The Massively Multiplayer Gaming Explosion –
from the PC, to the Console and then Mobile

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What is the Games market?

What are the real demographics?
PWC projects a conservative growth of the entire video game market to be 16.5% CAGR, in the US alone PWC expects a 12.9% CAGR through 2009.
Games is segmented by game type, gaming platform, and number of players.

**Genre**

- Strategy (RTS) & Role Playing (RPG)
- Sports & Extreme Sports
- Action/Adventure/Fighting
- Racing
- Shooters
- Family Entertainment/Children
- Casual
- Simulation and Serious Games

**Platform**

- **Console**
  - Playstation / PS2 / PS3 (Sony)
  - Xbox / Xbox 360 (Microsoft)
  - GameCube / Wii (Nintendo)
- **PC Based**
- **Handheld**
  - DS (Nintendo)
  - PSP (Sony)
- **Mobile**
  - Cell phone (incl. Nokia NGage)
  - PDA

**Number of Players**

- **Single Player (SP)** – Individual game experiences on a single console or PC. Retail Business Model. (e.g. Nintendo)
- **Multi-Player (MP)** – Groups of 2-64 players hosted by a single server. Games are a set length and high-twitch. Subscription Business Model. (e.g. Xbox Live)
- **Massively Multi-Player – (MMP)** Thousands of people play on a hosted server game environment. Games are running 24/7. Subscription Business Model. (e.g. Everquest)

**Business Model**

- Retail Sales vs. Subscription Per Game vs. Aggregation

**Consumer**

- Hardcore/Core/Casual
Online game revenue breakdown

Worldwide Online Game Revenue: 2005

- MMOG: 21%
- FPS/Action: 10%
- Sports/Racing: 12%
- Strategy/Sim: 9%
- Children: 4%
- Casual: 1%

Worldwide Online Game Subscription Revenue: 2011

- N. Amer: 35%
- Europe: 28%
- Japan: 25%
- Asia: 12%
Gamers: Do the facts match the stereo-type?

In 2005 25% of gamers were over the age of 50.

The average game player age is: 33

**AGE OF GAME PLAYERS**
- 31.0% under 18 years
- 44.0% 18–49 years
- 25.0% 50+ years

The average age of the most frequent game purchaser is 40.

**GENDER OF GAME PLAYERS**
- 62.0% male
- 38.0% female

42% of online players are female.

WOMEN age 18 or older represent a significantly greater portion of the game-playing population (30%) than boys age 17 or younger (23%).

Source: ESA: Essential game Facts May 10th 2006
Gamers: Do the facts match the stereotype?

What else are Game Players Doing?

- 79% of game players, all ages, report exercising or playing sports 20 hours a month
- 45% of gamers volunteer an average of 5.4 hours a month
- 93% of game players also read books or daily newspapers
- 62% of game players consistently attend cultural events such as concerts museums or theater
- 51% of all gamers play games, in person, with other players

Source ESA: Essential game Facts May 10th 2006
Who is playing what?

What Kind of Games Are Played Online Most Often?

- 52.0% Puzzle/Board/Game Show/Trivia/Card
- 22.0% Action/Sports/Strategy/Role-Play
- 9.0% Shockwave/Flash/Browser-Based Mini Games
- 7.0% Persistent Multi-Player Universe
- 11.0% Other

Best-selling Computer Game Super Genres

- 30.8% Strategy
- 19.8% Family & Children's
- 12.4% Role-Playing
- 5.8% Adventure
- 4.7% Action
- 3.7% Sports
- 14.4% Shooter

Source: The NPD Group / Point-of-Sale Information
Marketplace trends
Marketplace trends: new business model emerge

- **THEN**
  - Retail distribution of physical asset (cartridge, CD)

- **NOW**
  - New models appearing (digital downloads, subscriptions, ad-based)
  - “trial and error” phase

- **FUTURE**
  - “There is no ONE model”
    - Subscription based (e.g. World of Warcraft)
    - Play for free, pay for stuff (e.g. GoPets)
    - Advertising supported (adver games and in-game advertising, e.g. Anarchy Online)
    - Merchandise supported (e.g. Webkins)
    - Commerce supported (e.g. Second Life)
Marketplace trends: Move outside the Silo

- **Then**
  - Successful Movies, TV shows, Toy Brands drove Game Development

- **Now**
  - Successful Games drive Movies, toys, and shows

- **Future**
  - Success will depend on successful cross Media/Medium rollout - every medium drives every other medium
Marketplace trends: new “players”

- **Then**
  - Core gamers (teen and tween boys)

- **Now**
  - Games trying to appeal to new markets to sustain growth
    - Women (Casual Games)
    - Minorities and Cultural Communities (not just translating a game)
    - Age groups (Wii)

- **Future**
  - hyper-segmented content, marketing and features
  - Trusted brands
  - “Serious” applications (simulations, training, e.g. MMOs as environments for developing leadership skills)
Marketplace trends:

Integrated cross-platform experiences, anytime, anywhere

- Then
  - Handhelds, console, PC and online were all independent games with little cross platform development

- Now
  - Franchises (or brands) exist upon multiple platforms and offer same feel, or similar art

- Future
  - Integrated “experience” across multiple platforms
  - Ubiquitous, high-bandwidth mobile access
  - “Playing the game is creating the game” – UGC, new narrative models
  - Games as social experiences

Technology is making everything faster, better, cheaper

- Then
  - Clunky or complex user interfaces
  - Slow graphics and processing power
  - Expensive and proprietary equipment, software

- Now
  - Breakthroughs in user-interfaces
  - Commercial, off-the-shelf IT powering development and device

- Future
  - Better: improved realization, simulation, quality
  - Faster: development, processing power, bandwidth
  - Cheaper: development, devices, economics
Marketplace trends:

- **Then**
  - Games were designed for single player
  - Multiplayer meant how many could play off same device
- **Now**
  - Few Games developed are solely single player
  - Multiplayer includes everyone logged in through same device
- **Future**
  - Games as social experiences
  - Access similar content through device I have with me now
  - Time Invested works for me regardless of how I access
Game Access Devices

PC Sales in 2006
~230M

Mobile Phones Sales in 2006
~850M

Source: Cnet news.com
Massive Games

Need Massive Technology

Division of NCSoft
Actual Infrastructure in Use

Active Servers ~ 195
Dev Servers ~ 200

Weight About 2.5 Metric Tons of equipment
CPUS > 420 CPU cores > 1 THZ
RAM > 7.5 Terabytes
Estimated FLOPS > 7.5 Terra
Bandwidth Total Bandwidth Estimate ~ 400 Gbs
There is a huge number of topics that have to be addressed to bring a game to market.
Most have to be addressed for each target platform individually
So Why not today?