STEP UP AND PLAY

Atari, like so many other home computer companies, started out as the brainchild of one individual. When Nolan Bushnell attached a microprocessor controller to his television set and invented the game Pong (which was, as its name suggests, roughly one half of a game of ping pong), he could have had no idea of the consequences.

Nolan Bushnell's simple method of placing control over what appeared on the screen in the hands of those watching it, was to transform the popular idea of leisure and capture the imaginations (not to mention the pocket money) of millions of youngsters.

Bushnell and his two partners, Ted Dabney and Larry Bryan, each put in a stake of £100 to launch Pong. The game made its first appearance in Sunnyvale, California in 1972 and soon showed signs of becoming a profit-generating sensation. Atari's domination of the home video game market dates from an astute decision made soon after, to buy the rights for Bushnell's invention.

Atari maintained its market lead for most of the 1970s, until public taste moved on from arcade game machines to home micros. Marketing games is like marketing records: you must spot the potential pop stars and promote them. It is apt, therefore, that Atari should be owned by the international conglomerate Warner Communications International, best known for its film and record industry interests. And although Atari's coin-operated arcade business brought in bumper profits in the late 1970s, takings dropped off by about 25 per cent in 1983 and involved the parent company in huge losses.

Taito's Space Invaders game, skilfully marketed by Atari, is the best known of all computer games. It became a social phenomenon and spawned a whole universe of intergalactic zapping games. Atari was at the centre of the arcade games boom of the late 1970s. The company's hits just kept coming: Asteroids, Battlezone, Centipede, Lunar Lander, Missile Command, and The Tempest.

But the arcade boom dropped off just as dramatically as it had begun. Customers turned to home computers because they offered two major advantages. You could play the same games on them as you could in the arcades, but in this case free of charge; and you had a very flexible computing machine, as well.

At first Atari responded to this change in market demand by converting its best arcade software into home computer games. These used solid-state cartridges that plugged into the back of a home computer unit, and either added to or supplanted the computer's own ROM. Although this proved to be an effective way of buying a computer game, as it did not demand that the player load the game program into memory from cassette or disk, the solid-state components meant that cartridges were very expensive. And because these cartridges were not reprogrammable (the programs were physically etched into the circuits), the company was often left with piles of electronic scrap from those games that proved to be unpopular.

DECLINING FORTUNES

Atari's marketing judgement soon showed signs of weakening. The company based the sales projections for some of its games cartridges on those of the phenomenally successful PacMan game, and eventually paid the price for this miscalculation. An inventory was made of the unsaleable cartridges, all priced between $8 and $25, and 14 truckloads of these were consigned to a large hole in the Nevada desert.

COURTESY OF ATARI

Nolan Bushnell
Atari's fortunes are based on the endeavours of one man — Nolan Bushnell. When Bushnell created Pong (the first computer game) in 1971, it is doubtful if he knew the nature of the Pandora's Box that he was opening

Atari also failed to capitalise on a unique product feature of computer games: computer code does not need to be converted into a physical entity to be effectively distributed. It can be transmitted over the telephone or by cable, or broadcast on radio or television. New techniques and products to permit these forms of transmission are becoming increasingly available. In 1983, for example, the Romox Corporation in the US unveiled a machine that they called the Romox Programming Terminal. This was a 15 Megabyte hard disk machine that could