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Editorials

Reroll: Harmonix, Amplitude, and the end of our honeymoon with Kickstarter

© Posted on May 5, 2014 by Nick Cummings

A MPIPUDE

\$53,200
pledged of \$775,000 goal

18
days to go

Back This Project
\$1 minimum pledge

This project will only be funded if at least
\$775,000 is pledged by Fri, May 23 2014
2:00 PM PDT.

Project by
Harmonix Music
\$ystems
Cambridge, MA

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This morning I awoke to the sort of email that would've made my entire week if I'd received it a couple years earlier. The subject line:

Harmonix Launches Amplitude Kickstarter

Some of you might be wondering what the big deal is. Wasn't *Amplitude* released a decade ago? Doesn't Harmonix own the rights to its own game? And why should I care?

Why Amplitude?

Most of you probably already know this, but I'm absolutely fiendish when it comes to music and rhythm games. There was a time when I wasn't just good at *Guitar Hero* but actually entering competitions and winning prizes and — er, you know what? Let's not worry about that. What's important is that no company has had half the impact on the shape and development of the genre like Harmonix Music Systems.

I first stumbled upon the company with a demo of its first PlayStation 2 music-action game, *Frequency*, and made a point of following its games from that point forward. *Frequency* introduced the concept of multiple track lanes to represent each instrument in a mix and challenged players to both master reproducing complex rhythms while also improvising on top of tracks for the highest score. In keeping with the company's mantra at the time — "innovate, then perfect" – *Amplitude* followed shortly afterward with a heavier rock soundtrack and a good number of improvements to the core formula. It played very well, offered a solid challenge and boasted some of the most unexpectedly robust competitive infrastructure of its time with online play and remixing functionality. It shouldn't come as a surprise that the game developed a cult following.

I suspect there's always been a demand for a reboot or sequel, even when Harmonix was in its halcyon days of massive growth and success thanks to the popularity of the *Guitar Hero* and *Rock Band* series. And while there have been a few side-projects featuring similar gameplay mechanics — PlayStation Portable's *Rock Band Unplugged* and *Rock Band Blitz* on Xbox Live and PlayStation Network — there's never been a true return to the online competition and remixing features that made *Amplitude* and *Frequency* so special.

Now Harmonix is officially trying to bring *Amplitude* back with a much-needed modernization. That's great news; *Amplitude*'s a wonderful game that never really got the audience it deserved, and it sounds like Harmonix wants to give the game the proper treatment in updating it by improving the audio and visual fidelity in addition to licensing out a new soundtrack.

But something about this situation just didn't sit right with me, and I wanted to figure out why.

Kickstarter: Making Corporate Dreams Come True

Harmonix is no stranger to the boom-and-bust nature of game development. Its origins were relatively inauspicious, and it wasn't until 2005 that it had a real hit on its hands with *Guitar Hero*. With the first two games in that series under its belt, Harmonix had established itself not only as a highly competent game developer but a hit-maker as well.

In fact, Harmonix has an incredibly consistent track record of debuting new franchises to critical acclaim and then improving them substantially with each iteration. Looking at the Metacritic metascore for four of its biggest series:

- 1. Frequency: 83
- 2. Amplitude: 86
- 3. Guitar Hero: 91
- 4. Guitar Hero II: 92
- 5. Guitar Hero II (Xbox 360): 92
- 6. Rock Band: 92
- 7. Rock Band 2: 92
- 8. The Beatles: Rock Band: 89
- 9. Rock Band 3: 93
- 10. Dance Central: 82
- 11. Dance Central 2: 86
- 12. Dance Central 3: 86

Average Metascore: 88.67

It's almost unheard of for a company to consistently have such critical acclaim, especially across four flagship series over the span of more than a decade. But what's even more impressive is that, for almost a decade, the company has managed to sell millions of copies of its games year over year. The *Dance Central* series, which is only available on Xbox 360 and requires a Kinect to play, has sold more than five million copies. And the *Rock Band* series sold more than \$1 billion at North American retail alone before *Rock Band 3* was even released — not to mention the tens of millions of song downloads from people building out their own music libraries.

Of course, it hasn't all been good news. *Rock Band 3* sales figures are imprecise, but it's generally accepted that the series peaked in terms of sales back in 2008 — before *The Beatles: Rock Band* and *Rock Band 3* hit markets. Accordingly, Harmonix has suffered consistent layoffs year over year.

So we have a studio that's consistently reviewed very well and, on average, sold very well. Why does it need a Kickstarter to revamp one of its oldest games?

Ownership

Because making games is expensive. Because Harmonix has at least two other large projects currently in production. And, most likely, because it doesn't own the IP — Sony does.

That explains why this *Amplitude* Kickstarter campaign only promises the game for PlayStation 3 and 4. But let's take a step back for a second and ask: why turn to Kickstarter at all?

Harmonix is asking for \$775,000 to fund the development and release of an updated *Amplitude*. That might look like a lot of money, but let's remember that this is a company that gave birth to several *billion*-dollar game franchises within the last decade. What changed?

It's hard to say, especially now that Harmonix has become an independent entity, but the crash of the plastic-instrument market hit the company and then-parent Viacom very hard. Still, that's all old news by now; years have passed, and bolstered by the success of *Dance Central*, Harmonix is currently developing several highly anticipated games, including a Disney-licensed music game called *Fantasia*: *Music Evolved*.

It was at this point that I started wondering what Sony's role in all of this was. Though it may not have recognized it historically, Sony's sitting on a crucial piece of Harmonix's DNA with its ownership of the *Frequency/Amplitude* intellectual property. Now that Harmonix has gone from talented, esoteric critic-pleaser to three-time blockbuster franchise-maker, shouldn't there be a flicker of recognition among Sony's product and marketing managers that there's money to be made in helping bring *Amplitude* back in a big way?

We'll never know the terms of the deal that was struck. It stands to reason that Sony has some degree of interest in seeing the release of another *Amplitude* on its platform, but whether that's an enthusiastic "yes" bundled with funding and development support or just an ambivalent "knock yourself out" is impossible to know.

I'll admit my ignorance when it comes to budgeting at a big-time game development studio. But

\$775,000 seems like a lot of money to reskin, rebuild and relicense content for a game that's already polished and tested by time — a game that probably won't take more than nine months to ship, according to the estimates on the Kickstarter page. The development team will likely be a small one with *Fantasia* and upcoming free-to-play shooter *Chroma* currently in production, so there probably aren't a lot of salaries tied up in that figure.

Considering all of the above, my hunch is that Harmonix isn't getting a lot of support from Sony, and there probably isn't a ton of confidence internally that the third time will finally be the charm with this series. That's where the fans come in.

Hopefully.

The Disillusionment of the Crowdfunder

Kickstarter's no stranger to funding games. Whether it's a big-name studio like **Double Fine** or a **scrappy team of enthusiasts**, dozens of games have seen the light of day thanks to direct funding from the people who care about these games and their makers. However, the landscape is constantly changing, and people's perceptions of what crowdfunding actually is are evolving.

Take the example of Oculus VR selling to Facebook for \$2 billion in cash and equity just a couple years after Oculus first came into being thanks to a wildly successful Kickstarter campaign. \$2.5 million is a lot of money, but it's nothing compared to a reported additional \$100 million from venture capital funding; still, fans didn't seem to care that their investment amounted to only one-fortieth of Oculus' pre-acquisition funding. It was only after a formal acquisition was announced at twenty times that amount that fans and backers — including some vocal and visible ones like Markus "Notch" Persson — began to lament the fate of what they'd seen as a vanguard of independent ingenuity.

What happened? The blindfold was removed, and reality hit many of us that Kickstarter — for all the warm fuzzies it gave us and all the games it made possible by enabling developers to circumvent the oligarchy of the game publishers — was not an investment platform. It's not even an ownership platform. You kick in money as a "backer" (not an "investor" – the nomenclature matters quite a bit) and, if you qualify for a reward tier based on the amount given, you're guaranteed whatever reward the host of the campaign promises. That's it. You get no stake in the project or its owner unless it's explicitly promised.

I think this was a hard lesson for a lot of people to swallow because there's a lot of good faith in the

gaming community. People really, really wanted to see a sequel to seminal RPG *Wasteland*, and in spite of all the powers in the universe conspiring against it, it actually happened. There's power in appealing directly to your fans, and with any luck that power won't be wrested from the people anytime soon. But it's a power with limits.

So Kickstarter is effectively a goodwill machine — a way for people to vote with their dollars and give other people's dreams a chance to become reality. That's still an admirable thing. But is that actually an accurate assessment of how it's being used?

On the right you'll see the first three tiers of backer rewards for

Harmonix's *Amplitude* campaign. In short, this breaks down as follows:

- \$10 gets your name in the credits no
 copy of the game included 8 backers
- \$15 gets you a copy of the game and your name in the credits
 (limited to the first 1000 backers) 1000 backers
- \$20 gets you a copy of thegame *and* your name in the credits **565**backers

If Kickstarter's a machine for goodwill, why is almost nobody pitching in at the \$10 tier?

These numbers are admittedly a bit skewed because the campaign just began recently and that \$15 early-bird tier that included both a copy of the game and your name in the credits probably went very quickly. But when you compare even the \$10- and \$20-level rewards, you can see a huge discrepancy. Very, very few people are contributing just to help the game see the light of day; instead, the vast majority of people are effectively using Kickstarter simply as a platform to preorder the game.

"Preorder" is a gross word. It conjures up images of shady sales pitches from GameStop and Best Buy employees hoping to meet their promotional and tie-in quotas. And therein lies the problem: Kickstarter was meant to be a way

Pledge \$10 or more



THANKS - A hearty thank you from Harmonix and your name as a backer in the game credits! (Latest tier information in the body of the page to the left <----)

Estimated delivery: Mar 2015

Pledge \$15 or more



EARLY BACKER PRICE - Get a
Cross-Buy code of the full game for
PlayStation®4/PlayStation®3 at
launch! Limited to the first 1,000
backers through the door! Includes
getting your name in the game
credits! (Latest tier information in the
body of the page to the left <----)

Estimated delivery: Mar 2015

Pledge \$20 or more



GET THE GAME - Get a Cross-Buy code of the full game for PlayStation®4/PlayStation®3 at launch! Includes getting your name in the game credits! (Latest tier information in the body of the page to the left <----)

Estimated delivery: Mar 2015

for consumers to gain some autonomy and voting power back that was given up when so many of

us were giving our money to big-box stores, yet ironically we've wound up back at almost the exact same point. Big-name studios are selling early copies of their games directly to consumers, collecting their money before even offering up so much as early screenshots or footage of their games, while consumers lose out on the protections that come from purchasing through a middleman.

I'm not saying the GameStop/Best Buy/Amazon model is better for consumers. In many ways, it's certainly worse. But I do think many of us are in for a rude awakening about what crowdfunding ultimately boils down to and how anti-consumer it can actually become in practice.

Look at it this way: to a music-game fan, a reboot of *Amplitude* is a tantalizing prospect. But the genius of this trick is that the developer is placing any hope of its success on the consumers. "Show us that you guys care enough to help us make this happen," they're effectively saying, "or this game you and we both know is gonna be *so kickin' rad* will never see the light of day." This lifts the onus to deliver from the actual creator of the game and places the responsibility squarely on the shoulders of the fans. And perhaps it's because gamers have often felt like defenders of a misunderstood and underappreciated medium, but many, many games have been successfully funded — and often overfunded — thanks to this power dynamic.

I don't mean to single Harmonix out here. This quid-pro-quo deal goes with the territory, and almost every game's Kickstarter campaign has hinged on this do-or-die perception. But the end result is a games market where gamers have to pay up-front for games they'd love to see come to market without any guarantee that it'll be a high-quality product they'll actually enjoy. If we don't pay, the developer's just going to take their toys and go home.

So what's the real problem here? It's not Kickstarter. It's not Harmonix. It's not developers seeking crowdfunding to make their dreams happen, especially when it truly is the best or only way to make those plans come to fruition. The problem is backers — and gamers especially — not taking the time to assess the situation and understand the risks and rewards that come from crowdfunding. It's not the same as dropping a preorder for a nearly finished game at a store or on Steam; it's more like a donation with a guarantee that you'll receive *something*.

Win-Win-Win

What I want to see is a situation where developers, gamers and patrons all win. Here's how I think we get there:

- 1. **Developers** make a greater effort to deliver a compelling pitch up-front. Whether that's a playable demo or some really compelling trailer footage is up to them.
- 2. **Potential backers** do more to research the situation and engage in a dialogue with the organizers of the campaign before and during its run. What rewards actually make sense? What concerns do backers have before funding takes place? What needs to be demonstrated to ensure confidence?
- 3. **Kickstarter**, **Indiegogo**, **Gofundme** and other crowdfunding sources need to develop better tools to encourage a productive back-and-forth discourse between fundraisers and potential donors. Better communication means better expectation-setting for both parties, and it should lead to more satisfied backers pitching in more money for the things they truly believe in. It's pro-consumer, but it also means campaign organizers stand a better chance of avoiding unexpected criticism or problems down the line once a campaign is being conducted.
- 4. **New platforms** need to arise for backers who want to do more than just donate money. There will always be people who identify with a mission so much that they want to invest, but there's currently no good way for the average consumer to do that with a private company especially over the internet. I see a place for a healthy donation-based crowdfunding ecosystem in addition to a separate platform for investing in the success of new companies and products.
- 5. **Gamers** need to recognize that any transaction is an agreement between parties. Each party gives something up to the other for a perceived mutual benefit. We need to educate ourselves about the terms of the agreements we're participating in and determine whether those terms are satisfactory. More than anything, we need to stop pretending that we're "saving" the games industry by funding games we want to see, no matter the terms or the cost. It's one thing to help launch a company or a product with a mission you believe in; it's another thing entirely to give an established, triple-A developer twenty bucks interest-free to play with as it chooses for a year.

Democratization of product creation is one of the coolest things that's sprung out of the internet. It's ultimately a wonderful thing for consumers and for people who want to get their business plans off the ground. But there's still a lot of work that needs to be done to iterate on current formulae and expectations before we arrive at an ecosystem that's truly symbiotic for creators and contributors alike.