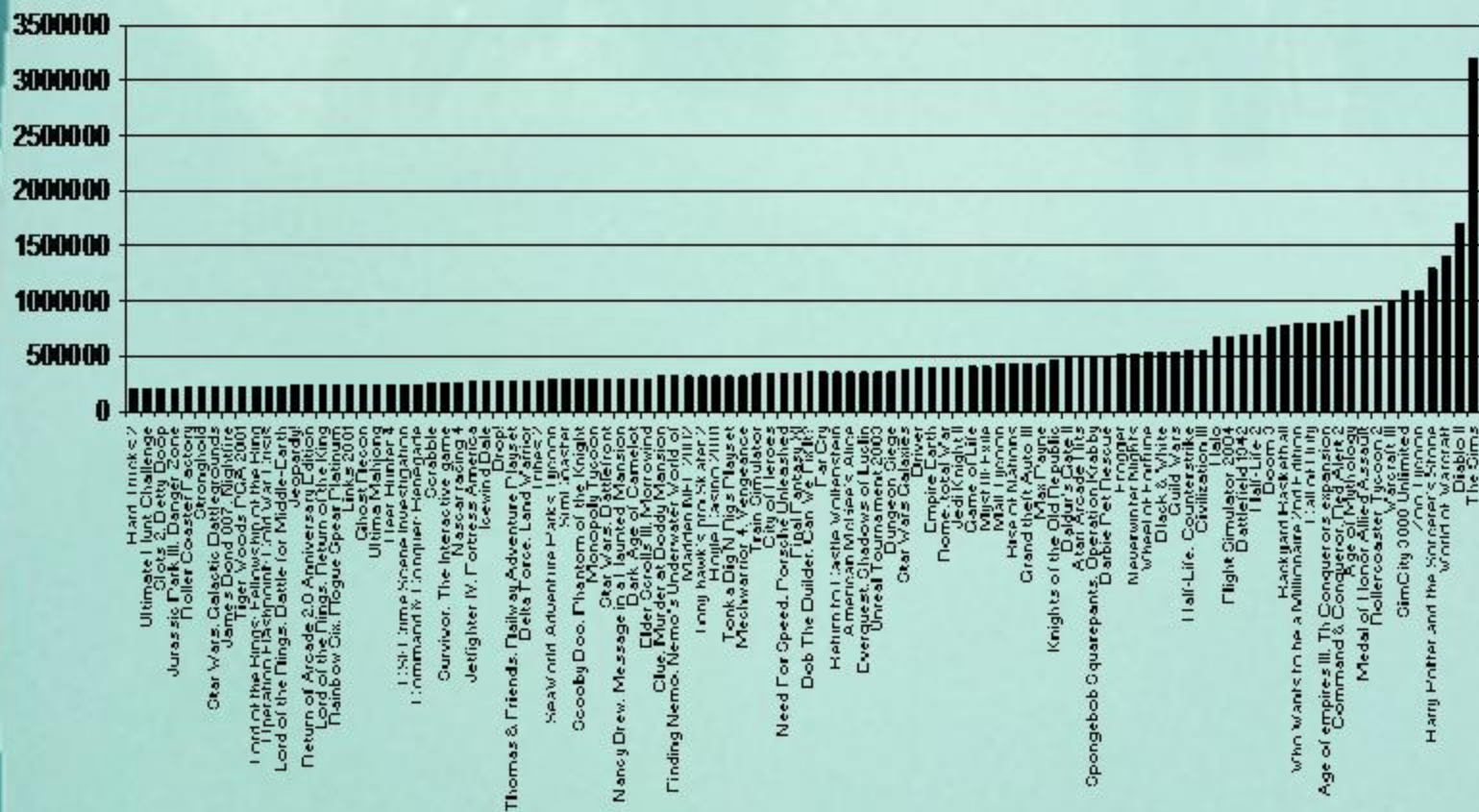
**MUSIC**

<b>FUNDER</b>	Somebody else
<b>CREATOR</b>	Studio
<b>EDITOR</b>	Studio
<b>PUBLISHER</b>	Studio
<b>DISTRIBUTOR</b>	Studio
<b>RE-USER</b>	Studio

**MOVIES**

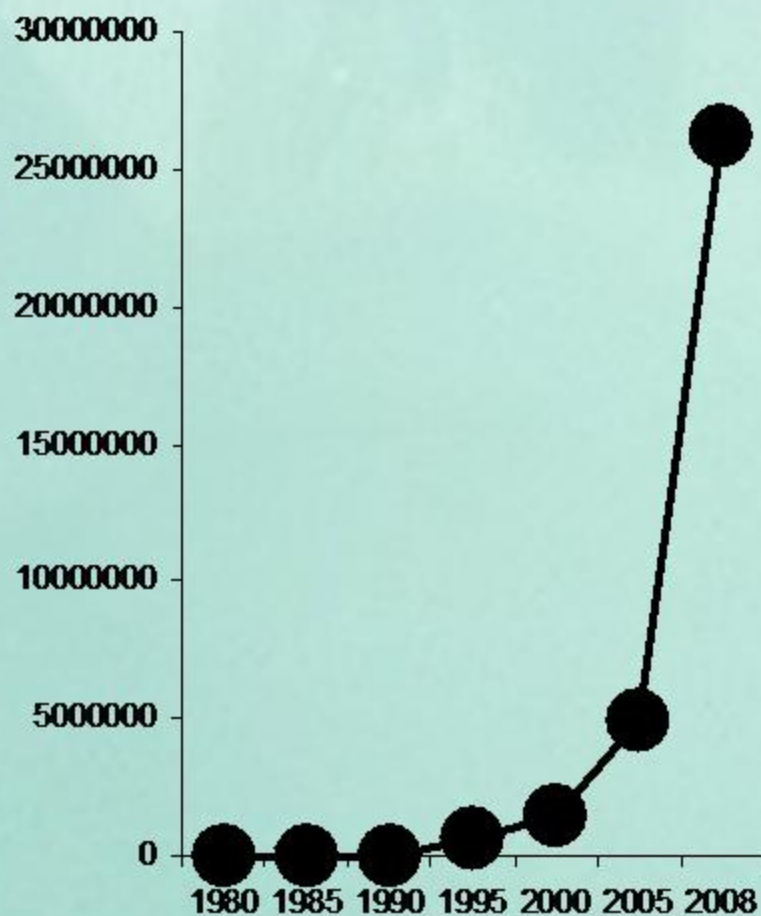
<b>FUNDER</b>	Publisher or indie dev
<b>CREATOR</b>	Developer
<b>EDITOR</b>	Publisher
<b>PUBLISHER</b>	Publisher
<b>DISTRIBUTOR</b>	Publisher
<b>RE-USER</b>	Nobody

**GAMES**



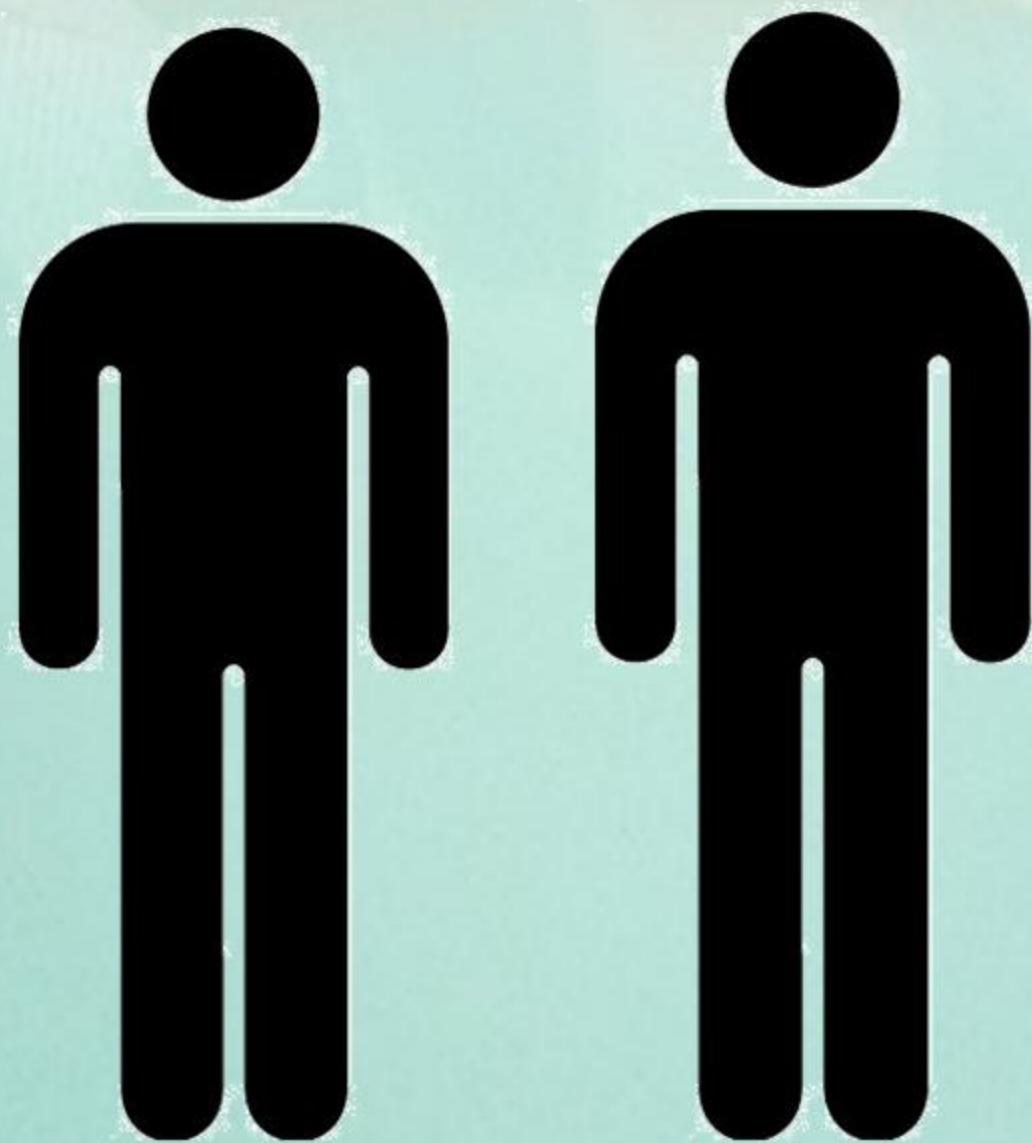
The pattern of hit-driven media consumption.

**HOW WE'VE  
ADAPTED**

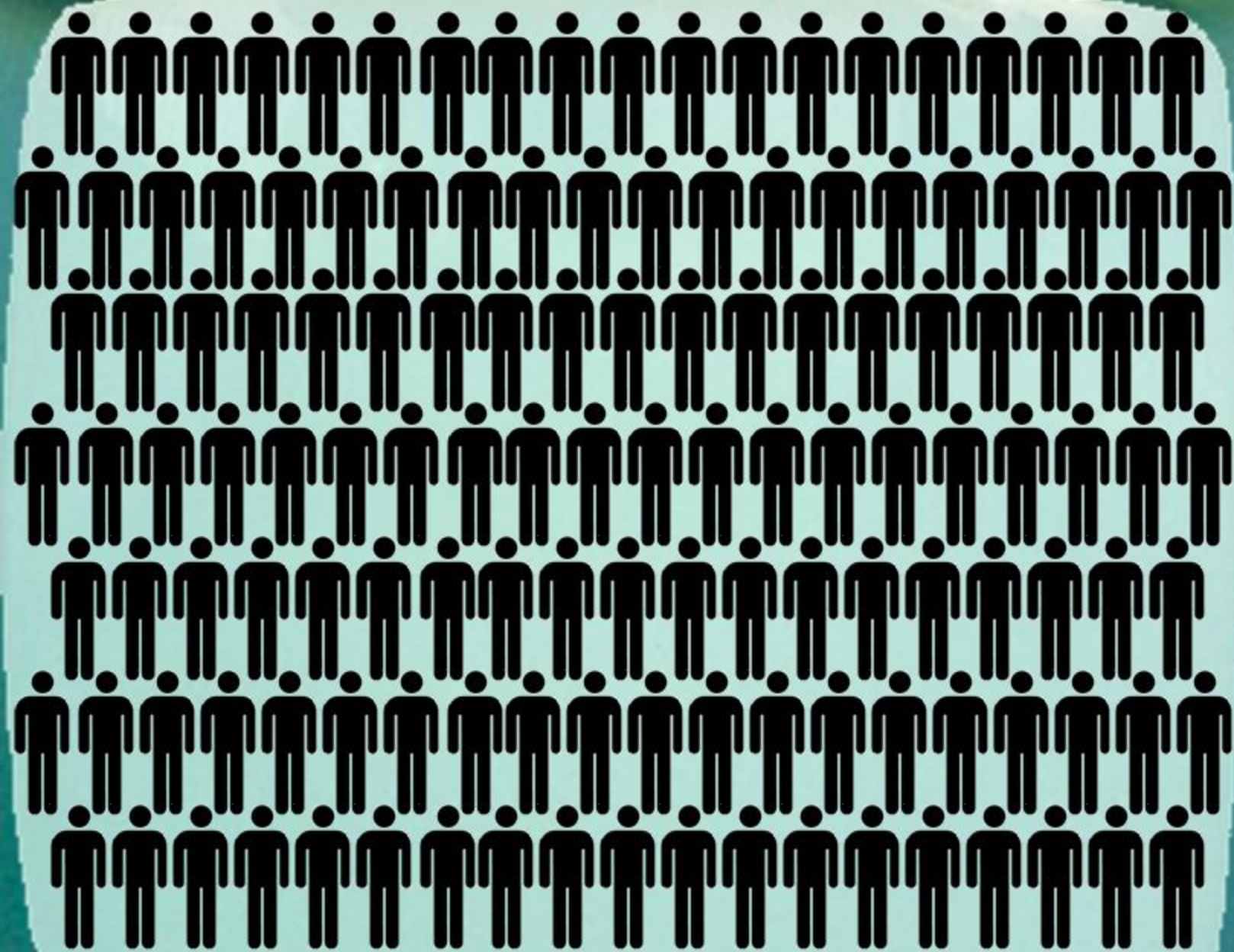


Those first few numbers are 8k, 64k, that sort of thing.

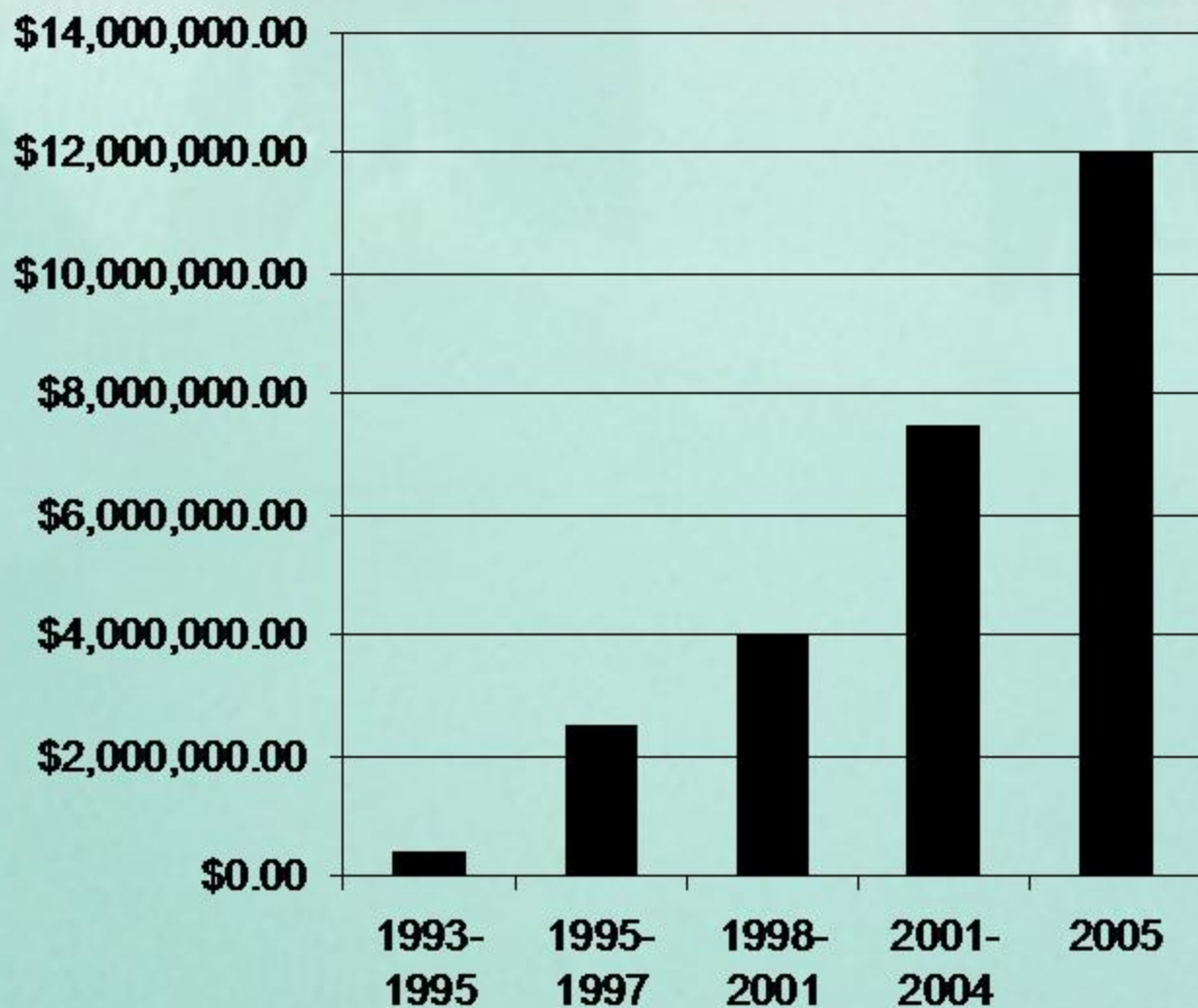
**SIZE OF GAMES OVER TIME**



**1982 GAME TEAM**



2006



## GAME BUDGETS OVER TIME

1. Budgets have gone up by a factor of 22.\*
2. We make 40-150 times more data.
3. And we've gotten only 6 times better at making content.

*\*in just the last 12 years, and that's adjusted for inflation*

# Specialized adaptations

- Dedicated 3d graphics cards
- Surround sound
- High resolution graphics
- Single-player experiences
- Heavily narrative games

These are the instructions for  
*Pong.*

DEPOSIT QUARTER  
BALL WILL SERVE AUTOMATICALLY  
AVOID MISSING BALL FOR HIGH SCORE

79 BYTES

This is the walkthrough for  
*Grand Theft Auto: San  
Andreas.*

1574912 BYTES

262000 WORDS

OVER 1400 PAGES

**WHO'S OUR  
MARKET?**

DECADES OF CORPORATE  
FUNDING HAVE CREATED A  
LARGE PROFESSIONAL CLASS  
FOR THE PRODUCTION AND  
RECEPTION OF NEW GAMES  
COMPRISING LEGIONS OF  
DEVELOPERS AND GAMERS

BASED MOSTLY IN STUDIOS  
AND SCHOOLS THESE  
GROUPS HAVE  
GRADUALLY BECOME THE  
PRIMARY AUDIENCE FOR  
CONTEMPORARY GAMES

CONSEQUENTLY THE  
ENERGY OF THE  
INDUSTRY WHICH WAS  
ONCE DIRECTED  
OUTWARD IS NOW  
INCREASINGLY FOCUSED  
INWARD

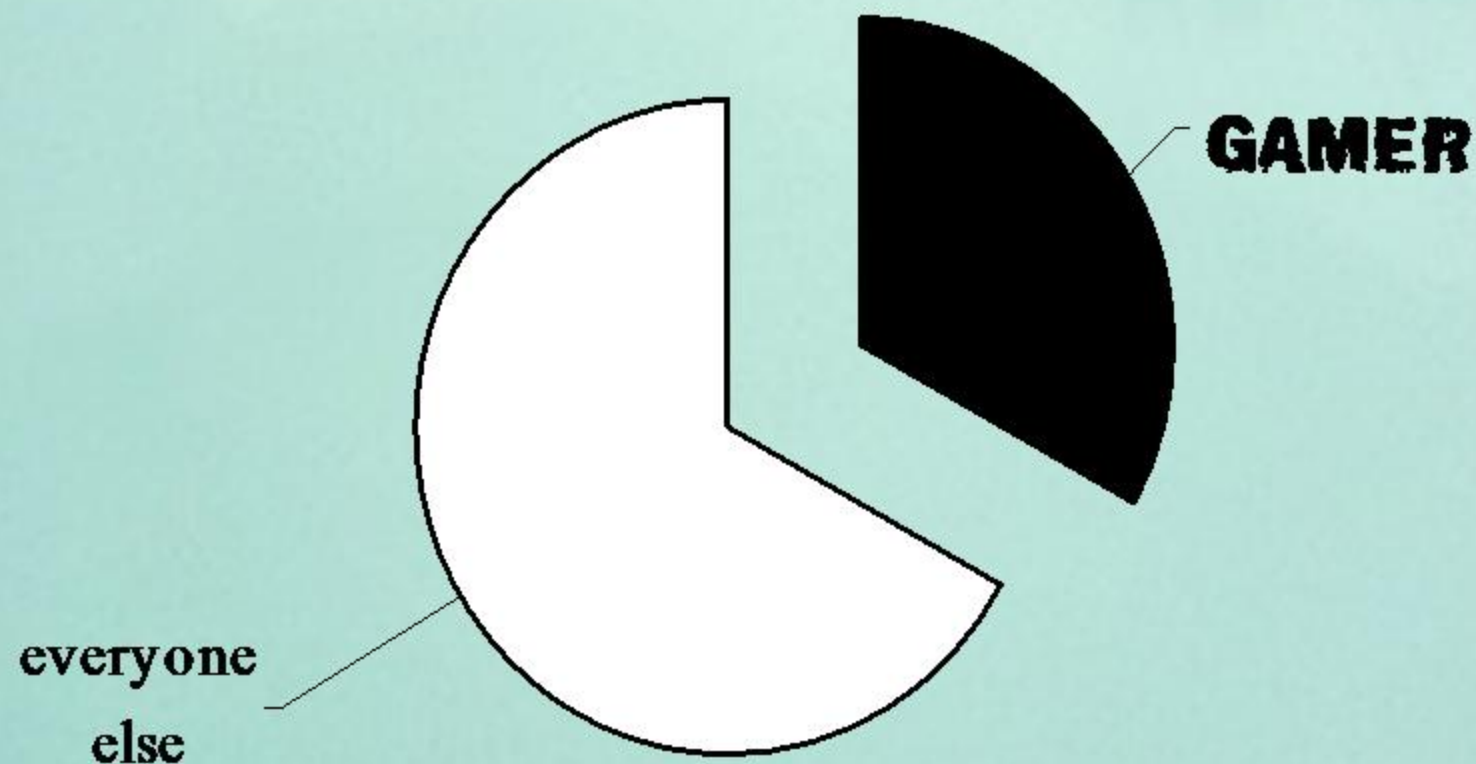
REPUTATIONS ARE MADE  
AND REWARDS DISTRIBUTED  
WITHIN THE GAMING  
SUBCULTURE ... A "FAMOUS"  
DESIGNER NOW MEANS  
SOMEONE FAMOUS ONLY TO  
OTHER DESIGNERS

BUT THERE ARE ENOUGH  
DESIGNERS TO MAKE THAT LOCAL  
FAME RELATIVELY MEANINGFUL  
NOT LONG AGO "ONLY GAMERS  
PLAY GAMES" WAS MEANT AS  
DAMNING CRITICISM  
NOW IT IS A PROVEN MARKETING  
STRATEGY

**DANA GIOIA**  
**HEAD OF THE NEA**  
**WRITING ABOUT POETS**  
**AND POETRY**  
**AND STUFF**

(I know, you guys hate it when I bring up poetry in these gaming talks...)

The core gamer market is mostly INTJ, ISTJ, INTP and ISTP in the Myers-Briggs typology.



## HARDCORE CONQUEROR

“THE MYERS BRIGGS TYPES THAT DOMINATE THIS CLUSTER INTJ ISTJ ARE TWO OF FOUR TYPES THAT RESEARCH HAS SHOWN TO BE COMMON TO PROGRAMMERS AND INDEED TYPE 1 GAMEPLAY DOMINATES CURRENT GAME DESIGN ASSUMPTIONS IN MOST DEVELOPERS AND PUBLISHERS

IN SOME CASES IT SEEMS THAT THIS HAS BEEN IDENTIFIED AS THE ONLY STYLE OF “LEGITIMATE” GAMEPLAY...”

**19%**

(By the way, these personality types account for only of women.)

“SUCH OPTIMISM TOWARDS HUMAN  
INTERACTION IS JUST  
WONDERFUL... BUT LETS FACE IT

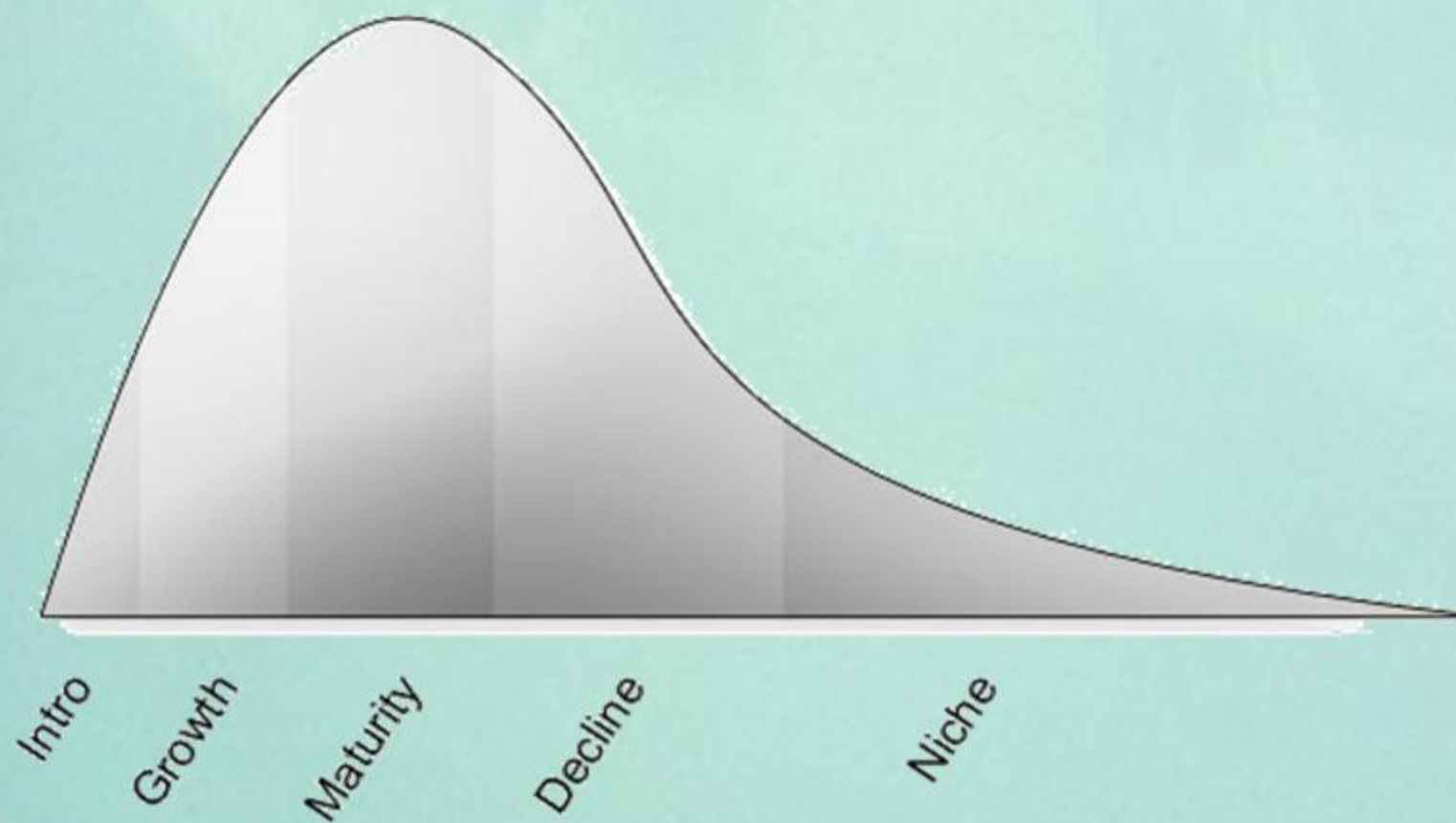
Playing video games

IN ANY CONTEXT WILL ALWAYS BE  
MUCH MORE REWARDING  
THAN ACTUAL

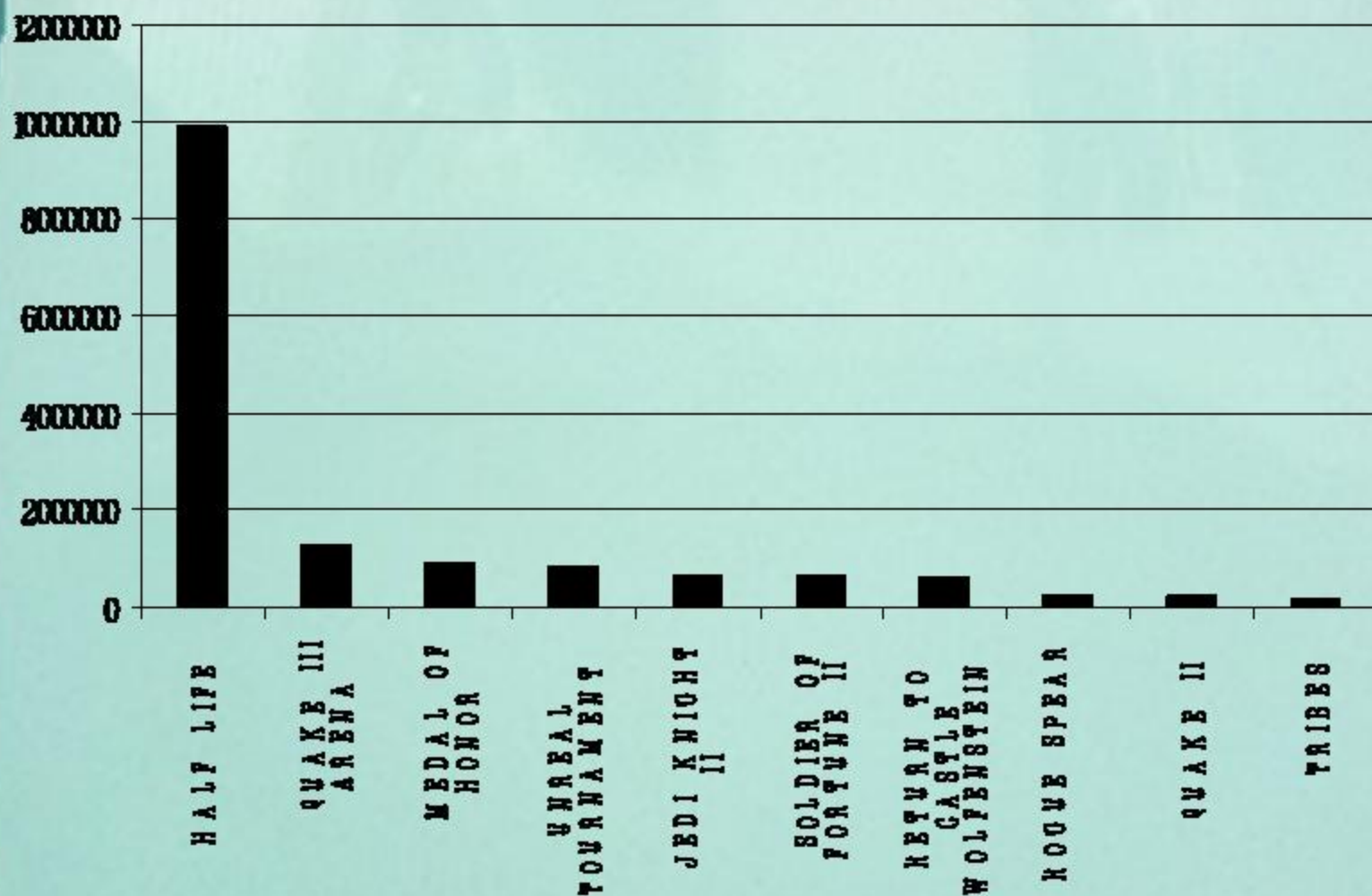
human interaction.”

I WAS **LFG** FOR A WHILE, SO I WENT TO **GUSGEN** TO FIGHT **WIGHTS** FOR A **CHEST KEY DROP**, SO THE NEXT TIME MY **RSE TIME** COMES UP, I CAN JUST FIND A **TREASURE CHEST** AND GET THE PANTS FOR MY **WHM**. THEN I WENT TO **PASHOW**, **LEVELED** MY **NPC** A BIT AND MANAGED TO RAISE MY **STAFF SKILL**, IN ADDITION TO MAKING ABOUT **34K** FROM SOME NICE **DROPS**. I FINALLY GOT A **PARTY**, WHICH WAS A SORTA **MANABURN** THAT WORKED OUT WELL (WE HAD A **NIN** AND **DRK** FOR SOME REASON), GOT ABOUT **5K XP** USING AN **EMPRESS BAND**, CALLED IT A NIGHT, AND THEN FOUND A **MORION TATHLUM** IN MY **DELIVERY BOX**- WAS AN XMAS PRESENT FROM A FRIEND IN MY **SHELL**.

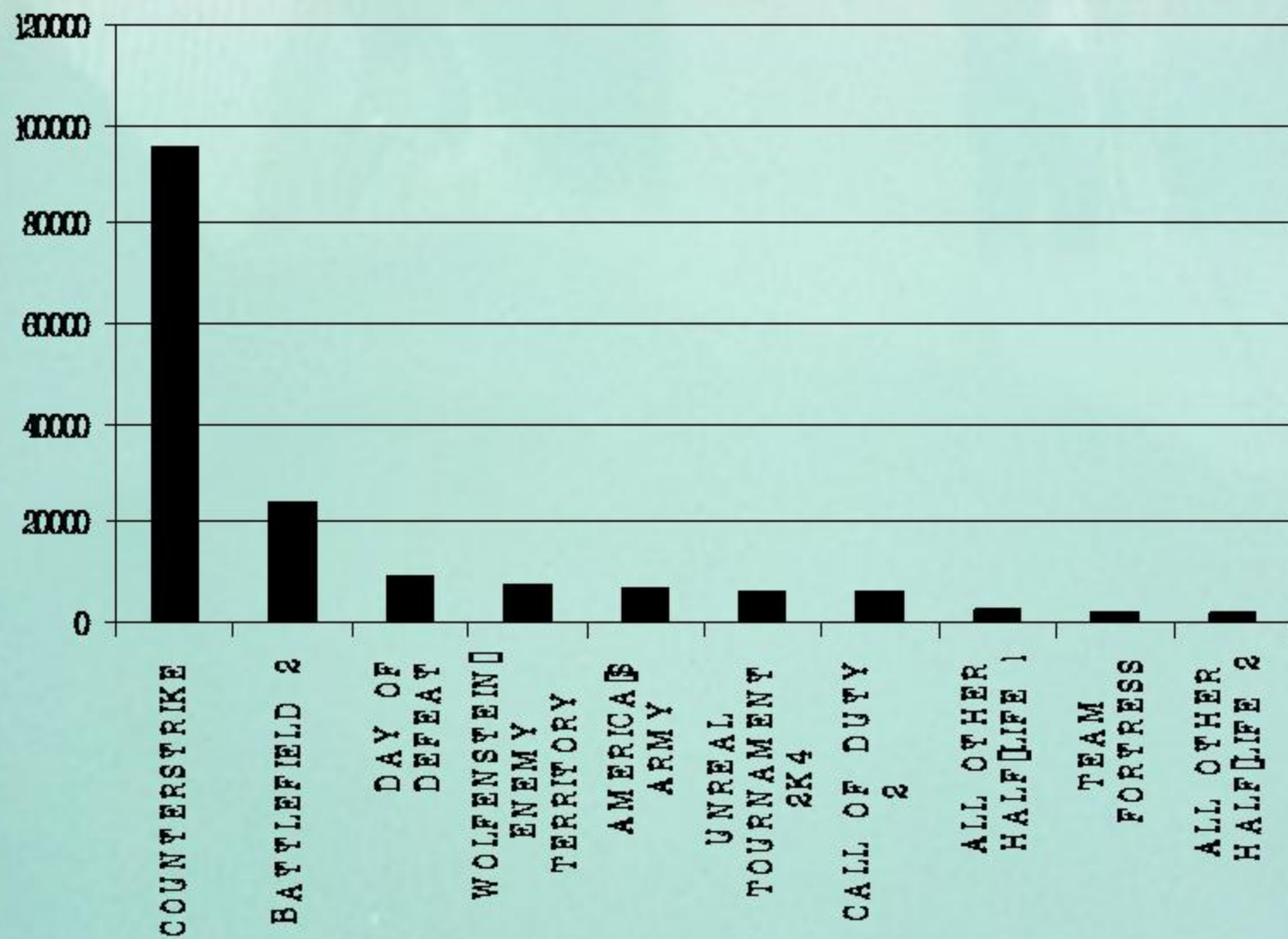
## Stages of the game genre lifecycle



**PERFECT ADAPTATION IS ALSO**  
*death*



**THE POWER OF A DEAD GENRE**  
**(DATA FROM 2003)**



**THE POWER OF A DEAD GENRE**  
**(SEPT 2006)**

**AND THEN THE  
METEOR HIT...**

- In all media, hits are getting rarer.
  - We still have them, but the percentage of the population a hit reaches is shrinking
- “Infinite shelf” means that significant revenue is derived from the aggregation of many niche titles
  - GameTap, casual sites, NetFlix, Amazon, etc

**THE LONG TAIL**

- There is only one gaming specialty store chain left in America
- Digital distribution is rising
  - Live Arcade, Steam, GameTap, etc
- Many of the most popular games aren't even rated by the ESRB, because they are online and not at retail.

**DISTRIBUTION**

- The cost to produce a minute of content has risen, but the price to buy it has dropped.
- In fact, many consumers regard content as “free by nature.”
- Since consumers are no longer paying for content, publishers must shift to an ad-driven model based on eyeballs.

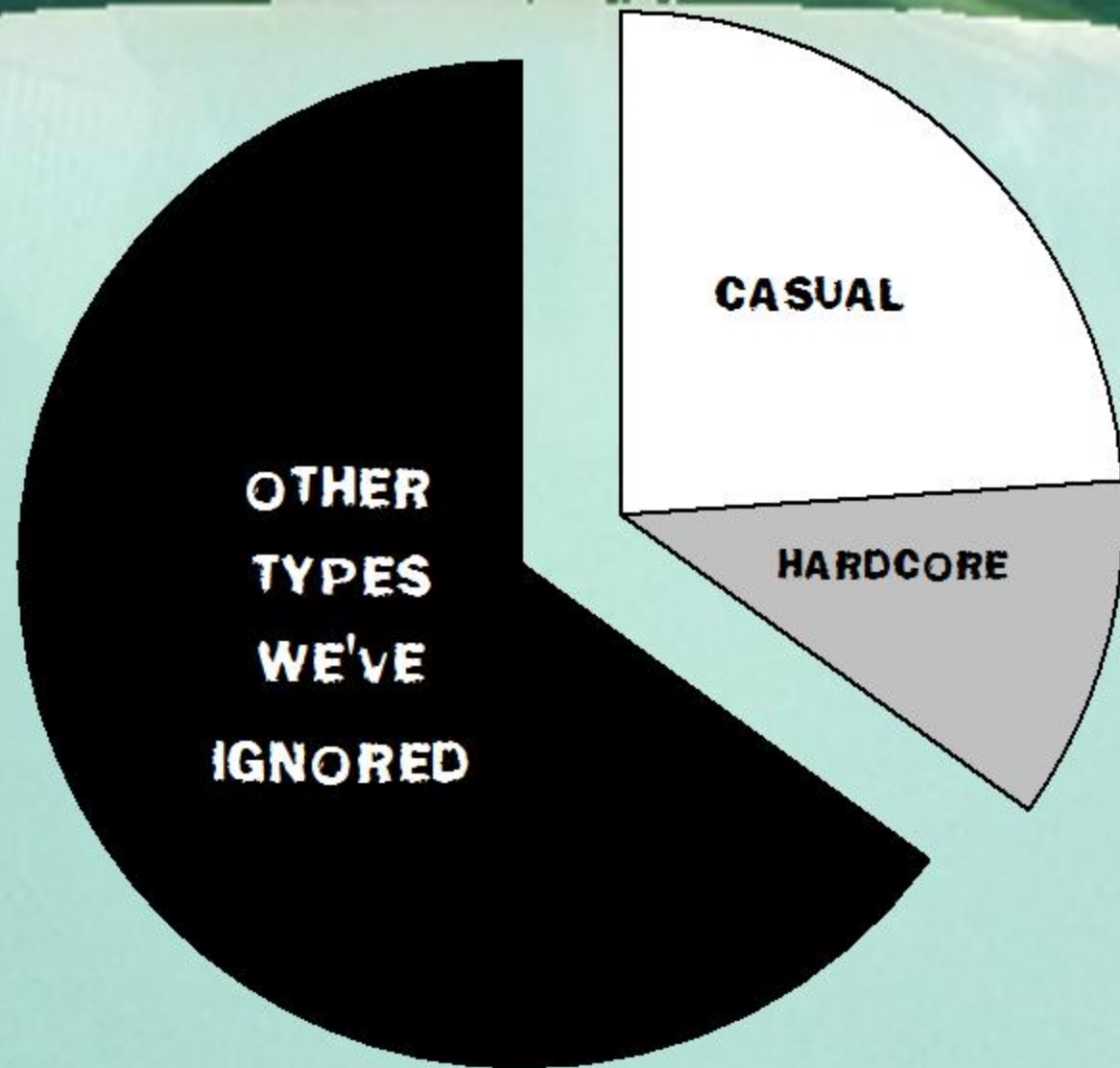
## **COMMODITIZATION**

Meanwhile, game characteristics are liberally co-opted by other media.

- Interactivity
- Voting
- Ratings
- Rankings
- Competitions
- Easter Eggs
- Puzzles



**THUNDER STOLEN**



Finally, we learn that the audience isn't who we thought.

# MAMMALS

- **Built for digital distribution**
  - Leaner implementations
  - Less emphasis on assets
  - Possibly episodic
  - Bypass publishers entirely

**DISTRIBUTION**

- Aim at different markets
  - Lots of niche-driven targets
  - Much not aimed at core gamers
  - Bypass gamer press and culture
  - Genres and gameplay not seen in the hardcore segment
  - Consumable, disposable
  - Don't forget to include dancing

**CONTENT**

- Designed for online from the get-go
  - Persistent states for identities, rankings, ratings, etc
  - Easy multiplayer assumed as a base feature
  - Shared profiles, friends lists, etc

**CONNECTIVITY**

- Content isn't worth a damn; what is of value is a relationship between the consumer and the producer
  - Active community management
  - Fan-driven followings
  - “Name” teams or developers
  - “Lifestyle” marketing

Almost nobody will be Billy Joel or the Beatles – instead, they end up as Britney Spears. You want to be the Grateful Dead instead.

**CELEBRITY**

- Not driven by retail sales, or in fact by sales to consumers
  - Upsells to monetize price insensitive niches – including merch
  - “Share-selling” in future content, “donations,” etc
  - Advertising as a major driver

**REVENUE**

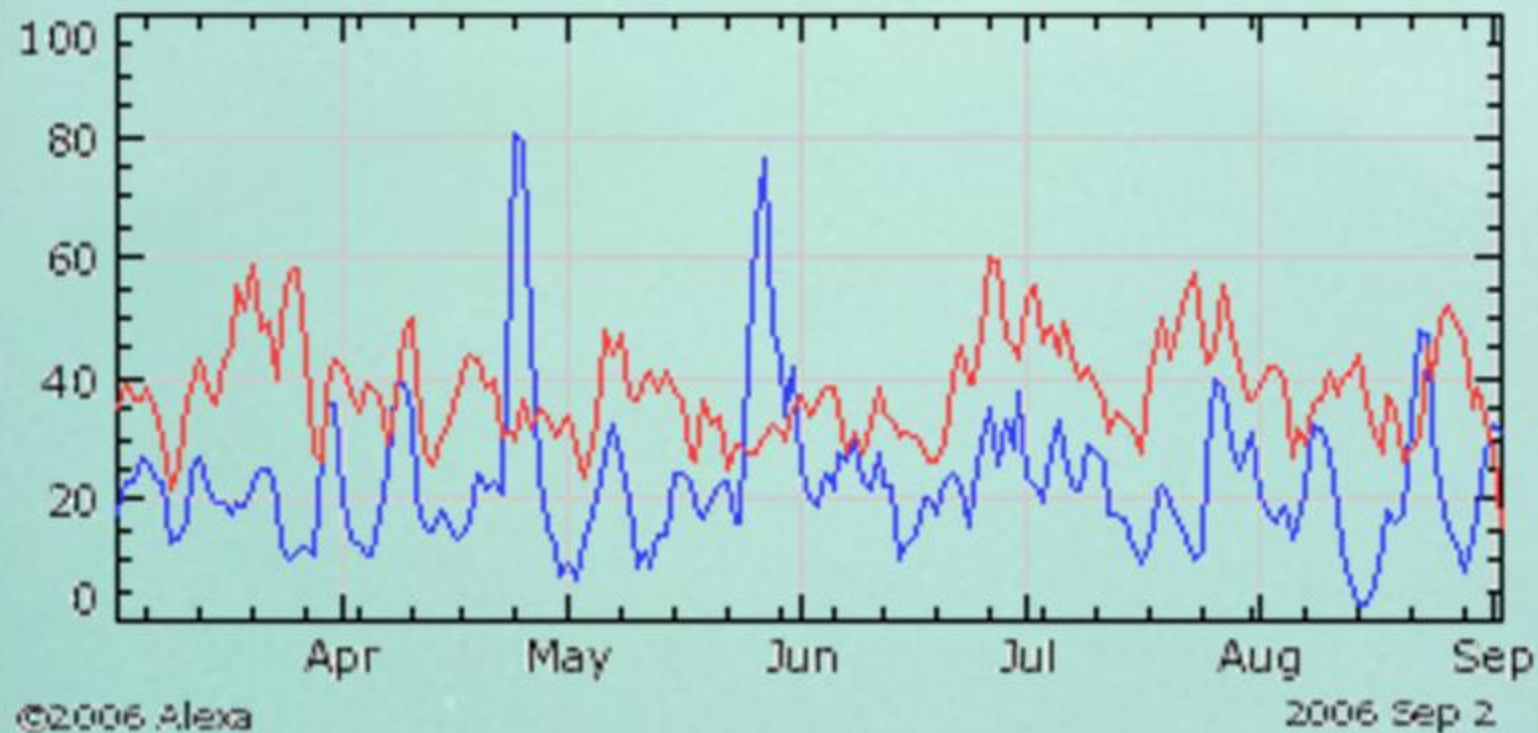
Can current publishers adapt?

# Two kinds of publisher

Daily Reach (per million)

gametunnel.com

thq.com

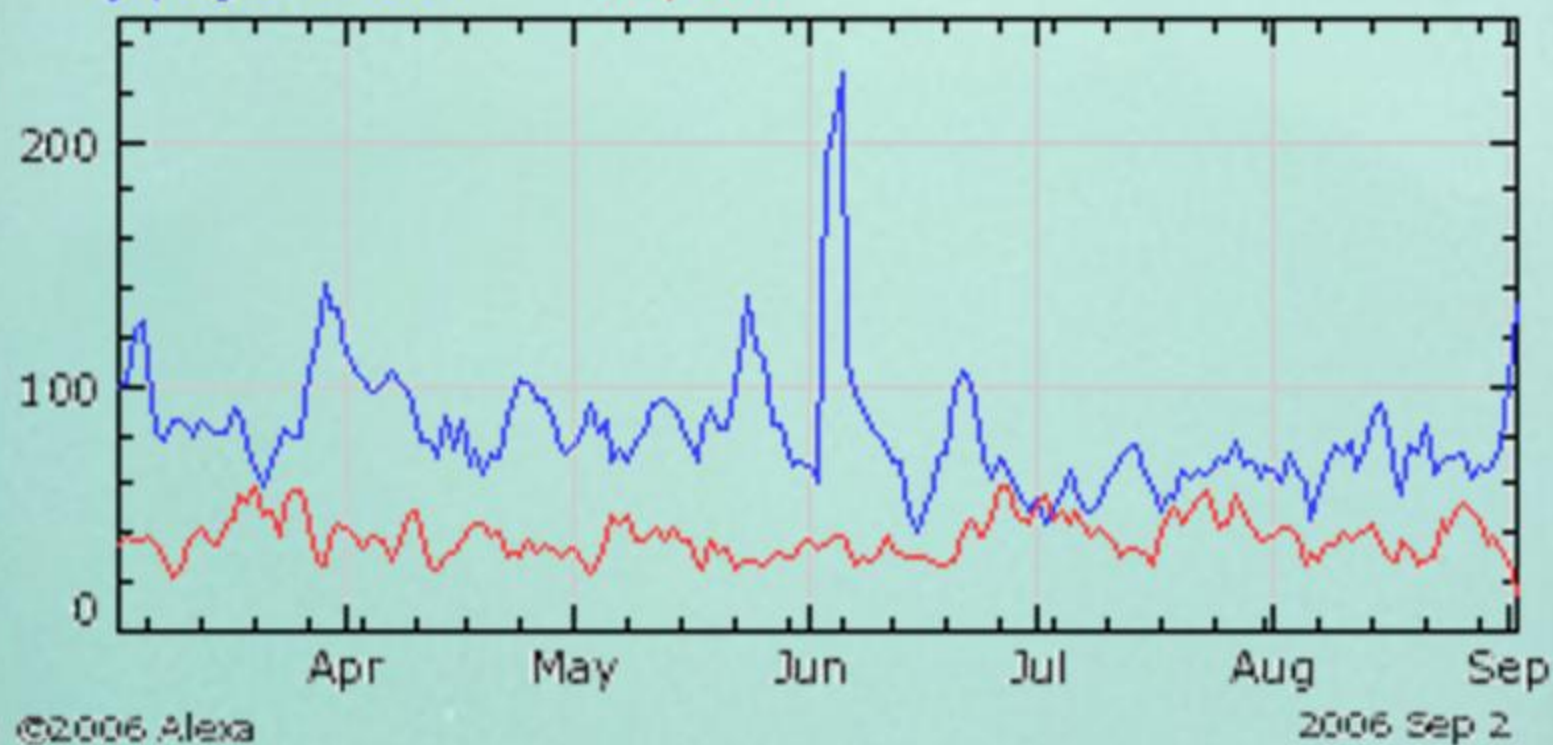


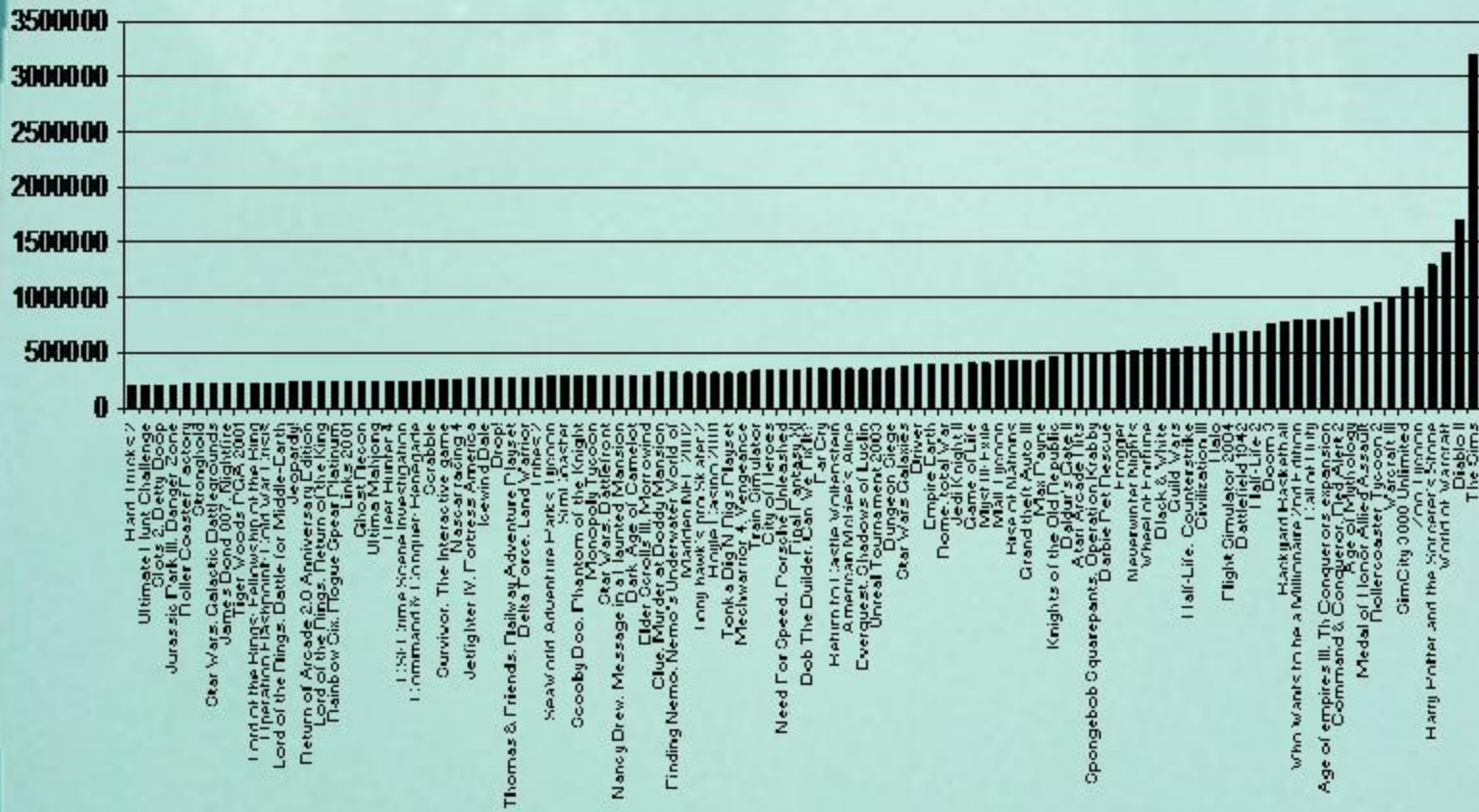
# And the outcome is not clear

Daily Reach (per million)

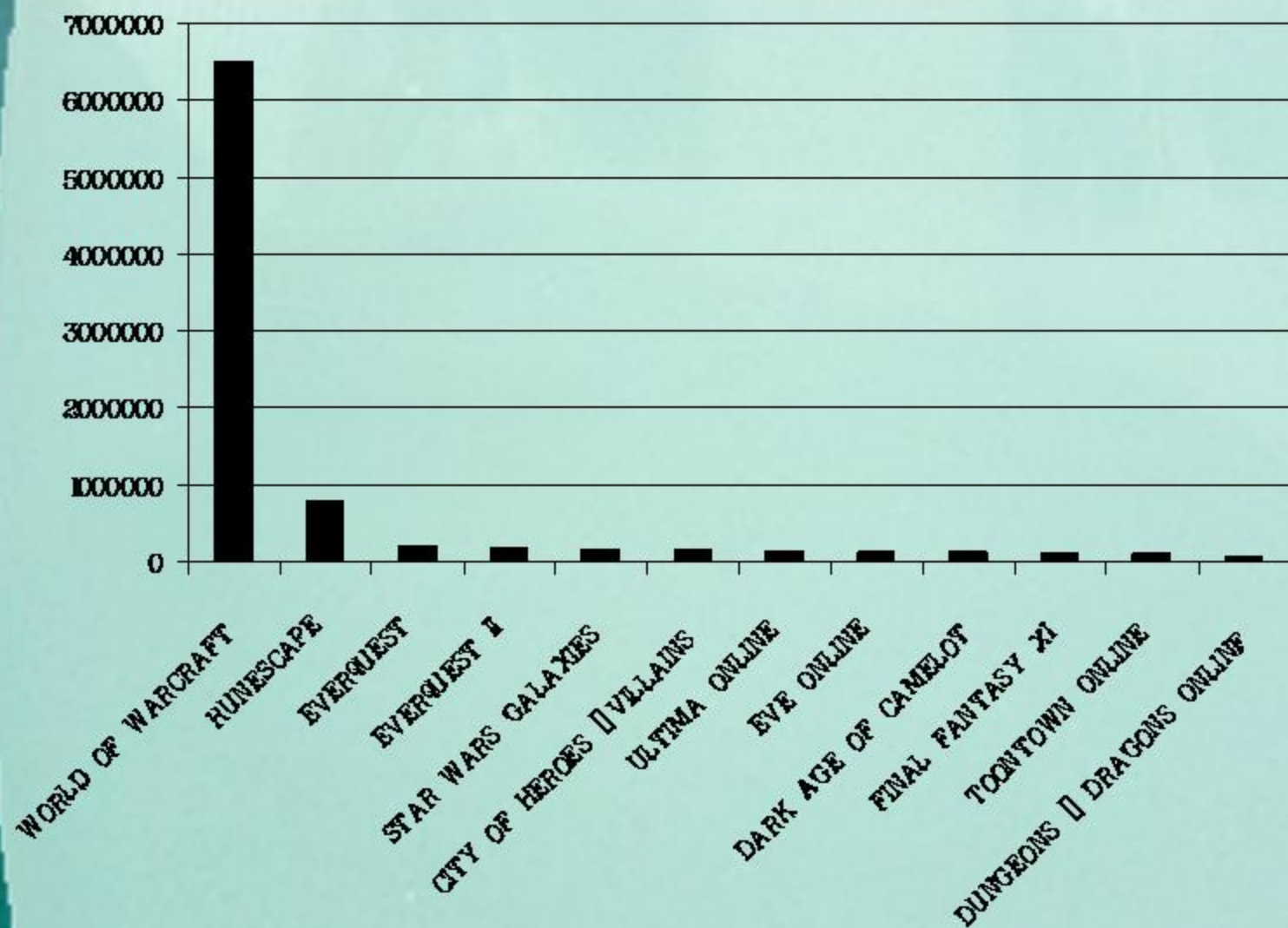
[jayisgames.com](http://jayisgames.com)

[thq.com](http://thq.com)

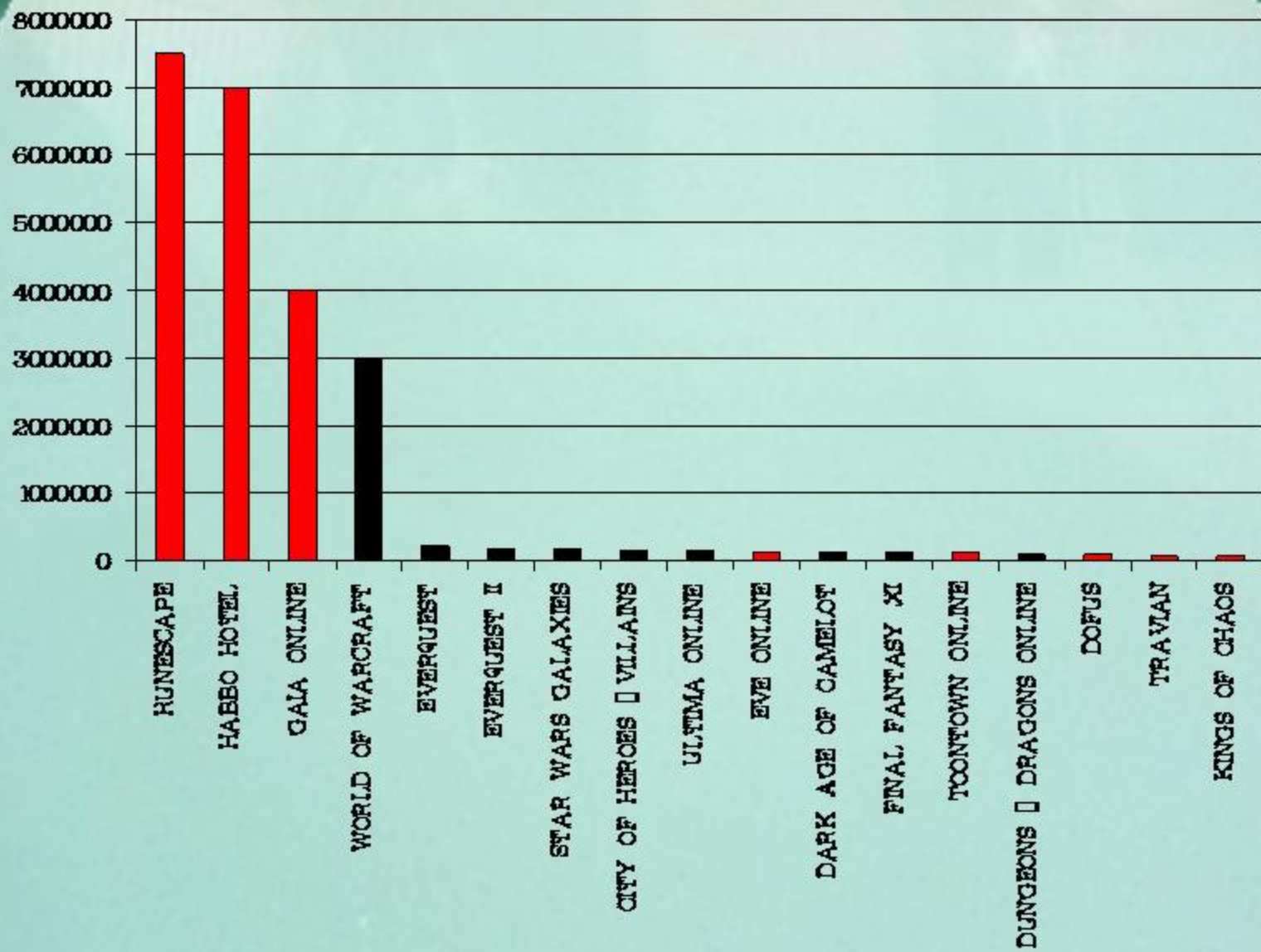








**THE BIGGEST MMOS?**



## THE BIGGEST MMOS IN THE WEST

<b>FUNDER</b>	Somebody else
<b>CREATOR</b>	You & others
<b>EDITOR</b>	You
<b>PUBLISHER</b>	You
<b>DISTRIBUTOR</b>	You
<b>RE-USER</b>	You

**MAMMALS**

**(KINDA WEBBY HUH?)**

## **WHO ARE MAMMALS TO WATCH?**

- Web-based “MMO” games
  - Neopets
- Indie MMOs running without name publishers
  - Especially social worlds, user content worlds, and worlds not aimed at core gamer hack n slashers
- Aggregation of all sorts
  - From Live Arcade to casual game sites
- Media companies merging online world elements into their content
- Entirely web-based publishers

- We are hitting a wall on finances.
- We are not seeing alternative revenue streams.
- Movie-style alternative financing won't materialize
- Distribution is in upheaval
- "Big Development" will see a shakeout

**CLIMATE SHIFT**

- Digital distribution only logical play
- Game ecology more varied
- Noise level in the market will rise
- PC gaming grows back
- Consoles specialize or become more like PCs
- Everyone will try to lock customers lifestyle marketing

**AFTERMATH**

- AAA gaming is rarefied
  - To the point where even AAA firms can't play there
- Assume a world where
  - there are no game retailers, where there are no publishers (but lots of aggregators and portals)
  - there are a lot fewer artist jobs (but lots more procedural content jobs)
  - where games are services and not products.
  - In such a market of bite-sized games, celebrity is going to matter more than ever in order to gain eyeballs.

**BOTTOM LINE**

**THE END**

## STARRING

GAMES BUDGETS SIZES AND TEAMS OVER TIME	Industry interviews I conducted
DANA GIOIA'S QUOTE	"Can Poetry Matter?", <i>The Atlantic</i> , May 1991
MYERS BRIGGS DATA	Bateman & Boon, <i>21<sup>st</sup> Century Game Design</i>
QUOTE ABOUT HUMAN INTERACTION	Anon poster at <a href="http://www.joystiq.com">http://www.joystiq.com</a>
GAME GENRE LIFECYCLE	Dan Cook's <i>Lost garden</i> blog, <a href="http://www.lostgarden.com">http://www.lostgarden.com</a>
FPS USAGE DATA	<a href="http://www.gamespy.com">http://www.gamespy.com</a>
FINAL FANTASY XI QUOTE	Mia Consalvo's <i>MemoryCard</i> blog, <a href="http://memorycard.blogs.com/memorycard">http://memorycard.blogs.co m/memorycard</a>

## ALSO STARRING

WEBSITE TRAFFIC FOR THQ  
JAYISGAMES AND GAMETUNNEL

<http://www.alexa.com>,  
checked on Sept. 4<sup>th</sup>, 2006

RUNESCAPE STATS

Active users in a month, per  
Jagex

WORLD OF WARCRAFT  
WESTERN STATS

Vivendi investor presentation  
data

HABBO HOTEL STATS

Sulake press material

GAIA ONLINE STATS

Registered users on  
<http://www.gaiaonline.com>

TRAVIAN STATS

Registered users on  
<http://www.travian.com>

KINGS OF CHAOS STATS

Active users on game website

OTHER MMO STATS

<http://www.mmogchart.com>

GAME GENRE LIFECYCLE

<http://www.lostgarden.com>

US GAMER MARKET  
BREAKDOWN

Parks Associates study