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News Article

Gaming PCs for the Masses

**New, Cheaper Models Seek
To Feed Growing Popularity
Of Formerly Specialist Pastime**

By CHRISTOPHER LAWTON

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The world's largest personal-computer companies are launching new and cheaper gaming PCs, in a move to take costly high-performance features -- previously of interest to only the most avid players -- to the masses.

[Hewlett-Packard](#) Co. yesterday launched the Blackbird 002 desktop PC, its first H-P-branded foray into the PC gaming market. The Palo Alto, Calif., company says the sleek, black system will start at \$2,500. That's roughly half the cost of many high-end gaming PCs.

[Gateway](#) Inc., soon to be purchased by [Acer](#) Inc., plans to introduce a gaming PC in November called FX540 and follow up with gaming-oriented notebooks in January. And two makers introduced midrange machines in June: [Toshiba](#) Corp. launched its Satellite x205 series of gaming notebooks, starting at roughly \$2,000. And [Dell](#) Inc. launched its XPS 720 gaming desktop, which starts at roughly \$1,700.

Gaming on personal computers used to be confined to a niche of tech-savvy males and small PC manufacturers selling expensive specially made machines. With names like Falcon Northwest Computer Systems Inc., Alienware Corp. and Voodoo Computers Inc., these makers offer super-speedy systems with enhanced graphics capabilities craved by avid gamers, who are willing to shell out \$5,000 and up.

Now gaming is catching on with a new group of consumers, including women, who like games that require decent graphics circuitry to work well, but don't require breaking the bank on high-end gaming systems. Even smaller boutique PC firms such as Velocity Micro Inc. are targeting more of the mainstream gamer. Velocity sells gaming PCs priced as low as \$1,400 through [Circuit City](#) and [Best Buy](#).

The target audience includes people like Thais Walsh. Ms. Walsh, a stay-at-home mother in Mansfield, Mass., plays an online role-playing game called Guild Wars. She enjoys interacting with other people online, often when her kids are napping. But when her 2003 desktop computer from Dell wasn't working well with the game, Ms. Walsh and her husband weren't willing to pony up for the high-end systems they saw. Instead, they just replaced the graphics card and main circuit board.



The H-P "Blackbird" gaming PC starts at \$2,500, much less than many high-end machines.

"I am not spending thousands of dollars on equipment and games," says Ms. Walsh, who would consider one of the new midrange gaming PCs next time around. "We have kids. We know where our responsibilities lie."

Despite the proliferation of cheaper options, consumers can still get more expensive configurations. Dell, which in 2006 purchased game specialist Alienware, in May introduced a high-end gaming desktop PC dubbed XPS 720 H2C for \$5,389 and later this year plans to announce a notebook PC dubbed "the Beast," which is designed to show off videogame graphics.

But there's no question that the number of gaming PCs priced closer to \$2,500 is exploding. "H-P is working to broaden the availability of game play for a much bigger audience," says Phil McKinney, chief technology officer for H-P's PC unit. H-P last year announced a deal to buy gaming boutique Voodoo Computers.

Popularity of PC Games

The growing interest in gaming goes beyond that of console systems such as [Sony](#) Corp.'s PlayStation 3 or [Microsoft](#) Corp.'s Xbox 360. According to a recent study from research firm Frank N. Magid Associates Inc., more than half of Americans age 12-64 play some sort of electronic game every week, and 29% of them play games on PCs, compared with 24% who played consoles.

Sales of PC games are expected to grow to \$13 billion by 2012 from \$7 billion in 2006, according to DFC Intelligence.



More Affordable Gaming: Dell's XPS 720 gaming desktop starts at roughly \$1,700.

Analysts say one factor is an increase in games that appeal to women and girls, as opposed to the first-person shooter games that appeal mainly to males and have been a staple of the business. They include some varieties of massive multiplayer online games, or MMOGs, such as World of Warcraft, Lineage and Runescape. A 2006 study from Parks Associates found that 21% of MMOG gamers were females aged 18 to 34, approaching the 26% of gamers that were similarly aged males.

Some female users also like software that simulates real life, like The Sims and Second Life, or casual offerings such as word and puzzle games. Many of these programs look best on a PC with good graphics, but don't require the costly souped-up machines that avid gamers prefer for shooter-style games.

"Somewhere between the mass market and the hard core, I do think there should be a middle tier who is interested in better performance, but will never have either the resources or mind-set to pay for a \$5,000 gaming PC," says Michael Cai, an analyst at Parks Associates.

Nadeem Almoayyed, a college student in Philadelphia, bought an H-P Pavilion notebook in June for just \$1,350. Mr. Almoayyed, an avid PC gamer, says he was looking for something to play World of Warcraft, but he didn't want to pay more than \$1,500.

Prior to purchasing the H-P laptop, he had owned an Alienware laptop, for which he paid around \$3,000 two years ago. Mr. Almoayyed says that back then he didn't have much experience with the laptop market and didn't know he could get a good gaming laptop cheaper. Today, he says he has been surprised at the kinds of games his H-P notebook can play.

"I am using this laptop and it honestly plays games better than Alienware and it's a lot cheaper," says Mr. Almoayyed, 21. He adds, "I think people get caught up with the hype as far as gaming PCs go."

Growing Market

Overall, world-wide sales of gaming PCs are expected to grow 39% to 2.7 million units this year, according to Endpoint Technologies Associates Inc. That's far faster than the 10% growth of overall PC sales last year, according to IDC. What's more, the margins from gaming PCs are far higher than those of regular PCs, which retail for an average \$731.51, according to the latest figures from Current Analysis West. Analysts say in particular, gaming notebook PCs will be in high demand, mimicking the larger PC industry.

The big PC companies have stumbled in the gaming space before. H-P launched a gaming PC called the Compaq X in 2004, but some reviewers said the product lacked necessary components and the design pizzazz of other gaming PCs.

This time they say they are taking care to build their PCs the way gamers like them. H-P says its Blackbird makes it easy to update the machine with new graphics cards and faster microprocessor chips as they become available.

Gateway says it configures the chip in its gaming PCs to run faster than its normal frequency. That process, called "overclocking," is favored by hard-core gamers because it can improve performance on sophisticated, fast-moving games. But it's usually a do-it-yourself technique by gamers that can void the computer's warranty. With newer computers that are set at faster speeds in the factory, Gateway offers a factory warranty.

Also, where most PCs are cooled by fans, Dell's XPS H2C gaming rig comes with a built-in liquid cooling system, the kind of extra that gamers usually install when overclocking their systems.

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