

SquareSoft: What's Behind the Hype?

A Case History

SquareSoft is one of the most important and significant names in the gaming industry, especially in terms of innovation and profitability. Square's games make headlines, sell systems, and generate enormous buzz. The company has become synonymous with role-playing games, and unfailingly creates games, such as the *Final Fantasy* series, that are constantly innovative and one step ahead of the competition. One may even say that SquareSoft has set the standard by which other RPGs are measured, and that games like the *Final Fantasy* series have become the ideal that many other RPGs strive for.

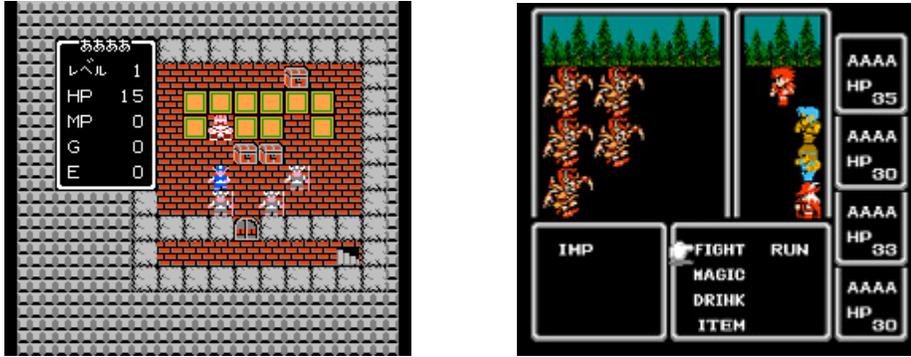
The popularity and success of RPGs in the gaming industry can be partly attributed to the contributions made by SquareSoft. It appears that SquareSoft has the "Midas touch" and has been essential in the rise and success of the Sony PlayStation. For instance, its move from Nintendo to Sony in the mid '90s may have been a key factor in the ultimate success of the PlayStation – in January 1997, the hit game *Final Fantasy VII* caused a two-month surge in PlayStation sales (Asakura 209). Even Electronic Arts formed a joint venture with the company, establishing Square Electronic Arts in 1998. SquareSoft has also played an essential role in the expansion of the gaming industry into other arenas, such as the film industry.

Through an analysis of SquareSoft's history and future, as well as analyses of several games that are considered to be SquareSoft's greatest hits, I will attempt to draw a conclusion as to what has helped SquareSoft become an industry leader and what has made the company's games so successful. I hope to examine why SquareSoft continues to set the bar for other RPG companies, as well as the ways in which its games have affected the gaming industry as a whole.

The History of SquareSoft

SquareSoft, named Square Co. LTD at the time, was founded in 1986 as a game developer for the Famicom Disk system in Japan. Square started off publishing mostly smaller games for the Famicom Disk system. The titles sold respectably, but the modest installed base of Famicom Disk systems made blockbuster status an elusive goal.

By 1987, SquareSoft was in desperate need of a hit. Hironobu Sakaguchi had an idea: why not create a game similar to competitor Enix's *Dragon Quest*? The console RPG was a big hit with gamers, and Sakaguchi thought that Square could significantly improve upon the basic formula. Thus work began on a massive one-megabit cartridge role-playing game that would attempt to revolutionize the genre. All of Square's resources, dreams, and hopes were placed on this single game. If it failed, Square would be no more. The project, as Square's final gasp, was given the name "Final Fantasy." Needless to say, the first *Final Fantasy* game was a massive success, and each sequel has been even more successful.



Enix's *Dragon Quest* and the original *Final Fantasy* which essentially attempted to improve upon *Dragon Quest*.¹

SquareSoft first became known for its games on the NES and Game Boy, but it was on the Super NES that the company's talent really began to shine through. *Final Fantasy III*, *Chrono Trigger*, and *Secret of Mana* are well known as RPG classics, and all three were released within only a two-year span. These games quickly made Square one of Nintendo's top third parties and so well regarded that it was allowed to handle the development of Super Mario RPG. But over time, Square's relationship with Nintendo soured, all due to the production of *Final Fantasy VII*.

The *Final Fantasy* series went hand-in-hand with the Nintendo platform, so when it was announced the SquareSoft would now partner with Sony to produce *Final Fantasy VII* rather than Nintendo, the departure “acted like a see-saw in effecting a rise in interest for the PlayStation system, while bringing about a dip in N64 (Sheff 470). In Revolutionaries at Sony, Asakura writes:

The competition between the PlayStation was fierce in December 1996, but with the release of *Final Fantasy* in January 1997 the PlayStation began to increase its lead over the Saturn. (Asakura 74).

¹ Screenshot from “The Video Game Museum.” Internet. 12 March 2002 <www.thevgmuseum.com>.

One reason for SquareSoft's decision to move *Final Fantasy VII* to Sony's PlayStation platform instead of the Nintendo 64 was one of storage capacity. The cartridge format used by the Nintendo 64 would supposedly put limits on the game that Square wanted to create. Letting SquareSoft slip between its fingers may be considered by many to be one of Nintendo's biggest mistakes ever. *Final Fantasy VII* sold 8.6 million copies worldwide (almost three million of those were sold within the first 48 hours of its Japanese release) and helped the PlayStation become the dominant system of its era.

It can also be speculated that another reason for SquareSoft's departure from Nintendo was that Nintendo had often demanded that Square's games be toned down or changed for an American audience. Sony, on the other hand, was willing to leave in bad language and market games like *Final Fantasy VII* to an older audience. The leap from the Super NES to the PlayStation was overwhelmingly apparent to all long-time *Final Fantasy* fans.

In April 1998, SquareSoft's teamed up with Electronics Arts, one of the biggest software manufacturers in the US, in a joint venture to publish and distribute games. Called Square Electronic Arts, it was clear that many saw the popularity and the expected quality of SquareSoft's games, and that teaming up with Square was definitely a step towards profitability and innovation.

While the company is best known for its role-playing games, SquareSoft has also attempted to compete in other genres, especially in Japan. In fact, few know that the early NES hits *Rad Racer* and *3-D WorldRunner* were Square creations. In general, though, SquareSoft's attempts to branch out have been met with limited

success. But with one or two possible exceptions, Square's "failures" are superior to most other developers' best efforts. Even when one of its games doesn't quite hit the target, it succeeds in some area, like production value, innovation, plot, or fun factor.

The Future of Squaresoft

As Square makes the transition into the 21st century, SquareSoft is having its share of problems. For instance, SquareSoft president and CEO Hisashi Suzuki recently resigned in 2001 following the company's worst financial loss ever (Brotherson 1). Many believe that this financial loss was due to the feature-length film *Final Fantasy: The Spirits Within*. It was considered a financial failure in the US, falling incredibly short of the projected \$90 million revenue, only grossing \$30 million. Despite the fact that the film bombed financially, *Final Fantasy: The Spirits Within* was a technological marvel with amazing computer graphics and beautiful images. The film was generally well received among critics and those in the public who actually saw it, and was definitely the first of its kind to hit American theatres.

Previously COO, Yuichi Wada replaced Suzuki on December 1, 2001. The company is currently undergoing a restructuring of its business plan to adapt to the ever-changing face of the video gaming market (Brotherson 1). For instance, it appears that SquareSoft is anticipating large market growth in online gaming. Hironobu Sakaguchi, the creator of *Final Fantasy* and vice president of SquareSoft, has commented that there may even be a possibility that SquareSoft may develop for Nintendo's Gamecube and Microsoft's Xbox, as well as Sony's PlayStation 2, because of this predicted future trend (Chan 1). Sakaguchi says, "Square is moving

into online games. *Final Fantasy XI*, which will be released next year, will be a fully online game. To make that work, you have to transcend hardware. If we want to do financially well online, we need to exist across all consoles" (Holden 1).

SquareSoft is showing no real signs of slowing down anytime soon. On the game side of things, *Final Fantasy XI* and *XIII* are in the works for the PlayStation 2 (and, as mentioned above, possibly for the Gamecube and Xbox), as is *Kingdom Hearts*, a long-awaited RPG collaboration between Square and Disney. All games are expected to be released in 2002.



Screenshots of *Final Fantasy XI*, which will be completely online, and *Kingdom Hearts* incorporating Disney characters (like Dumbo) and new *Final Fantasy*-style characters.²

Analyses of SquareSoft's "Greatest Hits"³

SquareSoft has put out hit after hit, turning practically anything that it touches into gold and paving the way for all RPG companies out there. Square has created games that are compelling and that appeal to the hardcore gamer, as well as the not-so-hardcore casual gamer. There are a few titles that stand out from the pack:

² Images of games taken from "The Final Fantasy Shrine." Internet. 12 March 2002. <<http://www.ffshrine.com/index2.html>>.

³ The analyses conducted here are from personal experiences with the games, as well as from reading articles written by critics.

The *Final Fantasy* series, the *Secret of Mana* series, and *Chrono Trigger*. All produced by SquareSoft, these games are considered by many to be RPG landmarks. Currently, many of these games are being sold as collector's items on eBay with quite a pricetag – a factory sealed *Chrono Trigger* is going for over \$200⁴. I have chosen these games to be the subjects of an analysis that attempts to determine what it is about SquareSoft's games that make them so appealing, since these are the games that are considered to be SquareSoft's "greatest hits." I hope to draw such conclusions as: What is it that has helped to make SquareSoft an industry leader? Is there a trend or a pattern throughout the games than can help to explain SquareSoft's success?

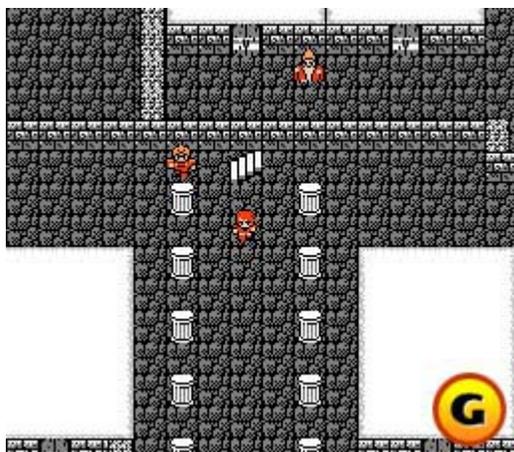
The Final Fantasy Series⁵

The *Final Fantasy* series, SquareSoft's flagship game, draws large throngs of game buyers, particularly in Japan, where new releases of the series are accompanied by lines of buyers waiting for stores to open (Sheff 470). The *Final Fantasy* series has proven to be almost without peer in both quality and popularity. One never expects anything less than perfection from any *Final Fantasy* game. This is the series that continuously sets standards for the RPG industry and continuously raises the bar for other RPG producers.

Final Fantasy VII, released in September 1997 for the PlayStation, is one of the gaming industry's landmark titles as one of the first games to take full advantage

⁴ Current price on www.ebay.com on 17 March 2002.

⁵ All dates and images of games taken from "The Final Fantasy Shrine." Internet. 12 March 2002. <<http://www.ffshrine.com/index2.html>>.



Screenshots from the original *Final Fantasy* and *Final Fantasy X* – quite a progression.

of the increased processing power and storage capacity made possible by the PlayStation. The game acted as a bridge between the Super NES and the PlayStation incarnations of the *Final Fantasy* series. Many people ran out and bought the PlayStation solely so that they could play *Final Fantasy VII*, creating a surge in system sales and a name for the Sony console (Scarlett 1). Filled with spectacular visuals, high-quality music, and an absorbing story, *Final Fantasy VII* truly helped to bring RPGs into the mainstream.

Throughout the series, the games have also become more intricate in terms of the use of cinematics to support the intriguing storylines. In the more recent *Final Fantasy* games, one feels as if they are watching mini movie clips. SquareSoft was definitely one of the first to incorporate such elaborate clips. The graphics never cease to be incredible and tend to be a few steps ahead of other RPG games, and the soundtracks composed by Nobuo Uematsu are always amazing and have become as well known as the catchy themes from the original Nintendo *Mario Brothers*.

Each game in the *Final Fantasy* Series is always different and more interesting than the one released before it. *Final Fantasy Tactics*, for instance, is very different from all of the other games in the series because combat is more intricate and is placed at the center of gameplay. The plots and storylines of each game in the series are more intricate and compelling than the previous game, never failing to cause the players to become attached to the characters. The games also incorporate many side games and adventures, such as the current *Final Fantasy X* which incorporates a side game called “blitzball“ with intricate “blitzball” tournaments that could probably even be marketed by SquareSoft as its own game. With incredible graphics and soundtracks, all of these elements combine to create an experience that consumers and other RPG producers find hard to beat.

Secret of Mana Series

Released in September 1993 for the Super NES, *Secret of Mana* is quite different from the *Final Fantasy* series. *Secret of Mana* takes the engrossing storylines and heavy-duty role-playing elements of the *Final Fantasy* series and blends them with real-time battles like those in *The Legend of Zelda*. The result is a superb, fast-paced RPG. Another of *Secret of Mana's* innovative features is the ability for three players to play simultaneously, an option rarely, if ever, found in an RPG.

The *Legend of Mana*, the sequel to *Secret of Mana* released in 2000 for the Playstation, is quite different from its predecessor, making it clear the SquareSoft is always looking for ways to be innovative and creative. Rather than following a strict

narrative or closely following the formula of *Secret of Mana*, *Legend of Mana* offers players the opportunity to create their own world and complete more than 60 miniquests.



Screenshots from the original *Secret of Mana* and its sequel, *Legend of Mana*.⁶

Chrono Trigger

Released in September 1995 for the Super NES, *Chrono Trigger* is one of the most celebrated RPGs of its time. This is because it incorporates several interesting elements that had never been utilized successfully in RPGs before. For example, the



Screenshot from the original *Chrono Trigger*.⁷

⁶ Images from "The Video Game Museum." Internet. 12 March 2002 <www.thevgmuseum.com>.

concept of the game itself, time travel, is quite creative and appealing. It is such interesting plots and storylines that are found in many of SquareSoft's games. Since the game is based around the concept of time travel, environments range from prehistoric lands to futuristic cities, but what is very cool is that you are always at the same place but in a different time period. The incorporation of multiple endings to a single game was also quite revolutionary – gamers would beat the game and then attempt to beat it over and over again to create different endings.

Conclusions Drawn from Analyses of Games

So why is the *Final Fantasy* series such a huge hit? Why are *Secret of Mana* and *Chrono Trigger* considered to be RPG “classics”? After sifting through SquareSoft's “greatest hits” and analyzing what has made them so special and so “great”, it has become clear that SquareSoft's ability to push the envelope and create controversial games is what keeps gamers coming back for more.

SquareSoft constantly exceeds consumer expectations, making every game unique and interesting in their own way. When one expects SquareSoft to do one thing, the company breaks all boundaries and does something completely unexpected and unheard of. Even when one just examines the *Final Fantasy* series, every game is clearly distinct from the other, and every game is innovative and creative in their own sense.

An innovative element can be found in each of the games that have been analyzed, and an element of surprise keeps gamers interested. For any business, it is important to build a certain repertoire and reputation with one's customers.

⁷ Ibid

SquareSoft has clearly built a well-established reputation among consumers of creating games that are innovative and incredibly entertaining, and this reputation keeps gamers coming back for more.

Conclusion

In conclusion, after analyzing the history and future of SquareSoft, as well as some of the games that SquareSoft has produced, it is clear that SquareSoft has been truly innovative and truly influential in the RPG industry. It is because of games like *Final Fantasy VII* that role-playing games hit the mainstream, opening the doors for many of other RPG producers. And it is because of film endeavors like *Final Fantasy: The Spirits Within* that *Final Fantasy* has become even more of a household name among gamers and non-gamers.

A major factor that can be attributed to such success is SquareSoft's unwillingness to compromise innovation and creativity for boring industry formulas and industry trends. When examining the long list of games that it has produced, we can see that Square is not afraid to try something new, even if it means that the game could absolutely bomb. The company was even willing to switch from its original benefactor, Nintendo, to a company that was practically in its infancy in the videogame console arena, Sony, because it believed that Sony would open doors to power that would allow SquareSoft to be even more creative and innovative.

As made clear throughout our course, creativity and innovation is what the computer and video game industry is all about. SquareSoft has been the paradigm of creativity and innovation. SquareSoft is always looking towards the future, and not

only does it pinpoint future trends, but it also attempts to create its own future trends. Nowhere in the near future do we see this changing, as SquareSoft is already anticipating future trends in online gaming when it releases *Final Fantasy XI*. Gamers everywhere are excited to see what new and surprising elements will be found in *Final Fantasy XI*, and what SquareSoft will pull out next from its sleeve.

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