



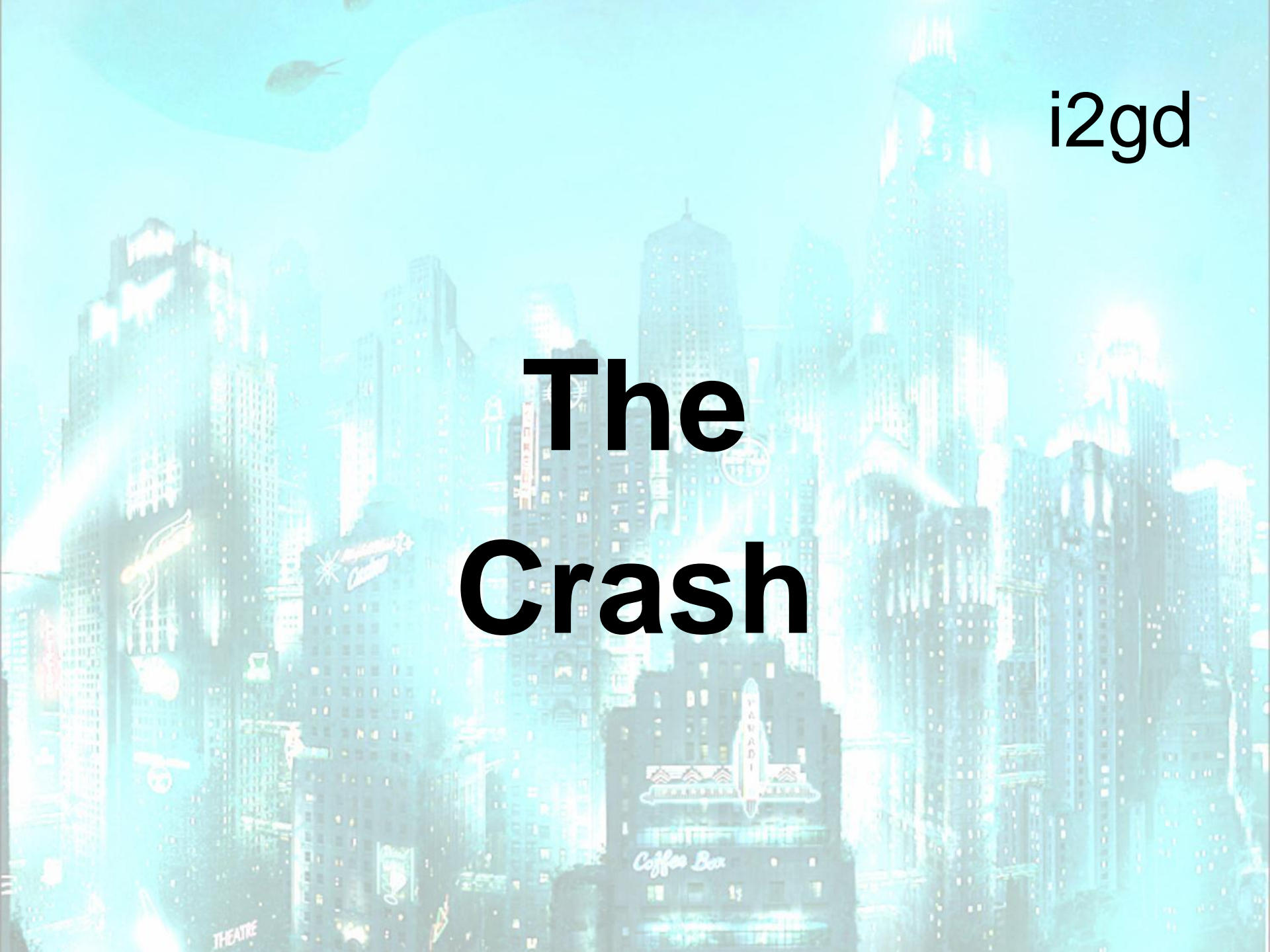
# Introduction to Game Development


Lecture 6



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# The Crash

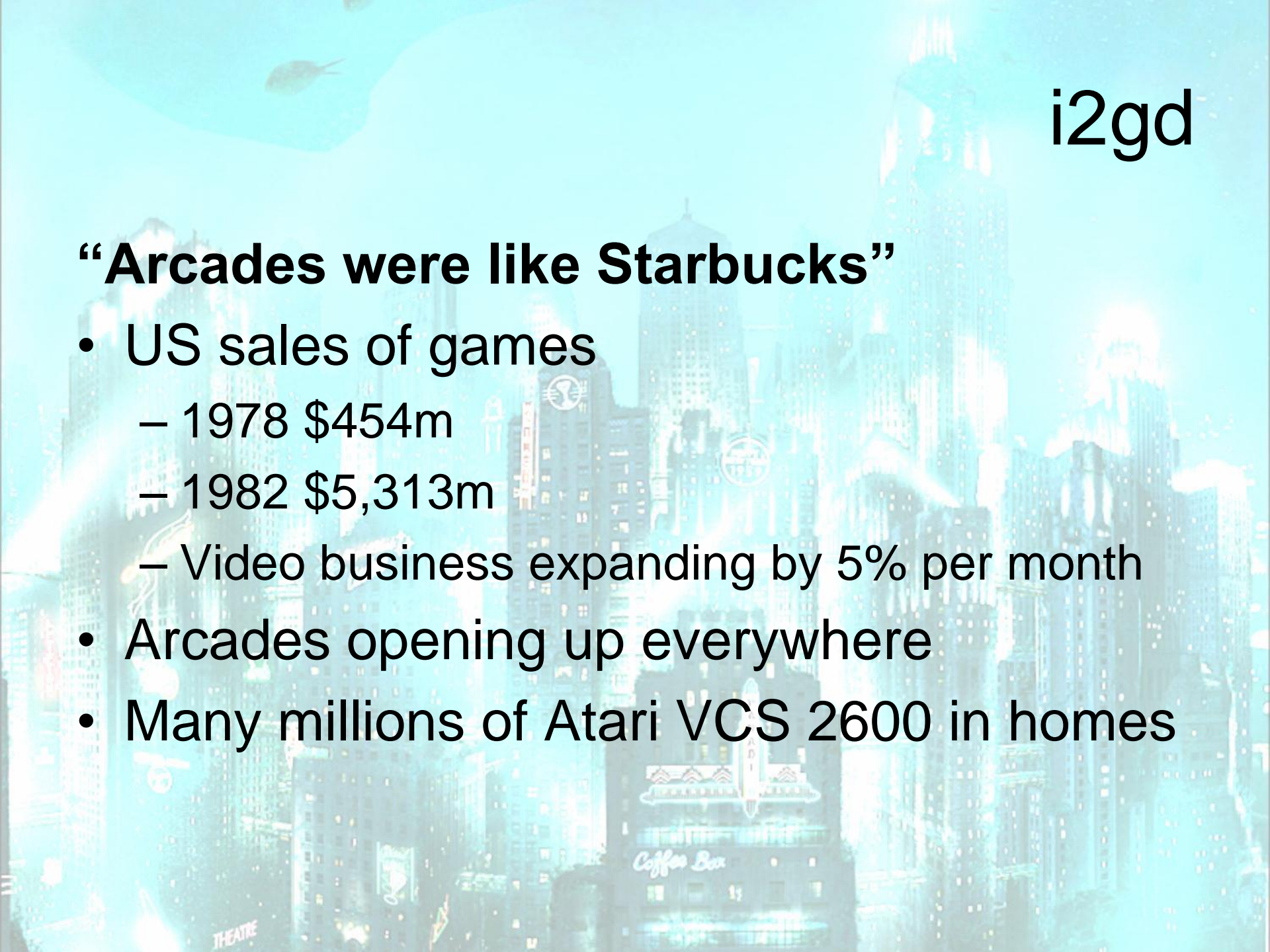




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# Early 1980s

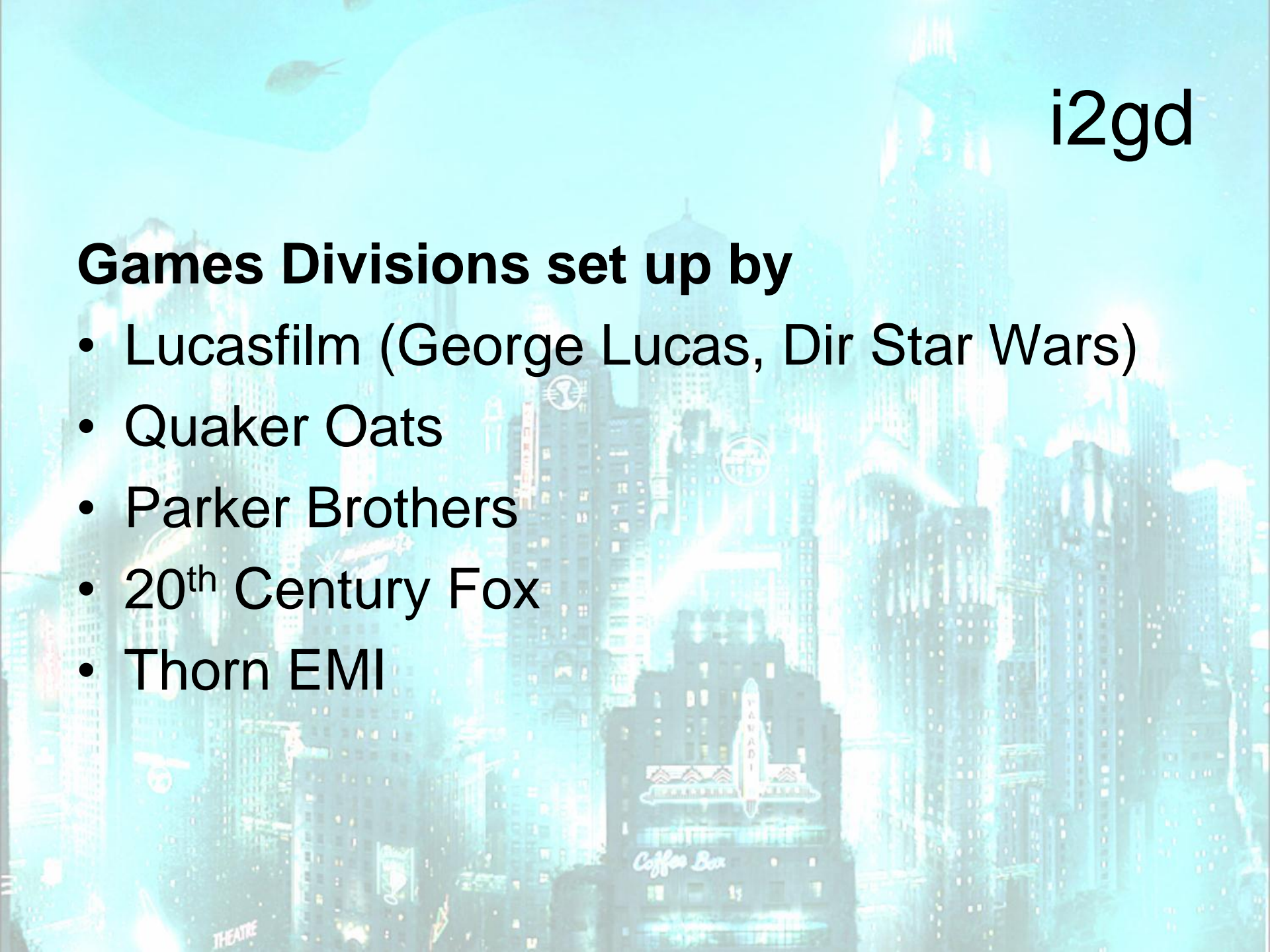




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## **“Arcades were like Starbucks”**

- US sales of games
  - 1978 \$454m
  - 1982 \$5,313m
  - Video business expanding by 5% per month
- Arcades opening up everywhere
- Many millions of Atari VCS 2600 in homes



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## **Games Divisions set up by**

- Lucasfilm (George Lucas, Dir Star Wars)
- Quaker Oats
- Parker Brothers
- 20<sup>th</sup> Century Fox
- Thorn EMI





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## Merchandise

- McDonald's (Atari themed Burger meals)
- Walt Disney Pictures (Tron)
- Universal Foods (Pretzel Invaders)
- US Democratic Party
  - Group of democrats (including Al Gore) press for tax breaks for Games companies
  - Known as Atari Democrats

## Technological advances

- 3 major tech advances
  - Microprocessor
    - Better for TVs
    - More fluid
    - Smoother movement
    - High resolution 1064x728 compared to 320x240
  - Vector graphics
  - Colour games



# ATARI

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## Vector graphics

- Lunar Lander
  - Remake of 1969 text game







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## Vector graphics

- Asteroids
  - Turn ship
  - Fire at asteroids
  - Explode into fragments
  - Avoid collisions
  - Heartbeat-like soundtrack
  - Atari's most popular game ever

The Atari logo is displayed in white on a red rectangular background. It features the word "ATARI" in a stylized, blocky font, with a unique symbol between the 'T' and 'R' that resembles a stylized 'A' or a person's head.

# ATARI

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## Vector graphics

- Battlezone
  - Follow-up to Tank
  - Futuristic
  - Used 3-D visuals
  - 8 retired US Army Generals press Atari to create a version to train soldiers
  - Only got to prototype stage



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The Namco logo is displayed in a red, stylized font with a registered trademark symbol. It is contained within a white rectangular box with a thin black border.

namco®

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## Namco

- Bought Atari Japan in 1974
- Galaxian
  - Full colour
  - Space Invader clone



**namco®**

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## Namco

- Bought Atari Japan in 1974
- Galaxian
  - Full colour
  - Space Invader clone
- Galaga
  - Sequel to Galaxian
  - New powers for Aliens





Williams®  
ELECTRONICS INC.  
PRESENTS

**DEFENDER**

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# Williams

- Defender





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## Williams

- Defender
  - Launched ☺ at Amusement & Music Operators Association Trade Show in Chicago in 1980
  - Aimed at male players
  - “sperm games – bristling with testosterone”
  - Defend something precious - humans
  - Delegates didn't like it
  - Too difficult, delegates died in seconds



**namco®**

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**Namco**

- Pac-Man



The Namco logo is displayed in a red, stylized font with a registered trademark symbol.

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## Namco

- Pac-Man
  - Launched at Amusement & Music Operators Association Trade Show in Chicago in 1980
  - Aimed at female players
  - Pizza with a slice missing
  - Similar style to Hello Kitty
  - Designed to be easy, relaxing
  - Delegates didn't like it





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## Williams

- Defender
  - Delegates were wrong
  - Each Defender unit took 2,500 quarters/week
  - 60,000 units in US
  - 150 million quarters/week
  - \$35m+ every week

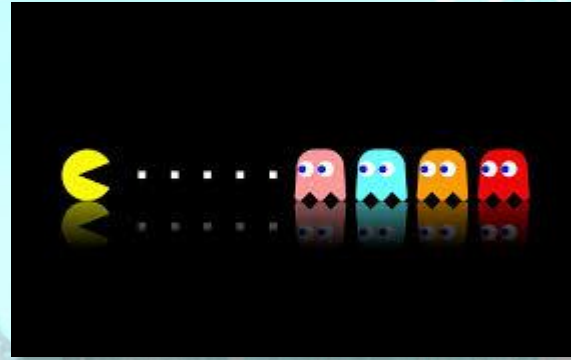


**namco**®

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## Namco

- Pac-Man
  - Delegates were spectacularly wrong
  - Pac-Man brought females to arcades
  - ABC-TV had Pac-Man cartoon (20m/week)
  - Merchandise – lunchboxes, yoyos, Frisbees
  - Buckner & Garcia “Pac-Man Fever”
    - Listen to [Pac-Man Fever](#) (at your own risk!!)
    - Or [Do The Donkey Kong](#) by B&G
    - There was a whole album of this stuff!!!!







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## Atari

- Atari had negotiated a deal with Namco before Namco had any games to sell
- Cost Atari \$1m
- Pac-Man for home market fell into Atari's lap!
- All-time best seller
- Sold 12,000,000 Pac-Man cartridges
- \$25 each (50 cents to Namco)



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## Atari

- 20,000,000 more home consoles than nearest rival, Mattel Intellivision.
- Not worried about console competition
- Worried about cartridge competition
- Atari had never thought anyone else would make cartridge for VCS 2600, so they did nothing to prevent it.





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## Activision

- Atari had 30 designers
- 4 designers were responsible for 60% sales
- \$30,000 pa salary
- Sales: \$100,000,000
- Atari refused to pay bonuses
- Crane, Kaplan, Miller and Whitehead left
- Formed Activision



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## Activision

- Atari sued
- BIG mistake!
- Not only did Activision win..
- ..but Atari could not now prevent anyone making games for the VCS 2600
- Activision displayed designers names on games – Atari always refused to do this
- Easter Eggs –Atari designers hid their names



# ACTIVISION®

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## Activision

- 1981 sales of \$6.3m
- 1982 sales of £66m
- Encouraged other employees to leave Atari
  - Videa
  - Imagic (Demon Attack for VCS)
- Encouraged other companies
  - Quaker Oats Games Division
  - Xonox (K-Tel)





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## Atari

- Atari is now the biggest part of Warner
- 70% of Warner's profits
- Sales fives times Film and Music together
- Spent more on promotions than Coca Cola and McDonald's
- Warner's shares rise from \$5 to \$63 in 5 years





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## Atari

- However on 7<sup>th</sup> December 1982 ....
  - Atari announced expected growth figures
  - Investors expected 50%
  - Atari announced 10-15%
  - Warner's shares price dropped by 30%

## Repercussions

- Arcades began to close
  - Too many had opened too quickly
  - Stealing customers from each other
- Sales of home consoles plummeted
  - Too many companies making VCS cartridges
  - Many poor quality to cut costs/cash in
  - Custer's Revenge (sex themed, nasty)
  - Prices slashed, no profit

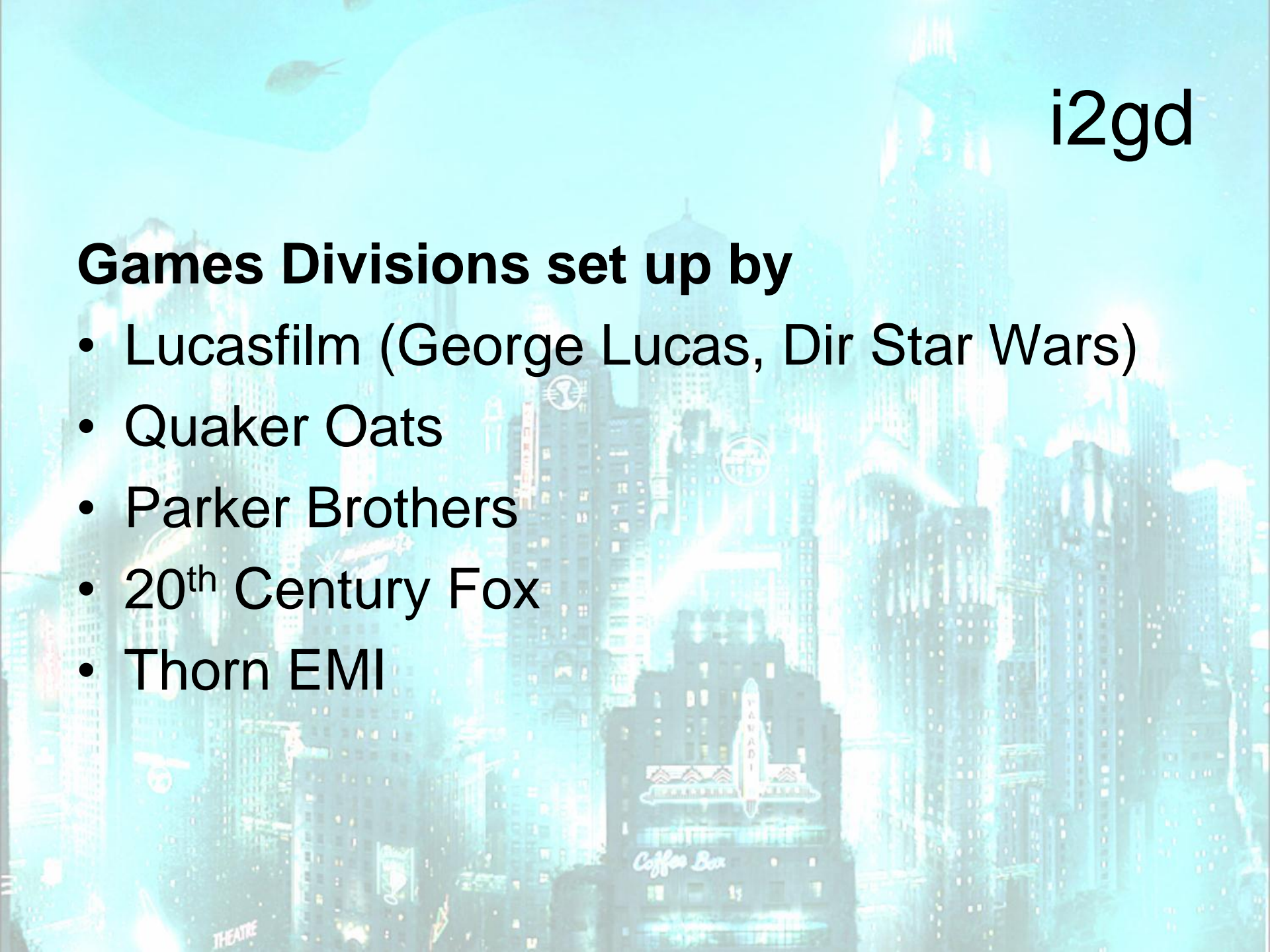




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## Other factors

- US was in recession
  - Unemployment high
  - Wages low, prices high
- Competition
  - Video
    - Changes TV viewing
- Console price war



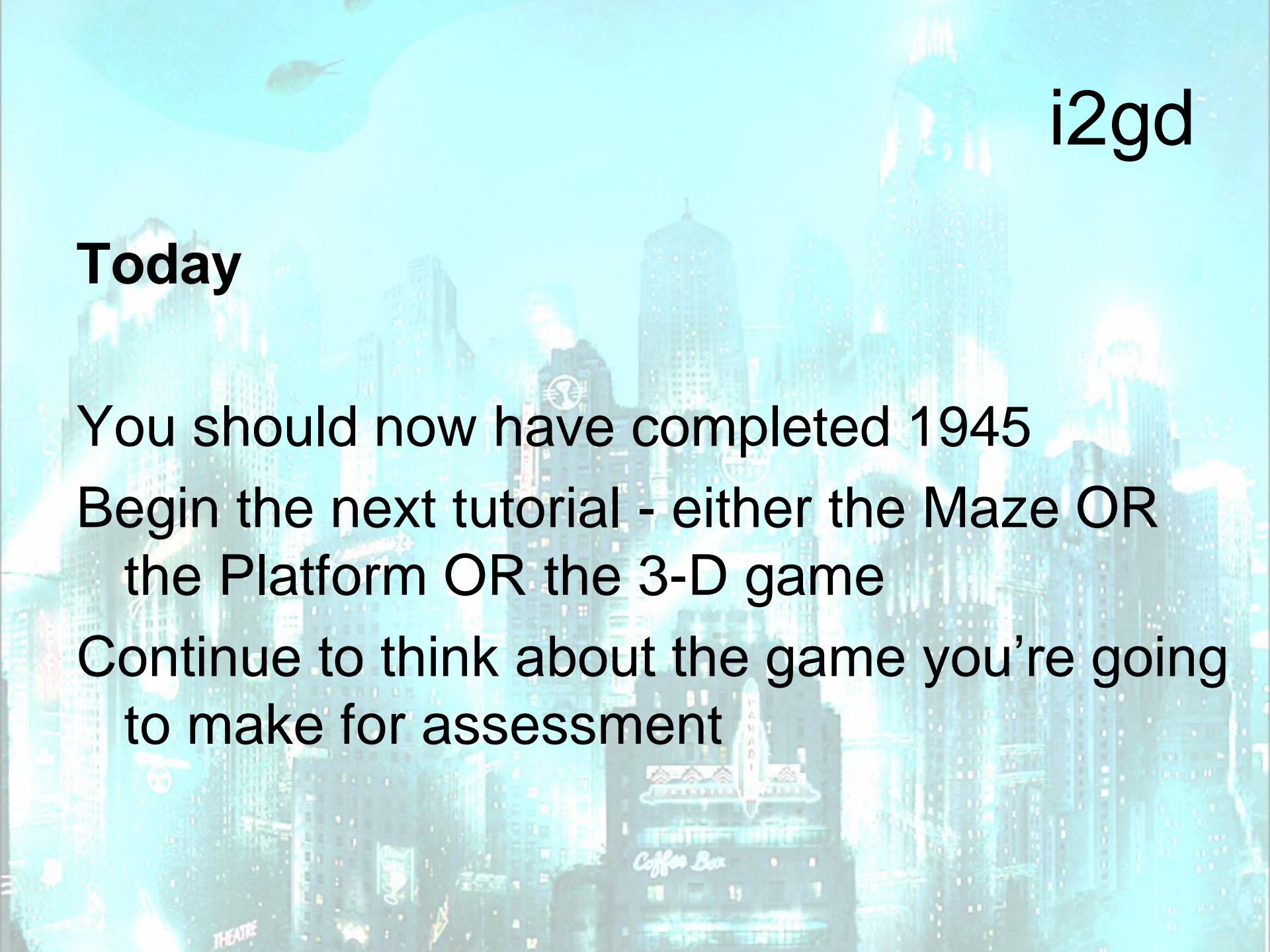
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## Next lecture ..

Mid 1980s

Home computers, Commodore 64, UK and Europe





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**Today**

All lab time from now on should be used to work on your game.