Conference will offer a sneak peek at future of video games

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The video game business has come a long way from the original Atari console or even the original PlayStation of a decade ago.

Where it's likely to head next should become clear this week at the Game Developers Conference in San Francisco. The annual confab serves as a place for game makers to honor their peers, swap ideas and talk about issues of the day.

Thanks to announcements or presentations at the show, consumers will get glimpses of some of the products slated to hit store shelves later this year. They'll also get an inkling of ideas, themes and technologies that will impact gaming in coming years.

"It's really a sneak peek at the future of games," said Meggan Scavio, the GDC event director.

Among the topics likely to get particular attention at this year's conference are:

• Social games.

These are titles made to be played with other people, whether in the same room or across the Internet. Nintendo's Wii console helped popularize the concept with games such a Wii Sports, which allows family members to compete against each other in virtual bowling or tennis matches. But social games also include those made for social
networking sites such as Facebook or those incorporating social networking features.

• New platforms.

Apple's iPhone is getting a lot of attention from game developers these days. But other new opportunities are emerging for game makers, including Zeebo, a new console aimed at the developing world; downloadable games for the PC and consoles such as Microsoft's Xbox 360; and Flash-based games embedded in Facebook and other Web sites.

• Online games.

This is a broad category that includes everything from lightweight Flash-based games to the so-called massively multiplayer online games such as "World of Warcraft." Likely to draw special interest are new business models that allow game makers to sell and distribute new game levels or game content over the Internet.

Game makers are also likely to discuss the possibility that games will go in the direction movies are headed — where content is stored on a computer somewhere on the Internet and accessible from anywhere, said Michael Pachter, a financial analyst who covers the video game industry for Wedbush Morgan.

"We're seeing a migration to far more digital and online content than we've seen in the past," Pachter said.

The conference comes at an uncertain time for the video game business. The industry's growing at a healthy clip, making it one of the few bright spots in an otherwise bleak economy. But at the same time, many of the industry's traditional leaders are struggling.
Nintendo has displaced Sony as the leading console maker, which has been something of a mixed blessing for the industry. Nintendo has clearly expanded the video game market, but the top-selling games on its machines have tended to be those made by Nintendo itself, rather than those made by outside developers such as Electronic Arts.

Meanwhile, the Wii and other platforms and models have opened up new, lower-cost opportunities for developers to create games. But the low barrier to entry has meant fierce competition and some developers accustomed to working on costly, graphics-intensive blockbusters for hard-core gamers have resisted making less-ambitious games for the hoi polloi.

"Evolving business models are coming to fruition," said Billy Pidgeon, a game industry market analyst for research firm IDC. "Every change has got a positive and a negative."

The upshot of the upheaval is that consumers are likely to see a lot of experimentation in coming years. In addition to exploring new game platforms and new business models, game makers are introducing new styles of games rather than just updating older ones.

The days of going to the local GameStop to buy the latest version of "Madden NFL" for your PlayStation may soon look quaint.

"There's a big shift in the business model," said James Lin, CEO of Digenetics, which has developed technology that developers can incorporate in their games. "Companies are trying figure out what to do."

Or, as Scavio put it, "There's exciting stuff happening" in the industry. Gamers can only hope.