

The winner takes all: Standardization and console games

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ABSTRACT

Drawing on media economics and critical theory and political economy, this paper will provide a critical reading of the blockbuster video game. While blockbuster games are considered to be highly innovative by constantly pushing technological boundaries, they are also considered to be formulaic and its themes and game mechanics fairly predictable. The hit-driven nature of contemporary console publishing translates into a particular mode of cultural production and circulation affecting all aspects of the video game's cultural form.

Keywords

Political economy, media economics, innovation, blockbuster games, standardization

INTRODUCTION

The business of developing and publishing console games is one of high investments and a small chance to break even, let alone of high returns. Following the many indigenous and exogenous risks a game publisher faces today, as well as the structural challenges related to blockbuster publishing and a climate of constant uncertainty, one might wonder: Is the current mode of blockbuster production financially sustainable? The short answer is: yes. In terms of revenue growth the next-gen (seventh cycle) console market segment keeps growing considerably. But revenue growth comes at a price. The risk versus revenue dichotomy begs the question how leading game publishers, given the unabated volatility of their business environment, are able to keep growing their businesses.

Political economists agree that the capitalist mode of cultural production in general translates into a set of specific risk management strategies (Björkegren 1996; Hesmondhalgh 2007; Ryan 1991). Over the years industry professionals on their part have pointed toward the reactive nature of the strategies deployed by traditional game publishers. Rather than a conscious strategy implemented with great care, the current strategy of growth seems to have evolved under pressure. My interest in this paper does not so much concern how game publishers deploy generic management strategies, for example the outsourcing of development tasks to low wage countries or revenue diversification strategies through the extension of publishing activities beyond the console segment. Rather, I want to consider how specific development and circulation related risk management strategies shape and affect the blockbuster's technological, economic and socio-cultural status. Before discussing the implications of the next-gen

Proceedings of DiGRA 2011 Conference: Think Design Play.

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mode of blockbuster production, I will first argue that the blockbuster video game has in every way become a bigger value proposition for platform owners, game developers, publishers, retailers, and consumers.

THE WINNER TAKES ALL

Critics, journalists and scholars herald the information economy as the moment during which the mass-produced, mass-marketed and mass-consumed cultural commodity may either become less dominant or is complemented by a wide range of niche offerings (Anderson 2006; Brynjolfsson et al. 2006). Yet, it is exactly the networked nature of both hardware platforms, such as game consoles, e-readers, and tablets, as well as software platforms, for example Facebook.com, that make big hits bigger rather than smaller. So called “network effects” equally apply to the inherently social practice of networked game play and they are a powerful catalyst of the concentration of capital, corporate ownership, and hit titles. The theory of network effects poses that the value or utility of a good or service (whether actual, perceived or anticipated value) is causally related to the number of goods or services sold (rented, or subscribed to), or anticipated to be sold (Schilling 2003). For instance, when more people own an Xbox 360 and play online, there is a sizable user base to play against when booting a shooter at 3 o'clock at night. Indirect network effects are concerned the hardware/software integration of the console business and arise when the utility of a primary good depends on the availability of complementary goods. Simply put, gamers are more likely to buy a console when there is a sizable library of (quality) games (cf. Binken & Stremersch 2009).

Taking a step back and comparing the current mode of production and circulation of blockbuster games against similar offerings in the wider cultural industries, there are a number of interesting parallels. That is to say, the contemporary business of selling books, records, movies, and games epitomizes the notion of a so-called “winner-take-all market” (Frank & Cook 1996). The advent of digital distribution, often coupled with advanced recommender systems, might indeed open up niche markets; these complementary technologies do not spell the end of the blockbuster movie, the bestseller book, nor the blockbuster console game (Elberse 2008; Fleder & Hosanagar 2009). On the contrary, hits are as much a cultural phenomenon as they are economically motivated and driven by technological innovations. The next-gen era does not only have publishers seek out hits, and hits only, but because of the game publisher's singular revenue stream combined with ballooning development budgets, blockbuster games are positioned to be best seller games that garner a disproportionate amount of revenue and attention.

The cultural significance and the ever-growing sales figures of game franchises such as *Call of Duty*, *Halo*, *Guitar Hero*, *Grand Theft Auto* and *Assassin's Creed* show that the next-gen era still is extremely hit-driven. The financial success of these game franchises shows that, apart from putting an artificial cap on the number of blockbuster games published, hit-driven market dynamics are not purely techno-economic affairs. As Shirky (2008: 95) observes: “Whatever the technology, our social constraints will mean that the famous of the world will always be with us”. The ability to generate a disproportionate amount of attention (a central tenet of the notion of fame) is as much a socio-cultural property as it is a techno-economic one. Success breeds success for the simple fact that consumers deploy various risk management strategies themselves:

The time a player will invest in playing a major new game is typically at least twenty hours, a figure that in the case of multi-player or role-playing games may run into the hundreds or even thousands. This means that ill-made, disposable

products simply don't work in the gaming mainstream (Chatfield 2010: 28).

In the end, I am not so much interested in gamer sentiments, perceived or real, either created by clever marketing or stemming from pure dedication to game brands; rather, I am interested in questions like why how the blockbuster form has become the de facto standard across next-gen platforms and, above all, why big companies, franchises, investments and audiences, keep getting bigger. To find and answer to this question means a brief dive into media economics.

Drawing on the work of economist Sherwin Rosen (1981, cf. Schulze 2003), who was among the first to theorize the “economics of superstars”, economists Robert Frank and Philip Cook (1996) regard the phenomenon of hits and stars to be a logical element of so called “winner-take-all markets”. These markets are characterized by “relative performance”; quality is based, or perceived, on a relative scale by comparing a product or person against others rather than on its own absolute terms. The result of relative performance is a reward structure that translates into attention or revenue for a small number of hits or stars. More so than non-durable consumer goods such as fabric softener or food, Frank and Cook found that the winner-take-all market dynamic is particularly strong in the cultural industries. Western consumers are all familiar with the notion of the bestseller book, the hit song, popular TV-series and blockbuster movies. To single out the latter, from the 1950's onwards, Hollywood “in terms of budgets, production values, and market strategy” has been “increasingly hit-driven” (Schatz 2003: 15). Starting with the mega-hit *Jaws* (1975), and followed by a slew of movies from directors George Lucas and Steven Spielberg, during the 1980's the blockbuster movie evolved into the “super-blockbuster”. The super-blockbuster, as referred to by Schatz, is a heavily marketed, big-budget, super-hit that continues to generate revenue well beyond the box-office, primarily via “secondary markets” such as pay cable, rental revenues and turning it into a serialized property.

Historically, consecutive console cycles offered more complex technology and demanded bigger development budgets—another strong resemblance to the rise of the blockbuster movie. Film scholar Michael Allen (2003: 103) notes that movie related technological innovations, such as sound (1920's), widescreen (1950's) and digital post-production techniques (1980's) resulted in a: “[...] progressive shift toward the production of fewer, and more expensive, films using increasingly complex, and equally expensive, new technological systems”. This, what Allen (2003: 108) calls, “blockbuster mentality” means that such movies: “have to have an immediate and massive impact on the marketplace, earning hundreds of millions of dollars in a few weeks”. We can see some clear parallels with the historical evolution of the super-blockbuster movie and the publishing logic of the next-gen blockbuster game.

“Fewer bigger, better”

According to game industry management, hits are essential for the long-term survival of game publishers. Increasingly, executives of blockbuster game publishers emphasize the importance of developing and distributing successful blockbusters as the sole way toward profitability. Among many others, Electronic Arts CEO John Riccitiello singles out “driving hits” as one of the game publisher's key strategies. This approach to blockbuster publishing is labeled “fewer, bigger, better”, meaning that a smaller slate of franchises—*The Sims*, *EA Sports Active*, *Dragon Age*, and *FIFA*—become bigger propositions, requiring higher investments, and hopefully better results. The 'fewer and bigger' strategy is a deliberate attempt to institutionalize the winner-take-all market dynamic.

Game publisher executives explicitly point to the blockbuster segment's hit-driven nature as a reason to, on the one hand, focus on bigger properties. Eric Hirshberg (2010), CEO of Activision Publishing, stresses the lopsided revenue split among blockbuster titles: “[...] we continue to see the top ten titles in the industry grow disproportionately year-over-year”. With the advent of the HD era, leading game publishers solidified the position of the hit as both an economic necessity and a socio-cultural phenomenon. Moreover, they live and breath a permanent upgrade culture which stresses perpetual innovation and which has a particular forward-looking ethos.

Following Hirshberg's attention for the networked nature of the next-gen console, it is important to note, as Frank and Cook (1996) observe, that network effects are what help seed and grow a winner-take-all market. On the one hand, the explanation can be found in socio-cultural properties such as habit formation and acquired tastes. Much like television series, game franchises are a way to keep gamers inside the brand community: “Serialization rewards the competency and mastery of loyals” (Jenkins 2006: 78). Put in negative terms, gamers seem to stick with what they know, avoiding search costs and the risk of regretting a purchase. As such, consumers can feel that they have locked themselves in through learning (e.g. the lay-out of buttons, the mastery of an interface or multiplayer strategies) or through investments in time or game enhancements (e.g. in unlocking game or franchise related achievements, buying peripherals like guitar shaped controllers, or strategy guides). What makes this dynamic all the more powerful is the fact that gaming is an inherently social practice. In order to play online with your friends, you not only have to have the same hardware platform, you also need to own the same game and optional downloadable content. Before discussing the risk reducing strategies employed by game publishers, I will briefly discuss the risky nature of cultural production.

A risky business

From big corporate behemoths down to the individual consumer, the many, often significant investments in social and monetary capital related to blockbuster game production, circulation and play are not only a necessity, they are also highly contingent and fraught with uncertainty. Historically, the business of selling cultural commodities and associated hardware has been a particularly high-risk endeavor (Miège & Garnham, 1979). Looking at the interactive entertainment sector, this means that a new hardware platform might underperform and diffuse too slowly, forcing a platform owner to lower prices and to suffer significant losses.

Apart from generic and more sector specific macro-economic challenges, the next-gen publishing strategy signals a number of uncertainties that are typical for cultural commodity production and circulation. In the words of Christina Teipen (2008: 311): “The video game industry is faced with highly insecure market success, long product development times and costs as well as perishable products”. Focusing on the core business model underlying the console segment, one can discern two overlapping risks for game publishers. First, one of the notable properties of the video game in its commodity form is that of the high up front investments and subsequent low reproduction costs (Hesmondhalgh 2007; Kerr 2006). Apart from design challenges, the transition to the HD era directly affected the size of game production budgets. Consider the development costs of *Grand Theft Auto IV* (2008), a reported hundred million dollar, *Too Human* (2008) \$80 million, *Halo 3* thirty million, and *Metal Gear Solid 4: Guns of the Patriots* (2008) which cost \$50 million to develop (Brightman 2009). In comparison, analysts Pachter and Woo (2009: 103) estimate that on average a sixth generation title

costs \$2.5 to \$4 million to develop. And second, there is the blockbuster segments singular business model which lacks the elastic pricing options seen in other hardware platforms; it also lacks the diversified revenue streams or monetization options found in other industry segments.

Considering the high risk of failure that accompanies the development and publishing of economically viable blockbuster games, one wonders who would want to take such risks? The simple answer is, of course, it still pays off. For stockholders the blockbuster investment logic is one which could be summarized as 'high risk, high return'. A hit can be turned into a franchise with growth potential, leading to more predictable sales and a significant return on investment. Game publishers are eager to convince shareholders in their annual reviews of the validity of their investment. Consider, for example, one of the opening statements in the Annual Review of the publicly traded game publisher Activision Blizzard (2009: 10):

Fiscal 2008 was an extraordinary year for Activision shareholders. The strength of our product portfolio, coupled with superb execution across all of our businesses, resulted in our 16th consecutive year of revenue growth and the best year in our company's history. Over the past five years, we had a cumulative average growth rate in our share price of 50% per year and more than 30% per year over the past 10 years.

Next, I will argue that game publishers aim to create an environment in which high risks are transformed into a controlled gamble. The next-gen publishing strategy is as much about control as it is about standardization and predictability. The blockbuster game then, is inherent with a rationalized mode of production and a standardized commodity form.

STANDARDIZATION

Today's development practices have become profoundly rationalized while the video game publishing business in general is many times more capital intensive than ever before in its history (Tschang 2005; Tschang & Szczypula, 2006; Tschang 2007). Particularly compared to the early days of publishing console games—the days of the Atari VCS in the late seventies (Montfort & Bogost 2009). Before arguing why the blockbuster game is a standardized commodity form by reflecting on the implications of the process of commodification I will stress the technological continuities structuring the blockbuster game's production, circulation and commodity form.

The blockbuster game is by definition always a highly standardized piece of software. The console game is tied to a standardized hardware platform that translates into various technological requirements and game design constraints. The hardware dependency of the next-gen console game leaves its mark on the nature of game design:

It is possible to argue that the adoption of the platform model stifles the creativity of games designers in forcing them to utilize standard hardware devices and software tools and that games may be, first and foremost, designed to suit the capabilities and strengths of the system rather than game designs preceding and dictating technical implementation (Newman, 2004: 44-45).

As such, technological standardization aids, eases and from a game publisher's perspective necessitates, the reuse of game technology.

Structured and constrained by the possibilities of hardware platforms are so called 'game engines' which operate on top of game hardware acting as standardized software platforms. The game engine is the core piece of game software and consists of several components such as the renderer that visualizes the game space, a physics engine, networking code, artificial intelligence code, a sound system and other parts. A game's commodity form, Bogost (2006: 66) explains, shares the material, functional, and intellectual proprietary attributes of the core engine: "These confines both facilitate and limit discursive production, just as the rules of natural languages bound poetry and the rules of optics bound photography". As such, the game engine offers developers a proprietary development platform, which further limits the game developer's design capabilities, standardizing the console game.

On top of that, furthering the standardization of the blockbuster commodity form is the fact that game engines are commonly reused. The proprietary game engine used for next-gen installments of *Call of Duty* games are all updated versions of the "IW engine" which is originally based on engine code developed by id Software and then licensed to Activision (Stead 2009). Over time the IW engine has been significantly altered and enhanced; for example *Call of Duty 4: Modern Warfare* (2007) added an enhanced physics engine while later versions saw improvements in lighting, artificial intelligence, and so called 'streaming texture techniques' to allow for bigger game worlds. Game critic Tom Bissell rightfully points towards the art direction of big-budget games having "the cheerful parasitism of a tribute band", turning console games into the "most visually derivative popular art form in history" (2010: 6-7). An as any gamer can attest, the look, feel and overall game design of the next-gen *Call of Duty* games is rather homogeneous because of the use of a standardized software platform. How, then, to account for this specific modality of cultural production and circulation from a critical perspective?

Theorizing standardization

Drawing on Marxist theory, political economists theorize the capitalist mode of cultural production by noting that a cultural commodity's exchange value takes precedence over its use value as a work of art (Kerr 2006; Mosco 2009). This process is anything but unique to games. What sets the blockbuster game apart from, for example, movies or music is the technology driven standardization of the blockbuster game because of standardized engine technology. Moreover, game publishers are boxed in by the market—the actions of competitors, the expectations of consumers and critics mixed with pressures from stockholders and industrial actors along the value chain—as to what kind of blockbuster games to develop, when to release them and how to market them. It is the game publisher's primary task, then, to manage risks, to generate surplus value—profit—by the strategic exploitation of intellectual property and to do so in a steady and preferably predictable manner.

Predictability in the cultural industries, however, is a double-edged sword. Publishing blockbuster games means constantly oscillating between exploitation and experimentation. On the one hand, game publishers opt for various ways to breed familiarity and keep players engaged with carefully crafted game brands. To achieve this goal game publishers follow two complementary strategies. One is to build a catalogue of blockbuster games consisting of familiar genres, the other is to serialize content. On the other hand, the contradiction underlying all cultural commodities is that: "[...] its uniqueness and originality are undone by reproduction, familiarity and over-exposure" (Ryan 1991: 54). In comparison to non-cultural commodities, once a blockbuster game is out on the market its value decreases rapidly. As a result, game developers and publishers

are locked-in a continuous research and development cycle as hardware platforms continually evolve and competitors (re)act accordingly. In order for a game publisher to remain profitable there must be constant investment in new tools and technology, as well as in fresh input (knowledge) and highly skilled labor (Deuze et al 2007).

To be profitable in the next-gen era, a game publisher has to show tremendous restraint in the number of games a company releases and the publisher has to be highly disciplined in managing its portfolio. Recall Electronic Arts' "fewer, bigger, better" strategy. At the same time, relying too much on a publisher's existing portfolio and gamers might grow tired with the same old game. The balancing act of diversification versus standardization and of rationalization versus innovation, harks back to the classical argument of creativity versus capital and of art versus commerce, a theme that is at the root of the notion of (the) Culture Industry (Hesmondhalgh 2007; Steinert 2003). Jumpstarting the debate on the implications of the commodification of culture were scholars such as Adorno and Horkheimer (1993) and Benjamin (1936). They were among the first to draw attention to the capitalistic tendency of consolidation and the concentration of corporate ownership and how these issues relate to the production and circulation of culture.

It is the culture industry's homogeneous and confirmatory tendency against which Horkheimer and Adorno aim their most outspoken criticism at. The perspective as well as the intellectual challenges put forward by the Frankfurt School are still highly relevant today since contemporary cultural production is: "[...] more commodified and commercialized than ever and so the Frankfurt school perspectives on commodification are obviously still of fundamental importance in theorizing our current situation" (Kellner 2002: 41). As such, the value of critical theory lies in the fact that it allows for a rethinking of positivist research paradigms such as media economics and helps to guide a critical perspective on the interplay between technology, culture and economics. Exactly by theorizing movies and music as cultural commodities, rather than as mere cultural artifacts, early industry critics paved the way for contemporary critical political economy and influenced countless critical scholars.

As Adorno explains (1991: 100), the notion of an industry is primarily meant to draw attention to "the standardization of the thing itself", and to "the rationalization of the distribution techniques". Drawing on critical theory and critical political economy, Ryan furthers the core of Adorno's argument by theorizing the institutional conditions constituting the production and circulation of culture. He replaces the concept of Culture Industry with the notion of "corporations of culture" and takes the dichotomy between the formalized and the rational economic process of cultural production and the creative and irrational process of artistic labor as a starting point to provide an empirically grounded understanding of contemporary capitalist cultural production.

The value of Ryan's work lies in his detailed analysis of how corporations of cultures, such as game publishers, counter the contradictions inherent to cultural production in its corporate form. In general terms, publishers are constantly deploying and refining strategies and business practices which are aimed at predictability to ensure constant revenue streams as well as growth. Similar to blockbuster game development, as political economist Prindle (1993: 5) notes in his study of Hollywood movie production, film studios are constantly trying to "replicate the unreplicable". While consumers exhibit highly unstable taste patterns, at the same time they value "familiar plots, characters, and morals over more artistically innovative fare" (ibid: 25). Ryan (1991: 58) comes to a similar conclusion but also adds that cultural commodities, and this goes particularly for

hits, have a truncated product life cycle therefore necessitating “recurrent production” to guarantee the constant flow of sales. The goal of game publishers and film studios trying to replicate the unreplicable, or rather build on previous successes and hits, guides design decisions, which commonly err on the side of caution.

The crux of Ryan's (1991: 150) argument is the fact that the creative stage of cultural production is formatted, meaning: “Creative work is preformed to a management plan. Specific, fixed cultural rules are formulated as company policy by its creative managers and applied to members of the project team”. In this instance, the project team consists of the game developers working in game studios. To counter the risks posed by the “mental machinery” young, imaginative knowledge workers bring along, game publishers have put into place a system of managerial control (Dyer-Witheford & De Peuter 2009: 35-68; cf. Pausch 2004). In his reading of the Culture Industry thesis, Kellner (2002: 47) stresses the wider cultural industries' reliance on formats: “Film, television, popular music, and other genres of media culture are highly codified into systems of commercial enterprise, organized in accordance with highly conventional codes and formulas.” In practice, variation on a theme, or what Ryan calls “type-based” products, far outstrip wholly original themes, narratives, and gameplay mechanics. This is not to say that game design is an uncreative, mindless practice. Congruent with the contradiction underlying the cultural commodity, the operational side of cultural production is relatively open and creative managers (studio heads, producers, publisher executives) do not stand looking over the shoulder of individual artists telling them how to work their magic.

Marketing and cataloguin

Next to technological standardization and formatting the creative stage of cultural production, there are two complementary and overlapping publishing practices which further standardize the blockbuster commodity form and which are commonly drawn upon by next-gen publishers. First there is the rationalization of circulation—blockbuster games are heavily marketed—and, second, blockbuster games are developed in such a way as to fit neatly into a publisher's catalogue. Similar to the formatting strategy, the ubiquitous business practices of marketing and cataloguing provide the game development team with additional design limitations. The “publicity complex” has a crucial role in marketing blockbuster games (Ryan 1991; cf. Hirsch 1972; Carlson 2009; Consalvo 2007). Yet, marketing and PR should be understood as encompassing a complex set of practices including “research, product planning and design, packaging, publicity and promotion, pricing policy, and sales and distribution” (Ryan 1991: 186). While advertising, publicity and promotion are the most visible and well-known instances of marketing and PR, it is through research, product planning and design that the creative stage as well as the cultural marketplace are rationalized.

Marketing and serialization reinforce each other and aim to discipline the market, add a layer of predictability and lower risks:

Sequels have intrinsically lower market risk than unknown titles due to the higher level of brand/title recognition. The curiosity raised by the sequels provides sufficient marketing impetus that reduces the risk by providing a certain level of sales which cannot be presumed in the case of unknown original titles (Dymek 2010: 95).

Many blockbuster games have been audited by a test audience long before they go into production, a practice which Horkheimer and Adorno found fault with in a vehement

manner: “Marked differentiations such as those of A and B films, or of stories in magazines in different price ranges, depend not so much on subject matter as on classifying, organizing, and labeling consumers. Something is provided for all so that none may escape; the distinctions are emphasized and extended” (Adorno & Horkheimer 1993: 32). The publicity complex, then, puts additional limitations to the work of blockbuster game developers.

Lastly, as Ryan notes, the logic of repetition guiding formatting is further operationalized through “type-based creative policies”, or cataloguing (1991: 158). Activision Blizzard (2010: 4), for example, relies heavily on a very small number of hits: “[...] our top three franchises, *Call of Duty*, *Guitar Hero*, and *World of Warcraft*, accounted for approximately 68% of our net revenues for the year ended December 31, 2009”. As Ryan pointed out, the contradiction underlying the cultural commodity does mean that such a heavy reliance on such a small product slate introduces new risks as much as it avoids others. Yet, these conservative strategies permeate the blockbuster publishing business. There are certain game titles that have 'all bases covered'; that is, they are assured of a “built-in” audience, which is familiar with previous iterations of a title. Genre has an important signaling function, similar to film, but at the same time seems to be more rigid in the blockbuster segment.

The catalogue of a game publisher looks very much like a bingo chart to be filled with at least one action-game, a first person shooter, a racing game, sports games, and a music game, or a variation thereof. In the end, the strategy of cataloguing offers a formidable, self-enforced straight jacket for publishers. More so than arguably any other publisher in the blockbuster segment, Activision Blizzard rationalized every single aspect of a game's development and circulation. I will conclude this paper by illustrating the operationalization of this logic.

First, the publisher focuses explicitly on “proven strategies” which means that rather than developing and publishing original intellectual property the publisher focuses on the largest market in order to expand its margins by “growing recurring franchises” (Kotick et al. 2007). In a conference call with analysts from major investment companies, Kotick succinctly summarized the political economy of franchising: “[...] I think one of the great benefits of having a portfolio with 10 multi-million unit selling franchises is that you can expect virtually every one of those properties will be exploited on an annual or close to annual basis” (ibid.). Launching a blockbuster game based on original intellectual property has always been a challenge. Kotick (2009): “The single hardest thing to do in the video game business is to introduce original IP and that is why it does not happen very often”. The majority of wholly original blockbuster games sold do not break even and are, generally, not nearly as profitable as franchises that were built up over time.

Second, in the rare case a new property is launched, it neatly falls within a well-defined genre and fills an open slot in the publisher's catalogue. How cataloguing ties into the rationalization of production and circulation is explained by Activision Blizzard Chief Financial Officer Thomas Tippl (2010): “We constantly evaluate our plate as part of our three-year planning process and decide which market segment we want to participate in, where we have a consumer-proven concept, [and] great development talent that can deliver those concepts”. Genres, in this instance, are seen as clearly defined markets with their own demographic and potential revenue. It is the publisher's task, then, to (re)capture as much market share in a genre as possible and find a development studio, preferably an in-house one, to work on a concept. As Activision Blizzard's 'slate' lacked a

solid non first person shooter, it published *Prototype* mid-season 2009. Ironically, the game competed head-to-head with *Infamous* (2009), Sony's mid-season attempt to capture the open-world super hero genre. Desperately seeking out a hit game to fill the summer revenue void, Activision made two similar attempts with the first person shooter *Singularity* (2010) and the racing game *Blur* (2010). Both games fell short of (revenue) expectations, leading to the closure of *Blur's* development studio Bizarre Creations and *Singularity's* developers mandated to work on the *Call of Duty* franchise.

The third instance of how Activision Blizzard standardizes the blockbuster game is by selected experimentation within brands coupled with a disciplined publishing schedule. Franchises are developed with serialization in mind and are preferably spun-off into infinity. Additional installments in a franchise follow the routine of a 'variation on a theme', aiming to extend consumption as well as to broaden the market. The 'Hero' music franchise is an example of how marketing practices such as audience research and segmentation rationalize the marketplace as well as the development of individual installments. Consider Activision's 2009 publishing slate for the franchise consisting of the September release of *Guitar Hero 5*, targeting "the rock-focused music gamer", the October release of *DJ Hero*, aimed at "club dance" enthusiasts, and the November release of the pop music focused *Band Hero* "which should appeal to a family audience". In terms of game design, a franchise means tweaking, upgrading, gradual refinement and minor innovations, rather than starting from scratch.

CONCLUSION

During the next-gen cycle, the "super-blockbuster" movie (Schatz 2003) got its ludic equivalent in the next-gen blockbuster game. As a result, the first half of the seventh generation coincided with the rise of the, to put it in gamer discourse, 'über-blockbuster game'. These mega properties not only signal significant financial investments in terms of production, they receive a disproportionate amount of attention and investments of developers, publishers, retailers, consumers and critics. Consider the 20 million unit selling über-blockbuster *Call of Duty: Modern Warfare 2*. Game publisher Activision Blizzard is reported to have spend \$40 to \$50 million to develop *Modern Warfare 2*, whereas the title's launch budget—covering "marketing expenses and the cost of producing and distributing discs"—was \$200 million, "on par with a summer popcorn movie—and extremely high for a video game" (Fritz 2009). Super hits like these, figuratively speaking, suck the oxygen out of the air and are slowly but steady becoming the be all and end all of console based interactive entertainment.

Political economists tend to agree about the accumulative nature of capital and its subsequent effects on cultural diversity (Bagdikian 2004). To go beyond the mere acknowledgment of concentrated corporate ownership, I concur that the cultural industries' dominant market structures result "in the suppression of diversity" (Bettig & Hall 2003: 9). As Wayne (2003: 85) argues: "Because competition drives down profit margins there is an ineluctable pressure to diminish competition wherever possible, by driving competitors out of the market, by take-overs and mergers and by raising barriers of entry to a market". In contrast, at first glance the diversity of output of the cultural game industry might seem overwhelming. In retail stores there are numerous games to choose from. "It is true that thousands of games are available", Kline et al (2003: 237) observe, however, "the logic of economies of scale and the fear of failure favour the serialization of success". Moreover, as Mosco (2009: 221-2, emphasis his) notes, there is a "fundamental difference between the sheer number of voices (multiplicity) and the number of *different* voices (diversity)". The diversity of voices, then, is rapidly shrinking.

Blockbuster games are in many ways seen as highly innovative and in many ways they indeed do have an innovative edge to them. Yet, as Kline et al. (2003: 57) note: "There is at the heart of the gaming industry a contradiction between "commodification and play", a tension that paradoxically drives its frenzied creativity and subverts its own success". That is to say, the underlying formats of franchises such as *Call of Duty* are highly formulaic. Games may be increasingly customizable—gamers can buy various sorts of additional content to tailor their game experience to their own tastes—these are oftentimes variations on a theme rather than true player freedom or creativity (cf. Sihvonen 2011). It might come as no surprise that political economists lament the conservative and mandated approach to game development, especially because rationalization strategies such as the flow publishing logic quite rapidly and without much opposition became taken-for-granted by consumers and critics. However, by accepting the current status quo and by taking the current mode of blockbuster production at face value, one overlooks the political and ideological implications of this particular economic arrangement.

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