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Video game consoles. How is the XBOX positioned versus PlayStation3?

The Players:	Microsoft and Sony
The Soldiers:	Microsoft's XBOX360 and Sony's Playstation3 (PS3)
The Bounty:	A global market predicted by PriceWaterhouseCoopers to be worth \$A73 Billion by 2008
The Chronicler:	Mike Clarke *

Notes based on presentation by David McLean, Regional Director Microsoft Home Entertainment at Slattery IT's *Rewind Fast Forward* conference, Sydney, 15 September 2005



Microsoft has moved on from its initial dream of "a PC in every home". The focus now is on **convergence**.

Microsoft is mindful that consumers sometimes want "divergence" with what they want to experience.

Microsoft's focus is a "**media centre**" which does not sit in the living room, but where the PC sits. It will have wireless connectivity and stream into living room devices, an XBOX or mobiles phones around the home. The goal of the XBOX360 is to "create a consumer experience around the home", powered by Microsoft's software.

Streaming content to an XBOX via remote control is "the most pervasive thing people will support".

Microsoft does not envisage keyboards and mouses in the living room. Windows Vista (the new Microsoft Operating System) will have support for transferring content around the home. Windows XP can interact with the XBOX360.

The XBOX360 will allow you to **share content** with others eg photos and TV shows.

Another focus of Microsoft is to **manage content** online.



The Xbox 360.



Notes based on presentation by Michael Ephraim, Managing Director Sony Computer Entertainment Australia at Slattery IT's *Rewind Fast Forward* conference, Sydney, 15 September 2005

Sony is a broad group that has interests in the production and distribution of music, movies and electronic devices. The goal of the PlayStation was always to evolve this content and bring it all together. PS3 does this more than ever.

Sony claims the PSP (PlayStation Portable) is the first true convergent "**portable entertainment centre**". The memory stick feature is one of the "more exciting" elements of the device. There is also a digital pictures / game sharing function allowing people to share content. There will also be internet surfing through PSP hotspots. At Sony they think of the PSP as the "PS2.5".

The key for these devices is "plug and play". The PS3 will have 2 HDTV outputs, broadband connectivity, an upgradeable hard drive. The other functions are not clear but the intention is for it to be a **digital hub**.

The PSP will connect to a wireless hub on the PS3. The possibilities and uses for this are endless.

With **100 million PlayStation consoles** and **95 million PS2's** already in homes globally, Sony see that as a "trojan horse". This is compared to the mounting i-Pod craze, which "only" has **40 million units** globally.

Sony claims 190 million consoles is a great base to introduce people to **convergence** with Sony.

95 Million of these PS2's exist worldwide as Sony's existing "Trojan Horse"



* Mike Clarke is a Lawyer with Dilanchian, prior to which he worked in the video game industry with Nintendo.