I wanted the game so desperately. I knew I’d have to play my cards right in the weeks leading up to Christmas to be sure I’d get it. I got along famously with my brother. I kept my room tidy. I gave the dog baths. And then the moment of truth ... Christmas morning the tell-tale package shape was there, under the tree, among the other gifts.

My brother and I pounced upon it immediately. And there it was. *Dragon Warrior II*, the most anticipated game for the NES that season – at least it was for my brother and me. And it was one of the most expensive at around $50. That was why it was not guaranteed to be under the tree, as back in 1990, $50 was a lot of money, especially for what was widely perceived as a child’s toy.

Now, 15 years later, another hotly anticipated title hits the shelf for Christmas – Peter Molyneux’s *Fable*. It’s debut price? $49.99.

Wait. What was that?

Yes, we have found the one sector of the economy that is, apparently, outside the influence of inflation. Either that, or perhaps there’s more to the economics of gaming than box price.

This issue of *The Escapist*, “Dungeons and Dollars,” allows our writers to explore the various aspects of the economics of games. Greg Costikyan speaks to the serious issues facing the development community presented by the current structure of the production process. Mark Wallace delves into virtual commerce and why virtual is perhaps not the best term to describe it. Enjoy these articles and more in this week’s issue of *The Escapist*.

Cheers,

Julianne Greer

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**LETTERS TO THE EDITOR**

**To the editor:** I just finished reading today’s issue; it’s the usual engrossing and thoughtful material.

I just found it interesting that your articles either introduce me to something that I’ve never had any contact with and make me want to know more about it, or they put a new spin on subjects I’m familiar with and usually follow. Not going wow yet?

Well, the point is, to me, it’s the next step in the evolution of gaming. We’ve had *PC Gamer* and magazines that tell us what games to buy for a very long time ... but now we have a magazine that analyzes games and informs us of issues we should, as intelligent members of the community, know. It’s a step that I think may come into incredible fruition, though I can’t ponder what that fruition may be.

-Sean Li

**To the editor:** I just wanted to drop you guys a quick word to let you know what a fantastic job I think your doing with the magazine. I’ve been consistently impressed with the content found inside your virtual pages and look forward to downloading a new PDF file every Tuesday.

Which brings me to another point I’d like to make: I absolutely love the formatting of your publication! I know that everyone’s tastes differ, but it struck me as a shame to consistently see some complain about the formatting of your mag - there are surely many of us who enjoy it as it is. In a way, downloading the PDF for me actually makes it feel MORE than just a web page, you know?

-Benoit Casey

**To the editor:** Hi, I recently discovered your magazine and continue to be impressed and inspired by the ideas therein. That much you must hear all the time, though, so that’s not why I’m writing.

-Benoit Casey
Reading your magazine is like a taking in a fresh breath of pure oxygen for me - the opinions are close to mine, the layout is not teenager-friendly with garish colors and type (I work in an Information Agency, and all my designers who’ve spent 7 years studying typography and art love the layout too), the stories are on refreshing topics, and the content is insightful to say the least. Brilliant!

And I know you probably don’t take requests, but it would be great to see an article on the *Fallout* games - I’m sure there are a lot of fans out there who’d love you for it, and it would be interesting to read your opinion in any case.

Please keep up the good work, and know that you have a person who’s willing to work for you (free of charge) in India in case you want a perspective on the gaming scene here.

-Zubin

To the editor: I enjoy your online mag, but when the fonts are resized by force, it loses its formatting. Not a big deal, but one of the things I like about your magazine is that it has a nice format. T’would be nice to have a font size option which makes the font bigger and reformats the sheet.

-Cezanne Farris-Gilbert

To the editor: As one of the people involved with making all those cryptic story messages and all that. I can only say that you stated almost exactly in your article what our intentions were when we created the games - that is a game that had a story and that we liked to play.

At the time, we told the story via terminals because we simply didn’t have the resources (computer or manpower) to do anything else. I think the success of the terminals was due simply to its incredible limitations. We were forced to tell a story in sets of 3 paragraphs. All the other crazy stuff came from that. Nowadays, games can do anything that can be done in a full length film. Would anyone still read a terminal in a game if it was there?

-gk

I enjoyed the article, it certainly brought me back - as for the link between *Halo* and *Marathon*, I can only say that anything more than a causal link would have been rather difficult since there were only a few people on earth who knew the story well enough to keep the tie-ins accurate. Hamish, myself, and maybe a few other people - none of whom worked at Bungie by the time even *Myth* was in production.

-KSaigo

To the editor: This is just another rant on how good you guys are... (you probably get a lot of these, but here’s mine anyway)

I play a lot of games, and have been for more than a decade now - which is somewhat of an unusual hobby here in India where gaming is just taking off. Most of the fellow ‘gamers’ I know have started off with *Counterstrike*, and have no clue about the brilliant classics like *Planescape Torment*, the *Ultima* series, *Fallout 1 & 2*, *Castlevania*, *Street Fighter*, *Test Drive* and, of course, *Wrecking Crew*, to name but a few :)
Death to the Games Industry: Long Live Games
by Greg Costikyan

“The machinery of gaming has run amok... An industry that was once the most innovative and exciting artistic field on the planet has become a morass of drudgery and imitation... It is time for revolution!”

—“Designer X” in the Scratchware Manifesto

When “Designer X” wrote those words back in 2000, the industry, to the degree that it took any note whatsoever, dismissed them as irrelevant ravings. Jessica Mulligan wrote that the Scratchware Manifesto was “naïve in the extreme,” and obviously written by an industry outsider - and was quite surprised to learn that I was Designer X. Of course, things have only gotten worse since 2000, and the industry - or at least, developers - have started to agree.

Two years ago, speaking at a conference in the UK, Warren Spector said “The publishers have to die, or we are all doomed” - to cheers. And this year, at GDC, I ranted on the problem - and received a standing ovation.

What is the problem? And is there any way to address it?
As recently as 1992, the typical development budget for a PC game was as little as $200,000. Today, if you want a title that will be taken seriously by the retailers - an A-level title - your minimum buy-in is $5m, and $10m for a triple-A title is common. With the next generation of console hardware, the talk is of $20m budgets - not as something that will be unusual, but typical.

On a theoretical basis, the rise in development costs is driven directly by Moore's Law. As hardware becomes capable of displaying better-detailed graphics and higher polygon counts, it becomes mandatory to provide them. If you do not, your competitors will - and your games will look inferior by comparison to directly competitive product. In the accompanying graph, you’ll see a huge rise in the '90s; that was driven by the adoption of CD-ROMs. Before CD-ROMs became common, games had to be delivered on floppies - and even if you did a game with several floppies in the box, your application size was still measured in single-digit megabytes. CD-ROMs provide more than 600 MB - and once you had the capability of providing that much data, doing so became mandatory. You had to generate enough assets to fill the disc.

Today, art assets (not programming) are the main cost driver. As machines become capable of rendering more detailed 3D models in real time, the market demands more detailed 3D models - and models are hand-created by artists using tools such as 3D Studio Max and Maya. All things being equal, a doubling in polygon count means a doubling in the amount of time an artist needs to spend generating the model - and a doubling in cost. Faster machines can push more polygons; more polygons means more cost.

That's the theory, but empirical evidence bears it out. Back in the day, a Doom level took one man-day to build. A Doom III level takes two or more man-weeks.

Now one might argue, of course, that the improvement in graphical quality improves the gameplay experience so much that the cost is worthwhile. But if that's so, why was Doom so rapturously received, such a huge hit? And why do the critics basically agree that Doom III - well, it kind of sucks?
It’s not the glitz. It’s the gameplay.

In principle, increasing processing power also allows better development tools, which helps speed the process. But the reality is that it ameliorates, not solves, the problem. The tools don’t get better fast enough. Middleware doesn’t solve the problem, either - you might get a product to market faster by licensing the Unreal engine, say, than by building your own 3D renderer from scratch - but you’re still faced with building all the content. And the case for buying middleware is rarely open and shut; each engine is designed for specific purposes, and if you want to do a game that differs a lot from what the code was written to support, you find yourself spending a lot of programming time trying to solve the problems. Spector says he’s not at all sure that the development of Deus Ex actually benefited from using Unreal - after all, Unreal was built as an FPS engine, and Deus Ex was an FPS/RPG hybrid. They had to rewrite a lot of code.

Glitz Over Gameplay
The problem is that once something becomes technically feasible, the market demands it. Gamers themselves are partly to blame: Indie rock fans may prefer somewhat muddy sound over some lushly-orchestrated, producer-massaged score; indie film fans may prefer quirky, low-budget titles over big-budget special FX extravaganzas; but in gaming, we have no indie aesthetic, no group of people (of any size at least) who prize independent vision and creativity over production values.

But the nature of the market and distribution channel is even more to blame. When a developer goes to a publisher to pitch a title, the publisher does not greenlight it because they play it and say “what a great game!” The developer may not even have a playable demo - but what he will have is a demo reel, a non-interactive visual pitch that may work to get some sense of gameplay across, but is mainly designed to impress the marketing dweebs with the graphics. Glitz, not gameplay, is what sells the publisher.

For that matter, half of the people sitting in on that greenlight meeting are probably marketing suits who think they’re in a packaged goods industry, and are a lot more concerned about branding than anything else. Sequels
and licenses, good; creativity - that’s too risky.

And glitz, not gameplay, is what sells the retailer. Retailers don’t have the time to play every title that comes across their desk and, in many cases, they don’t play games anyway. They look at a video, they look at the materials provided by the sales guy, they make a decision. And that decision is ultimately based on concerns like branding, how much money the publisher will spend on product placement and stocking fees (what the industry calls “market development funding,” or MDFs) - and whether it looks pretty or not.

And finally, there’s the industry’s attachment to “feature list” marketing. Online play? Check. Dozens of levels? Check. HDTV support? Check. You can often tell a game has nothing new to offer just by reading the backcover text: If it’s basically a list of features and numbers (five of this and a hundred of that), you know they’ve really got nothing to say.

In other words, graphic glitz is the first barrier you must surmount. If you don’t have it, you won’t get greenlit; if you don’t have it, you won’t get distribution. Maybe, someday, way down the road, the actual quality of the game will matter to someone - a reviewer, an actual gamer - but you don’t even get a chance to get to them if you don’t have the graphic right stuff. In other words, gameplay may affect ultimate sales - but it won’t get you shelf space.

The reverse isn’t true, though - poor gameplay and great graphics will work just fine, as far as the market is concerned. 80% of all game sales occur in the first two weeks that a game is available; all you need to do is blow through your inventory before word of mouth catches up with you. The industry is full of best-selling, lousy games. Can you say "Driver 3?" I knew you could.

In other words: Pretty + bad = financially successful; good + not pretty = fuhgedaboutit. Of course, pretty + good would be nice - but neither the publishers nor the retailers have an incentive to care.

The Narrowness of the Retail Channel

Step into a typical record store - even a small mall location - and there will be thousands, possibly tens of thousands, of different titles in the racks. Step into a typical bookstore, and the story is the same. Step into a typical game store - and you will be lucky to find 200 titles.

In film and publishing, plenty of people make decent, middle class livings by catering to niche audiences - they’re not going to get rich, they’ll never make as much as Stephen King or 50 Cent, but they reach a market. And in both industries, a product has time to build word of mouth and an audience - several months, typically, before either music or hardcover books get returned (and even six weeks for paperbacks).

In the games industry, you get one shot. You have two weeks. If you haven’t achieved sales velocity, you are dead. It’s the bargain bin for you, buster. Thousands of games get released each year, they only have facings for 200, and they need the shelf-space for the next piece of over-hyped crap.
I want you to think about this, a little bit. Dozens of people have worked for, typically, three years to bring a game to fruition - and two weeks is all they get. Compressed sales is vital to staying on the shelves, 80% of all sales are in the first two weeks - and if the publisher has botched the marketing, it doesn't matter how good the game is.

Oh, by the way... Go buy yourself a copy of *Freedom Force vs. The Third Reich*. If you can find it. Nice game. Too bad about the marketing.

**But Sales are Up!**

Yes, they are; the games industry is the fastest-growing entertainment industry on the globe and unit sales increase year by year. There was a time that a million-seller was considered extraordinary, and now there are several every year. And if you believe, say, Michael Pachter at Wedbush Morgan, we can anticipate soaring growth for decades to come; surely all is for the best, in this best of all possible worlds?

Why is it that sales are up? The answer is very simple: Demography. Fifteen years ago, almost nobody over 20 (and almost nobody not male) played games. These days, almost nobody over 35 plays games. In other words, a much larger percentage of the population as a whole plays games.

Not because more people have become gamers, exactly - rather, because people's leisure time activities tend to be set in their teenage years, and they pursue the same activities as they get older. Thirty-five year-olds play games because they've been playing them since they were teens. Fifteen years from now, 50 will be the cut-off - and 30 years from now, the demographics of game players will match the demographics of the population as a whole. (And, by the way, we won't have idiot senators attacking games any more - everyone, regardless of age, will know how dumb that is.)

So the growth in game sales is driven by two factors: The growing portion of the population that was exposed to games when young - and, of course, the growth of the population. But what we're talking about, when you get down to it, is growth on the order of 7-10% annually.

Compare that to Moore's Law: 100% growth in processing power over 18 months.

In the games industry, you get one shot. You have two weeks. If you haven't achieved sales velocity, you are dead.
In other words, the growth in processing power, which drives the cost of game development, is enormously faster than the growth in the population of gamers - and while technically both are exponential curves (at least until the global population levels off), the disparity is so great that you can treat the growth in sales as a linear curve, and the growth in cost as an exponential one.

And what’s the upshot of that?

The result is that the **average** game (not the industry as a whole) **loses** more and more money. The publishers make up the losses on the few games that hit.

**Implications for Publishers**

The field becomes more and more hit-driven. There is no mid-list. You only want home runs. And those home runs have to cover the losses on everything else.

As a result, you need size to survive. It’s what the finance folks call “portfolio risk;” if you invest in a single stock, you’re doing something very risky, because you’re tying your fortunes to a single company. That’s why it’s prudent to diversify, to invest in a lot of different financial vehicles with different risk profiles.

Similarly, being a small publisher is like making a high-stakes, low odds gamble - it’s like betting all your chips on number 32. As a small publisher, you can afford to produce only a handful of titles every year - and if the ball lands on 32, you can make big money. But if you go a year or two without a hit - you are screwed. Goodbye Acclaim. Goodbye Eidos. Goodbye Interplay. And tomorrow - maybe Goodbye Rockstar.

This is why Sumner Redstone has been building up Midway’s studios; Midway needs to get big, or get out of the game. They need a bigger spread of product. They need to spread their portfolio risk over more titles.

This is why there are only four stable publishers in the field - EA, Microsoft, Sony, and Nintendo. The latter three are mainly in the hardware business (and Nintendo is not immune - Revolution could easily go the way of Dreamcast). They’ll do okay, they have deep pockets and a diverse portfolio, and anyway make money off the bets of others via the platform royalty.

EA is stable for a different reason: It is big. More than double the revenues of Activision, its closest competitor. EA has the broadest, most diverse portfolio of anyone.

And they know it. And they’re the villains in this piece, because they’re the ones who keep raising the budgets and the costs. Everyone else has to stretch to keep up. Raising the development bar has, for more than a decade, been a conscious corporate strategy for EA, a means of squeezing out less capitalized competitors. And it works.

So the big get bigger, and the small lose out - is that a problem?

**Average Profit/Loss per Title**

1985
1990
1995
2000
2003

-3.0m -2.5m -2.0m -1.5m -1.0m -0.5m 0 $0.5m

The result is that the average game (not the industry as a whole) loses more and more money. The publishers make up the losses on the few games that hit.
It is if you’re a developer, because it means you have fewer and fewer potential publishers to pitch to. Ten years ago, you had a couple of dozen plausible places to take a game. Today, you’re lucky if you have six.

And when you pitch them - those increasing budgets breed conservatism. Ten million dollars is a lot of money to risk. The publishers are averse to risking it on anything they don’t view as a sure thing - or as close as they can come to one, in this uncertain world.

That’s why you get sequel after sequel. That’s why any crap media license gets a game (Dukes of Hazzard, anyone?). The promotional spend by the movie studio is viewed as a way of generating interest in the game without additional cost to the game publisher.

The publishers would love all games to work the same way - and they’re trying to make it happen. That’s why they look for franchises - not for good games.

The publishers (other than maybe EA) aren’t immune to cost pressures, of course; they look for ways to save money. Development in lower-cost places like Eastern Europe and Asia is on the rise, particularly for lower-budget titles and games for handhelds. Pressures on developer margins are also intense; it’s very hard to negotiate a developer royalty over 15% today. And there’s increasing use of middleware - which has the problem that all games start to look the same, because they share the same engine.

And everything has to be a brand.

I was at the Games & Mobile Conference (a small one, in New York) two years ago, when Edmond Sanctis, then COO of Acclaim, said something I could not believe he’d said in public (and that made me want to throttle the living daylights out of him, of course). He said, “There’s no point in publishing a game unless there’s a brand attached to it.”

Do you buy games for the brand? Or the gameplay?

Of course, maybe there’s a reason Acclaim is dead.

Another quote that made me sit up and take notice was from Tom Frisina, VP and General Manager at EA - he runs their external developer program - at GDC last year. He said, “We are always looking for something new and innovative.”

I’d like to believe that - but of course EA’s product mix belies it. Tom is one of the good guys, but in essence what he is really saying is that they want checkbox innovation - a little something to differentiate your RTS from every other RTS on the market. They still want an RTS, though - God forbid you should do something really innovative, like try to offer a whole new gameplay experience.

It Sucks to be a Developer

The implications for developers are even more dire. You will not sell a publisher on a title unless the marketing weasels
know how to pitch it to the retail channel. If it fits into an existing, established game category - an RTS, an FPS, an RPG, action adventure, driving, sports - then they know how to sell it. But if you’re doing something novel - forget it.

Does anyone seriously think anyone other than Will Wright could have gotten EA to publish a game like *The Sims*? And actually, EA tried to kill *The Sims* many times before it was finally released. From what I’ve heard (and this is definitely hearsay), Bing Gordon’s comment at the meeting where publishing was approved was: “Well, it’ll only sell a hundred thousand copies, but it’ll get Will off our backs.”

We’re only talking about the best-selling PC title of all fucking time.

The truth is that unless your last name is "Wright" or "Miyamoto," the odds of getting anything innovative published today are nonexistent. In fact, the only thing you can get funded is something that’s based on a license or part of a franchise (can you say "Coasters of Might and Magic?"), and incrementally innovative at best.

Does this mean that developers self-censor, not even bothering to bring their best ideas to publishers because they know they don’t have a prayer of getting sold?

You bet your ass.

There are a lot of very bright and creative people in this field - no lack of them. But business realities trump passion every time. I’m going to bring up that Scratchware Manifesto quote again:

> An industry that was once the most innovative and exciting artistic field on the planet has become a morass of drudgery and imitation

Doesn’t sound so naïve now, does it? And we’ve only talked about the imitation aspect - you can talk to EA_Spouse about the drudgery.

So being a developer is creatively frustrating - but from a business perspective, it sucks worse. If you are relying on publisher funding, you are highly unlikely to achieve a royalty rate of more than 15% (which is based on wholesale price less MDF - typically more like 7% of the actual consumer dollar). And your entire $5m budget (or whatever) is recoupable against your royalties. Thus, to recoup that advance, you need unit sales of well over a million.

In other words, barring a miracle, you will never see a dime beyond your initial funding. And no, you will not make a profit on the funding alone, unless you cook the books, because the publishers want to make damn sure that every dollar they spend winds up in assets on the disk. And since you are utterly reliant on them for both money and access to market, they have the leverage to ensure that it does.

Developers live from contract to contract - and if they don’t land the next contract, they’re out of business. Happens all the time. It’s happened to me, in fact, and I’m hardly alone: Work like a dog, get to gold master, have a party to celebrate - and file for unemployment.

In fact, you may not even get to gold master. Publishers are increasingly willing to kill projects midway - or even
after going gold. The cost of advertising and promotion can double the total cost - and if they don’t have confidence in the game, there’s no point in throwing good money after bad.

Basically, as an independent developer in the games industry, you’re just fucked. Back in the day, a company like id could generate a surprise hit, rake in the royalties, and buy its own independence - today, they’re sitting pretty, they aren’t reliant on publisher funding because they have the resources to fund their own development, they own two franchises, and they’re in the catbird seat when it comes to negotiating leverage.

But it’s virtually impossible for that to happen today - both because royalty rates even for established developers are under pressure, and also because you don’t get to own your own IP. You’ll sign it away just to get published, and as far as the publishers are concerned, that’s non-negotiable. If *Doom* were to happen today, the id-equivalent wouldn’t own it - the publisher would. And if id got obstreperous, they’d just have the next version developed by someone else.

In other words, not only are business conditions harsh for developers - but there is no upside. Your only possible win, in fact, is to develop enough of a rep that a publisher buys you out. And then, more likely than not, the publisher guts you. Goodbye Origin. Goodbye Microprose. Goodbye Westwood. Goodbye Kesmai.

**Why This is Bad**

I’m one of the rare gamers over 35. That’s because, unlike most people my age, I was exposed to games as a teen. When I was a teenager, there were two sorts of games in this country: conventional board and cardgames, which I played enthusiastically as a child, and the board wargame. (Yes, I predate *D&D.*) I was a wargamer, a hardcore gamer before there was such a thing as a home computer.

In those days, there were perhaps a few tens of thousands of hardcore board wargamers, and perhaps an equivalent number of people who, like Sid Sackson and Phil Orbanes, were passionately involved with conventional boardgames. And the two industries, together, grossed under $100m at retail.

Today, the figure $8b gets bandied about for the games industry, but actually, that’s an undercount. It doesn’t include subscription fees for MMOs (on track for $1b+, US alone, this year); casual downloadable games ($50-$100m, depending on who you believe); mobile games ($100m+ domestically this year, $1b+ worldwide); the hobby games market (RPGs, TCGs and the like - no hard data available, but quite likely $200m+ at retail); the conventional board and cardgame market (Hasbro doesn’t break out the numbers, but I’d believe close to $1b); or the arcade game coin drop (I’d guess still over $500m). Not to mention advergaming, and the advertising spend on sites like Pogo.com or RealArcade.

And instead of a handful of people who consider themselves hardcore gamers, we have tens of millions. And instead of just three types of games - conventional boardgames, cardgames, and wargames - we have dozens. RTS, RPG, tabletop RPG, MMO, action-adventure, shoot-em-up, platformer, driving games, dancing games, hunting games, sports games, LARPs, ARGs, “big urban” games, freeforms, text
adventures, graphic adventures, computer wargames, 4X games, god games, flight sims, trading card games ... and on and on.

Every one of these game styles has its passionate fans. And every one of them has been invented in the last 30 years. And the last 30 years have seen huge growth in gaming.

There is a correlation here.

The growth in the games industry has been spurred by an enormous ferment of creativity. Each new successful game style spawns its own audience of fans, expanding the overall size of the market. The hardware guys would have you believe that there's a direct correlation between hardware capability and the size of the market, but that's false; people buy games for the gameplay experience, not for cool hardware, and the way to grow the market is to create new experiences - not to release game seven in a franchise.

If you look at the biggest hits in the field, you find that a high proportion - not all, but a lot - are games that came out of left-field, that did something novel. *Doom* created the FPS genre. *Warcraft* and *Command & Conquer* created the RTS. *Sim City* created the sim/tycoon genre. *GTA* and *The Sims* are spawning their own genres, too - they don't have names yet, but call them the simulated world and the virtual dollhouse.

Yes, in all cases you can point to precursors that had some of the elements of these games - *Wolfenstein* for the FPS, *Little Computer People* for *The Sims* - but in all cases, these games combined things in a new way.

Think of the space of all possible games. Most of the games in that game-space will be uninteresting. But here and there, in that probability-space, are local peaks, places where some combination of mechanics produce compelling gameplay - and around that peak, there are lots of possible variations on the theme. Finding a new, successful game style means finding a local maximum in the space of all possible games - and a new audience.

The publishers would have you believe that “we know what works.” In other words, that all of the local maxima possible for “the video game” have already been discovered.

But this is insane. Innovative, compelling novels are published every year, and that's a medium that's 300 years old. We're only 30 years into the gaming revolution. Additionally, games are an enormously flexible form: They've been created with every technology from the Neolithic to the modern. And software is an enormously flexible medium, too; if you can specify it, you can implement it. We've gone from three genres to dozens in a few short decades, but we've charted only the merest coastline of a vast, virgin continent.

And we need to keep exploring it, or we're going to get stale.

All creative media get stale, at times; it's happening to mainstream film right now. But film, music and comics have something the game industry doesn't have: They have parallel distribution channels for independently created product. They have a path to market for quirky, oddball, innovative, creative work. And that path to market not only allows creative people to support themselves in a modest way - it also...
provides a way for the larger conventional market to discover new talent, and new genres. It provides a lower cost way to experiment - and that very experimentation reinvigorates the larger field.

The nightmare scenario for gaming is that we become like comics in the 60s and 70s - a niche, repetitive field limited to a handful of genres with no real opportunity for growth. It might even be starting to happen: Video game sales in Japan have been declining for years, and even in the US, publishers are struggling to match their 2004 revenues this year.

**We Have to Blow This Up**

For the sake of the industry, for the sake of gamers who want to experience something new and cool, for the sake of developers who want to do more than the same-old same-old, for the sake of our **souls**, we have to get out of this trap. If we don’t, as developers, all we will be doing for the rest of eternity is making nicer road textures and better-lit car models for games with the same basic gameplay as *Pole Position*. Spector is right. We must blow up this business model, or we are all doomed.

What do we want? What would be ideal?

A market that serves creative vision instead of suppressing it. An audience that prizes gameplay over glitz. A business that allows niche product to be commercially successful - not necessarily or even ideally on the same scale as the conventional market, but on a much more modest one: profitability with sales of a few tens of thousands of units, not millions.

And, of course - creator control of intellectual property, because creators deserve to own their own work. 🌍

Greg Costikyan is a widely-published author on the subject of game design and the role of games in culture. Currently, he is writing and consulting for Nokia on the subject of mobile game design.
Which American designer personally made the most money last year from computer games he or she designed? Not the most money for a company, mind you, nor for a studio or licensor, but individual, take-home, taxable income.

Was it a famous game god? John Carmack, Will Wright, Sid Meier, Warren Spector? Probably not. It was probably some guy you never heard of who wrote some little shareware game you never heard of. Those “casual games” - the puzzles and Mahjongg tilesets and card games and Breakout clones and match-three Bejeweled-type things - are downloaded, and sell, in numbers some game gods only dream about. Over the lengthy life of a successful casual game, the independent (“indie”) designer can make serious, serious money - high six-figures and low sevens. Personally.

Many game designers hear this and shrug, as if you told them there’s more money in, say, selling John Deere tractors. “So what? That’s not really computer gaming.” Casual games are so far off the industry radar, hardcore designers don’t even bother to sneer.
If you compare their situations - big-time triple-A hardcore designer vs. indie shareware casual designer - snobbery is not only unjustifiable; it’s borderline insane. Yet how many designers of major retail first-person shooters or real-time strategy games or massively multiplayer online roleplaying games ever think as follows:

- "If I went indie and worked for myself creating casual games ..."
- I could make two or three games each year instead of one every two years, for a cost of thousands, not millions. ...
- I’d work alone or with a couple of others, not on giant teams rife with politics. ...
- I could be my own boss, pick my own projects, own my own intellectual property, set my own hours, and do the marketing right, instead of coping with my idiot publisher. ...
- I could do something weird and innovative instead of just tweaking ten-year-old gameplay, and reach an audience ten times as large. ...
- My games might sell for years, not months, so I could actually polish them instead of shipping an untested beta in time for Christmas. ...
- People might play my games obsessively for months or years, not blow through them in ten hours and move on. ...
- And if I do absolutely everything right - which is under my own control - I could eventually earn two or three times my current salary. Or more. Personally."

Evidently not many designers ponder this, even for a moment - though it’s all true. It is a curious situation.

Of course designers don’t desert hardcore games because they are, themselves, hardcore. They put in sweatshop hours creating their next FPS or RTS or MMORPG, then knock off work and ... play an FPS or RTS or MMORPG. They design the games they love. That’s great; it’s just their monomania that’s weird. Reading the interviews designers give to computer gaming magazines, you could easily conclude the only game style they consider worthwhile is
adrenaline-soaked action. It's like thinking the only good trees are giant redwoods.

The Invisible Market
Meanwhile, out in the large and diverse casual ecosystem, you can download games about bridge construction, political strategy, space station management, gallery shooting, and - uhh - lawn mowing? There's Gish, where the hero is a 12-pound ball of tar, and Wik & the Fable of Souls, where you swing by your tongue. The mainstay puzzle and arcade games are still good, too: If you liked Clue or the old DOS game Sherlock, try Inspector Parker. To recall why you played Tetris until your thumbs bled, check out Revolved.

A hardcore designer who deigns to look into casual games may feel sharply disoriented. Hundreds of dinky try-before-you-buy games, created by one or two or three people, with file sizes under ten megs, targeting low-end Win98 platforms, selling one copy for every 50 or 100 free downloads, for years upon years, even decades. For a console designer on a 30-person team (plus outside contractors) with a $500K monthly burn rate, struggling to hit the six-week sales window before Christmas, knowing his game is 90% certain to miss the top 20 and vanish into the La Brea tar pit of next year's bargain bin, this realm appears utterly alien.

Still, there are a few guides. The stalwart Game Tunnel has covered the casual scene for years. Others in the industry are just starting to pay attention. The annual Game Developers Conference has had a Casual Games track the last couple of years, and this June the International Game Developers Association (IGDA) began a Casual Games SIG (special interest group). The 125-page IGDA 2005 Casual Games White Paper pegs the American casual market at $600 million in 2004 and projects growth to $2 billion by 2008. (Source: "US Online PC Gaming Forecast & Analysis, 2004-2008: Growth Continues," December 2004, by business think-tank IDC.)

Kings of Casual
“Selling shareware games has been very, very good to me. And I’m certainly not the only one,” Thomas Warfield wrote in a March post on his blog. “There are lots of other people who have been quite successful selling shareware games. Steve Pavlina at Dexterity is well known in the indie game world. DreamQuest Software and Silver Creek do quite well (both of them) in the niche of multiplayer card games. Kyodai Mahjongg clearly sells very well.”

How well? It’s hard to tell. Successful shareware game designers are a cagy lot. The Kyodai site claims “9,590,367 visitors here since April 2, 1997.” Warfield’s own game Pretty Good Solitaire has been the top-selling solitaire game for ten years (the current version offers 611 variants) and sells more strongly each year. Warfield is certainly well into his second million bucks - not that he’ll say so: “[S]hareware is a funny business. That is, since people can try your product before they buy it, it’s generally not a wise policy to act like some kind of Donald Trump. Shareware authors, as a rule, don’t generally toot their own horns. (There is one guy I know who put up a picture of his Mercedes on his web site - not really a great way to get sales, in my opinion. But his company does make millions every year).”

There are other successes. In 2000, Seattle programmers John Vechey, Brian Fiete, and Jason Kapalka, formerly employees at online gaming sites Flipside and Pogo.com, started a new company to provide web games for portals like Microsoft’s Zone, Yahoo! Games, and RealOne Arcade. When they started selling downloadable “deluxe” versions of their games, sales took off. Today PopCap Games employs nearly 20 people, sells 20 titles on its site, gets six million visitors a month, and claims a total of ten million downloads. PopCap’s best-known title, Bejeweled Deluxe, has sold nearly half a million copies. The

Reading the interviews designers give to computer gaming magazines, you could easily conclude the only game style they consider worthwhile is adrenaline-soaked action. It’s like thinking the only good trees are giant redwoods.
A typical PopCap player is a 35-year-old woman. A 2003 Wired News story quoted Kapalka: "It's not just hardcore, early adopter nerds who have computers, but moms, too, and they're an audience that's much bigger than hardcore gamers."

In 1997 David Dobson, now an assistant professor of geology in Greensboro, North Carolina, created *Snood*, a modest knockoff of *Bust-a-Move/Puzzle Bobble*. Somehow *Snood* caught on, and by 2001 a survey by Jupiter Media Metrix web researchers found *Snood* to be the world's ninth most-played computer game. Inexplicably, it has enjoyed over seven million downloads, and eight years on, it's still going strong - and is still off the radar of most gaming metrics. Greg Costikyan observed, "Game developers almost can't take Snood seriously. Its success calls into question their very lives ... If it's all really as simple as Snood, why are they working 60 to 80 hours a week for years at a time?"

**Casual Means Hard Work**

Yes, it's definitely possible to get rich in casual games. In fact, though, most newcomers fail dismally. The many reasons include lack of patience, lack of originality (the world doesn't need another *Breakout* clone), and lack of marketing.

A designer’s priorities in creating and selling casual games are completely different from hardcore games: small file size, low platform requirements, slow growth (shareware publisher Steve Pavlina advises a 5- to 10-year strategy), ongoing active marketing, and frequent, numerous iterations of the same game. On the Indie Gamer Developer Forums, Steve Verreault of Twilight Software advised, "Don't just release your game once. Release it four or five times. Keep looking at what the users are saying and make improvements to the game. Tweak the demo. If you put it out and it doesn't sell, rework it. That's the beauty of shareware. You didn't print 50,000 CDs - you can release it again and again, and it can keep selling for years."

Most successful casual designers stress the hard work and shrewd marketing that made their games popular. But just as often, they cite virtues of the indie approach that have nothing to do with getting rich. In a May 2003 blog entry Warfield wrote, "Being a shareware author is the greatest job in the world. You can work at home, so you avoid a daily commute to an office. You are your own boss. You have all the benefits of owning your own business. You can work or not work whenever it is convenient. But the best thing about being a shareware author is that you have customers who choose to be customers. [...] you know that only people who really actually like the game are buying it, so you know your work must be good. The end result is that it is a much more fulfilling job."
The fact is, there is no such thing as virtual commerce. You might think you’ve been making money buying and selling virtual items from your favorite MMORPG on eBay or IGE, but it’s just not true. Don’t tell the game companies, though. As far as they’re concerned, virtual commerce is alive and well - and they’ll do anything to keep it that way.

If that sounds like an upside-down version of the world you know, you may be in for a surprise. Let me explain.

Aimee Weber sells clothes at stores in two locations: one at the southwest corner of Umber’s central park, the other at the east side of the Chase Manhattan park near the Limelight Club in Hawthorne. If those places don’t sound familiar to you, it’s because you probably haven’t spent much time in Second Life, a 3D virtual world where reality is what you make it (for the most part), and a place that gives you the tools to make reality almost anything you please.
Umber and Hawthorne are the names of two of Second Life's 1,000 or so interconnected server regions. (It's all one infinitely scalable world in Second Life, no sharding here.) Aimee Weber is the name of a Second Life avatar who's garnered quite a reputation for her fashion line of funky skirts, tops and plaid lingerie - all of which can be worn only by other Second Life avatars, of course.

But as virtual as all this sounds, Aimee earns real money for her work. That is, she earns Linden dollars, which can then be converted into U.S. dollars on sites like GamingOpenMarket.com, IGE.com or eBay. While she won't say just how much she makes, she does say her virtual clothing sales bring in enough that if she concentrated on it full time, it would pay all of her real-life expenses.

Others in Second Life earn even more. According to Philip Rosedale, CEO and founder of Linden Lab, the company behind Second Life, a handful of the world's 40,000-plus residents earn the virtual equivalent of $100,000 a year or more, most in the virtual real estate business, and close to a thousand of them turn a profit on their in-world activities. One made more than $38,000 in one month alone earlier this spring, according to Linden Lab vice president for product development Cory Ondrejka. Though SL is a place where you can live out your fantasies as a sex slave, a dream-world architect or a guy with a box of cocks, among other things, it's also a place where you can turn your fantasies into reality in the form of cold hard cash.

And Second Life is not alone. Selling UO gold or EQ plat on eBay has long been a moneymaker for dedicated gamers. And it doesn't take a Chinese gold farming operation to turn a profit. One gamer I spoke with recently said he earned $25,000 a year for the three years or so that trading UO items was his full-time job. He wasn't getting rich at it, but as he pointed out, "It doesn't get any better than getting paid to play games."

All in all, the market for goods and services produced in online games - things like gold and plat, power leveling services, entire characters or the set of Runescape armor that recently sold on eBay for $167.50 - has reached almost a billion dollars a year, according to Steve Salyer, president of IGE.com, the largest
broker of virtual goods. By some estimates, the market could be twice that size.

The idea that someone would pay real money for a collection of screen-bound pixels that will never enjoy a physical existence is old hat to most gamers, especially to MMORPG fans. But try to explain the idea to most civilians and you’re met with blank stares or, worse, a shocked incredulity that someone might be tricked into buying something that doesn’t actually exist. In laypersons’ mouths, the “virtual” label has even taken on a slightly pejorative tone, one that seems to imply a touch of insanity about anyone who would be foolish enough to pay hundreds of dollars for an entry in a database in Austin and some screen art the size of a postage stamp.

But what is it that’s really being bought and sold here? The fact is that a great deal of our real-world economy these days consists of things that would be termed “virtual” in another context. Take this magazine, for instance. Chances are you’re reading it on the screen of your computer. Does that make it virtual? No. Because *The Escapist* is more than just a pattern of colored pixels on your screen, it is the ideas that are contained in its words. You’re buying (or in this case, getting for free) the content, not the physical product itself. The same is true for movies, music, software and a host of other things we buy, sell and consume each day. Yet none of those things get slapped with the “virtual” label. No one rolls their eyes when you tell them you just bought *Photoshop* or rented a DVD. But try to talk about the market for your favorite MMORPG’s armor and weapons, or the pair of thigh-high stockings you just bought for your *Second Life* avatar, and often enough the eyes don’t just roll, they glaze over at the same time.

For those who’ve never set foot in a virtual world it’s hard to imagine why someone would pay cash for a sword or a skirt that’s made of nothing but software. But what even most gamers don’t realize is that the things they’re buying and selling in online worlds aren’t virtual at all.

You might not be able to hold Aimee’s panties in your hand (as much as you might like to), but that’s not the point. You’re not buying them because you want to wear them in the real world.

No one rolls their eyes when you tell them you just bought *Photoshop* or rented a DVD.

You’re buying them because they add something to the character you’re guiding through the online world. They add to the story that unfolds on your computer screen each time you log into *Second Life*. In that sense, they’re no different from buying the latest issue of your favorite manga or taking yourself to the movies. When you buy a DVD you’re not paying for a piece of plastic (which costs pennies to produce), you’re paying for the content stored on it. And Aimee’s skirts and stockings are content in much the same way. There’s really nothing virtual about them.

The same goes for the virtual items bought and sold in more traditional MMORPGs like *World of Warcraft*, *Guild Wars* and all the rest. They add to the narrative that is the reason you’ve
logged on in the first place. That Bewildering Sword of Whoop-Ass you’ve been coveting isn’t something you can hold in your hand, but it’s something that will make your avatar’s story more interesting. It’s extra content in the same way that buying the director’s cut of your favorite movie is - you get a richer, more engaging narrative out of it (except in the case of *Apocalypse Now Redux*). There’s nothing virtual about it.

And this is what game companies fear.

In March of this year, Blizzard Entertainment, makers of *World of Warcraft*, banned more than 1,000 accounts for selling *WoW* currency and goods on eBay and other sites. In June, CCP, the Icelandic company that developed *Eve Online*, moved against what it described as “a virtual crime syndicate, dealing in vast sums” of the game’s currency. More than 80 accounts were permanently banned. And yet *WoW* gold and items are still sold on eBay and elsewhere every day, and at least one “power seller” runs an eBay store that is clearly flagged as offering *Eve Online* goods, and has been doing so for over a year. IGE moves vast sums in game goods and currency every day. And even a site like MarkeeDragon.com, which deals only in *Ultima Online* items, does a million dollars in annual transactions.

As Marcus Eikenberry, who runs MarkeeDragon, points out, Blizzard has been known to send “cease and desist” letters to dealers informing them that they will have to provide financial records to the company of just how much they’ve bought and sold, but they rarely if ever back it up with legal action. So why don’t game companies move more decisively against the people who profit from the “virtual” items they claim sole ownership of? Why haven’t they gone to federal regulators to stamp out this trend that is supposedly destroying the integrity of their games?

As Eikenberry puts it, “They don’t want to go to court and actually have a value assigned.”

His argument makes sense. If that suit of *Runescape* armor is legally found to constitute a separate product of Jagex, the company behind the game, a host of messy legal questions immediately crop up. For instance, what if Jagex’s armor doesn’t work as advertised? Is Jagex liable for damages? Or would it be the player who sold the armor on eBay? An 8 percent sales tax on $167.50 is $13.40. Who pays that, the game company or the player? And what if the buyer, the seller and Jagex (a British company) are all in different countries? What authority would collect those taxes? And, to take it a step further (though not that big a step), if game gold is a recognized currency, what would be the anti-money-laundering reporting?
requirements when large “money” transfers were made?

Already, the game companies’ nightmare scenario has started playing out in China, where in 2003 the Beijing Chaoyang District People’s Court ordered the maker of the game Hongyue (Red Moon) to return the equivalent of $1,200 in virtual loot, including virtual biochemical weapons, to a customer who went to court after the items were stolen by a hacker. The court found the game company responsible for the holes in its security that allowed the hacker in - even though what was stolen was ostensibly the sole property of the company and not the customer. The prospect of these kinds of cases seeing the inside of a courtroom must strike fear in the hearts of many game companies in the far more litigious United States.

So they try to scare you off. But for all the bannings and press releases, MMORPG companies don’t seem to be able to convince most players that there’s anything wrong with the trade in game items. Instead, they feed the fantasy that what you’re dealing in is somehow “virtual,” something of no consequence anyway, so why bother. Don’t believe them. What you’re dealing in will only become more and more real as more and more people start spending time in virtual worlds.

In economic terms, there’s actually no difference between real currencies like the dollar, the pound and the yuan, and virtual coin like the platinum piece and the Linden dollar. In a series of agreements (in the form of transactions) that, when taken together, give a rough idea of what the currency is worth. That’s what economics tells us: A currency is a unit of exchange facilitating the transfer of goods and services. The only difference between the U.S. dollar and the Linden dollar is that many more people deal in greenbacks than in Lindens. But the fact that Lindens can be used to buy dollars is all the proof that’s needed that this “imaginary” currency is worth something in the real world.

Already, game companies are beginning to admit this to themselves. Sony Online Entertainment’s new Station Exchange program supports “real-money trade,” as it’s called, on a number of EverQuest II servers. Games like Project Entropia explicitly recognize the value of in-world currency by allowing players to buy it with a credit card, not just on eBay but within the game itself. Linden Lab is even considering hiring a virtual Federal Reserve board to manage Second Life’s economy. Game currency not real? I don’t think so.

Which brings us back to Aimee’s underpants. They sell so well these days that Aimee, a 20-something web designer at an art services company, is toying with the idea of converting her virtual fashion line into one you could wear on your physical body. Others are taking similar cues from Second Life. A British trendspotting firm recently assigned someone to mine SL for commercial ideas, and a big North American bank is setting up a program to teach teenagers about money management in a dedicated region of SL’s world. Sure, there are plenty of in-world items being bought and sold by SL’s residents every day (almost $1.5 million worth in a typical month, according to Ondrejka). But where commerce is concerned - virtual or not -
much more is going than just fashion boutiques and land deals.

All this is happening because Second Life is a different kind of virtual world than almost any other. It’s not a game, but it contains multitudes of games. (In fact, one resident scripted an in-world game that was then licensed to a real-world game company for a sum “in the low five figures.”) The “things” of the world can’t be touched, but they are real enough to earn you a living. No one minds if you do, since Linden Lab grants residents the intellectual property rights to whatever it is they create in SL. And the stories that can be created there are so rich and complex that they are less a second life than an extension of your first one. For many people - and this goes for the players of more traditional MMORPGs as well - the stories they’re creating in virtual worlds are very much a part of their real lives. It’s just that most of those stories don’t have an impact to the tune of $100,000 a year.

But they do have an impact, both in terms of entertainment and in terms of economics. That’s why the important questions to ask, as we go on creating the shared narratives that take place in virtual worlds, have to do with more than just what makes a great game and whether RMT is spoiling immersion. The real-money trade in so-called virtual items isn’t going away. In fact, it’s just going to grow. Trading MMORPG items and designing pixelated clothing are now viable alternatives to trading bonds or designing clothes you can actually wear. What we don’t yet know is what laws will govern such ventures. Game companies’ Terms of Service - which always include a “we can do whatever we want” clause - will not be enough. Eventually, these things will become more clear, either because the courts step in, because game companies come to embrace what’s already happening, because some open-source model of the future is developed or because the power of the players and residents of online worlds to create the narrative that’s taking place within them will grow too great for anyone to resist. And as that happens, online worlds, and the commerce that takes place there, will be forced to come out of the “virtual” closet and admit that they’re not virtual at all.

You can’t touch Aimee Weber’s virtual panties, unfortunately. But it’s worth remembering that they’re very, very real.

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Nintendo to Purchase 2.2m Shares of Its Own Stock
In a purported effort to stave off outsider influence, Nintendo intends to push their interest in public shares of the company to over a 10% stake. The deal, which will cost the company over $200m if completely successful, will more than likely guarantee at least one more appearance with Sony and Microsoft in the console wars.

Xbox 360 Preorder Packages Reach $750
The Xbox 360 preorder packages on sale at Electronics Boutique can slam the hard core user right in the wallet, weighing in at over $750, assuming you take the one-day shipping option. According to GameSpot, the high-end package includes an extra wired controller, an extra wireless controller, a 64MB memory unit, and four games: Perfect Dark Zero: Limited Edition, Dead or Alive 4, Project Gotham Racing 3, and Kameo: Elements of Power. Like the online retailers’ PSP preorder strategy, the only way to secure a unit from major retailers on release day will require gamers to purchase far more than just the system.

Asheron’s Call 2 to be Discontinued at Year’s End
In a letter to the community, Jeffrey Anderson, CEO of Turbine, announced Asheron’s Call 2 will be discontinued December 30, 2005. The sequel to the more popular Asheron’s Call never surpassed its predecessor’s numbers. The decision to close the game may also have been influenced by a desire to focus more resources on their two upcoming MMOs, Lord of the Rings Online and Dungeons and Dragons Online, which are both highly anticipated.
Every year, dozens of gaming legends are subjected to cruel and unusual treatment in the name of profit. Such animated icons as Mario are forced to perform tasks beneath their golden standards so their owners may earn a few extra dollars. Do you have a ridiculous game idea? Throw Donkey Kong in there and suddenly you’re sitting on box-sales gold! I come to you today with a plea; a fervent hope for a cause that I hope many players will join: We need to stop the exploitation of gaming icons.

The ultimate example of a game company taking a game believed to be “unmarketable” and transforming it into a massive success by using an icon, is the NES title *Super Mario Brothers 2*. You see, Mario was not *supposed* to be in it. Originally released in Japan under the title *Doki Doki Panic*, it carried with it a play-style similar to the original *Super Mario Brothers*. Rather than release the game in a tried platform, with new stars and a new theme – the way the game was originally conceived – Nintendo proclaimed *Doki Doki Panic* the sequel to the beloved originator, *Super Mario Brothers*. After a few character swaps, suddenly the game featured everyone’s favorite Italian plumber!
thinking. He now plays golf, races cars, fights his fellow Nintendo characters, enjoys tennis, hosts parties, was reincarnated as a baby, referees Mike Tyson boxing matches, earned a medical degree, teaches typing and math, developed an evil twin with a ‘W’ in his name, and has earned a slew of merchandise from action figures to ice cream bars. And to think I was plenty amused jumping on goombas!

Finally, just when I thought they could go no lower, comes Dance, Dance Revolution: Mario Mix. Yes, now the old plumber has learned how to dance. Apparently, Britney Spears simply is not marketable enough, so why not do it with ye old staple! This kind of mass exploitation confirms two things. One: People like Mario. Two: Nintendo is well aware of this fact. This fall he takes to dancing; I do not even dare speculate what they will have Mario do next.

At E3 2005, I attended the Nintendo press conference where their combatant in the impending console wars was unveiled. Since that conference, I have heard little but negativity about the Nintendo Revolution. Generally, the perception is that Sony and Microsoft are the undisputed leaders and will continue that trend when the three new consoles hit. Yet, for the hour I sat in on the Nintendo press conference, you never would have known. The room, supposedly full of media, would break into applause at the mere sighting of Mario, Link or Yoshi. At one point, a marketing executive said to the room that the other companies (Sony and Microsoft) were throwing lots of numbers at the press (you know little information like what their systems are capable of) and that he too had a number for us. That number? Two. This proclamation, punctuated by a two appearing on the screen behind him, was met with a ferocious round of applause. I sat there baffled. What were they clapping about? To this day, I cannot recall what two stood for, but I recall it having nothing to do with the reality of their system. Yet, when Nintendo says “two” we had better be impressed.

This brings me to the second instance of exploitation of iconic images in gaming. Nintendo gets applause for saying “two”, and people scoop up their products, often regardless of quality, simply because of the name that produced the

**THIS FALL HE TAKES TO DANCING; I DO NOT EVEN DARE SPECULATE WHAT THEY WILL HAVE MARIO DO NEXT.**

Although in recent years the genesis of Mario 2 has become a part of gaming lore, I am sure any child of the Nintendo generation can recall playing the first three Mario games and wondering what the heck was up with the second one. For me, it is the only one of the original three that I never bothered to finish. It was Mario, but it just was not the same. I was not terribly shocked when I discovered the origins of Super Mario Brothers 2 years later.

Unfortunately, the damage was done. We voted with our dollars and Mario continued to be a hallmark of gaming profitability. The result? Nintendo continued to march on with a slew of games, many of which have become classics and others just make you wonder what the heck they were
game. Never was this trend more apparent than with the company now called “Atari.” Originally Infogrames, a French company, they proclaimed their North American face Atari after the legendary, but defunct gaming company enshrined in pop-culture. The aim? To sell more games. Quite simply, consumers take a game more seriously when it bears that logo. In recent years, I have seen Hollywood celebrities presenting awards at internationally televised events wearing the Atari company logo on their t-shirt. Would they ever do that with Infogrames? Of course not. Thus, the name change. In today’s gaming culture it has become easier to simply reincarnate yourself as an old icon than to create a new one. This same mindset is what allows Mario to dance and hawk ice cream sandwiches.

With all of his new activities, it almost seems as if the good old days of Mario smashing blocks and catching stars are over. In recent years you are more likely to find Mario in Metal Gear Solid (I kid you not) than in a game similar to those that made him the icon he is. For this reason, I issue the plea to Nintendo and others holding massive video game icons captive: Be inventive – if a game cannot stand up without the presence of Mario or some other instant-buy icon, do not produce it. When I see Mario, I want to be playing a game in the spirit of Mario games, not tennis.

Using Mario in this way goes against a basic principle of marketing. While a company can make a quick buck by plastering a brand unto a different product, it harms the long-term viability of that brand. This is why the Coca-Cola Company has hundreds, if not thousands, of distinct brands that represent different market niches. It would be easy to make “Coke the Thirst Quencher;” but they realize the danger of it and instead invented Powerade, while Pepsi carries Gatorade. It is the same two combatants as the cola wars, but with different iconic brands. This process allows the company to establish new icons that dominate a particular market niche. Video game companies seem to have forgotten this as they desperately slap brands across multiple genres. The result is that over time Mario, like an actor forced into a million bad movies after snagging an Oscar, will eventually become a burnt out husk of himself, no longer holding the power to sell complete wastes of disk space – or even delightful diversions - to the masses. So take this to heart, stop the exploitation and free our icons to do what they were created to do.

At the same time, I once again challenge you, the fans. We need to stop applauding the number two and take a real look at what we’re buying for ourselves, or in many cases, our children. Mario’s presence does not necessarily make for a good game and for too long we have fooled ourselves into believing this is so. Iconic game figures of our youth are being enslaved and exploited all over the industry in the relentless pursuit of profit. Their only salvation is if we – the consumers – stop paying and stop playing games that are not worthy of the character sent to sell them. Please, help free Mario.

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Scene: 12-year-old pudgy kid stands next to lanky, punk 20-year-old cousin. Chinatown, New York City. After running away from the giant waiter from a dim sum restaurant who demanded a 75% tip, they find themselves standing before a Rastafarian curled up in a bizarre fetal position, his back against a wall, his merchandise before him. He’s selling bootlegged VHS copies of movies that haven’t yet left theaters.

“How much for *Congo*?” the cousin asks.

“10 bucks.” Muffled voice through dirty facial hair. Now, this is a quality bootlegger.

“What do you think, Joe?” my cousin asks to me.

I pull him away with a dirty look.

“Look at the guy, Phil. 10 bucks is going to get you a blank tape.”

“No way, man,” my cousin Phil says. “These guys have really elaborate setups and stuff.” I look back at our eager salesman. He coughs for a good 30 seconds, curling up into an even tighter ball.

“Well, it’s your money, dude.”

Phil goes back over to the Rastafarian and puts his hands on his hips. It’s time to play hard ball, now.

“How do I know this isn’t going to be a blank tape?” Phil looks at me; he’s playing good cop.

“You have to trust me,” the Rastafarian says with a grin.
“Oh, come on!” I yell a bit too loudly - a few passersby stop to look at the unlikely trio haggling over an illegal copy of a bad movie. “Even if there’s something on there, it’s going to shake every time you lean over to mess around with your girlfriend!”

“If that’s what you think, don’t buy it, white boy.”

I turn to walk away, but Phil isn’t coming with me. He looks down at the Rastafarian, then back at me.

“Joe, can I borrow 10 bucks?”

When we got home, we were greeted to a blank tape.

And so continued my cousin’s long, slightly successful, career in piracy. Phil already had a history of getting into trouble in the 80’s for selling copied 5.25” floppies of games he liked. After this incident, no matter how many times I reminded him how right I was about that recording of Congo, he never got discouraged. And when digital reproduction made it on the scene, any worries on his part of cheap “handicam” recordings or bad tape dubs, flittered away, as did the memories of the Rasta who reeked of hash.

My own descent into software theft was far more casual. In fact, it began when Phil sent me a copy of Windows 98. That’s where a lot of people start, really. A friend hands over a nondescript, unlabeled disk and whispers, “This is the game you wanted,” with a wink. Most people don’t even consider the transgression to be theft. The remainder usually doesn’t care. The running justification among people like me is, “I wasn’t going to buy it, anyway.” And then there’s the extended demo excuse. Official demos rarely demonstrate much of the game, and sometimes cost money to download in the time frame they’re available - good luck downloading anything popular from Fileplanet without a paid subscription. So what’s wrong with grabbing the full monty to see if I enjoy what’s inside? It’s a dangerous habit, especially since every hit is free.

“End-user” piracy is the final link in a long chain of crime, so far down the line that these individual users’ theft doesn’t have much of an effect on sales, depending how elastic you consider the gaming market to be. Massive cartels
based in Asia that actually sell copies of games to smaller distributors on the cheap, are what cost publishers money. These guys not only copy data on game discs, they copy boxes, manuals, and anything else they can get their hands on, producing quality counterfeit material. By the time this material starts circulating in underdeveloped countries, many users don’t know they’re buying something that’s not the genuine article. Traditional anti-crime raids don’t work in a modern age. Every few years, a couple piracy rings are exposed, and little old ladies are arrested for housing 100,000 copies of *Jedi Knight* in their garages. But they’re just one group in a small area; the piracy network is digital, and so is the distribution. Large, for-profit pirating groups are the reason utilities like *StarForce* exist, but organized cartels have a bit of a track record for circumventing copy protection in rather unique ways. On top of that, intrusive anti-piracy programs like *StarForce* (which has been known to cause system-wide conflicts on many-a-user’s machine), can actually lead end-users to pirate even more. Anti-piracy technology is frustrating enough that even legitimate buyers end up looking for hacked versions of game clients. This often acts as a “gateway drug” for end-users, ultimately furthering the cartels’ cause. The mouse is so far ahead of the cat when it comes to digital bootlegging that many companies are starting to realize it’s time to let the pirates go, and use them to their advantage.

You see, if a free market is a glowing beacon of capitalism, bootlegging is its dark shadow. Hearken back to the halcyon days when you actually had the option to use word processors other than MS Word. There was a veritable smorgasbord of formats to play with and use; Word Perfect, Lotus, and Word/Works were all vying to become top of the office suite heap. Lotus faded fast, Word Perfect is floating in the ether somewhere, and MS Word is installed on every computer in existence, including those oh-so-swank iBooks everyone’s been talking about. Why? Two reasons: great product placement, and the fact anyone in the world can get Word without paying for it. In fact, the latter reason is a huge contributing factor to the first one. Microsoft has great deals with colleges around the country, which allow students to purchase “student edition” copies of Microsoft’s software. The students then illegally copy these special, value editions and give the copies away to all of their friends. Eventually, so many copies of the software are distributed, there’s just no reason to look for an alternative. Microsoft wins a format war because their software is easier to sneak into your dorm room than booze.

Even though tons of free copies floating about helps a particular type of software win over others, price isn’t the limiting factor when it comes to piracy. At least not in the long run. Most of us pirates got started in our early teens - you know, back when $50 for a game we’d play once wasn’t quite affordable. Fifty dollars was about how much money I had for gas and food over the course of a month. A game just wasn’t worth not being able to ride around in gas guzzling American cars, chasing girls.

As time progresses, however, the cost of a game becomes easier and easier to absorb, but the old question still pops up: Is it worth it? How much is 40 hours of enjoyment really worth? How much is “fun,” whatever that means, worth? *Morrowind* was a blast. I never paid for
it. *World of Warcraft* cost me $70, if you count the two months I paid for the subscription, and it’s one of the least compelling games I’ve ever played. Does paying for *WoW* take away from the great games like *Morrowind* I stole?

Unfortunately, it does.

I’m a huge fan of the “vote with your wallet” principle. If something sucks, don’t bitch about it, just don’t buy it. According to my own ethic, in one fell swoop, I managed to send an unspoken message to Bethesda Softworks: “Your game isn’t as good as this crappy one I just shelled out 70 bones for.” And it’s a message I’ve sent time and time again to dozens of developers who truly deserve a thank you.

That’s when I finally hung up my digital eye-patch. When I realized I wasn’t doing my part as a consumer to make games better. When I realized there wouldn’t be a *Thief IV* because not enough copies of *Thief III* had sold.

Will I steal another game? Probably not, and if I do slip up, the chances of me feeling guilty and ponying up the cash are pretty high, if only because it means

I’ll be able to say, “At least you’re not as bad as *WoW*, and for that I thank you.”

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Each week we ask a question of our staff and featured writers to learn a little bit about them and gain some insight into where they are coming from. This week’s question is:

“What videogame purchase do you feel was the best entertainment value for your money?”

Allen Varney, “Casual Fortunes”
“Purchase” rules out the classic free timesinks Rogue and NetHack, so I’d probably go with Bethesda’s Elder Scrolls: Morrowind. My wife played that game hours every night for most of six months, and still didn’t find everything. The in-game books and scrolls alone must run half a million words at least.

Dana Massey, “Exploitation of Icons”
To me, sports titles provide the best value. They can be social activities, are quite competitive and can never really be finished.

Mark Wallace, “Touching Aimee’s Panties”
Neal Stephenson’s Snow Crash. From 1988 to 1991, when Stephenson was writing this novel, there were about 19 people on the Internet. And yet he managed to peg with great exactitude (and humor) what virtual worlds would be like. What’s been entertaining has been to watch as online games have grown to match the vision he had almost 20 years ago.

Greg Costikyan, “Death to the Game Industry”
I would have to say NetHack, since it cost me zero, and it’s been on the hard drive of every computer I’ve owned since the late ’80s. But if you want to restrict it to commercial games, Civilization (in its various iterations); I’ve probably lost more of my lifespan to it than any other single game.

Joe Blancato, “So what’s it worth to you”
Madden ’94, without a shadow of a doubt. Not only did I take the Giants to the Superbowl twice, I managed to fake out my little brother using the same play, every day, for three straight years. You just can’t put a price on memories like that.

JR Sutich, Contributing Editor
Neverwinter Nights. After taking close to 100 hours to explore and complete the game as it shipped, I am still downloading and playing Modules created by the community. Proof that part of what makes a game have value, is the people you meet and play it with.

Julianne Greer, Executive Editor
Since we are talking purchase, I’m gonna have to say The Legend of Zelda. I know, it’s cliché, but really, the free-roam ability just made it cool. I really felt like I was exploring a new world. And I can still be entertained by it, nearly 20 years later. For sheer hours spent playing, Minesweeper. It’s embarrassing how fast I can play that game.