

# Examining the evolution of video games media essay



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## **Introduction**

The purpose of this report is to analyze first the evolution of games and will follow a thorough analysis of the three actors who are currently in the market. It also provides the changing demographics of gamers as it will be by technology and gender.

Nowadays millions of people spend many hours each day playing video games.

For those people born in the sixties the game is only another different type of technological objects more or less strangers to their lives, but for those born in successive generations the video games have become increasingly familiar to the everyday reality: they have contributed to build what is called virtual reality.

In fact, the most important feature that distinguishes video games and other entertainment media is that, it makes their users not only simple spectators, but true protagonists.

In fact at the same time when a player starts the game the player himself turns into that particular character and becomes part of that singular situation.

The player leaves himself into the game for all duration of the game, to live it completely immersed in the virtual reality. At this point, the challenge of the game designer is to convince the players that they are not only looking at the reality in the video game, but actually feel inside that reality.

## **Home Console Games**

The home console video game is the most usual form of interactive entertainment in the world and also the most financially successful. If a game exists in both a personal computer version and a home console version the console version will sell ten times more than PC version. The reason why is there are more console machines in the world than personal computers.

A home console machine costs between £100 and £250 and a personal computer costs three times more. Therefore, families can afford home consoles machines, and buy more games for them.

The main reason why home console machines cost less is that manufactures are selling the machines at the same price of their cost. They are not trying to make money on the sales of the machine themselves, but on the games that go into the machine instead.

And even if the manufacture does not publish all the games, they charge the other publishers a license to publish games for their machines.

The home console market has advanced over generations and keeps making advancements. What maintain the interest of gamers alive are the new innovations and the technology. We are going to examine the three actors who are currently in the market.

### **Sony**

The Sony Corporation sometimes called Soni Kabushiki-Gaisha in Japan, is a Japanese worldwide company that is known for its products in the fields of

music, electronics, telephones, computers, films, and the audiovisual industries.

The company or its businesses are commonly known as Sony and was established on 7th May 1946 by Masaru Ibuka, an engineer, and Akio Morita, a physicist, employing twenty people in a company that repaired electronic equipment and started to try and create their own products. Sony has the head office in Japan; however the group operates in 204 countries across North America, Europe, and the Asian Pacific.

In 1994, Sony decided to enter in the gaming market and released a console that has dominated the field in recent years, PlayStation, that open the way for the 32-bit console, and CDROM drives to play and listen to music. In 2000, Sony launched PlayStation 2, with 128 bit. The PS2 is the best selling console to date with over 140 million units sold and with over 9, 000 compatible games.

The PlayStation 3 or PS3 is Sony's latest edition to the console market. With the PlayStation 3 120GB of hard disk drive storage for games, music, videos and photos.

Sony's PlayStation 3 may not have had a great start in the market due to its high cost of manufacture, but recently Sony released a less expensive version and the unit sales began to grow quicker.

## **Microsoft**

The company was founded in 1975 by Bill Gates and Paul Allen in Albuquerque, New Mexico and is now the world's largest company in software. The name Microsoft is a contraction of "micro computer software."

Microsoft Corporation is a multinational computer company based in Redmond, Washington with over 70.000 employees. Microsoft grew from a small player to one of the major software companies in the home computer industry.

In 1998, Sega launched a new generation of home console "Sega Dreamcast" that was the first console at 128 bit, but the sales results were not exciting, approximately 10.6 million units sold. After that, Sega abandoned the market of the hardware and focus only on the production of software. Sega left a place to a new actor, Microsoft that in 2001 in the U. S. launched a new console at 128 bit Xbox that sold 24 million units.

In 2005, Microsoft launched a second console Xbox 360, developed in collaboration with IBM and Samsung, and in September 2009 sold more than 33 million units. This console was technological leadership until the released of the PS3. The strengths of the Xbox 360 were potential customization and online game play developed through Xbox Live, the online community, which allows online game play between consoles. Sales did slow when the Wii and PS3 were released, but the Xbox 360 still holds the second largest amount of market share. (Euromonitor International, 2008).

The last innovation of Microsoft is "Project Natal", code name for a "controller-free gaming and entertainment experience" for the Xbox 360, also <https://assignbuster.com/examining-the-evolution-of-video-games-media-essay/>

known as Kinect and recently launched on November 2010. It is an add-on peripheral for the Xbox 360 and enables users to control and interact without the need to touch a game controller, through gestures, spoken commands, or presented objects and images.

## **Nintendo**

Nintendo's production is head office in Japan, however it operates in the US, Canada, the UK, Spain, Germany, France, Italy, and Australia (Datamonitor, 2008).

The company was founded by Fusajiro Yamauchi in Kyoto in 1889, initially as a card company, nowadays Nintendo has a much larger console and software portfolio than

Microsoft and Sony and targets a wider audience. It is the 3rd largest Japanese company and the world's 10th largest software manufacture.

Nintendo soon become involved with arcade games and produced one of the all time most popular video game of the early 1980's: " Donkey Kong", a massive money maker that would also launch the careers of " The Super Mario Bros", who would eventually bring billions of dollars into Nintendo's coffers.

In the same year Microsoft released Xbox, Nintendo revolutionized the way of playing video game with a new console called Wii, a new style of gameplay that incorporate fully motion sensing controllers, dubbed " wiimotes."

In only three years of its launched in 30 June of 2009, Nintendo sold more than 52. 71 million unites. The console incorporates low specialization in hardware, but high specialization in software (Datamonitor, 2008). The games are targeted towards a wide variety of ages and many markets became popular in the most unlikely of places. It can be found in gyms, in retirement homes and recently, in hospitals and medical centers as a tool to assist in physical therapy.

Nintendo has developed its own software and published the popular titles Wii Sports and Wii Fit, also there are huge opportunities related to future software and accessories development. Whereas Microsoft and Sony produce high-technology products for the traditional hard-core gamer, Nintendo's focus is less technologically advanced and targets more casual gamers.

## **Demographics of Gamers and Technology**

Today's gamers are all geographical backgrounds and ages, due to the technological improvements within the industry and the increase of the internet. Mention that female participation is increasing considerably these days.

Video games are an international phenomenon. The United States is the largest market for them in the world, but the big manufacturers and publishers are multinational. For example, Sony and Nintendo are Japanese companies, Eidos (publisher of " Tomb Rider") is British and Atari and Ubisoft are French. For a game to be a true hit in the market, it must be a success in Europe, Asia and America.

The process of changing a game and make it suitable for a different country is called “ localization” and carries both technical and cultural implications.

Home game consoles have to be manufactured in different way for different parts of the world because they use different video output device for the television.

The other big technical issue is language. English and other western languages can be stored with one bit per character, but many Asian languages require two. If company in Europe wants to distribute its games in Asian, the programmers have to prepare for this in advance. And it is also important, that any dialogue narration must be supplied in different versions and different languages.

There are companies specialized in “ localization”, who provide translation of dialogue and text, and also point out changes to be made to art assets and to game play that might be unpleasant in other market. For example, Germany bans games that show red blood or display any Nazi insignia. The color of death in the West is black, but in China is white. As in China red means good luck and has a specific meaning in certain contexts.

The type of games that people prefer is also based on cultural variations. In South Korea, people prefer online games before than single player games, but they are mostly played in Internet cafes rather than at home. Japanese games have much richer storyline than American games and in France, people are more tolerant about nudity than Americans and so on.



We will now pick three categories of players, and compare how they affect and understand the market. We will look at children and adults, males and females.

At the beginning, the home consoles were landing in the market as toys, as the games

at that time were too simple to catch the interest of an adult.

Nowadays, children and teens are the large part of the player of video games according to “ Break into the Games Industry (book)” 34 percent of PC gamers and 45 percent of console gamers are under 18. But, only 4 percent of console game buyers are under 18, and 10 percent of PC games buyers. Parents have a huge influence in what games kids play. However, these days, video games are clearly no longer just for kids as the market has changed. There are people in their 30s and 40s who grew up playing video games and the gamer average age is now 28 year old. Previously, computer games were mainly played by male and this stereotype persists for a variety of reason. Many of top selling games are designed to please the man. In reality, 43 percent of American game players are female, and the average age is 27. The industry will need to find out how to make games more suitable for women in order to increase revenue, as at the moment a great many woman play games, but a smaller number is prepared to buy them.

The game industry has continued to growth over the past decade and it will continue growing as new markets in Asia and Eastern Europe develop.

According to the article “Hollywood vs. Games” from “Shacknews” website, the games are also catching on in new, largely untapped regions, seeing significant growth in Asian markets. And by 2011, Asian gamers will likely spend \$18.8 billion on the industry, passing up the US in both sales and arthritis.

NPD market research shows the revenue increase in the game industry and proves that this industry has increased revenue consistently over the past five years. Actually, the game industry competes at the same level as other forms of entertainment, and it has even started to outperform its rivals.

In 2007, the total box office sales for movies was \$9.66 billion and the software portion of the \$18.81 billion total games revenues was about \$9.5 billion, so games have indeed made more money than movies.

Video gamers are now spending less time watching television, about a week according to last research of “e-Strategy Internet Marketing”. However, it is not easy to know who’s playing video games, and especially online games with the same accuracy as we count who goes in and out of the cinema.

## **Online Games**

Worldwide a larger number of people have online access. Furthermore, there is a strong

increase in high-speed internet access. This will increase and continue to expand the number of people reaching online gaming. Expectations forecast that “worldwide online game spending will grow to over \$14 billion in 2012, up from \$8 billion in 2008” (Haley, 2008).

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“ Facebook” is the most popular destination for online games, with 83% of respondents saying they have played games there. Twenty-eight percent have purchased in-game currency with real-world money. The average gamer has played six social games, and more than 50% of gamers started playing a game because a friend recommended it or because they saw a friend playing it in a news feed or other social stream.

The analysis found that 55% of social gamers are female and 45% are male. Females are more avid gamers, too; 38% of females said they play multiple times a day, but just 29% males said the same. Women are more likely to play with people they know (68% vs. 56% for males), and men are more likely to play with strangers (41% vs. 33%) than women are.

The online network development provides new opportunities for the video game industry. The old business model sells games via retailers as tangible products or as downloads from the internet to be run or installed on the gaming devices, however to switch to only offering online games could be the key to dramatically increase revenues for many reasons.

Players could be charged a one time or monthly or annual fee by the company offering the game in order to get access to playing the game, ensuring everyone would pay for its use. Furthermore, offering games only online would change the retailing model in a favorite manner for the video games industry, as retailers, who sell the games to customers today, would be eliminated out of the supply chain and therefore, game companies would no longer have to share revenues and profits with retailers, but could pocket the whole profit themselves. Also, material costs for any physical media like

CDs/DVDs and packaging cost would be cut to zero, increasing margins even further.

Online games gain new ways of advertising and game companies have a good chance of gaining a recognizable share in the \$40 billion online advertising market, for which annual growth rates of more than 20% are expected, with even higher growth rates expected for the in-game segment (Oliver Wyman, 2008).

## **Conclusions**

The analyses covered in this report is to determinate how the changing demographics of gamers as the new technology affects the evolution of games.

We can predict that the current trend of increasing age average target continue and grow stronger with introducing games specifically designed for an adult audience.

The main company target will be to focus on the female and family perspective, in a way that more and more a video game becomes fun entertainment as for example an alternative to cinema evening.

At this point where we are is hard to predict what the future may bring and what other innovations will be implemented to make the gaming experience suitable for all type of markets.