

THE PS3 ECONOMY

Sony's much-anticipated PlayStation 3 hits stores on November 17. Its success or failure will have a profound impact not only on Sony but also on its complicated network of partners and rivals.

READER RIFF

“Sony is in a very sensitive position right now. If the PS3 flops—and from what I hear within my own network, there aren't many buyers—then we may see Sony slimmed down to nothing.” —SEAN COMEAUX

STANFORD UNIVERSITY'S

Folding@Home project will link together PS3s in a massive network. The goal is to use that computing firepower to simulate how protein molecules form, which could lead to advances in cures for diseases such as Alzheimer's, Parkinson's, and ALS.

IBM is a codeveloper of the heart of the PS3, the Cell microprocessor. Raves for the PS3's performance would bolster its new line of servers, which will use the same chip. They'd also generate buzz for what IBM touts as the world's fastest supercomputer, nicknamed "Roadrunner," being built for the Los Alamos National Laboratory. IBM has hedged its bets, though: It also makes the chips powering Microsoft's Xbox 360 and Nintendo's new Wii gaming system.

CELL MICROPROCESSOR

NINTENDO WII

TOSHIBA Another codeveloper of the Cell microprocessor, Toshiba plans to use it in its HDTVs. Again, buzz for the chip in the PS3 could pump up its TV sales, but perhaps at the expense of its next-generation DVD players, since Toshiba backs HD-DVD, and not the rival format, Blu-ray, backed by Sony.

KEY — WHAT THE LINKS MEAN

Wants the PlayStation 3 to ...

SUCCEED BOTH FAIL

BLU-RAY

PLAYSTATION 3

MIDWAY

HD-DVD

UBISOFT

IN-GAME ADVERTISING

DAIMLER-CHRYSLER

DOUBLE FUSION

MASSIVE

GAMES Midway and Ubisoft are the two most prominent game producers not owned by Sony that are releasing PS3 games. Following the industry trend, both are trying to recoup higher production costs for *Stranglehold* (Midway) and *Rainbow Six Vegas* (Ubisoft) with in-game advertising. So in-game ad firms stand to benefit—but Double Fusion, which is independent, may outflank its competitor Massive, which is owned by Sony rival Microsoft. Also look for DaimlerChrysler's prominent placement of its Dodge Nitro in *Rainbow Six*.

SONY has tethered all aspects of its business to the PS3. Its online network will not only connect gamers to one another but will let Sony deliver content from its movie and music divisions. Its electronics division hopes to win new HDTV sales—since only an HDTV will showcase the PS3's hi-def capabilities.

BLU-RAY The next-generation DVD format backed by Sony is embedded in the PS3. If PS3 takes off as an entertainment platform and not just a gaming system, Sony rivals Apple, Disney, LG, Panasonic, Philips, and Samsung—all Blu-ray backers—benefit. But would they gain more if the PS3 is a dud, crippling Sony?

By Michael A. Prospero
Illustration by
Headcase Design