

# Videogame makers seek footing on shifting landscape

February 27 2011, by Glenn Chapman

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Visitors are seen here playing with Xbox 360 games consoles during a game convention in France, in 2010. Videogame makers from around the globe are gathering to seek paths to fortune and glory on a landscape upset by social networks, smartphones, tablet computers, and the Internet "cloud."

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More than 18,000 industry insiders are expected to attend the weeklong Game Developers Conference that kicks off Monday in downtown San Francisco.

The event has grown into the world's largest confab of videogame professionals since it started in 1988 with about two dozen computer

game loving [software developers](#) meeting in a living room.

Major themes at GDC will include adapting to the booming popularity of "social games" at online communities such as [Facebook](#) and casual play on smartphones or tablet computers.

"In past years developers treated social games like second-class citizens to consoles," said Scott Steinberg, lead videogame analyst at TechSavvy Global.

"Now, they are facing the reality that this is where the future might lie."

Revenue from social games is likely to exceed a billion dollars this year, according to industry tracker eMarketer.

Facebook stands to benefit nicely from the trend, since about half of its more than 500 million members play games and the social network takes a 30 percent cut of revenue from game transactions.

Internet game playground Hi5 will introduce at GDC a SocioPay platform designed to ramp-up the amount of money developers pump from their creations.

SocioPay will complement a recently-launched Hi5 SocioPath portal that enables game applications to break free of Facebook while letting players stay connected to friends at the social network.

"Think of these as services that give social games the [monetization](#) platform and social network features they get from Facebook, but they don't need Facebook to do it," Hi5 president Alex St. John told AFP.

"Social gaming is going to continue to grow dramatically, and one of the ways is it is going to escape from the confines of Facebook," he added.

SocioPay times offers of virtual goods to when people are likely to accept and shows video ads to penurious players.

Fewer than two percent of social game players pay anything, according to industry statistics.



A customer is seen trying out the new Nintendo 3DS. Videogame makers from around the globe are gathering to seek paths to fortune and glory on a landscape upset by social networks, smartphones, tablet computers, and the Internet "cloud."

"The system intelligently separates people who will pay and who won't, then monetizes non-payers with ads," said St. John, whose background includes founding game website Wild Tangent and working on Microsoft's Xbox videogame console.

"Not only does it double your money, players like it better."

Hi5 shares in revenues from games it publishes.

Startup Blue Noodle at GDC will unveil Clickstrip technology that pays players in-game currency for clicking on-screen bars to watch 30-second video ads.

"Brands are really interested right now in the social space," said Blue Noodle chief executive Lesley Mansford. "Social networking [social gaming](#) is huge."

Habbo Hotel owned by Finland-based Sulake Corp. boasts being the biggest social game community for teenagers, with 16 million young people using the website monthly.

Habbo sells virtual components for people to create online games. It is free to join and play.

For example, someone will buy a virtual soccer field, goals, and ball, then invite friends to take part in matches for free.

A hot game involves creating faux hospitals where friends represented by animated characters play at being doctors, nurses or patients, according to Habbo executive vice president Teemu Huuhtanen.

A version of Habbo tailored for tablet computers is poised for release later this year when a second-generation iPad and devices running on Google's "Honeycomb" software take hold in the market.

"Social games are going to go to tablets," Huuhtanen said. "I don't think a lot of people understand how fast the world is going toward tablets and mobile."

Topics at GDC will include crafting games to be played on mobile gadgets and in Internet browser windows, as well as titles hosted as services online.

Developers will also explore the promise of 3D games and titles for play using motion-sensing controls for Microsoft Xbox 360 or Sony PlayStation 3 (PS3) videogame consoles.

Kinect for Xbox 360 and Move for PS3 have been hits since their releases late last year in a sign there is still money to be made with blockbuster console titles.

"The game industry continues to be an area of turbulence because everyone is trying to figure out where the future lies," Steinberg said.

"You continue to see studios close, publishing giants re-invent themselves, and the developer community realize the power it has to sell directly to shoppers."

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Citation: Videogame makers seek footing on shifting landscape (2011, February 27) retrieved 4 April 2024 from

<https://phys.org/news/2011-02-videogame-makers-footing-shifting-landscape.html>

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