

WHERE IS THE VIDEO GAME MARKET?

The computer will soon be a fixture in every home. Industry analysts predict that in perhaps as few as a dozen years every American household will use a microcomputer to perform accounting, record-keeping, security, and even kitchen management tasks.

This prediction may seem surprising, but when one considers the wild-fire growth of the personal and home computer industry in the last few years, it becomes obvious that this prediction is already well on its way to being true. Business Week magazine reports that the personal and home computer market has grown to \$6.1 billion since 1976. By 1986, sales could climb to \$21 billion, according to InfoCorp, a California market research firm.

The most visible and profitable aspect of home computer use to date is entertainment. The games that made arcades and video game machines a staple of American culture as recently as a year ago are now appearing on home computers. Microcomputers have the large memory capacity necessary for challenging, action-packed games, as well as superior graphics capabilities.

The advent of growing home use of computers has produced alarming tremors in the video game industry. Makers of video game systems and conventional ROM (Read Only Memory) cartridges announced lower than projected sales in the fourth quarter of 1982, setting off various rumors of the imminent demise of the industry. What most visionaries overlooked, however, is the large base of existing video game machines which the industry must continue to support with new games.

The Atari Video Computer System (VCS), also known as the 2600, has found a permanent home in more than one tenth of all American households with a television set, establishing a base of 12 million at year end 1982. The Wall Street Journal predicts that this number will continue to increase dramatically through the next decade.

In addition to Atari, there is an ever increasing number of companies offering an array of video game systems, including major toy manufacturers such as Mattel and Coleco, and small, video-specific companies such as Vectrex.

Although some families will eagerly give up their Atari VCS for flashier hardware systems or even a home computer, most will not do so in the immediate future. Microcomputers are still too expensive to be purchased for purely entertainment purposes. In addition, consumers will carefully weigh the investment they have already made in video systems. Industry analysts estimate that by the end of 1982 Americans will have invested \$1.3 billion in Atari VCS consoles and close to \$2 billion in games cartridges for them. Abandoning the complete games libraries, which cannot currently be used on systems other than the one for which they were purchased, is of special concern to consumers.

A games company with a potentially best-selling game today faces a unique dilemma. The game must be challenging and complex enough to appeal to even the most sophisticated computer gamer who has mastered every new game since Ping. The game must also provide a new level of sophistication for players with first generation games hardware such as the Atari VCS, and continue their

fascination with home video systems even if they cannot have up-to-the-minute hardware.

A successful games software company must continue to support the millions of users of home video systems, but also look to the future and develop games for the home computer.

STARPATH'S PRODUCTS

1. The SuperchargerTM Concept

Starpath Corporation, formerly known as Arcadia Corporation, has developed video game products which bring expanded computing power to the Atari VCS and the Sears Video Arcade System. This allows the consumer to gain the game-playing capabilities of a home computer without large expense. In addition, the retailer no longer must choose between carrying products with state-of-the-art technology or products with a potentially large market share -- Starpath's products provide both.

The SuperchargerTM expands the Random Access Memory (RAM) of the Atari VCS almost 50-fold, from 128 to 6,272 bytes. The increased memory adds vivid high resolution graphics capabilities and significantly lengthens game playing time on the Atari VCS. Now for the price of a good video game, the consumer can convert the Atari VCS into a state-of-the-art game playing machine.

The SuperchargerTM cartridge is inserted into the cartridge slot of the Atari unit. A cable from the SuperchargerTM plugs into the earphone jack of almost any cassette player. Starpath games are recorded on audio cassettes, achieving greater memory capacity and reduced cost of cassettes. The user simply places the game cassette in the cassette player, presses the play button, and plays the game.

The cassette medium not only frees video game development

from the limitations of the Read Only Memory (ROM) game cartridges made by all other VCS games companies, but also lowers the cost of the games. Starpath's games have an average price of \$15 - \$18, which is approximately half the price of ROM-based cartridges.