

Are Sims Dead? A Roundtable Discussion, Part One

Feature by [Tom "Wklink" Cofield](#)

August 29/2000

[Print This](#) 

This seems to be a common thread on the newsgroup and we seem to love to discuss the apparent downfall of the simulation industry. Depending on who you talk to, simulations are either dead, dying, or seriously wounded. Who gave the industry the wound is up for debate. Some people claim it was the industry that wounded itself; others claim it was the players who brought down this particular line of games.

Those of us in the 'gaming press' love to act as pundits on this particular subject. We analyze, discuss, and in general drive most people sick with our thoughts. Although we know quite a bit about the industry, most of us have little at stake when it comes to this genre failing. Therefore our opinions, while valid, may not always reflect what may or may not be going on within the industry.

Late at night, while trying to get to sleep, I came up with this idea. Why not ask those in the know...the developers, the producers, the designers of some of our favorite games...to give their opinions on the state of the simulation genre and what they think the future holds for our hobby? Thanks to help from Dan Crenshaw, James Leasure and John Sponauer, this little project of mine has blossomed into what you see below.

I have gathered some of the best minds in the simulation entertainment industry and will let them say what the future of that industry is. This is in their own words; the only editing is grammatical when absolutely needed, and nothing is left out. Like what they say or hate it, these guys' opinions should hold some weight. We do this because it is a fun hobby, but this is their life.

I have broken this up into two installments. Questions One and Two are today....[Three, Four, and Five](#) will be later this week. To be honest, I never expected the level of depth to which our panelists have gone. All of the respondents' answers are shown next to the same question. This will hopefully aid the reader in comparing answers to the same question, and keep the article from getting too long (although most of you will agree that it is plenty long as it is). Most of the replies are taken directly from email with the respondents, however some of the text is based on phone interviews.

And now, our panelists. We asked each for a bio.

Alexander Delaney, 34, is the brains behind the new tank simulation **Steel Beasts**, which should be coming out at the time of this article. Alex has worked on this simulation for the last four years. He has a Ph.D. in Electrical Engineering and, prior to working on Steel Beasts, worked as a digital design engineer. He currently resides in Sunnyvale, California.

Recognized as a 'Gaming God' by PC Gamer Magazine, **Andy Hollis** is well known in the flight sim community. He is known as a pioneer in the field of combat flight sims and has been an integral part of teams producing flight sims since 1983. Andy was a founding member of MicroProse software, where he created his first successful multi-player combat flight sim - **MiG Alley Ace**. Andy was key to the development of some of the greatest games MicroProse has ever made, games like **Gunship**, **F19 Stealth Fighter**, and **F15 Strike Eagle II and III**. He later joined Electronic Arts as founder of Jane's Combat Simulations, leading teams that created acclaimed hits like the **Longbow** series and **F-15**. He has over 14 successful games to his credit.

Jay Littman comes to iEntertainment Network with several years of experience in the computer game industry. Having been a Producer for Kesmai Studios, Alliance Interactive Software, and a Expert Software, Jay has been involved in the conception and production of a number of those games where the successful player strives to kill more or less everything that is wearing the wrong color hat. (Strategy and technology make this less barbaric than it might sound.) Jay has produced twenty-seven products and has developed and launched into production **Harpoon Online** and **Air Warrior Macintosh**. Jay's current projects include **WarBirds**, **Dawn of Aces**, **Fighter Ops**, **Raider Wars**, and **Shock Force**. All games are online massively multiplayer simulations for Windows and the Macintosh environment. He has been a member of the Computer Game Developers Association since 1993. Jay is a charter member of the International Game Developers Network and the Academy of Interactive Art and Sciences. Jay earned a BA in business administration with a concentration in management information systems from Florida International University in Miami, Florida. Other interests for Jay include art, music, sailing, SCUBA diving, and fishing. (This means that he would be interested in these things if he weren't always busy blowing stuff up on the computer.)



Oleg Maddox, 40, attended the Moscow Aviation Institute and worked 11 years as the lead engineer for one of the largest Russian military research institutes. In 1992, he founded Maddox Games. His company has produced more than 40 games and multimedia products for MS-DOS, Windows and Pen Pad (Palm) platforms. His first flight sim was 'Stormfighter,' which he described as, "A fantastic scenario and fantastic planes. Arcade flight model using some

part of real physics law. It was simple but had a high playability and there was even a very easy to use mission editor included." Oleg's second sim is the much anticipated (at least by me -ed) **IL-2 Sturmovik**.

Carl C. Norman, is currently the Director of Product Development managing the Novato Studio of the Entertainment Division for Mattel Interactive. Mr. Norman joined the Company in September of 1994. He has 10 years experience in the entertainment software industry as a Designer, Customer Support Manager, Studio Director, Operations Manager, Producer, Executive Producer, and Director of Product Development. He has been Executive Producer or Producer on such titles as **Flanker 2.0, Panzer Commander, Luftwaffe Commander, Imperialism, Su-27 Flanker, Great Naval Battles, Steel Panthers II, Silent Hunter I & II, Destroyer Command, Allied General, Thunderscape, V for Victory, Harpoon I, Harpoon II, & Harpoon 4, and the Harpoon Designers Series**. Prior to working in the software industry, Mr. Norman worked as a Project Manager in the defense industry on training devices and simulations. He has also worked as an independent contractor selling investment and insurance programs. Mr. Norman has served on active duty and in the Reserves as an officer in the United States Marine Corps, where he held a variety of both tactical and administrative positions. His last rank was Captain. He is an instrument-rated private pilot and has a Bachelor of Science from Purdue University and a Master of Business Administration from National University. His interests include gaming, computer technology, military aviation, reading, history, Baseball, skiing, and travel.



Teut Weidemann, 35, claims the only products he has ever shipped early were his three kids. A professional in the industry since 1987, Teut has been writing his own games since 1981. Teut's colorful career includes being a programmer, artist, producer, consultant, director, and designer with international companies and even Nobel Prize winners. He finally decided to form his own company, and with a business partner, formed Wings Simulations. His first simulation was **Panzer Elite**, which is well known to the virtual tankers that frequent our site.

Steve Wickes, 29, of Empire Interactive, has been involved with simulations such as **MiG Alley, Flying Corps Gold**, and **Enemy Engaged: Comanche vs. Hokum**. He is a California native and has a dual major in History and Anthropology. He has worked in the software industry for more than ten years. He has been involved in Production, Product/Project Management, Technical Lead, Support Manager and has been in the gaming industry for five years. Steve is responsible for all products in North America for Empire Interactive, with a primary focus on Simulation and Historical Strategy.

SimHQ: There has been a lot of talk about how the sim market is dying, especially in regards to the 'hard core' simulation. How do you view the market at this time?

[Alexander Delaney, eSim]

I think the sim market is pretty close to what it's always been, in terms of absolute size. As a percentage of total entertainment software, the sim market probably is shrinking, as more and more of the general public buy computers and computer games.

[Andy Hollis, Electronic Arts]

"Its dead, Jim." For now, at least, and in the form we've known it, its glory days are gone. But this business is cyclical in nature and it will come back, albeit in a revised form. Just as RPG's were dead, and then came back mightily, but different.

[Jay Littman, iEN]

Healthy and growing. You have to remember that this is a niche market and has never been a mass market. Several companies wanted to develop games that were marketed as sims but were really arcade games. I compare an arcade game to a 10-minute vacation. If you want to waste a few minutes you get an arcade game, sims take several weeks to master, which makes them more fun in the long run.

[Oleg Maddox, Maddox Games]

There are not as many flight simulators as there used to be in the past -- especially hardcore sims. But in my opinion if there are not as many games, but they are all of the highest quality -- then that is quite good way for the sim community. If there is no more than five to ten good sims that have features for hardcore players -- it's OK. On the other hand, there should be more flight sims for beginners (or such modes in hardcore sims) to increase the interest in many categories of players, and to introduce this genre to all players. The main problem of solely hardcore sims is that the beginners can't play them without lengthy training. And if these beginners are not big fans of aviation -- the result is very poor and sales will be very low. Another common problem in the games market is the lack of adequate info and advertising for flight sims, compared to strategy games or action games such as Quake and Unreal. Good marketing campaigns will invite new players to the world of flight sims. Another general rule of the games market: The market is increasing and decreasing in a spiral way. During several years everything is fine, then comes a period when more and more similar titles are released simultaneously. Some of these titles are just clones. A lot of publishers and developers begin to produce such titles just in the hope to get fast and hot money. The result -- players would like to get only the best according to advertisement, but are getting just a pure copy of a similar title with a different main hero or storyline. In many cases it isn't even a good copy -- sometimes it is worse in terms of graphics, features, etc. In this case the coil of a spiral is inclined downwards. The common result - no new titles of this genre appear during a certain period. Such a situation continues until the time comes when players again begin to look for games of their favorite genre. And I think that now

we have such situation.

[Carl Norman, Mattel Interactive]

The market has been abandoned by most publishers because there is more potential profit to be made publishing titles that have more mass appeal. I believe that the "hard core" crowd is a finite group and while very loyal and outspoken, they are not big enough to compete with the mainstream appeal of games for the next generation of consoles. If you look at PC games in general, the trend is moving away from the PC titles and towards the console titles. Many people are spending their leisure time surfing the Internet instead of playing games.

[Teut Weidemann, Wings Simulations]

No, it isn't dying. This would mean that the tons of simulation players in the past 10 years died, but they weren't that old from what we know :o) The reason why sims are dying is a self inflicted problem of the industry and that other sectors of the games market have grown faster than the simulation market. Let me explain: When a specific type of game hasn't been released for a while some publishers usually start doing those because there is a demand there. What happens though is that they rarely have this idea alone and more than one jump on that opportunity. This was the case with simulations which somehow has been left behind since the 3D cards changed the face of the PC market. Suddenly everyone was doing them because there were none and we ended up with 22 World War II flight simulations in one year. This doesn't work of course, as contrary to other games, simulations are played much longer on average, so a customer won't buy two or three sims of the same type. This was reason #1 for many publishers to retreat from the sim market, as theirs didn't sell, and shows how inexperienced the publishing community still is in our crazy game world. Reason #2 is that other markets grew faster, i.e. sales were bigger. Don't get me wrong, but sales on sims are as good as they were 5 years ago, but that's exactly the problem: Even role-playing games (another niche) outperform sims now. There are several reasons why sims didn't grow as fast, but that's another topic.

[Steve Wickes, Empire Interactive]

Looking back at the last few years we find that what we often refer to as "hardcore sims" have been fewer and farther between. Of the handful of flight simulations seen during this time only a few are ranked as semi-realistic, or hardcore. The market demand during this time has seen a few notable shifts, but has continued to push brands, recognizable licenses, and fast action titles (shooters and sports titles). As we've seen in the past, some titles show resurgence when technological advances occur. Video, sound, controllers, processor technologies all help the simulation genre, and yet sales numbers continue to remain lower than nearly all the other genres. The simulation market is in jeopardy of shifting from realistic simulators to arcade air shooters. Personally, I don't feel that these air shooters will fair much better than the hardcore simulators. An important factor to consider is the publisher/developers relationship with the industry at large. A more significant company may have an advantage that some of the smaller publishers may not. Such advantage may allow for greater sales volume, and wider industry support

SimHQ: Several larger companies have pulled out of the simulation business over the last year. Reasons cited for pulling out include large cost of production vs. amount of return for sales, disappointing sales, and general lack of interest in simulations in general. How correct do you view the impression that sims are a low profit, high-risk venture?

[Steve Wickes, Empire Interactive]

Simulation software is recognized as being one of the most expensive genres in this industry. High costs are involved at each stage of development, especially initially where most products have much lower budgets. In today's market, competition is fierce, retailers are more and more critical of the types of products they stock, online sales have still not proven their worth, and products life-span continues to shorten as a result of the massive number of titles competing for your purchase each month. Some publishers have formally decided to no longer publish or fund simulation ventures. Sadly, this trend has taken hold of all but a few publishers and development houses. An interesting point exists however, the last five hardcore simulations have released within the last 2 years have been cited as being the best ever. Strange as it is, with the best products to date, sales are still low, marketing dollars continue to dwindle, and publishers neglect picking up simulations. Sims today truly are a low profit high-risk venture. No question.

[Teut Weidemann, Wings Simulations]

That's reason #3: high development costs. If you look close at the depth or complexity of games in the "new" 3D game world you'll see that the games are rather shallow. That's good because the developer needs to learn the ropes of 3D and the customer needs to as well(!) Sims are on the other side: demanding 3D engines plus complex content and large research lead to large development costs. I personally don't think that's correct, it's only the overkill publishers pushed into the simulation genre. Our own game was the cheapest sim our publisher had under contract and is the best rated they had. Their internal development and other external groups simply overkilled the games with features or graphical stuff that costs money but never added much content. The return of sales are low because competition was too high. Why bother with a WWII sim when 20 others are released in the same year? Some publishers tried to "engineer" the sim market as they had good experience with the sports market. That failed as the sim community doesn't buy two or three sims a year of the same period, but exactly that would be necessary to refund the development costs of that type of projects.

[Carl Norman, Mattel Interactive]

Under the current business model and the current retail system, I believe that simulations are indeed low profit and high risk. Absolutely. A major publisher is faced with greater development and marketing costs, better competition for shelf space, and market share. Combine these challenges with price points that continue to go down and you have a losing proposition. The major retail chains want titles that are priced at \$29.99 or less. Simulations just don't make it at that price. People don't go to Wal-Mart or Costco and buy a combat simulation on impulse like they would an arcade or action title. Combat simulations are content driven and therefore they appeal to a select group of very specialized consumers that have an interest in the subject matter. There are several interconnecting constants, as well as paradoxical situations, in simulations that I'll egotistically call "Norman's Laws of Combat Simulations:"

1. In general, the more realistic you make it, the less people buy it. (See number 10)
2. The more simplistic you make it, the less people buy it, or support it. (See number 10)
3. Lower the price and you lower the fidelity. (See number 4)
4. You get \$40 worth of sim, not state of the art defense technology. (See numbers 6 & 8)
5. If you expect to release it, plan on patching it.
6. Patches are free – upgrades are not.
7. Most users wouldn't know a true "dynamic campaign" if it shot at them on the merge. (See number 4 & 10)
8. Realism and fidelity are not free – they require lots of memory and powerful graphics cards.
9. What's an important feature to you is often unimportant to the other user. (See number 10)
10. You can't please everyone all of the time.

[Oleg Maddox, Maddox Games]

Large companies would like to get only the highest income from any title. They select one or a couple, for which they spend most resources with the hope to get 200% income :). Right, in this case they select the most mass-market genres and forget about genres that are not so popular, and usually forget about flight simulations.

Large companies possess significant money resources and sometimes the money flow is directed in the wrong way ... In this case many titles are simply canceled by large publishers. This problem is much more complicated, but I don't like to describe here the whole mechanics of financial flows of large companies. Lack of interest: See my description about spiral above.

Low profit. Yes, compared with a target of 200% profit :). I don't think that Mercedes makes even 20% profit ...:). OK, now let's return back to the software ... I don't think that Microsoft has not made a real profit from their flight sims series The term "low profit" is very relative. It depends on many factors such as quality of the product, large or small company, and so on ... High risk is necessary when developing any new title, if it isn't a continuation of an existing series based on a previous successful title. In this case it is important whether players have bought the first game or not.

[Jay Littman, iEN]

High risk, yes it is very hard to reproduce reality. The problem is making a game balanced while at the same time making the game fun. It has to be close to reality, but at the same time people don't want complete reality. We accomplish this in some ways by doing things like bringing airfields together and by making the scale of the game a little more realistic. The hardest thing to do is make a game balanced.

A lot of companies really don't want to spend the money to make a simulation game because it's harder to get it right. A space simulation for example is relatively easy; most people have never been in space so you can make up the flight model for a spacecraft. On the other hand, lots of people have seen and have ridden in aircraft, they know what an aircraft can and cannot do. Our work in WarBirds is to model our aircraft as they are in reality. If your aircraft art or flight model is off your customers will tell you and if you're trying to sell the game as a simulation you better fix the problems. You can make a profit in a simulation if it's online. There is an up side to developing online games. For example, no distribution cost and you have direct contact with your target market. Online games build communities that bond with the simulation and can keep the game in paid production years after the technology that created the game has faded.

Flight simulations will naturally attract players who are interested in flight. Lots of these players have access to resources and will help you in the development of the simulation in the hope that you'll create a better game. For example, we have players who live around the world and they will spend the time to photocopy source data for us. A lot of our players think of a online game as their second family and want to have say in the development of the game. If you design it into the game to allow user generation content to be used it will improve the quality of your simulation. For example, creating a terrain editor to allow players to create new events or allowing player aircraft art to be included in the game. Players just go nuts if they see their art being used or their sound effect being downloaded. This frees the developer to limit the amount to resources that they have to put to the game and the players get a game they want. The developer has the responsible to make sure that the player content is not distressing and does improve the simulation so we limit access to the servers to the developers. This keeps the game safe and the players happy knowing that someone is looking after their interests.

[Andy Hollis, Electronic Arts]

I believe they (the larger companies) are right on the money. Heck, we at Jane's had a large hand in raising the bar to force out competition and take greater market share. Consumers got the benefit in better products, but many competitors could not keep up. Because they lacked some of the efficiencies and resources that Jane's had, they either shipped inferior product, buggy product, or costly product that could not turn a profit.

That said, even though much of the Jane's business was profitable, it had gotten to the point where no errors could be made or the business plan would fail. The bar was so high that the products became very, very difficult to build. The products also became more focused and that limited market breadth and thus, sales. And a profitable, but not growing, business is just not as attractive to a growth company like EA with strategic goals that lay elsewhere. Ironic, isn't it?

[Alexander Delaney, eSim]

Profit and risk are relative terms. In comparison to other types of entertainment software, sims are definitely low-profit, high-risk ventures. If I were a stockholder of Mattel or Hasbro, I'd rather have them make Millionaire or Pokemon than a sim. That's a no brainer. Corporations are accountable to their stockholders, and people only buy stock to make money. Can you imagine what the Wall Street analysts would think if Mattel or Hasbro announced that they would make more sims, and make them more realistic?

You can't really blame these big companies for pulling out of the sim market. They're not making games for the love of games; they're making games for big money. There's nothing inherently wrong with that, but it will determine what type of games they choose to make. How can you justify spending several years of development and millions of dollars for a relatively small group of customers who demand incredible features at a small price? That same money could be used to make several other simple games that have mass appeal, with a lot fewer headaches and in a much shorter time.

I'm sure that when times are good, these big companies will throw some money around at a new sim or two, but in general, sims, and especially hard core sims, don't make good business sense for big companies. Ironically, as consolidation in the industry continues, the small markets that the big boys abandon could support a new crop of smaller developers -- at least I hope this is the case.

Agree? Disagree? Talk about it on the [SimHQ.com Message Boards](#)