

Game consoles here to stay despite smartphone onslaught

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They point to Tuesday's global roll-out of Grand Theft Auto V, the latest in a multi-billion dollar mega-franchise that dwarfs some Hollywood films, as evidence of the sector's vitality.

Although the market has come off its peak, a hard core of gamers will continue to demand their favourite titles on high-performance machines, they say.

Combined retail sales of game consoles—static or portable—and the software for them topped 700 billion yen (\$7 billion) in Japan in 2007, the year after the release of Nintendo's Wii and Sony's PlayStation 3.

But in 2012, the domestic market had shrunk to an estimated 485 billion yen, according to Computer Entertainment Supplier's Association.

The shortfall is a sharp contrast to the fast-expanding market for [social games](#)—those that involve some form of remote communication with others and are usually played in Japan on smartphones and other mobile devices—which now accounts for more than 400 billion yen a year.

Hisakazu Hirabayashi, a long-time games industry analyst who heads Tokyo-based consultancy firm InteractKK, said the casual observer might conclude consoles were on their way out.

"It is a market that is not growing but it is stable," Hirabayashi told AFP, adding [software sales](#) bottomed out in 2009 at 300 billion yen a year and have stayed around there since.

He says consoles can be thought of as a specific entertainment in their own right for a certain sector of society that will never be "won-over" to a different format at the expense of the thing they love.

"They've got their own styles and solid fan-bases... It's a certain 'cultural

mode" that attracts people, he said.

Hirabayashi says games machines have taken root in people's lives and established traditions that can be seen alongside worlds such as sumo and kabuki.

Millions of people are willing to buy a new instalment in a mega-hit series such as Final Fantasy and Dragon Quest "in the same way that kabuki fans will go to the theatre to see their favourite performers in a new version of an old play".

Games evolved on a series of technological innovations but "game content has become a traditional, conservative industry," he said.

Sony is addressing its core audience with the upcoming PlayStation 4, he said. There will be "no leap (in sales) but no flop either," he said.

Big titles still generate excitement.



Tuesday's global roll-out of Grand Theft Auto V, the latest in a multi-billion dollar mega-franchise that dwarfs some Hollywood films, is seen as evidence of the vitality of videogame console market.

Grand Theft Auto V, the latest addition to the multi-billion dollar franchise was making its worldwide debut Tuesday.

Midnight launch parties featuring DJs and free burritos were among events in Australia, where 320 stores were carrying the title.

If its predecessor is anything to go by, the rumoured \$270 million price tag for development will be a sound investment for the company that owns the title—Grand Theft Auto IV raked in \$500 million in the week after its release in 2008.

In Tokyo, the weekend launch of Monster Hunter 4, saw a crush of 500 people queueing up for its 7am launch on the Nintendo 3DS platform.

Until Saturday the Monster Hunter series by Capcom, first released in 2004 for Sony's PlayStation 2, had sold 23 million copies worldwide. The firm said Tuesday it had already shipped two million copies of the new game since the weekend.

Takuma Kawakami, 18, who was first in line at the event, said: "There are beautiful graphics and movements that only game consoles can realise."

"DS has got its own fans and PSP has its own fans," he said, referring to the portable PlayStation device that competes with Nintendo's offering.

Analyst Hirabayashi said [smartphone](#) games were easy to play and matched people's need to kill time when commuting by train or waiting for food in restaurants.

The bulk of them are free to download, but charge players for extra functions or to unlock new sections.

The pricing model has proved attractive to developers because it gets users hooked on a game and then demands their cash. Users also like it because they enjoy the freedom of being able to play a game and decide whether they like it before parting with money.

"If home console games are like kabuki, smartphone games are like casinos where a small number of high rollers support the business. They are two different markets," Hirabayashi said.

"No one thinks kabuki is dying off because casinos are becoming popular."

The Tokyo Game Show opens on Thursday with more than 300 developers and hardware companies from around the world flocking to display their latest offerings.

Test play of games on PlayStation 4 will also be available, while visitors can expect to get more detailed specifications of the new machine, which will hit the North American market in November and Japan in February.

Other attractions are set to include a romance simulation game area, as well as tournaments on a Tekken beat-em-up and a third-person shooter called World of Tanks.

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