

Repent! The End is Near!

Chris Crawford

Actually, repenting won't do any good, so you can skip that part. But the era of disk-based computer games is drawing to a close, and it's appropriate to consider the ramifications of the demise of the medium that has dominated computer game design for a decade.

First off, I want you to understand that we're not talking about some sort of "every day in every way, better and better" evolution from the disk-based environment to something even better. I think what we're facing is more along the lines of one of those great extinctions that have occasionally punctuated the history of life on earth. That is, don't look for disk-based computer games to be slowly replaced by better and more profitable games on other platforms. Expect instead to see computer games grind downward, with accompanying agony in the industry as companies fail and layoffs accelerate. In other words, we're not talking transition here; we're talking collapse and rebirth.

Why should disk-based games face a dark future? I think that there are four primary forces working to doom computer games.

Creeping Senility

The first and most important factor, I think, is the slow decline in the creative energy of the industry. Let's face it: we as an industry haven't been very creative over the last few years. During the 80's there were a slew of innovative games, but the 90's have seen a stultifying sameness in our product. The last truly refreshing game I've seen is *SimCity*. That came out in 1988. Since then, we've seen almost nothing but sequels, clones, and incremental improvements. Worse yet, most of the original products have been commercial failures. Most of the big hits have been sequels or clones.

An entertainment medium that has lost its creative juice is marking time before it dies. Our industry simply cannot survive by stamping out the same old games with more colors and faster animations. We've got to come up with new ideas, and the sad truth

WORKS AND DAYS 43/44, Vol. 22, Nos. 1&2, 2004

is, we're not. The creative energy that drives this industry has been sapped by the rising costs of development, the conservatism of the retailers and the timidity of the publishers.

Big Budget Products

The second villain in this story is the big-budget game. These are the monster products that cost \$500,000 or more to create. Big budget games can't make money in a stable marketplace. There's a reason why most games are budgeted in the \$200,000 to \$400,000 range: that's about the most that you can prudently afford to spend and still have a reasonable chance of recovering your investment. So howcum some publishers have seen fit to spend more?

The answer has to do with a concept called "market share." The basic strategy is to "buy market share." That is, you spend a lot of money to make a product that will sell very well. You still lose money on the product, but the huge sales you make put you in an excellent position to make money with a follow-up product.

The concept is sound and has been proven to work in many markets with different products. Unfortunately, there's an unintended side effect of such products in our industry: they raise the expectations of the consumers to levels that simply cannot be sustained. Once customers have been dazzled by a money-losing yet fabulous product, they will turn up their noses at a normal product delivered on a normal budget. And this is precisely what is happening to our customers. Nowadays, if you don't spend a half-million-plus on your product, it won't sell.

If you do have a half-million-plus budget, you've got to justify every aspect of your design to every bean counter, salesperson, and marketing executive in the company. Which makes it more difficult to take big creative risks. Which is another reason why we have Creeping Senility.

Games Aficionados

18 months ago I wrote an editorial for *JCGD* entitled "Portrait of the Gamer as Enemy" [see elsewhere in this volume. -ed.]. In it, I pointed out that the aficionados who love our games could well be our worst enemies, because they demand ever-increasing complexity that pushes our games further and further away from the mainstream of "real people."

I didn't realize how right I was, or how fast events would move. Already the ghettoization of games that I speculated might come to pass is well underway. The most popular games with the games aficionados are, let's face it, absurdly complex products. Some of these games have rules manuals several hundred pages long, and that's not background material, that's rules! Does anybody really believe that normal computer owners will play games whose manuals are longer than those of their database managers?

Of course, there's nothing wrong with absurdly complex games. If some players enjoy those games, that's fine with me. But this is not some minor subset of the gaming community, happily playing

with its complicated toys that nobody else can understand; this is the group that has established itself as the aristocracy of gaming, the opinion leaders for the buying community. These people are dedicated gamers who spend a lot of time and money on their games. They dominate the discussions on national networks like CompuServe, Prodigy, and GENie. They write long letters to publishers, demanding more complexity and power. They hang around retail outlets, telling the clerks what's good and bad about every game on the shelves.

This little group, a few tens of thousands of people, determines what succeeds and what fails in our industry. Their tastes are sophisticated (in the strict sense of the word) and narrow. They have steadily pushed this industry into a corner from which it cannot escape. In order to satisfy their expectations, all computer games must be big and complicated. Yet, if we do build such games, we chase away the beginners who are needed to keep the industry alive. The inevitable result is an industry that slowly erodes away.

Videogames

The cartridge-based machines were once so much inferior to personal computers that consumers could make a clear distinction: video-games were cheap but crummy, while games for personal computers were superior. Moreover, videogames were simple-minded shoot-em-ups, while games for personal computers had more variety and substance. Over the last few years, these distinctions have been narrowed. Videogame hardware has improved substantially, with 16-bit processors, better display chips, and more RAM. The big break will come with the introduction of CD-ROM drives for the cartridge-based systems, which will give videogame machines a decided advantage over the average personal computer. Another important trend has been the increasing sophistication of the software available for the cartridge-based platforms. We're starting to see some of the most interesting personal computer products ported over to the cartridge environment.

The effect of this is to reduce the competitive advantage of personal computers for game-playing. If you can get some pretty good games on a \$200 videogame machine, why do you need a \$2000 personal computer for games? For more and more people, the answer is: you don't. Of course, this is largely a matter of perception. A cartridge-based system simply can't support a flight simulator as fast or complete as those on personal computers. The very best role-playing games are on PCs, not cartridge-based systems, and the same thing goes with almost every other area of gaming. But customers don't know that. As they turn towards cartridge machines, the market for disk-based products withers.

Optical Media

Even as videogames undermine disk-based games from below, the CD games press down from above. I am on record as one of the few skeptics about CD games on the planet, and in fact much of

my skepticism has been borne out by the ongoing failure of the technology to make serious headway. But I've always agreed that the final outcome is beyond question: optical media will replace floppy disks someday. The question is, when? My hunch has been that 1995 will be the first year that sales of CD-based entertainment software exceed those of floppy-based entertainment software, and I think that hunch is still on the mark, so long as we don't mix the apples of videogame CD-ROM sales with the oranges of PC CD-ROM sales.

Whatever the exact timing or relationship, the basic fact remains undeniable: CD-ROM product will steadily become more important, and will take sales away from disk-based product. Sad to say, this is not a zero-sum game. I suspect that, in the first few years, the existence of CD-ROM product will make developers unwilling to invest in a has-been medium like disk-based games, which will result in lower-quality products that won't sell as well. For a transitional period, overall sales of entertainment product will go down.

The Extinction of the Independent Developer

Another sad development is the slow elimination of independent developers. Some years ago, I observed that the lone wolf developer was on his way out. Nowadays, not only are lone wolves gone, but even independent studios are endangered. The primary force behind this is the high cost of developing games. Back when a game cost under \$50K to develop, publishers could treat advances for such products as a kind of venture capital; some advances would yield hits and some would fail. Now though, a game costs perhaps \$250K, and nobody can afford to gamble with that kind of money. Publishers who advance that kind of money insist on micromanaging the product and the developer to death. For every dollar of advance a publisher puts on the table, he expects two dollars worth of product delivered—which drives independent developers to bankruptcy.

A more insidious effect of rising development costs is the way they induce publishers to screw the independents. Publishers must constantly make decisions about allocating resources to products, some developed in-house, some developed out-of-house. The in-house products cost more up front, but have no royalties liabilities. Under these circumstances, it always makes financial sense to give preference to the in-house products. If it's a month before Christmas, and your manufacturing people are booked solid, you'll build your in-house product first, then build the out-of-house product, and if the out-of-house product misses Christmas, that's too bad.

The upshot of all this is that the independent developers, who are the primary source of innovative product, are being squeezed out of existence—which in turn feeds into the Creeping Senility factor.

The Shape of the Future

We're not going to experience a smooth transition from disk-based products to something else. The two primary alternatives to disk-based games are radically different in many ways. They appeal to different audiences, different age and income brackets. The kinds of games that will work in these other media are different. The cartridge-based systems have more of an adolescent flavor to them, while the CD-based systems will probably have a stronger educational odor about them.

So let me boldly trace the future of our industry as I perceive it for the remainder of the decade. As we emerge from the recession later this year, things will look up. Christmas 1992 will be bright and cheery, and everybody will feel good, rich, and optimistic. But the respite will be brief. Disk-based games will remain in the doldrums through 1993, and by 1994 the decline will be undeniable. Sales of cartridge-based and CD products will increase, but not enough to compensate for the loss. Thus, a mood of gloom will spread over the disk-based portion of the industry, but the cartridge-based and optical media people will remain optimistic. By 1995 or 1996 we'll have settled into a new regime, with disk-based gaming relegated to "geek games," complicated, hairy concoctions with lots of rules and exceptions, and "lite games," breezy nothingburger-games to while away a ten-minute break from an intense work session. The overall market for disk-based games will be much reduced, perhaps a third the size of the current market.

I think that CD consumer software will be bimodal. The largest market will be the adolescent games on videogame consoles. These will emphasize sound and graphics, in that order. They will be souped-up versions of current games, with the CD used to bring in backgrounds as scenes change and play music during gameplay. The other side of CD software will be more serious educational stuff. Marketers of this product will never allow the ugly word "game" to be applied to their products. They'll instead prefer bastard terms such as "edutainment."

Wrap up

Our industry has enjoyed pretty smooth sailing for the last five years. The wild and roiling early and mid-80's gave way to the placid times of IBM-PC ascendancy. The platform evolved smoothly, our games grew better each year, and sales marched upward. Perhaps some of us have come to expect such tranquil growth as the normal course of events. Don't count on it. The next five years will surely be more chaotic than the last five years.

