

Microsoft readies new Xbox as entertainment hub

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A tented stage has been set up at the technology giant's headquarters in the city of Redmond in Washington State for an "Xbox Reveal" event to play out just weeks before a major annual E3 videogame conference in Los Angeles.

The console debut, to be streamed worldwide to Internet-linked Xbox 360 consoles, will spotlight the hardware and platform while Microsoft will show off games at E3.

"We are really going to tell one story across two events," Aaron Greenberg of Microsoft's interactive entertainment division said in an interview posted online.

"That's about revealing the next Xbox platform and our vision for the future of games and the future of entertainment."

Microsoft has sold approximately 77 million Xbox 360 consoles since they hit the market in late 2005. Console rival Sony has sold about the same number of <u>PlayStation 3</u> consoles.

Meanwhile, Nintendo sold nearly 100 million Wii consoles that became hits due to innovative motion-sensing controls after their debut in 2006.

Demand for Nintendo's recently-released Wii U consoles have been disappointing, however.

Sony announced a new generation PlayStation 4 system in February but spoke ambiguously about the device, leaving much to the imagination.

Sony picked the eve of the Xbox Reveal event to release a <u>YouTube</u> <u>video</u> teasing its plans to show off the <u>PS4</u> in Los Angeles on June 10, the night before E3 officially gets underway.



The PS4 will succeed PlayStation 3 consoles that began their lifespan in late 2006.

Microsoft's E3 press event will take place in the morning on June 10 but will be competing with an eagerly-anticipated Apple developers conference keynote presentation taking place in San Francisco at the same time.

"If you look at Microsoft, their competition is Apple and <u>Google</u>," <u>videogame industry</u> analyst Mike Hickey of National Alliance told AFP, noting that the new Xbox will need to deliver a broad range of digital entertainment to be a hit.

"They have to surface content beyond just games to create value for gamers and non-gamers on Xbox Live," he continued, referring to Microsoft online service connecting consoles to games, movies, music, and more.

"Now, with smartphones and tablets getting more traction they need to have a presence on those as well."

Low-cost or free games on smartphones or tablet computers are increasing the pressure on videogame companies to deliver experiences worth players' time and money.

Features being incorporated into new consoles include games relying on connections to servers in the Internet "cloud" and synching play, movie viewing and social networking with tablets, smartphones and other devices.

Last year at E3, Microsoft introduced Smart Glass software to connect Xbox 360 consoles with smartphones or tablets, which could serve as second-screens for viewing or controlling action on televisions.



"The essence of Xbox was to get a lock on the living room," Hickey said.

About \$65 billion was spent worldwide last year on videogames, with 1.2 billion people playing them on devices ranging from smartphones to consoles, according to industry statistics cited by Microsoft.

"More people are playing videogames today than ever before and they are doing it across more devices," Greenberg said.

The largest portion of revenue was spent on console hardware and software, according to Greenberg.

Game software, not hardware, typically drives profit, he added. Subscription service Xbox Live boasts 46 million members.

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