

Atari & Commodore Fuck-ups

**What killed these major companies
in the video games / computer business?**

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Motivation

- I enjoy coding for old hardware like the Atari 2600 or the Commodore C64
- During a chat at the Vintage Computer Festival Berlin, some failures of Commodore came up
- Shortly after that, I realised it would be **FUN** to talk about this here...
- ...and while we're on it, also throw in the main competitor Atari as well

Atari #1: RF Modulator

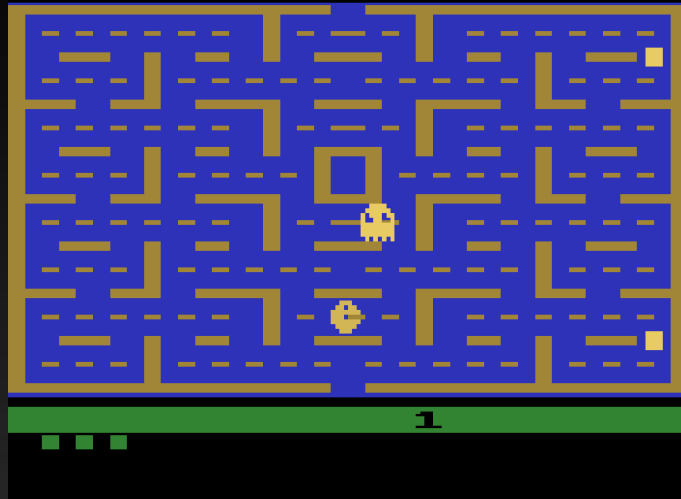
- "Back then" the TV was the only hardware in an average household to be of use as a monitor for a game console
- There was no video-in connector, only antenna
- So a converter video signal → TV antenna signal is needed: the RF modulator

Atari #1: RF Modulator

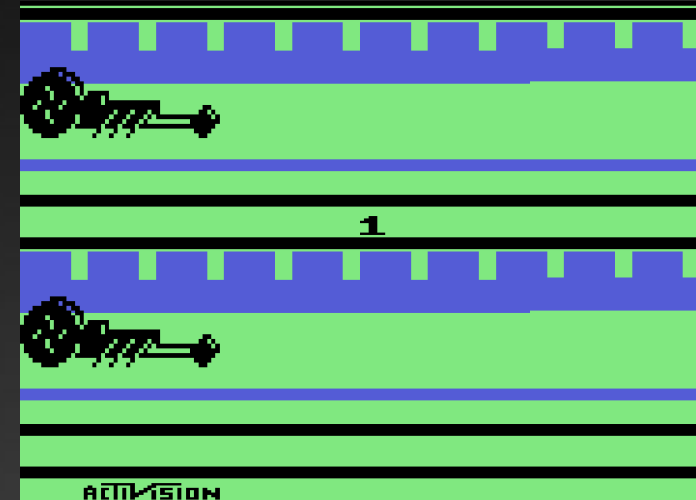
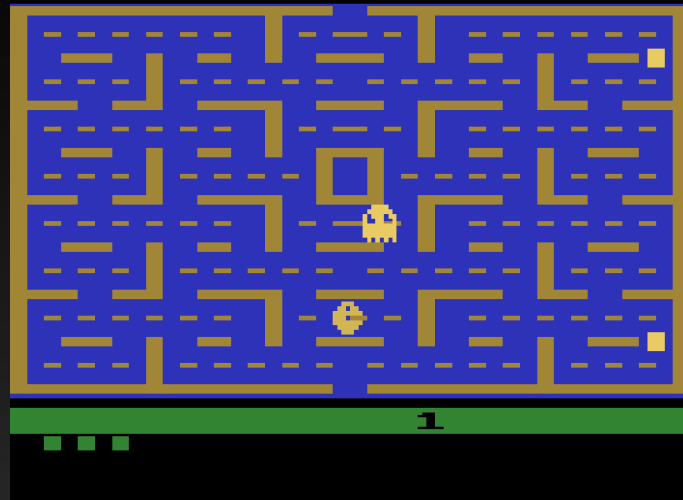
- At the time the Atari 2600 VCS was created, there were only five companies that built such a device
- Nolan Bushnell as head of Atari made an exclusive contract with each of those
- So Atari was the only one with access to this key component
- When Atari was sold to Warner Communications in 1976, four of these contracts were cancelled

FAIL

Atari #2: Video Game Crash



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Atari #2: Video Game Crash

- Activision was founded by David Crane, Larry Kaplan, Alan Miller, and Bob Whitehead
- They developed the software of half of the game cartridges Atari sold (think millions here), but were only paid a salary, nothing (think 0) on top
- They asked for a deal comparable to musicians
- Ray Kassar, Atari CEO in 1979 called them "towel designers" and stated that "anyone can do a cartridge.": "You are no more important than the guy who puts the cartridge in the box."

Atari #2: Video Game Crash

- After Atari lost a lawsuit against Activision about third party game development, new video game companies sprouted like mushrooms
- But while every Activision game was good, a lot of the other games were bad and rushed
- But they were cheaper, this lead to a downward spiral, because the games bought from bankrupt companies could be sold for even less
- If Atari had only paid their developers fairly...

FAIL

Atari #3: A Generous Offer

- A Japanese company approached Atari
- They had done some arcade games and wanted to get into the home video game business
- The Japanese release went rather well
- For the USA they wanted Atari to distribute the console under the Atari brand
- Atari declined: we can do it better on our own
- So the Japanese decided to sell the console themselves

Atari #3: Nintendo's Offer

FAIL



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Commodore #1: The 264 Series

- Originally developed as a successor to the VIC-20
- A machine that caught up with the C64 on some topics, but still was in more ways inferior than superior
- The Plus/4 had a wordprocessor and a spreadsheet built in: good idea, very bad implementation (bad as in Titanic)
- Marketing needed something as a C64 successor, they took the 264

Commodore #1: The 264 Series

FAIL



Image by Foofy taken from Wikipedia

Commodore #2: Amiga 600

- Originally developed as Amiga 300
- A low end addition, almost same as Amiga 500
- Adding PCMCIA, harddisk option
- Removing expansion busses
- Sold as the successor to the Amiga 500/500+
- The Amiga 600 was released on March 1992
- The true successor to the Amiga 500, the Amiga 1200, was released in October 1992

Commodore #2: Amiga 600

FAIL



Image by old-computers.com, used with permission

Commodore #3: LCD

- Not C64 compatible, 40x16 characters LCD
- Battery driven
- 32k RAM (not a hard limit)
- 65C102 (expansion 65C816 was considered)
- A lot of (usable) software in ROM
 - Word processor, spreadsheet, terminal software
- 19200 serial line and modem (!!!)
- Product for support / business use

Commodore #3: LCD



Image by old-computers.com, used with permission

Commodore #3: LCD

"The LCD project had orders for over 15,000 units in place before it was cancelled. Apparently the Commodore executive who was responsible for this product (Marshall Smith) was convinced during a conversation with a Tandy (Radio Shack) executive that there was no future in LCD notebook computers. Tandy, of course, went on to sell huge numbers of the model 100,102 and 200 LCD notebook computers!"

– Bil Herd, ex Commodore Engineer

Commodore #3: LCD



Tandy TRS-80 Model 200 - image by digibarn.com, Creative Commons: by-sa-nc

Conclusion

Atari and Commodore were killed by guys in suits who think that they know business, but don't know shit about designing hardware and/or software.

(...just my opinion...)