The Gamer's Prophecy

Video games play a pivotal role in entertaining the world in an interactive manner. Gaming has become very popular over the years. Games are being enjoyed on variety of screens; television, monitor, hand-phones, etc. If we observe the video game trends since a decade, there are MMOs, social games, and the recent motion-detection games. Nevertheless, there has been a Gamer's Prophecy that game developers dread and this is not restricted to console gaming (if that's what's in your mind). Before we attempt to reason out the prophecy, it is essential to understand the background.



Setting the stage

It is an irrefutable fact that console gaming has an increasing demand and that sales figures of Nintendo, PlayStation and Xbox are on high-rise. PC games are equally competent. Statistics show that there has been a significant rise in the number of online gamers. Consider the following aspects according to the Consumer Behavior Report:

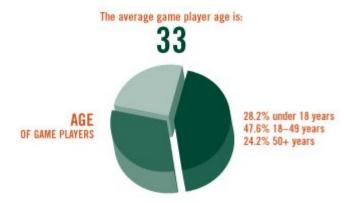
- A decreasing trend in video game console prices drives consumers to buy.
- Fifty-five percent of the top 20 most popular video game systems fall within the low price range (\$100-\$300), with an average price point of 168 dollars.
- Sony, Microsoft and Nintendo dominate the video game market with their consoles, portable systems, video games, controllers and other accessories.
- The animated / child-friendly video game genre ranks highest in popularity.

Company Confidential

Copyright 2011 VegaH Studios. All Rights Reserved. Company private information: not for dissemination externally.



Soon video games will incorporate fitness into gaming.

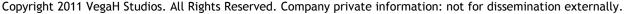


By this, it is apparent that there are huge investments from publishers and/or developers and people are spending more money and time on games. Gamers' expectations are increasing and there is an uncompromising effort that has been put to exceed these expectations. Some gamers are turning into developers with the increasing demand for open source game development.

The Prophecy

There are wide range of games in the market in more than 15 genres. Despite the rise and fall of sales figures, there is a lot of development in terms of graphics, hardware, etc. for games and it seems to continue to improve. Knowing all this, a typical gamer gets to ask "What is the future of gaming?" Is it virtual reality gaming? Gaming through motion detection? Social gaming?

Company Confidential







It is certain that the future of gaming will not be restricted to any of the above mentioned aspects. As far as consumers are concerned, any new invention in gaming must be economic and livelier than the current trends. Developers are facing an unprecedented challenge of balancing price and quality in games. Though the reach is dominant in limited regions, the expanse of number of players can compensate the missing link.

It is understood that video games have a future that goes beyond mere entertainment. With the introduction of educational games and fitness games, people think that it would be an 'investment' rather than 'expenditure' on games. The prophecy lies in the elements of expansion and innovation in games. When it comes to console gaming, the technology changes very often and the compatibility issues in games are predominant. For instance, Xbox games won't work on its 360 version and consumers are expecting 720 version of Xbox. This issue is not very intense in PC gaming because a typical hardware upgrade may solve the problem.

Console gamers have worse things to worry about: pricing. Consoles are becoming prohibitively expensive along with price of individual games. If we observe the sales figures of PS3 carefully, there was an immediate drop of sales during its initial release and it took a sudden decrease of \$100 from its original price for stable sales. Publishers, however, have their own reasons. Gaming giants like Sony are integrating many features into a single console to raise the sales figures.

Company Confidential Copyright 2011 VegaH Studios. All Rights Reserved. Company private information: not for dissemination externally.



Online gamers, on the other hand, are happy about the trends such as social games. Online marketing is prevalent for games. Millions of online gamers are getting an opportunity to have fun and socialize in web world. Some online gamers get carried away by clever ads in games like Mafia wars, World war from Facebook. Online game developers get huge revenues when a game does well in a Social Networking site.

In the recent days, mobile gaming is on rise as more people are turning to an integrated computer environment on a hand-held device. Good news is that mobile games are turning casual gamers into hardcore gamers. Hence, mobile game developers are happy about this.

Consumers are more than aware of current gaming trends. They look forward for decrease in prices of games, consoles, and other related hardware accessories. It is also evident that there is integration in gaming; integration in consoles that comprise blue ray players, etc, integration in online gaming that encompass mobile, PC and console games, etc. Games are going to be all-pervasive. It is left to gamers to decide and make smart choices about future investments in games.

Company Confidential Copyright 2011 VegaH Studios. All Rights Reserved. Company private information: not for dissemination externally.

