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THQ (HTT...

# How THQ Went From Bad to Very Bad (<http://kotaku.com/5881479/how-thq-went-from-bad-to-very-bad>)

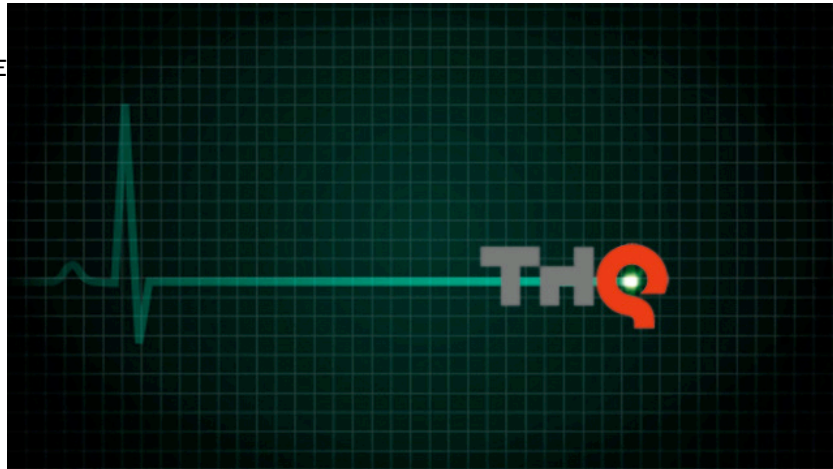
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In 2007, shares in publisher THQ were going for over \$30 a piece. Today, in 2012, they're going for around \$0.70. Studios are rumoured to be on the chopping block. Over 200 employees are being let go. And the company's boss has taken a 50% pay cut.

How'd it all go so wrong?

Easy. THQ has been one of the most poorly-managed publishers in recent memory (<http://kotaku.com/5879436/dont-blame-udraw-blame-yourselves-ranked-staff-tells-thq-executives?tag=thq>). What was once a troubled second-tier publisher (in 2008 it closed five studios and sold a few more off) got it in its head a few years ago that it wanted/needed to compete with the big boys,



the EAs and Activisions of the world, and figured the best way to do that would be to spend money.

A lot of money. Blockbuster money, the kind of money it couldn't back up with blockbuster games.

So, naturally, things went wrong.

Things like this:

**Blood Sports.** THQ has a lot of money tied up in the licensing and development of games based on professional wrestling and UFC mixed martial arts. So much so that the licenses for both the WWE (http://kotaku.com/5432570/settlement-gives-thq-the-wwe-license-until-2018) and UFC cost almost as much (with the UFC deal's dollar terms unknown, maybe *more*) than THQ is currently worth. The former games are...OK, the latter pretty damn good. But they've over-invested in a market that's always going to be a niche one, meaning the chances to make a ton of money, ala EA Sports, were always slim.

**No Kids Allowed.** THQ were once masters of the licensed kids games, thanks to their deal with Disney. And THQ used to make a *lot* of money from kids games. THQ doesn't make Disney games any more, though, and in fact doesn't make kids games at all, having closed down its last remaining family developers last year. It's a black hole in the company's finances it's been unable to fill.

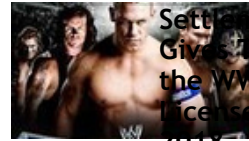
**Red Faction.** A few years ago, THQ brought back the Red Faction franchise with Guerilla, an open world game with a robust physics engine. It had its problems, but it sold well, reviewed well and had a lot of promise for a sequel. That sequel, Armageddon, proceeded to improve nothing, and indeed in many ways removed the best bits of Guerilla. It was so poorly received that it contributed to the premature shelving of the entire franchise, only a couple of years after it had seemed on the cusp of bigger things.

**Red Faction, Part Deux.** Oh, but it wasn't just the games world where THQ blew it with Red Faction. It also thought it would be a good idea to make a TV show about it. Not one based on the awesome

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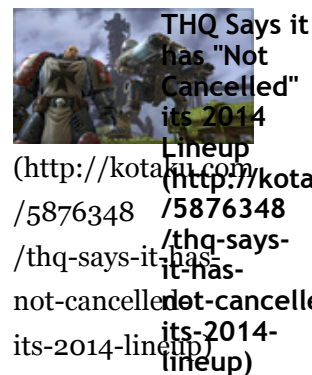
Guerrilla, though. It made one based on the awful Armageddon. The show was equally awful, which is why you probably never saw it, or had even remembered it existed until now. Sorry. Way to blow a franchise's chances at multimedia cross-over, THQ!

**Homefront.** A disaster. THQ marketed this game as a serious contender to the military shooters coming out of Activision and EA. The thing is, Activision's shooters are made by Infinity Ward and Treyarch. EA's are made by studios like DICE. THQ's shooter was made by...the guys behind Frontlines. Homefront did a few neat things, especially in multiplayer, but it was a short, linear, boring and occasionally stupid/insulting game. The gulf between the amount of marketing behind the game and its eventual quality perhaps best sums up THQ's problems of late; namely, you can't just throw money at bad games and hope that'll make them better.

**uDraw.** A bizarre, and if accounts are to be believed (<http://kotaku.com/5879436/dont-blame-udraw-blame-yourself-ranked-staff-tells-thq-executives?tag=thq>), devastating business decision. Nobody ever asked for a tablet drawing device on modern consoles. And nobody ever bought one. The fact this thing even made it off the drawing board, let alone got to the stage where it was costing millions of dollars, is baffling.

**Warhammer.** Another example of THQ not really understanding a license, or its market potential. Warhammer 40K is a storied franchise, one that's very popular in Europe, but it's not so big in the US, limiting its global appeal. To have stuck Relic - one of the world's premier developers - on the license for so long is like grinding metal. The Dawn of War games, and even the latest Space Marine title, were always going to hit a glass ceiling because of that license.

Because of these and other missteps, the recent history of THQ reads like a stab victim slowly bleeding to death. Since recording massive earnings in 2006-07 on the back of licensed kids games, THQ has closed five internal studios (2008), sold another (Big Huge Games, 2009), sacked developers in both the US and UK (2010), cancelled an online WWE game and closed its Korean outpost (2010), sold its mobile business (2011), closed two more studios (Homefront developers Kaos and THQ Warrington), killed the Red Faction franchise (2011), closing two more internal studios (Blue Tongue and THQ



(<http://kotaku.com/5876348/thq-says-it-has-not-cancelled-its-2014-lineup>)  
Over the weekend, a giant

(Australia, 2011) and killed its MX vs ATV franchise (2011). This year, its sacked 240 employees and been threatened with expulsion from the Nasdaq stock exchange, and also faced accusations it cancelled its entire 2014 lineup (<http://kotaku.com/5876348/thq-says-it-has-not-cancelled-its-2014-lineup>), along with the cancellation of the long-in-development Warhammer 40K MMO.

rumour popped up claiming that major publisher THQ was effectively done... Read... (<http://kotaku.com/5876348/thq-says-it-has-not-cancelled-its-2014-lineup>)

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So, what's the problem? Why all the closures? It keeps coming back to the argument that it's all management's fault. Many of the studios above made good games that sold pretty well! Yet there's a delusion on the part of THQ, and you see it everywhere from its marketing spend to the size of its booths at trade shows to the licenses it spends millions on, that its games are *awesome*, and that they sell *millions*. Which they don't.

In other words, THQ's management is writing cheques its games can't cash.

On the bright side, it's not all doom and gloom for the company. Saints Row the Third was well-received last year. Relic's games continue to be excellent, even if they're not selling as well as they could be. The hiring of Prince of Persia and Assassin's Creed mastermind Patrice Desilets was a coup (though, again, giving him his own giant studio must have cost a *mint*), as was inking a deal with iconic developer Tomonobu Itagaki to develop his action title Devil's Third. And getting a developer with a proven track record in first-person games, Crytek, to develop a Homefront sequel was the kind of idea THQ needed to have for the first game.

But is that stuff too little? Or, in the case of Desilets and Devil's Third, too late? You could argue that we should all hope it isn't, but then, with the way THQ has been managed (and the way it's been wasting money) in recent years you could also say it might be better for developers like Relic, Volition and Desilet's new Canadian team to be working under someone else's banners.

1 ▾ L Discuss

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BlueBeard (<http://blue...>)

1 L



chozo\_hybrid (<http://c...>)

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of 20 discussions

(1)

I bought WH40K Space marine, and I really like it. I have no problem with online passes at all... except that this one entitles you to a whopping three multiplayer maps. I got the game sealed for \$25.50, I'm not complaining about the price, but if I did get it used I would never consider for a second paying for multiplayer. MW3 has 16 maps already wearing thin; to launch a multiplayer shooter with 3 maps is unforgivable. On top of that, the \$10 DLC only adds 2 more, and a pretty unnecessary game mode. This game should be dropping free maps constantly until they reach a respectable number. Also, I feel the load time for matches is too long.

I still enjoy the game, I'm glad I bought it and the single player is a lot of fun, but there is no way I can enjoy 3 maps for very long. I actually hope they release another one with a better multiplayer system. I'd also like to see a wh40k mmo happen. It just feels like the right sci-fi world for an MMO; You get guns, but you can still be an orc

. 2/02/12 12:20pm (<http://kotaku.com/5881479/how-thq-went-from-bad-to-very-bad?comment=46>)



**chozo\_hybrid** (<http://c...>)

1 | L

Space Marine started with 5 maps and got 3 new ones each dlc, as well as some free game modes

. 2/02/12 3:33pm (<http://kotaku.com/5881479/how-thq-went-from-bad-to-very-bad?comment=466>)



**BlueBeard** (<http://blue...>)

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I haven't gotten that far in multiplayer yet- I am about to buy a new tv, then I will play more. In the amount of time I did play I didn't see many maps, so I looked at a wiki online and only saw 3, plus 2 from DLC, but it isn't a very complete wiki, so I may have misinterpreted.

I love how they state in the article that "Warhammer 40K is a storied franchise, one that's very popular in Europe, but it's not so big in the US, limiting its global appeal." So the US makes up most of the world, gotcha. I've been playing 40k since I was a kid, I know tonnes of people who do and who got Space Marine and the Dawn of War games, I live in New Zealand. I also know Aussies that got them as well

. 2/02/12 3:36pm (<http://kotaku.com/5881479>)



**phocjame** (<http://phoc...>)

1 | L

I could have sworn 40k was popular in the US

. 3/06/12 8:35am (<http://kotaku.com/5881479>)

(1)

So far I have gotten one free game mode  
(Capture the flag) one free

DLC(Exterminatus), and I see one more \$10  
DLC that lets you play exterminatus as chaos  
and adds 2 maps. The meat of that addon  
appears to be a skin change for a game mode,  
and I can't see paying \$10 for that. I just  
found another DLC with 3 more maps and a  
mech.

Honestly, I don't even care that the mp feels  
tacked on- it is fun combat and I like it  
enough that I hope they make another one. I  
just don't think there is remotely enough  
content to justify an online pass. No matter  
how much I paid for it to begin with, I don't  
think I should fork out \$10 every few months  
just to get it on par with other  
games

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