

Brave new world

Western game companies have hit a brick wall of piracy and declining revenues – now they are emulating China, says game developer American McGee

There was a time when “video game” meant nothing more than a pixilated Pac-Man machine in the corner of a dusty arcade. But since then the game industry has changed dramatically. Many consumers are relocating their spending, social lives and self-expression into virtual spaces, and entertainment empires around the world are mobilizing strategists to help bridge the gulf between their products and people’s everyday lives.

Game designer American McGee believes this process is far from complete. McGee got his start in the industry nearly 20 years ago at id Software, the Texas-based studio that created “Doom” and “Quake,” the shooting video games that dominated many computer screens in the 1990s. He then led creative work on the “Alice in Wonderland”-themed game “American McGee’s Alice” at Electronic Arts before moving to Shanghai to set up the Spicy Horse development studio. The Shanghai studio is now working with PopCap Games to adapt one of their major franchises into a mobile game.

McGee spoke with CHINA ECONOMIC REVIEW about the industry’s shift into mobile and social games, the gulf between Western and Eastern game industries and the rise of virtual consumption.

The games industry has changed a lot since your career began.

It has. But it’s interesting, there’s been so much change in the last two years that we seem to be coming full circle. With, for instance, “Doom” and “Quake,” teams of nine people could crank out a multi-million-dollar game production in two years. Those teams were more or less autonomous, they had control over what they were building. As time went on, publishers like Electronic Arts and Activision [Blizzard] became more influential and squeezed independent small developers out of business. But again today we’re seeing companies like Zynga rise to a billion-dollar market cap in one or two years, all on a wave of new social online games

that a small team can build in a short amount of time for very low investment.

What led to the build-up of bigger studios? Was it just an arms race?

It was just natural selection and evolutionary process in business. It’s interesting to contrast with China – it’s like looking at Darwinian evolution on two islands separated by a great distance. What you saw here was a similarly powerful and massive games industry spring up, but the Chinese government banned foreign consoles. In the US it’s all about retail, but here it’s all free-to-play and down-

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loadable. So [the Chinese industry] managed to skirt around a lot of the problems with piracy and second-hand sales that are now eroding the foundations of the Western game model. US publishers are having so many problems with piracy these days that they sometimes measure the amount of time they have to sell into the market in weeks. Whereas [with an online] game, you keep the data on a secure server that people have to connect with to play. The big obstacle right now is just getting people in the US to come around to this model. But if you ask Chinese consumers they’d be like, “What are you talking about? Who cares?”

Big players like Shanda or Tencent still dominate here too, right?

Sure. They maintain the monopoly because the government says that no foreign-owned company may operate games in China – though there’s a wrinkle in that because a lot of these companies are listed abroad, so clearly the government is turning a blind eye to their blatant disregard to the regulations that exist.



It's favoritism and nationalism. They want Chinese companies to succeed first before they'll consider allowing competition to come in.

Why are foreign developers coming to China then? Is it labor?

I actually moved to Hong Kong first, but the local market for hiring people was quite constrained. So I was in the middle of all that, and then I saw there was tons of talent being wasted in China. Western developers were outsourcing tremendous amounts of their production to China but they weren't allowing the creative production to happen here – it was very much the factory model. There are so many animators, artists and programmers dying to apply all these skills, so when we opened the studio here people just poured in.

The format of mobile games is so simple now. How do you see that evolving?

That's what I was saying about watching the cycle restart. As the technology arms race in the US got more intense, the platforms became more capable and the development had to fill that with more complex games. Now we're seeing the restarting of that same evolutionary curve, where over the next 10 years the quality and scope of mobile games will become equal to or greater than that of current console games. Mobile devices are getting closer and closer to being little PCs in our pockets.

What attracted you to "Alice in Wonderland," and what do you think about the themes in the market now?

That's partly where the industry has been painting itself into a corner. Games are moving away from a narrative, emotional experience towards a visceral, violent experience. It's sort of like having a story in a porn movie – most of the games out



there are just about the visceral content. I spent all those years at id making these space shooter games, so when EA gave me an opportunity to build something I knew I wanted to do something with meaning. That's when I stumbled onto the whole fairytale thing.

Will developers be able to bring that kind of an emotional experience into the mobile games that are popular now?

That's going to be tough. We've set a limit for ourselves of developing one of these small games every six months, so you kind of have to pick and choose. You can have a really good piece of gameplay, or you could have an artsy presentation. Some really simple games have managed to incorporate deep messages – there's this one called 'Passage' for the iPhone that makes a lot of people cry at the end. It's amazing how a simple little game captures such deep meaning. But also I'm not sure that was terribly successful commercially. We have investors now, they probably wouldn't be very happy if I told them "People are really moved by it, we make people cry!" Return on investment – a bucket of tears, here you go!

What about the life of games beyond the game – what role do you see conventions playing for fans?

I don't think there is any hobby that doesn't end up in a convention of some

fashion, whether it's model boat building or whatever. But the idea of games evolving into something that's beneficial to our existence or planet is something I think about a lot – that we're building a technology and way of interacting online that can save resources. I hope that people will start to lessen real-world consumerism and focus more on virtual consumerism.

How long will it be before we can run around in games in our own houses? I always thought that would be wonderful form of exercise.

There was an interesting article in "Wired" a couple of years ago about a lumberjack in Canada. He was perfectly fine and healthy, this strapping guy, and then he had both eyes blinded. He ended up entering into a program where they put transmitters on his frontal lobes and then hooked them up to a camera, and after a few seizures he was able to see again. They were beaming images directly into his mind. There are also researchers that are pulling images out of our minds – they're able to see a funny water-colored, Van-Gogh painting of what we're thinking about. There are ocular implants that allow people to hear through a machine, there are machines that give you the sense of motion even though you're completely still. So all of these things are happening. No one's made a full effort to piece all this together yet. Who's to say? It could be 10 years from now, it could be 20.

It seems like there's more receptiveness to that kind of digital life in China than in the US. Why do you think that is?

Yeah. Well, there's not much to do when you go outside. If you're living in Wuhu or some third-tier city in the middle of China and you've just finished your shift at the factory, you've got a choice between sitting in a dusty street, smoking a cigarette and kicking a can or whatever, or jumping online and becoming a virtual warrior with a hoard of weapons and gold and a beautiful companion. What are you going to choose? ♦

