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February 5, 2003

Remarks of Douglas Lowenstein, president, Interactive Digital Software Association at Woodrow Wilson Center Serious Games Conference

Before I begin, I want to thank David Rejeski for organizing this conference, and all of you for taking the time to participate. At a time when many policymakers still think of video games as child's play, David understands better than most that video games are already changing entertainment, the classroom, the workplace and, they have the potential to change the way government makes some of the most important decisions of our time.

Believe me, in an environment where we're more likely to hear policymakers ignorantly rail against video games as the very essence of cultural pollution, it takes some real vision and courage to set sail down the course David is charting.

But it's an extremely sound course. For those willing to check their pre-conceived notions at the door, the signs are everywhere that the place video games occupy in the cultural and entertainment pantheon is far more prominent than the era when Pong and Space Invaders created the first video game frenzy down at the neighborhood watering hole.

Last year, G4, a 24 hour video game TV network available through Comcast Cable, was launched, hoping to emulate what occurred 25 years ago when an upstart called MTV hit the air and literally forever changed the world of music and popular culture; a company called Lightspan Partnerships is working with hundreds of schools across America to use Sony PlayStations and customized video games to enhance learning; a group called Web Wise Kids, which seeks to help kids learn how to avoid Internet predators, created a video game called Missing to get the job done; video games have been designed by other groups to help kids manage diseases like diabetes; professional video game leagues are cropping up with winners earning prize money that can easily reach into the six figures; more than 50 colleges have started to offer graduate degrees, classes and certificates in game development; the San Francisco Museum of Modern Art recently mounted an exhibit on video games as art, and the famed Barbican Museum in London mounted a summer long show on the history of video games, a show now touring throughout Europe; finally, though I could go on, this morning you heard Kurt Squire of MIT's Games-to-Teach program describe the use of contemporary game design principles to develop new ways to enhance classroom learning.

Don't take my word for it, though. Instead, listen to the sage insight of that that noted global authority on cultural trends, John Madden. A few months ago, ESPN did an hour long special on video games and sports. Near the end, Madden was describing his involvement with the game that bears his name and he recalled that it used that he and the designers would sit around trying to figure out how to make the game look more like TV. Today, Madden said, he goes to TV meetings and they try to figure out how to make TV look more like the video game. "We've come a long way since then," he concluded.

And so we have.

Beyond the symbols I've just described, the cold hard numbers tell the story.

In 2002, total video game sales reached $6.9 billion, just shy of 10% year on year growth. Wall Street analysts predict double digit growth at least through 2005, with sales nearing $10 billion by then. And these impressive sales figures cover North America alone. Game sales in Western Europe are also booming and Japan remains a very strong market. Worldwide, game software sales could easily top $20 billion by 2005.

Indeed, what's amazing about this industry and its future potential is that it generates all its revenue from essentially four markets: Western Europe, North America, Japan, and Australia/New Zealand. The rest of the world, for all practical purposes, is off limits to due to rampant levels of software piracy.

So the obvious question is why? Why are video games becoming, arguably, the dominant form of entertainment of the 21st Century? The answer, I believe, has a lot to do with why this conference is so timely.

Today's core game population is 18-35 years old. They were the first generation for whom computer technology was a routine feature in their lives. This 18-35 year old tech generation is now the main audience for games. And what really bodes well for the industry's future – and the future of games as more than entertainment – is the fact that the generation behind them, the 6-17 year olds, is the first interactive generation in history. They are the first to grow up not only with technology, but with interactivity at the center of their lives, both in the home and the classroom. Television and movies are an important part of their lives, but for them, playing video games is as natural as listening to the radio was for my parents.

The average game player is 28 years old, though the most passionate gamer's average age is in the early twenties. But what's important to understand is that games are no longer a passing fancy or just for kids, something to do as a child before life gets more serious as an adult. In a consumer survey the IDSA conducted last year, we asked the most frequent game players in each household how long they've been playing, and whether they expect to continue playing a decade from now. We found that nearly six out of 10 have been playing for six years or more, and the same six out of 10 said they expect to play more or the same amount 10 years from now. In short, they were gamers yesterday, they are gamers today, and they will be gamers tomorrow.

Interactivity is the heart of why games have such appeal to the tech savvy generations.

Look at what's happening. Games are becoming ever more realistic, bordering on photo realism; real time voice audio is becoming common; games are more immersive as players enter living, real time worlds where they raise evolving characters, economies, companies, landscapes, and more. Artificial intelligence – a central part of advanced game design -- is now so advanced that characters in the games have their own independent, autonomous personalities that players interact with. It may not sound like much but when you see it and engage with it, these games provide an astonishing level of interactivity that no other form of entertainment can ever achieve.

Let me try to connect these themes of generational change and interactivity to the issue of games and public policy.

I remember when we started the IDSA in 1994. The first time I met a congressional staffer who actually played games was a cause for celebration. Last year, though, 1,000 guests attended IDSA's annual Congressional Entertainment Software Day. The congressional video gamers, it seems, have come of age.

Indeed, within the next decade, IDSA will routinely meet with Members of Congress and top government officials – not staff, but the decision makers and policy makers -- who actually play video games and, within twenty years, the person sitting in the White House will be a once and future video gamer. And that has a lot of relevance to the theme of whether and how video games may be applied in the public policy world.

For we know as a matter of immutable fact that today's policy makers who have grown up with passive entertainment will gradually yield to the interactive generation. The new decision makers will have grown up with games, they will be comfortable with games, and they will not carry the same hostile biases that pigeon hole games as kids' stuff. They will be open to how games and game design might be relevant outside the living room.

You don't need to look hard to see the possibilities. Just look at what's been happening over in the Department of Defense where they've been using game design principles for a decade to better prepare America's armed forces for war. Contrary to some of the exaggerated rhetoric one hears about military sims, the Pentagon does not use video games to train soldiers to fire weapons or desensitize them to killing enemy soldiers. Instead, they use video game simulations to teach tactics, build teamwork, and enhance decision making. Games put the soldiers in realistic environments and real life situations, adding highly evolved artificial intelligence that is capable of mimicking the behavior and response of the enemy. The result is that the games enhance the prospects that soldiers and officers, when confronted with comparable real life threats, will be better able to make the decisions that protect one another and accomplish critical missions because, in effect, they've already been there and done that.

Teaching tactics, building teamwork, enhancing decision making…aren't these all a key part of public policy analysis and formulation? I think so, and if they are, then I submit to you that it is hardly a wild and fanciful leap from using the same technology and creativity found in military sims and applying it to some of the great public policy challenges we face, whether responding to terrorist attacks or helping to solve the national crisis in health care access and cost.

Let me give you one, not entirely original, public policy video game concept, with thanks to the MIT Games-To-Teach team.

Let's imagine that as you listen to me, someone walks into George Washington University Hospital with a suspected case of small pox. Whoever responds to that potential crisis will be doing so for the first time. Perhaps they've had a series of meetings with experts but once the small pox outbreak occurs, they will be in virgin territory. It's truly trial by fire, even trial by error.

But what if we assume that this happens three years from now after development of a video game on bioterrorism? Now, we have a decision maker who has gamed dozens of possible pathways, and seen how the community and the health system react to each and every possible decision tree. The result, the certainty, is that the individual will be more confident, and more likely to anticipate, react, and respond in a way that protects the public health and safety.

Is it practical to use games to solve public policy dilemmas? I don't know. I do know it won't be easy. There will be skeptics in the political community, in the grant making community, in the government, and yes, within the game industry itself.

Game designers will have to be convinced to divert their talent and energy from making commercial products to something with a much smaller audience and perhaps a less tangible payoff; today's policy makers, many of whom still lack comfort with interactivity and video games, will have to be convinced that game technology may offer new ways to address the issues they manage; and potential funding sources will have to shed the biases they have about video games as frivolous toys and recognize their potential beyond entertainment.

All of this may happen, or none of it may happen. I cannot say. And that's why this conference is so important. It is just a start and we do not know where it will lead. But it is just possible that a decade from now we may look back at this day and say it was the day when some iconoclasts took the first tentative steps toward creating a new paradigm for public policy analysis and resolution, a day when government first truly understood that video games could be fun, and they could also be very serious indeed.

Thank you.