

Battle for the Living Room: From Pong to the Console Wars

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Midnight Facts for Insomniacs

Podcast Transcript

**(Note: transcript
consists of episode
outline)**

So we're recording this in
late 2020, and as of a few

days ago, the next generation gaming consoles have officially gone on sale. Just for preorder: neither have actually been released. That won't happen for another month or so. The new consoles will be the PlayStation 5 and the Xbox series X. Not to be confused with the Xbox one X, which is the previous generation. It's a stupid, boneheaded naming system. Super confusing. And that could be problematic Because you have to think, many—if not the majority—of purchasers of this thing are going to be parents. Kids aren't dropping 500 bucks of lemonade stand money on a console. In fact, on the day the Xbox series X officially went on sale, purchases of the previous console, the

Xbox one X, jumped by an order of magnitude, and the assumption is that many people bought the wrong system. I have a feeling it was a bunch of mothers and fathers and grandmas Who just typed a random string of exes into google and found some amazing deals online. There are going to be a lot of disappointed grandkids on Christmas morning. Those are stupid product names for a lot of reasons, the confusion factor but mostly because there are just way too many exes. Xbox ONE X? That's a blatant lie. There are three exes in that name, and that is three too many exes.

I hate when companies use the letter X to seem edgy or cool. An x has no intrinsic value, it's exactly $1/26$ of the alphabet, it

doesn't get bonus points, It's not even the highest letter value in Scrabble. It has a negative connotation: An ex is someone you don't date anymore. It's like the most traumatic letter of the alphabet.

So let's go back to the beginning and then we'll work our way to the modern era and a preview of the new systems.

The first contraption that is considered an actual video game system was created by doctor Edward Uhler Condon, and unleashed on the world at the 1940 New York worlds fair. Worlds fairs have a mixed track record when it comes to predicting and showcasing futuristic technologies. The

telephone was revealed at a world's fair, and the diesel engine. Also, the Paris World's Fair of 1900 showcased artificial bat wings that firefighters could use to battle fires by swooping down from the sky, and the idea of robot barbers was also proposed. To be fair this was all concept art, they hadn't achieved any working prototypes. It was all anticipated by the year 2000. and Actually, in the era of COVID, the robot barber thing is a solid idea. Are you listening Apple? I want the I-cutter. Wait. Not a great marketing strategy. That's even worse than Xbox one X. No it's going to buy an eye cutter. We could do a whole episode on bonkers World fairs, and now that I think about it we probably will, so I'm not going to go

to deeper into that.

So this very first gaming console was capable of playing a single game: NIM. I'm assuming you're a big fan of NIM, a NIM fanboy, a nimfo, if you were a huge fan of NIM do they call you a nimfomaniac? We should've started a podcast called nympho, and then all of our fans would be nymphomaniac's. So NIM is an ancient Chinese strategy game with a foundation of mathematics, the goal is to remove an item from a pyramid of items, and ensure that you will be the player who removes the final item. I don't know, apparently this was super fun back in the year 5, or whatever, they didn't have assassin's creed yet.

So the gaming console was called the NIMATRON, weighed in excess of one metric ton, it was like 10 feet tall, looks sort of like a giant arcade game with no screen just a bunch of flashing lights and buttons. It's exactly what the 1940s thought computers in the 2000s would look like. The machine was on display for six months and over 50,000 people played NIM. The machine won 90% of the games. That seems less fun. Part of the appeal of video games is the achievability of victory. "Come get your ass kicked at NIM" is not a super tempting prospect. I at least want a fighting chance. The machine was capable of calculating its moves in a fraction of a second, but Condon actually built in a tiny delay

so that gameplay would feel a little bit more natural, like the machine was taking time to consider its next move. Maybe that also makes it a little less humiliating when you lose every single game. If it doesn't even have to think about moves and still annihilates you that's just kind of rubbing it in. Come on, NIMATRON. Be humble.

Despite the games popularity while it was on display, Condon would later consider the NIMATRON a massive failure on his part because he didn't recognize the potential of gaming systems and abandoned that line of research. 11 years later the concept of Condon's game system was adopted by an electrical engineering firm

called Ferranti in the UK for the 1951 festival of Britain. they created the Nimrod, a similar game system, and it was similarly popular at the festival, and also went nowhere. I couldn't find any statistics on The nimrods victory percentage , judging by the name it probably lost a few more games than the NIMATRON. If you call your game system the Nimrod it's not trying super hard.. In between the two NIM machines, was a device that may actually be a better candidate for the very first gaming system, A tic tac toe game called Bertie the brain that was created for the Canadian national exhibition in Toronto. Many people consider this a more logical starting point for the origin of video

game systems, because it included a rudimentary display. It was just lightbulbs that lit up Xs and Os, but it was still an actual graphical representation of the game itself. the game was 13 feet tall. So not exactly practical, and honestly pretty pointless considering tic tac toe is a game you can play on a 1 inch square of paper., but Bertie did have an adjustable difficulty setting. So I'm assuming people kicked it a lot less.

The first commercial gaming system didn't arrive until late 60s. In 1967, a guy name Ralph Baer developed a machine called "the brown box." And I officially take back all of my insults and disparagement of the Xbox, because wow, that

sounds like a porta potty. That's truly awful.

All of the games consisted of cubes that chased each other around your tv screen. And of course it included a version of ping-pong. Magnavox licensed the brown box and released it as the Magnavox Odyssey in 1972, beating Atari to the market by a few months. That's a much better name, btw. But it sold barely 300,000 units during its 3-year run and was retired in 1975.

Meanwhile, Atari was having amazing success in the coin-operated arcade market with pong, and decided to try their hand at console gaming by going a completely new direction, blazing a new trail and releasing—wait for it—Home Pong. It sold

A comparable number of units to the odyssey, and was followed by the Atari video computer system in 1977. Which initially was also very meh in both reception and sales.

Mattel similarly tried their hand at home gaming with the "intellelevision," but at this point nothing could touch the success of the arcade, that was where the action was. The home game market was considered DOA in 1979.

All that changed in 1980, when Atari released a home version of the popular space invaders arcade game that could be played on their "Atari video computer system" , aka the Atari VCS, aka the Atari 2600, and it resurrected home gaming. Atari sold over 2 million units in 1980 alone. The race was on to port more

arcade games to home systems, and the industry blew up. The next obvious step was for independent game studios to start supplying games, and that happened when some Atari developers broke off and formed Activision, the first independent game studio. It was actually Atari's fault, because they had refused to credit any of the developers in the actual games. You know how today, at the end of the game you get the whole movie-style credit roll, 8000 people whose names you immediately purge from your memory banks, well Atari didn't allow that. So a bunch of developers bailed to create their own games, and Atari quickly sued them, and the upshot was that Activision had to pay some royalties but

otherwise were free to do their own thing and guarantee that their names would be featured in that scrolling text vomit that we all ignore. They worked for the right to be equally ignored, and they achieved that goal. "If gamers are going to ignore someone, we wanna make sure they're ignoring US." They created a stream of successful games including pitfall, which really brings me back to childhood. Those pixelated alligators, it was unadulterated garbage but boy did I have fun playing that game. i'm honestly not convinced that games become more enjoyable as they become more sophisticated, I had more fun playing super Mario as a kid than I've ever had on the Xbox. And kids now are having a

great time playing Xbox games, and they'll be saying the same thing when they grow up and they're all shooting each other on the holodeck or whatever. They'll be like remember the era of console games? Virtual sex with big titted aliens just can't compare to button-mashing. Maybe they won't say that.

Atari released its follow-up game system in 1982, the Atari 5200 but it sputtered, and a few other newbies to the market also experience brief success and then flamed out. 1983 represented a market crash for the nascent home gaming industry. The crash, known in Japan as the Atari shock, was primarily caused by market saturation: everyone who wanted a video game system had

one, and the games weren't improving. In fact, many of them were downright awful. The gold rush of the early 80s led to cloning of popular games, rehashing of tired concepts, you can only pump out so many variations of centipede. it's centipede on ice. it's pitfall on rollerskates. When you're working with pixels the size of sugar cubes, there are limits. Anyone who is familiar with video gaming lore is waiting for us to bring up the so-called worst video game of all time, which is often referred to as the game that brought down the industry: ET the extraterrestrial. Atari had paid over \$20 million for the rights to the character of ET, and they hired one dude—Howard Scott Warshaw—to be the

sacrificial lamb...I mean...to develop the game from concept to store shelves in five weeks. It was so bad that Atari tried to wipe it off the face of the planet, truckloads of the game cartridges were buried in landfills, it was the Valdemort of Atari, it was the abomination that shall not be named. But almost as bad as E T and often overlooked was Atari's piss-poor attempt at Pac-Man, which was a sad, pathetic, emaciated shadow of the glorious arcade version. It was feeble. Atari would be divided up and sold within two years.

The other explanation for the crash was the rise of home computers in the mid-80s, which were capable of playing games

and could also do taxes. Oh and by the way, the early 80s also coincided with a pretty rough financial recession, so that didn't help.

But over in Japan, a little company called Nintendo was watching and learning. They had achieved success in the home country with their 8-bit "famicom" or family computer, which they then re-packaged and re-branded for the United States market. Wanting to avoid any association with the defunct home gaming market, they created a front loading version with that famous flap, so that it looks more like a VCR than a retro console. They called their device "the Nintendo entertainment system" avoiding any mention of video games. It

hit the shelves in 1985 and the rest is history.

Nintendo made home gaming a multibillion dollar industry.

Obviously this attracted new competitors. The next generation of gaming systems debuted in 1987 with the introduction of the game console touted as the "first 16 bit" console, the TurboGrafx-16. It even has 16 in the title. Because they really wanted to hammer home that whole "twice as powerful" thing to consumers, which was a potentially great marketing method and also a blatant lie. It was built on an eight bit chip, and the system launched with limited games in English, so it died out quickly. I played one, The American games were was

underwhelming. supposedly it had some great Japanese games that were never introduced to the American audience and never translated, so possibly an opportunity lost. Meanwhile, Atari briefly tried to get back into the game (so to speak) by releasing the Atari Jaguar console...and there's really nothing more to say about that. It sucked. But This is the generation of video games that launched the first true bitter, take-no-prisoners gaming-console war: Nintendo versus Sega. I actually read an entire book on this subject, I'm not even that big of a gamer but I found it really fascinating. The book was called, " Console wars: Sega, Nintendo, and the battle that defined a generation." If you're a fan

of video games and underhanded shenanigans, you might enjoy this. These guys were some real digital rascals. It's actually pretty fascinating, especially the techniques that Sega used to siphon off some of Nintendo's leading talent and position themselves as the anti-Nintendo, and the book also describes the friction and battles between the company's two different divisions: one in America, one in Japan. The Americans were always frustrated that the Japanese would expect American audiences to respond to the same things that appealed to the Japanese, and there were these massive culture clashes. The American Sega division put a ton of research into creating their

mascot, they wanted a character that was less friendly, kind of bitchy, kind of rebellious, and appealed to older kids. The idea was that if you could get the older kids gaming, you capture the market. The way they put it was something like "younger brothers look up to older brothers." The original concept for Sonic included an armadillo and a character modeled after Theodore Roosevelt. Because nothing appeals to teenagers like historical politicians. Then again, Nintendo's premier mascot was a plumber wearing overalls, so what do I know. Obviously the Sega Genesis was a phenomenon in its time, but would ultimately be eclipsed by Nintendo and of course both would succumb to the eventual

dominance of Sony and Microsoft. But while the Sega Genesis made a splash, The Super NES obviously won the late 90s with iconic titles like Super Mario Brothers and Metroid and Street Fighter, Mega Man, and Zelda. Even listing them off gives me kind of a fun nostalgic chill.

Meanwhile arcade games were still hot, we didn't have an arcade near me in San Francisco but there were arcade games in the local bowling alley, I remember the first time I played Virtua Fighter. It was a revelation: the first time I experienced a POV and camera angles that actually transcended its side-scrolling two-dimensional predecessors...and it was the game that's credited

with inspiring the hardware utilized by Sony's PlayStation, and the next generation of 32 and 64 bit game consoles: The Nintendo 64, the Sega Saturn, and the aforementioned PlayStation. Let's talk at that PlayStation. released in 1995, the PS 1 signaled the switch from cartridges to disks, it was a massive success, the first game console to sell over 100 million units. Ironically, Nintendo had been partially responsible for creating the console that eventually would eclipse them.

Nintendo and Sony were initially working together on the SNES; Sony was creating a CD drive attachment, but Nintendo realized that Sony was going to benefit by the cd

drives ability to play media...they'd get some licensing money from any game or video or audio cd as the price of using their technology. So halfway through the process Nintendo secretly scrapped the agreement and began working with the Dutch technology company Phillips instead. From David Sheff's book "game over": "The Phillips deal was meant to do two things: give Nintendo back its stranglehold on software, and gracefully fuck Sony." The problem is that no one told Sony. The two companies were supposed to be announcing their joint partnership at the consumer-electronics show in 1991, but when it came time to deliver the news, the head of Nintendo got on stage and

announced the new partnership with Phillips instead. Sony was like, um...what? Come again? And then they were like, alright, if that's the way it's going to be. We'll just take over the world. so Nintendo was actually the architects of their own demise. Meanwhile, Sega completely bungled the launch of the Saturn Console, basically springing it on retailers without any advance notice, and a bunch of toy stores refuse to even carry it. Sony had a great marketing campaign, challenging gamers with the tagline: you are not ready. They also had powerful hardware that game developers were excited to explore, and they were willing to play the long game, sacrificing profits by undercutting the

price of the Sega Saturn. By the time the PlayStation 2 was released in 1999, Sony dominated the gaming market. Nintendo was in second place, and Sega was already sinking into obscurity. With the sixth generation of gaming consoles, Sega attempted one last gasp with the doomed Dreamcast, which featured an innovative modem for online play. But not even such groundbreaking games as "Crazy Taxi" and "The Typing of the Dead" could pull Sega from its doom spiral. Nintendo released its GameCube in 2001, but the PlayStation 2 was essentially the knockout punch for all of Sony's competitors.

Or so it appeared. In late 2001, a well-known and uninspired manufacture of

computer operating systems jumped into the market. Microsoft released the original Xbox on November 15, 2001. This was a big deal for a lot of reasons, not least of which the fact that Microsoft was the first American company since Atari to try to make a go of it in the gaming space. It was the first console to have a built in hard disk, so... native storage... and like the game cube, it had Internet connectivity. It was also physically massive and heavy compared to other systems of the day, due to the fact that Microsoft just flipped a PC on its side and carved an X on the top. This made it more modern and future-forward, and also hot and buggy. But the secret sauce was that Microsoft

acquired a killer app, it's ace in the hole, when it bought the video game developer Bungie and made its space shooter "halo: combat evolved" into an Xbox exclusive. The Xbox was an instant hit in America, but struggled to gain a foothold internationally, where the Asian gaming companies still dominated. Also, it was not remotely profitable. The hardware was advanced and expensive, and in order to gain a toehold in a crowded market, Microsoft was selling the Xbox is at a loss. A \$4 billion loss to be specific, throughout the life of the first generation console. But unlike Sega and to some extent Nintendo, Microsoft had money to burn. Sony and the Playstation 2 remained The undisputed champion

of the market, but Microsoft could afford to play that aforementioned long game. They were basically using Sony's own strategy against them: sacrificing short-term profits in exchange for long-term success.

I've bitched about the Xbox name, but it could have been worse. Some of the proposed names for the system: MICROSOFT INTERACTIVE NETWORK DEVICE. in case you didn't catch the acronym, that's "MIND." Also MICROSOFT INTERACTIVE CENTER, or MIC. And Windows Entertainment Project" (WEP). Not to be confused with WAP. So yeah. I take it all back. They made the right call. The name Xbox is actually the shortened version of the "directx box," because it's based on Microsoft's

Directx technology. Which is A set of APIs, (application programming interfaces), anyway. So there's method to the initial X madness, but all of those extra Xs are just gratuitous. Funnily enough, the Xbox name was unpopular with Microsoft's marketing dept...they released the name to focus groups just to prove how unpopular it would be. Oops. It tested the best, because I'm the only one who hates Xs.

Random Trivia: The gaming system was initially revealed at CES 2001 by the Rock.

My favorite embarrassing Xbox promo: a woman gives vigorous birth to a baby, ejecting it from between her legs with such force that it shoots out a window and ages

rapidly as it flies through the air, becoming an old man right before it crashes into its own grave. And then we get the catchphrase "Life is Short. Play more."

Keep it classy Microsoft.

Microsoft released The next generation, the Xbox 360 in 2005.

It was a bit sleeker, it stood upright, and is most memorable for its Red Ring of Death. Fuck that console. The red ring of death was a thing that happened when the green ring around the power button turned ominous red while you were in the middle of finally beating your gf at guitar hero.

Did you ever experience it? The 360 also introduced the Kinect motion sensor system which was fun as

hell and tremendously unsuccessful. The 360 competed directly with Sony's next gen console the PlayStation 3, which was notable for being butt ugly. I hate that shiny, weird, curved ...it's like a toaster designed in a wind tunnel. It was initially clunky and overpriced but improved with later iterations like the slim and super slim versions, and a slew of quality games.

I'm not going to get into the current generation of gaming systems, because if you're a fan of game consoles, you're already familiar with them, and if you don't, you probably didn't make it this far.

Some Modern statistics: over 40% of Americans play video games, And

80% of US households own a console. That's kind of interesting, so the vast majority of households have a console but a lot of the people in those household aren't playing. Only 40%. Lots of moms and dads I guess. haters.

Sources:

Blake J Harris: " Console wars: Sega, Nintendo, and the battle that defined a generation"

David Sheff: "Game over"

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