



# PLAYED

MARCH 2011 - THE GDC'd ISSUE



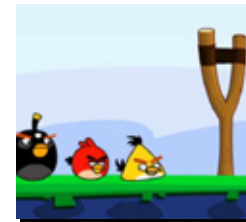
## GAMING'S SOCIAL ANXIETY

- GDC: the site of many debates on the merits of social games.
- Skeptical developers see it as a joyless, money-driven scheme.
- Many starting to see the benefits of social gaming mechanics.
- Insomniac launching "Click," devoted to building robust social games.



## A GUITAR HERO HAS FALLEN

- Activision's *Guitar Hero* franchise placed on hiatus.
- Result of a downturn in music games and brand saturation.
- *Rock Band*'s perseverance due to DLC model, innovation in gameplay.
- Music genre still producing new work with Ubisoft's *Rock Smith*.



## THE HAPPINESS OF ANGRY BIRDS

- Rovio's *Angry Birds* turning into a worldwide phenomenon.
- Franchise sees over 42 million players and downloads monthly.
- Branching out into entertainment and novelties with its success.
- Establishing mobile devices as legitimate franchise platforms.



## CHEAT TO WIN

- Gamers driven to compete and earn an edge however they can.
- "Exploits" of game mechanics viewed differently across the industry.
- Such actions leading some to read, some to encourage experimentation.
- Exploits and cheating affect newer marketing campaigns as well.

# PLUS:

## WHAT WE'VE BEEN PLAYING WHAT WE'VE BEEN SURFING FEBRUARY SALES FIGURES

PLAYED is Denuo's monthly look at the major headlines and evolving trends in gaming's ever-changing landscape. With insight from our gaming industry experts, PLAYED will keep you in the know when it comes to the expansive and entertaining world of gaming.



# GAMING'S SOCIAL ANXIETY

In the middle of the '00s, the gaming space was relatively calm, but slowly growing out of its niche into mainstream acceptance. At the same time, Facebook was in its infancy, with few foreseeing the cultural and technological changes the social network would create. The idea of "social games" were far from both game developer thought and Facebook's intent. Fast forward to today and it's clear that social games are successful, thanks to upstart game developers building their businesses around Facebook's success. As the now-mainstream gaming industry grows within this new platform, so have the polarizing views of its legitimacy. There are creators working rapidly to evolve this new, exciting space in gaming, and those decrying the mechanics and intent of social games as mediocre at best, inherently evil at worst. No battleground was more vibrant than the 25th annual Game Developers Conference. With numerous panels and lectures devoted to both the benefits and pitfalls of social games, including a large portion of Nintendo president Satoru Iwata's keynote speech, it was the place to experience this game-changing debate tearing through industry.

On one side, there's those who see social games as an obvious evolution of gaming's naturally social nature. The general sentiment among these folks was one of solidarity and a craving for respect from their more traditional game development peers. Some proponents turned to the past for their argument, as experienced developer **Brenda Brathwaite** did: "I remember when on the floor of this very conference, we fought against allowing console game developers admission and vigorously debated letting our beloved CGDC become merely the GDC... We stood together, you and me, because we love games. And then we moved to Facebook." Just as computer and console games were once declared to be "not real," so do social games find themselves today. History will repeat itself, proponents claim. It's inevitable. These developers see the current era in social games as the equivalent of the pre-NES days in the console space. Had the industry assumed those early days were all consoles could accomplish, we'd find ourselves in a very different gaming world today. By supporting and allowing social games to mature, grow, and respond to their audience, the feedback and success of the space offers developers the opportunity to join in on crafting the next big revolution in games.

Some argued that it is current, traditional game developers that can and should learn lessons from the social space. Zynga's VP of product development, Mark Skaggs, shared some of these lessons to social and "regular" developers alike during his GDC session. Citing specific examples from his company's body of work, Skaggs posited that social connection has always been a foundation of gaming. Social games simply combine this fundamental truth with the technology at hand to leverage social play in a new, (and lucrative) way. Skaggs believes they have much to teach traditional games, including commitment to the product as a service, instead of just a static element that's finished once the game goes gold, while integrating player connection as a core gameplay mechanic rather than a bolt-on, additional mode.

Some social gaming skeptics claim they see the potential in the genre, viewing social gaming as a nascent branch of the ever expanding "gaming tree." With new types of design, growing pains should be expected. However, social executions thus far do little else than take advantage of player psychology for monetary gain, naysayers claim. Games like *Farmville* reap all the benefits of social games (borderline addiction, leveraging social connections, integration with Facebook) without pushing the medium of games forward. These games, opponents claim, should somehow enrich the human experience; make players consider themselves and the world around them. In short, social games should try to engage human behavior at a deeper, more substantial level beyond the primitive behavioral hooks used so wantonly in lotteries and casinos.



But social games' opponents don't end with the seemingly rational skeptics. Some, like industry academic **Ian Bogost**, are outright aggressive with their disdain for social games. The medium is inherently flawed, these opponents say. By tapping into the primitive and addictive behavioral triggers as a foundation, these games limit our thinking while addicting us and reaching into our wallets. "To me, we have a sort of [social gaming] infrastructure that feels bad. It doesn't feel like it's advancing us as human beings," Bogost said on a panel discussing whether social games were "evil."

Regardless of their specific arguments, the folks behind the growth of social gaming all seem to want one thing: respect. Social game developers seem to feel like they're contributing just as much thought and craft to the medium as other game developers and, by all objective measures, they are highly successful in their efforts. Yet, appreciation for their endeavors is lacking, and the industry remains divided on their merits, despite the passionate showing at this year's GDC Rant Session.

No matter your stance on the social games battlefield, one thing is certain: social games are here to stay and the two worlds of "traditional" and "social" games will continue to crossover. Just recently, traditional game developer Insomniac (creator of hit franchises such as *Ratchet & Clank* and *Resistance*) announced at SXSW that it has launched a division devoted to creating social/Facebook games called *Insomniac Click*, joining the ranks of other socially-expanding publishers like EA, Ubisoft, and Sega. The diversity of opinion in this debate only goes to showcase the untapped potential of social gaming. As everyone, including marketers, continues pay intense attention to the space, it will continue to grow and expand in unexpected ways, especially as disciples from both camps trade talents and perspective. And, for both sides, that's got to be exciting on some level. Marketers and partners can start to demand more from their social gaming integrations and programs, tapping into the evolving nature of the space. Instead of asking for "The next Farmville," marketers and their partners should start asking for, "The next untapped area of social gaming," because, regardless of opinion on value, the space has a lot more to offer beyond click-and-spend gameplay.



# A GUITAR HERO HAS FALLEN

While “social gaming” continues to be a hotly debated topic throughout both gaming and advertising, one of the beloved titles often credited for increasing popularity to play amongst friends has been put on hold. The *Guitar Hero* franchise, first developed by Harmonix and published in 2005 by RedOctane before being purchased by Activision, saw the curtain close in early February. A pioneer in the music and rhythm-based genre, *Guitar Hero* first introduced music peripherals, Star Power, and the realization of rock star fantasies to everyday gamers.

The series has sold over 25 million units worldwide, earning over \$2 billion at retail with Activision claiming it to be the third largest gaming franchise in history (behind the *Mario* and *Madden NFL* series), with *Guitar Hero III* taking the crown for highest-grossing game of this generation. *Guitar Hero* introduced an entirely new videogame genre, bringing beloved music to hardcore fans while also introducing new music to new audiences. The fun of rocking out to classic and modern music brought families to the living room, livened up parties, and showcased undiscovered songs and bands. Despite its past success and paving the road for other popular titles such as *Rock Band* and *DJ Hero*, a downturn in the music gaming genre motivated Activision to shutter the blockbuster for the time being. It seemed evident that the *Guitar Hero* franchise wasn't boding well against its direct competitors; as *Rock Band* began to introduce everything from new instruments to various gameplay modes, *Guitar Hero's* lack of evolution ultimately led to its grounding.

The launch of MTV Games' *Rock Band* franchise, developed by *Guitar Hero's* original creators, Harmonix, introduced new instruments that added an original, group-focused dimension to the gameplay. The inclusion of vocals, bass, and drums moved the genre toward a socially-fueled experience. *Guitar Hero* eventually did the same, band-based setup, but still lagged in the content category. While *Guitar Hero* focused on picking all of its songs and hardcoding them onto yearly, disc-based updates, *Rock Band* embraced downloadable content and focused on renewing the game weekly, adding thousands of songs to its library over the course of its existence. As shelves started to fill with a variety of music-game titles, the success of the space started to wane.

With the downturn of the music gaming genre, both *Rock Band* and *Guitar Hero* took distinctly different routes to stem the tide. *Rock Band's* strategy became clear that it would partner with only a few select bands, such as the *Beatles* and *Green Day* for retail releases, while continuing to build out *Rock Band* as not just a game, but as a platform for experiencing music. Additionally, the franchise bridged the gap between in-game, plastic controller play and learning to play a real instrument. From expanded options on drums, like cymbals and double-bass pedals, to the introduction of keyboards, *Rock Band* was constantly balancing realism with improved gameplay. Meanwhile, *Guitar Hero* tried to return to its roots with yearly iterations of the title, focusing on arcade-style guitar gaming instead of the realism of a broader band experience. Downloadable content was scarce and, inevitably, the later entries in the *Guitar Hero* franchise didn't connect with an oversaturated audience. Ultimately, tired tactics and lack of an evolving strategy to match the flow of the genre it created led to the trendsetting title's demise.

Brands from all industries can learn from *Guitar Hero's* precedence; acting as an initial innovator doesn't leave you immune to natural or necessary evolution. Not only do brands need to understand and keep up with trends shaping the future of their industry but, ultimately, their audiences' needs and desires. Continued success comes from forging ahead and innovating in a respective space, as *Rock Band* continues to do by building a platform that marries music discovery and consumption with real-life instrument skills and gaming fun. As reports of *Guitar Hero's* hiatus hit, news of the latest genre innovation was released with Ubisoft's announcement of *Rock Smith*, a guitar-based game that ships with a peripheral allowing gamers and musicians to plug any real-life guitar into their consoles, building off of the educational slant of *Rock Band 3* and the axe-shredding fun of *Guitar Hero*. As evidenced by other gaming niches, like fighting games, role-playing games, and real-time strategy titles, no area of gaming ever completely disappears; they merely await new innovation and trends to rebuild, rethink, and refresh the gaming world with unique experiences. **Rock on.**

## WHAT PLAYING WE'RE

MARCH 2010

### NINTENDO 3DS

Effective 3D, compelling AR and a load of social features make the 3DS fun before you even play a game.



### CRYSIS 2

A graphical showpiece for PCs and consoles alike, mixed with awesome tactical FPS action.



### BULLETSTORM

Take the arcade model of scoring and mix it with frantic shooter insanity. Blend for 9 hours. Serve hot.



### FIGHT NIGHT CHAMPION

Mixing, well-crafted narrative fiction with spot-on boxing simulation reinvents the pugilist franchise.



# THE HAPPINESS OF ANGRY BIRDS

How do you know when a videogame has crossed over from simple time waster to pop culture phenomenon? Is it when it accrues more than 40 million monthly active users, sitting at or near the top of most mobile app stores? How about when plush toy sales of characters from the game surpass 2 million units, making it a clear hit across multiple channels? Or, maybe it takes an appearance at the Super Bowl and on late night talk shows [Conan O'Brien](#) and [Tosh.0](#) to make people realize this is more than just a fling. The mobile gaming hit *Angry Birds*, and its developer, [Rovio](#), have accomplished all this and more. Rovio's success with the *Angry Birds* franchise has been downright impressive, to the point where it's become more than a game. It's the perfect fit for the digital age.



While there's no doubt *Angry Birds* has become a big deal, its success may be an indicator of the overall shift happening in games. At this month's South by Southwest conference, Rovio's head of business development, Peter Vesterbacka stated that mobile games are killing the console model, believing that innovation in gaming has clearly moved into mobile and social largely because those companies are more nimble, making it easy to develop and release new content quickly. In fact, he said as mobile gaming (including games on tablet devices like the iPad) continues to grow, console games will slowly die off. He's not alone in his opinion. "If you look at the market cap for easy-to-play casual games vs. the market cap for epic first person shooter type games, you'll quickly understand the importance of *Angry Birds*," said mobile developer and Sourcebits VP Dan Gonzalez. "The hardcore gamer, while fairly large in a historical context, is completely dwarfed by the number of casual gamers adopting smart phones and tablets."

From a gameplay perspective, *Angry Birds* is easy enough that anyone can pick up and play for small amounts of time, but difficult enough to keep us coming back for more. Beyond that, *Angry Birds* dominates so much of our free time because of the characters and their story, as ambiguous as it actually is. At the end of the day *Angry Birds* is about a collection of birds utilizing their unique talents to win back a prized possession (eggs) from greedy swine. And who doesn't want to see vindication for the little guy? "With *Angry Birds*, we have successfully launched not only a strong new brand, but also a whole new entertainment franchise," Mikael Hed, CEO and co-founder of Rovio, said in a statement. "*Angry Birds* will continue to grow, and we aim to create more similar success stories." Signs of this growth come from a recent report that Rovio recently secured \$42MM in funding to facilitate the game's strategic expansion, which includes bringing *Angry Birds* to consoles such as 3DS later this year and Facebook in May.

When talking about AAA titles, traditionally games like *Madden*, *Call of Duty*, and *Rock Band* are the first examples that come to mind. But maybe that shouldn't be the case. *Angry Birds* exemplifies the shift taking place in videogames. Even the most hardcore of gamers are spending more time on their smartphones; playing more games more of the time thanks to these portable platforms. Games like *Tiny Wings*, *Cut the Rope*, and *Fruit Ninja* are making efforts to replicate the path laid out by *Angry Birds*, moving beyond a mobile app and becoming a platform equal to the stalwart consoles and PC. Of course traditional gaming will never go away, but when companies are charging \$40 to \$60 for a game that's difficult to upgrade, it's easy to wonder if Vesterbacka is on to something. Cute enough to remind us of *Super Mario Bros.*, violent enough to remind us of *Grand Theft Auto*, and just strategic enough to remind us of *Tetris*, the *Angry Birds* franchise may be on its way to transcending gaming all together.

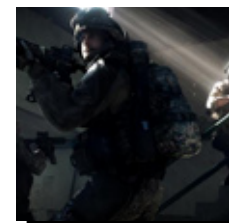


# WHAT SURFING WE'RE

MARCH 2010

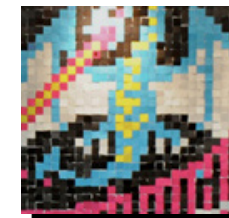
## BATTLEFIELD 3: FAULT LINE

Impressive series of trailers that sets the next-gen stage for EA's latest military FPS.



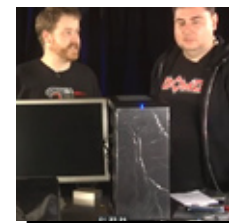
## DENUOLOGY @ GDC 2011

Get the lowdown on the latest gaming industry trends coming out of the development community.



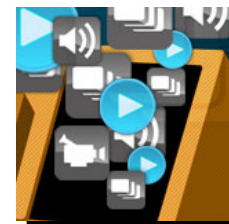
## BUILD A \$1500 FUTURE-PROOF GAMING PC

Tested.com walks you through building your own affordable PC that will last you many gaming seasons to come.



## GDC VAULT

Watch and learn from the brightest minds in game design from this year's Game Developer's Conference.



## CHEAT TO WIN



Lazlo: "These are entries into the Frito-Lay sweepstakes. No purchase necessary, enter as often as you want so I am."  
 Chris: "That's great! How many times?"  
 Lazlo: "Well, this batch makes it 1,650,000. I should win 32.6 percent of the prizes including the car."  
 Chris: "That kind of takes the fun out of it, doesn't it?"  
 Lazlo: "They set up the rules, and lately I've come to realize that I have certain materialistic needs."

-*Real Genius, 1985*

Similar to the way *Real Genius'* Lazlo used his genius-level IQ to determine the loopholes in a Frito-Lay sweepstakes, the gaming community is constantly looking for any advantage they can have in their favorite games. In a single-player environment, this is fine. But when exploiting, or "cheating," a game for a decided advantage over other players, the ramifications of such actions becomes highly controversial. With online, connected gameplay comprising the entirety of some gamers' experiences, the thought of someone ruining their play through cheating is akin to stealing a basketball from a pickup game at the local park; one benefits to the dismay of others. However, some designers will champion the idea of the exploit, seeing it as a natural evolution of the design they set forth. Who's right? The one who wins 32.6 percent of Frito-Lay's booty, or Johnny Fairplay, sticking to the rules to ensure everyone has a good time?

The cheating in gaming debate rages relentlessly back and forth between noble gamers playing to uphold a pure gaming experience versus technically-driven competitors looking for every possible way to excel within the game's boundaries set by developers. What one side sees as "cheating," another would see as "exploiting," a wholly different definition that puts the fault on developers who couldn't account for the behaviors used by crafty gamers to gain an advantage. Developers are of two minds on the subject as well, with highly competitive communities like *Call of Duty* seeing constant software patching to eradicate any possible exploits used by online players. Conversely, a perpetually active universe in an MMO, like *EVE: Online*, regards these exploits as part of the game's social ecosystem, letting players mete out justice within their own guilds and clans through simple email exchanges or acts of interstellar war. Instead of altering the gamescape to erase any hint of publisher error, the developers see it as a natural occurrence; treating these various "cheats" as user-guided evolution of the systems in place.

At GDC this year, exploiting gaming systems and mechanics took a decidedly weird turn at the annual "Rant Panel," where industry folks can rant and rave about whatever topic grinds their gears. This year's panel introduced game mechanics into the audience, where coins were distributed to the crowd and whoever could collect the most coins would be allowed to deliver a "bonus" rant at the end of the panel. **Ryan Creighton**, a developer, found himself at a decided disadvantage against early favorite, **Jane McGonigal** (author of *Reality is Broken*, recent *Colbert Report* guest, and keynote speaker at PAX East 2011). To combat gaming's latest celebrity, Creighton walked up to the session staffer handing out the coins, told him that the panelists only wanted to hand out half the coins and that he would keep an eye on the rest, and was handed the bag full of unused coins to do with what he pleased. Meanwhile, McGonigal worked the room, asking for coins, and making a case for her involvement with the rant panel. At the end, when McGonigal seemed like the clear winner, Creighton held the bag of coins up and declared himself the winning rant. Creighton had exploited the rules of the game to earn an advantage over the other players. "For all the spectacle, for all the drama, and for making an enormous ass of myself, I don't regret a single moment of it," Creighton wrote. "If anything, bucking convention and winning the coin game reminded me that the greatest gains are made by subversion, disruption, and going against the grain."

As marketing programs become more involved, gamified, and interactive, the forethought given to users exploiting the system to gain an upper hand should have equal attention paid to any moving part of the program. Whether the stakes are as high as a luxury giveaway or as simple as a digital tschotzke, once these programs make their way into the mentality of the gamer, there remains the subset striving to loophole their way to success. The reaction, however, doesn't always have to be one of "patch and punish". Such exploits and straining of the program's ruleset and interactive spaces will work as learning experiences for both the marketer and the gamer. Knowing ahead of time where these stress points are will allow a brand to work with the folks who feel it necessary to test the boundaries of the system. Flexibility in the interactivity of a marketing program allows for participants to feel like they're getting away with a lot more than they actually are. So, go ahead, let the cheater walk away with his specialized avatar unlock item. Eventually, he'll have to justify earning it to his peers and, in most cases, work even harder for the credibility of victory than cheating to win. **It worked for Captain Kirk with the *Kobayashi Maru***, it worked for Lazlo and Frito-Lay, and for enterprising, eager gamers, it could work for them as well.



## SALES DATA

NPD Report for FEBRUARY 2010

### HARDWARE SALES

January 30th, 2011 to February 26th, 2011

Xbox 360 - 535,000  
 Nintendo Wii - 454,000  
 PlayStation 3 - 403,000



capcom's *MARVEL vs. CAPCOM 3*

### SOFTWARE SALES

January 30th, 2011 to February 26th, 2011

Call of Duty: Black Ops - Activision  
 Marvel vs. Capcom 3 - Capcom  
 Just Dance 2 - Ubisoft  
 NBA 2K11 - Take 2  
 Dead Space 2 - EA  
 Zumba Fitness: Join the Party - Majesco  
 Bulletstorm - EA  
 Killzone 3 - Sony  
 Michael Jackson: The Experience - Ubisoft  
 Mario Sports Mix - Nintendo

PLAYED  
 MARCH 2011

ERIC BEE  
 CHRIS BLUMBERG  
 STEPHANIE HUYNH  
 JOHN RAFFERTY  
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