

**The Future Digital Economy  
Digital Content – Creation, Distribution and Access**

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**Presentation by Jens Uwe Intat, Vice President and General Manager Europe, Electronic  
Arts  
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Trends in entertainment today are shifting user habits and the demand for digital content.

1) The growth of consumer appetite for interactive entertainment is taking away viewership/spend from other entertainment mediums. The shift to interactive is generational - a recent study showed more than 90 percent of people under 25 play some form of videogame once a week, up from roughly 50 percent just five years ago - and global – it's as visible in Sweden and Shanghai as it is in San Francisco and Miami. The change is based on dramatic leaps in entertainment technology that impact the way consumers are choosing their entertainment. That means it's going to happen - whether or not we understand it, or are part of it.

Games are now netting audiences larger than TV... and as gaming audiences grow, our industry is going to attract more and more advertising dollars. A Ziff Davis survey found a quarter of those people who habitually play video games reduced their time in front of the television by more than 10 per cent in the past 12 months. In the UK, BBC1's share of viewing on Christmas Day fell from 42% to 32% in a year, and ITV1's share of viewing fell from 32% to 20% last year....Analysts are attributing the shift squarely at increased sales of videogames, as well as other forms of digital entertainment. And since the consumer base inside of the gaming communities are typically young, bright, modern customers with disposable income, that represents an attractive audience to a company building brand equity among its consumers.

This trend will grow. Today, about 5% of games consoles are connected – we estimate that in the next generation, more than 40% of players will be exploring, competing and strategizing in deep online worlds.

2) More and more, diverse content in games reflects a growing demographic.

Many people don't know that the average age of a gaming customer is 28, and that only 15 percent of all games made today are 18+-rated. That percentage may grow over time as game content continues to reflect the diverse tastes of our growing audience. It's natural for the gaming industry to offer a large variety of choice for consumers, just as in books or film.

And the industry understands the responsibility we have as a major force in entertainment culture. We have, and promote, a very good, very easy to understand rating system that gives retailers, parents and players an easy way to evaluate content appropriateness for a given age group. Both retailers and parents have a role to play here, the industry can't and shouldn't do it alone.

To add to that, all next generation game consoles like the Xbox 360 or the Playstation 3 include parental controls which allow adults to turn off the games they don't want their kids to play.

Most people under 30 know that games are safe and fun. The generational shift is profound and very quickly, the number of people who understand videogames is going to overwhelm those of us in the older crowd who don't. Next generation consoles will bring more and more consumers into gaming by offering diverse content, emotionally believable characters, rich worlds, deeper online experiences and better graphics.

3) The speed of technology innovation in gaming allows for advances and improvement to consumer experience like no other entertainment medium.

Many of the most successful games are annual or bi-annual sequels like Madden, Battlefield, Grand Theft Auto 3, Dead or Alive Four or Call of Duty2. That's because in games, the developers pack each new sequel with new features -- innovative new experiences that achieve incredible technological progress in images and game play -- that make the consumer want to come back over and over again.

This isn't like the film business where the technology hasn't really advanced much in the past 100 years. Cinema has innovated from silent films to talkies and from black and white to color, with improvement in the quality of sound and light along the way. But the medium doesn't allow the type of breakthrough new experiences for the viewer the way games can.

Technology innovation and developer experience make each new iteration of a game much, much better than the one that came before it.

If you look at the latest line up of next generation games just released for the Xbox 360, you might be amazed at how far they go to offer deep, rich entertainment experiences. Consumers interact inside of detailed open-worlds that breathe life into the experience. They get the emotional build-up of racing, playing a sport, or becoming a character inside of a fiction – they feel the thrill of the experience right in the comfort of their living room. And with the expected growth in on-line gaming, these experiences will be increasingly shared with others in real time, through a connected community that brings in all kinds of opportunity to play, communicate, swap ideas, or buy and sell virtual objects.

And this is just the beginning of the innovation to come in games. With the powerful new consoles just arriving, the creative community is just getting started – in five years time we'll be delivering digital entertainment experiences that today have yet to be imagined.