Mobile Games:

Trends from Japan

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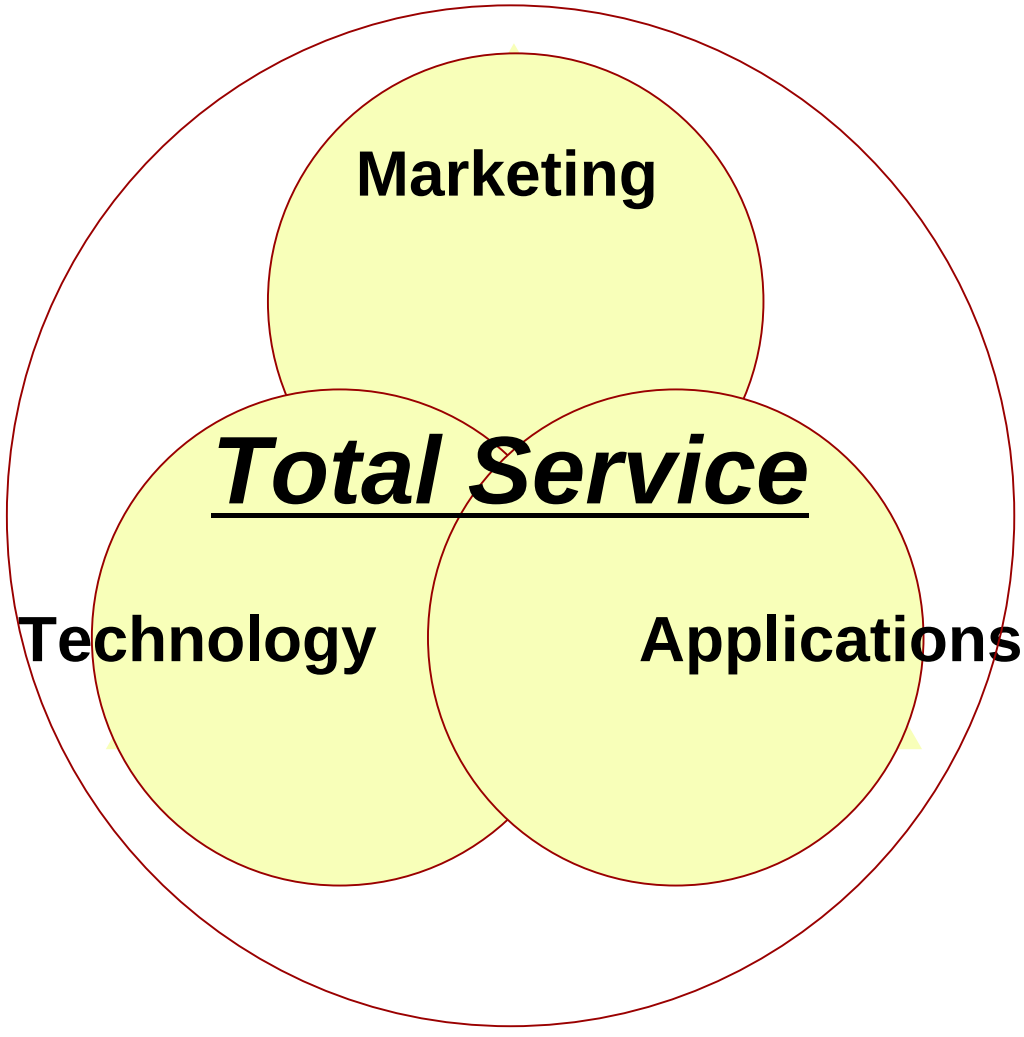
The Total Service!



In Japan, the mobile publisher fills a broad role in the ecosystem

//////// Marketing

In Europe, we now have the handsets, the networks, and the content.

But a big missing link is still informing the consumer about what they can do with their new phone

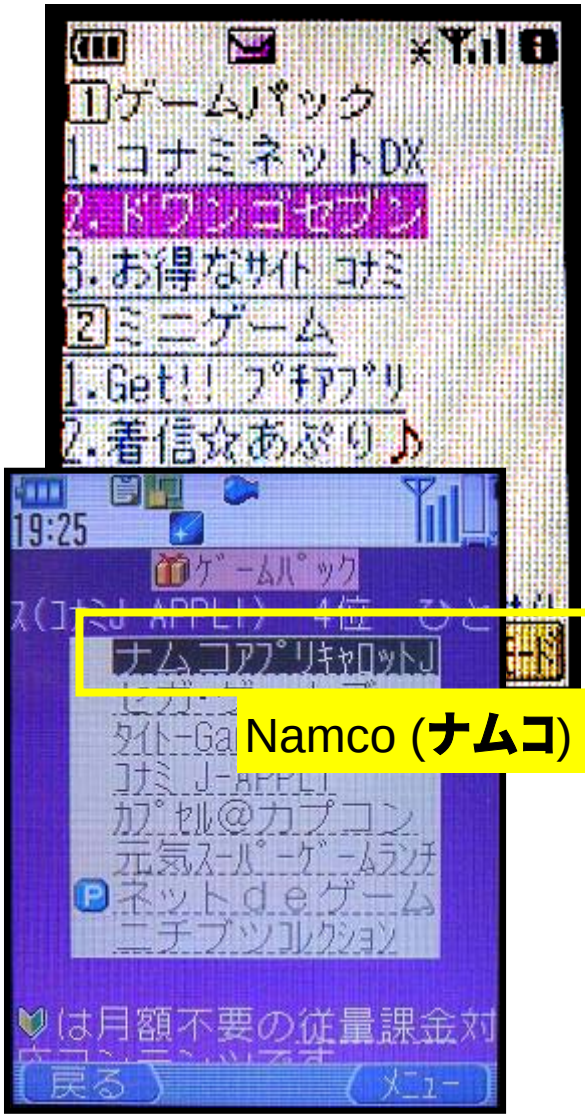
The first download is the hardest!

Let's see how the carriers and content companies in Japan are working together to get users across the threshold

- In print
- In store
- On the phone

Trend: mobile charts

Docomo games topmenu



Namco (**ナムコ**) ranks #1!

Jsky game-pack menu

Site Ranking creates a fair competitive field

Different carriers rank their games in different ways – number of subscribers, page accesses, or revenue.

- This leads to tactics like different pricing plans to game the system!
- Different levels of the menu are organized in different ways too

Docomo games categories:

Games 1 >

- Game pack
- Mini game → total 26 sites
- RPG
- Communication
- Sports ・Table games ・ simulation

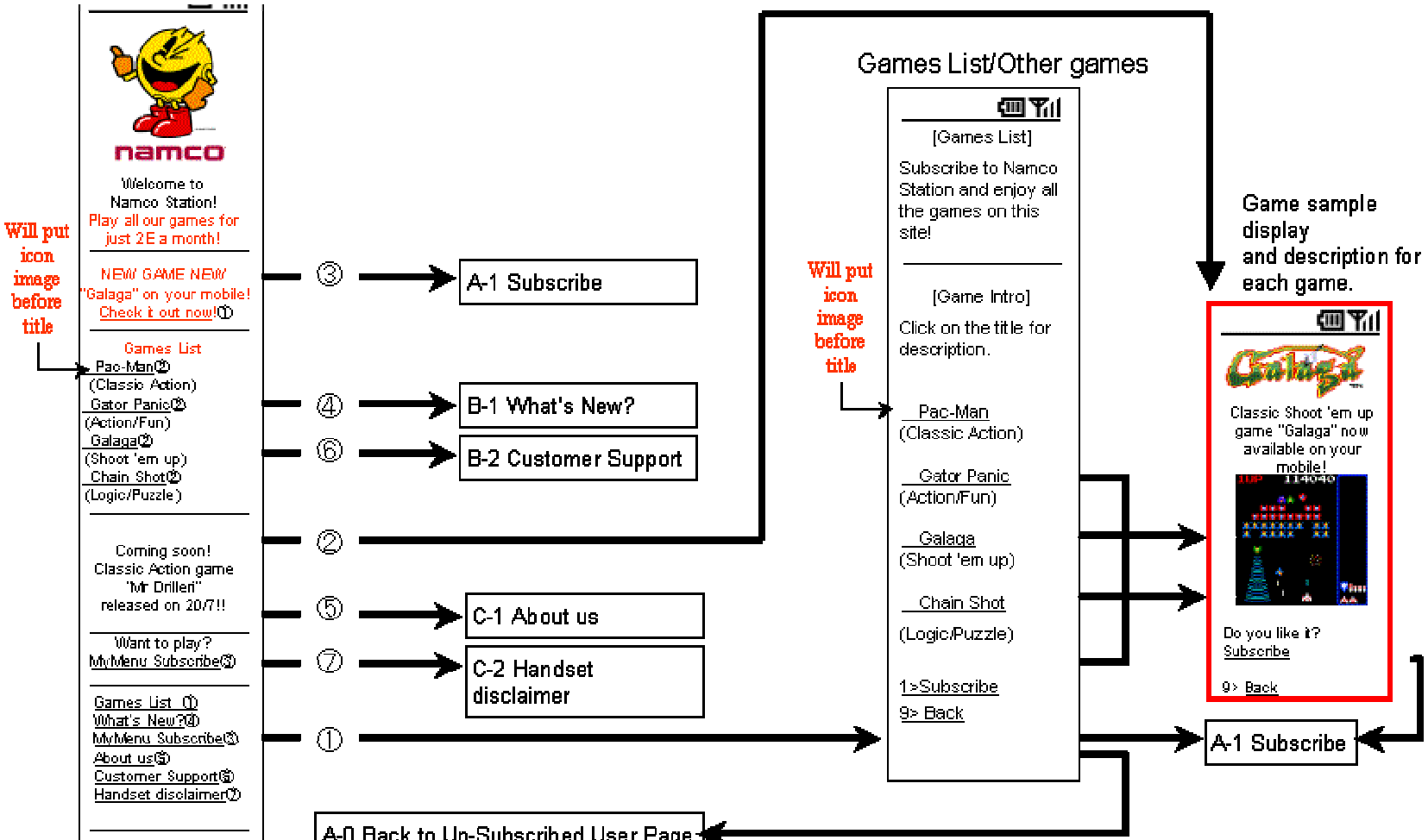
Games 2 >

- Variety ・ mail games ・ quiz
- nurturing ・ adventure, ・ novel
- character ・ general

CPs provide the surrounding site

A huge difference between Japanese and European service structures.

Producing and running the site is a huge startup burden but provides a lot of merchandising flexibility to the CP.



Docomo “Weekly Guide”

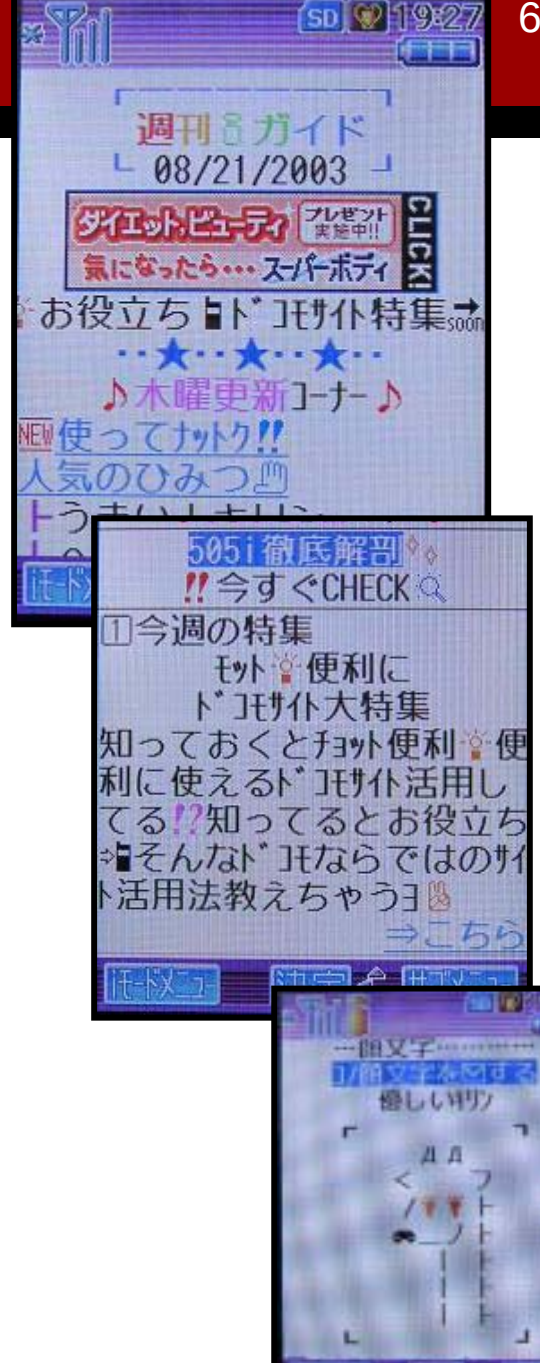
Very high traffic mobile site which is a guide to what’s new on i-mode

A way for the carrier to include more “editorial opinion” than just straight popularity rankings

- Introducing “what’s new”
- Special Feature
- Sites that use new tech or handsets
- Emoji graphics
- Tips and Tricks
- Single Banner ad

From this “weekly guide” you could foresee Docomo’s stance like “contents magazine”.

Docomo will never be a CP on their own to enable an even field for the content providers



Vodafone Japan famitsu appli guide

Vodafone Japan produce a 36 page booklet detailing games, cheats, maps and more each month.

Also available on the phone itself as a mobile mag

magazines

iモードBEST
Vol.9
533
2大プレゼント
最新J-POPの着メロを1万名様に!
ダントツ人気N504iSを大放出!
カメラ付きケータイ完全比較BOOK
F504iS SH251iS
FOMA
着メロ公式サイト
パーフェクトガイド
900

505i大攻略
iモードSTYLE
251iSの新機種
iモードの新基礎知識
N504iSを使いこなせ!
P251iS
D251iS
505iや次世代機に迫る!
ケータイ近未来大胆予想

Carrier marketing focuses on **content!**

DoCoMo brochures

Docomo creatively co-market with their content partners, distributing these type of gatefold leaflets to all their stores.

This Docomo brochure features four pages on “Taiko No Tatsujin” and also three other new Namco contents.

S&M: ICP gatefold format

Content company fliers are distributed to retail for free by the carrier. A win-win situation where the carrier helps the content companies market.

Flyers Distributed free in-store at POS

The candy store!

What Beckham is really thinking…

S&M: Cross-promotion

Huge problems with mobile spam means the carrier has all but banned email marketing

Basic cross-linking is also subject to discussion…

Examples:

- Exit traffic
- Related giveaways – eg free ringtones on a games site
- Loyalty programs and membership clubs (eg “Cybird Style”)

S&M: Virtual Arcades

Some game co's have implemented their own 'virtual economy' with 'coins' to be spent in a virtual arcade

Has other added beneifts

- Unused coins carry over across months, motivating players not to quit or they will lose these coins
- Different games can be valued differently. Eg a new or branded game could cost three coins
- Allows an 'event' billing model to be overlaid on the carrier's 'subscription' system.

S&M: Katte sites

The operators are starting “Open” billing

This means:

- a site can use charge end-users via the operator’s monthly statement
- But - the site won’t be featured on the operator portal, so has to be promoted independently
- The criteria are much less testing than becoming a formal official site

This is seen as an intake method to become an “official” site

//////////// Applications

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Branding

Packaging

Backing the right technologies…

On the small screen: the brand is King

On mobile, branded games hugely outsell unbranded

ブランドって重要なの？

- The tiny mobile phone storefront gives just an instant for consumers to decide which game to download
- Well-known games win every time

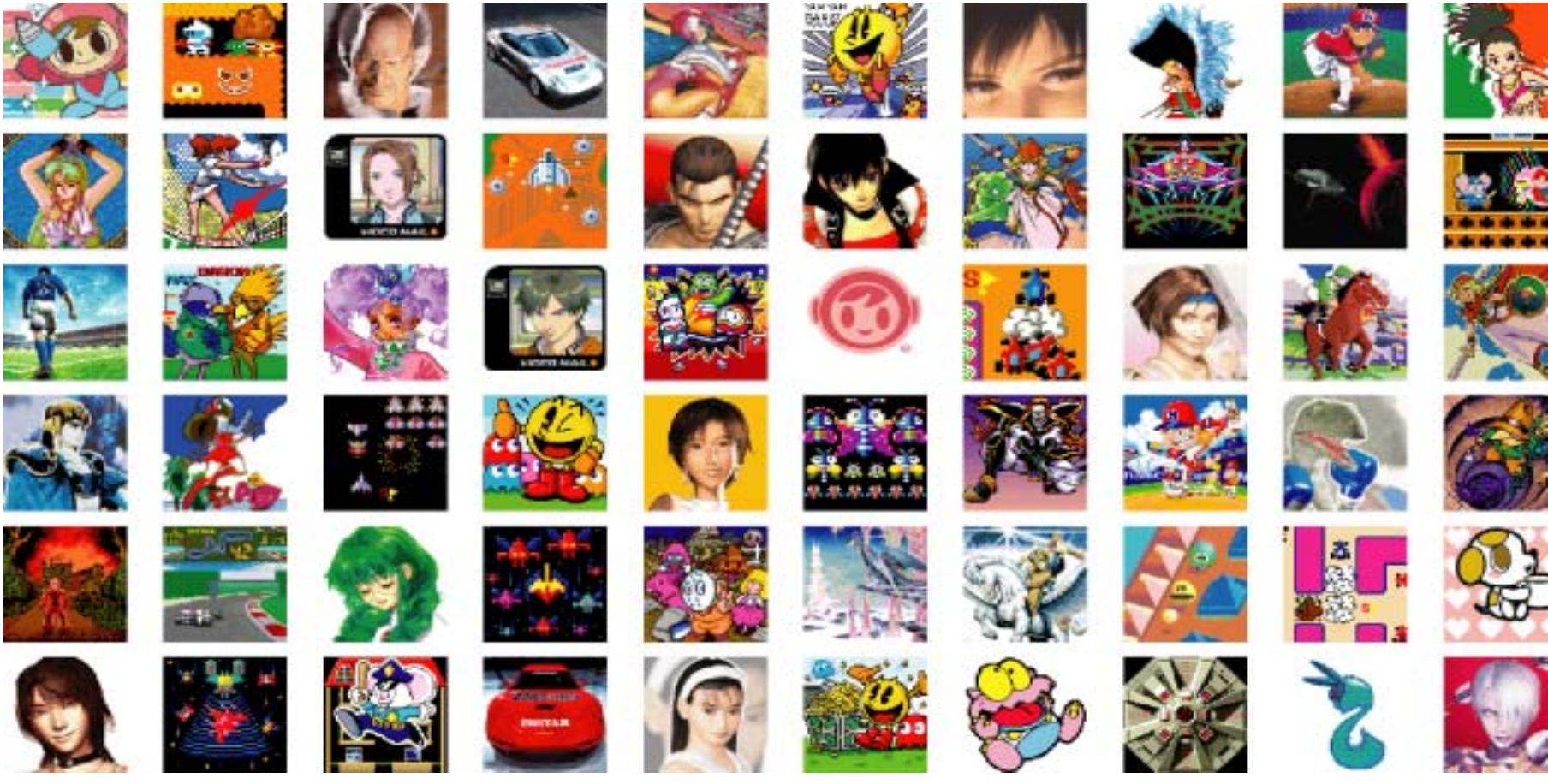
- Namco is a giant in the Japanese game industry with group consolidated turnover of $1.4BN in 2002

Killer Brands…

Namco games have inspired a range of books eagerly taken up by fans.

This banner for Pac-Man had such strong recognition that it won the D2C award for best mobile advert. Even people who did not grow up with Pac-Man immediately recognized it as a fun game.

Brand power: Namco Melo-Chara



Namco’s brands are in such demand that people want screen savers and melodies of the games and characters. So we provide the “Melo-Chara” site

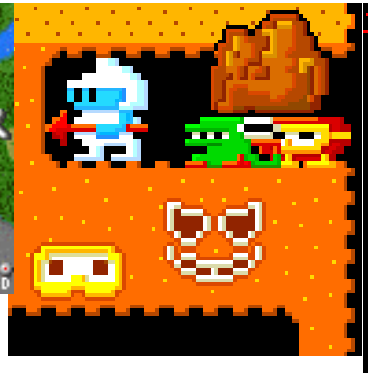
mobile phone: perfect for Arcade Classics

Arcade classics are perfectly suited for mobile and have proven to be huge hits…

- Designed for short bursts of quick play
- Can play instantly without reading the manual!
- Suits the technology perfectly
- Catchy brands and addictive game-play mechanics

Pac-Man

Xevious



DigDug

Galaga

Tekken 4

Namco has 4 of the top ten arcade games of all time

In the beginning there was i-mode…

We were a launch partner for DoCoMo's i-mode

We invented the "Game-Pack" idea with "Namco Island"

Now we provide 12 different sites to Docomo, more than any other game company.

Namco Island was our first Docomo site.

Namco invented the idea of a "Game Pack" bundle of games for a monthly fee.

Hit-making with Brew and KDDI

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#1 Brew game at KDDI Launch: Xevious

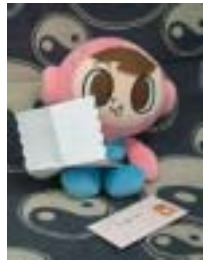
- Huge success! Clearly the most popular game on the menu
- Tuned for the Japanese Brew launch
- Well marketed by KDDI
- We chose a fast paced shooting game because it showed off Brew's native high-performance very well

なぜBrewでゼビウス？

Hits keep coming! Mr. Driller

A smash hit on the Gameboy

- The perfect action puzzle for the phone



This game has been a huge smash on gameboy and playstation, spawning a range of merchandise, fan-sites character goods and competitions.

It is doing equally well on the mobile phone as the gameplay is perfectly suited for the advanced mobile phones out now.

Trend: Larger games

- Harder and harder to get a carrier to offer menu listing for a single standalone game
- Taiko no Tatsujin is an exception, a single game that people subscribe to so they can get new songs each month.
- Currently the most popular “single game” item on the docomo menu.

ｹﾞｰﾑｾﾝﾀｰから飛び出した、
太鼓の達人、大ヒット！

Trend: Multiplayer Games

Packet fees are still very high and ICPs don't get a cut, so little motivation to get users rack up huge packet fee bills.

- Example: a game of Othello will cost 50cents per player

Tekken Command Battle

- used KDDI's free "C-Mail" messaging protocol to allow players to compete without incurring packet fees.

- Also carriers prevent services that enable match-up and communication between strangers…
- Korea is much more flourishing for mobile multiplayer because there is a revenue share model for packet data.

Trend: 3D - **Ridge Racer** on Vodafone Japan

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The mobile phone is a PlayStation One!

- Created a new high 500yen price point for premium content
- Reinforced the brand value of the Ridge-Racer Series
- Blockbuster! the most expensive mobile game ever produced
- Almost identical to the PlayStation version

リッジがすごいのは
分かるけど高くない？

Namco felt someone had to lead the industry to a higher price point, to help the mobile game business evolve.

It was high risk as this is the most expensive mobile game ever produced.

The sales have exceeded expectations and so far we have had no user complaints about the price point.

Namco partners with carriers and handset makers to create killer launch apps

////////// Technology

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Carrier drives handset **specification**

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	Docomo: "DoJa"			**J-Phone:** MIDP + "JSCL"			**KDDI:** KDDI-P	
	503 DoJa 1	504 DoJa 2	505 DoJa 3	0x	5X	"H" type	EzPlus Java	Brew
Java App size	10+10 = 20k	30+100 = 130k	30+200 = 230k	50k	100k	256k	50k	Varies by Handset
3D	No	2.0	3.0	1.0	2.0	3.0	No	Soon?
Network	9.6k	9.6k up 28 down	9.6k up 28 down	9.6k	9.6k up 28 down	9.6k up 28 down	19 – 64k	19 – 64k
Mail API?	No	No	Yes	No	No	Yes	No	Yes
Other								

Where are the standards going?

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DoCoMo DoJa

European i-mode DoJa 1.5

NEC

Panasonic

日本→海外?

SHARP

J-Phone JSCL

Vodafone VSCL

MOTOROLA

KDDI MIDP

MIDP 1.0

MIDP 2.0?

NOKIA

SAMSUNG

KDDI Brew

Brew

LG Electronics

Handset manufacturers

Content is used to differentiate handsets and show off new features…

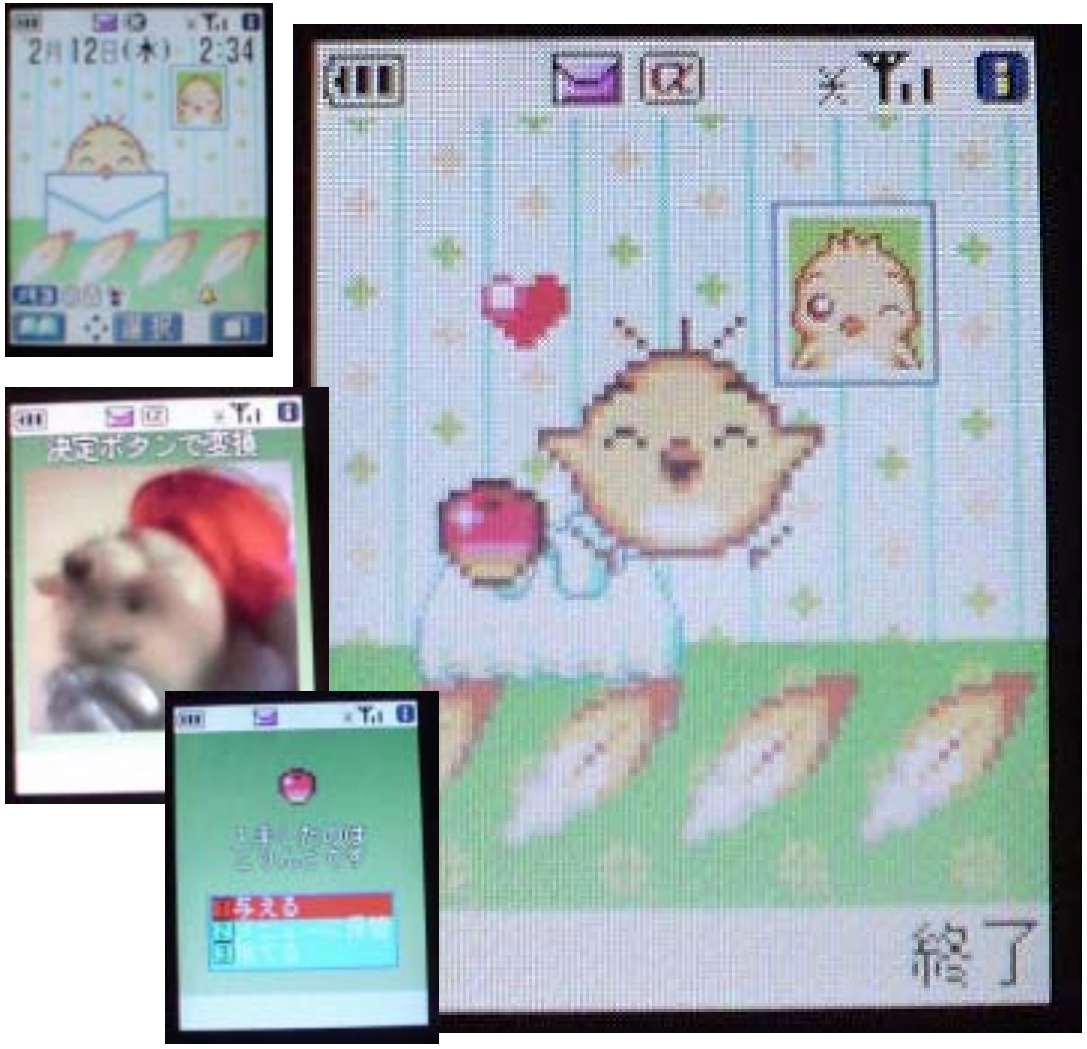
Many of the 505 series handsets featured optional additions to the spec

- Fingerprint reader (Fujitsu)
- Speech Synthesis (NEC, MA5 chip)
- 3D screen effect (Sharp)
- OCR (Nec, sharp)
- Synchronization (Panasonic)

Often this commissioned content is the first to use new technologies

Panasonic / 写かりきペット

Virtual pet | Japan | 1 player | J2ME + camera + IR |



Virtual pet that uses the camera to create food to feed!

- Shows when you have mail as a screensaver
- You can IR rare food items to your friends

NEC - photo battler

fighting | Japan | n players | J2ME + camera + IR |

Fighting Game that uses the camera

- Using photos to create your characters
- Depending on the photo different attributes: life, power, speed
- You can add comments
- You can also infrared the battlers and play against other people
- You can add comments and these will get transferred as your “warrior” if you IR the photo to someone else
- NEC used this game to promote features of their N504iS

Fujitsu Fingerprint game

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Using fingerprint authentication as part of the gameplay

If the dog knows it is you, the owner, he gets especially happy when you pet him!

© 2003 i-freek Co., Inc.

Panasonic - “fishing anywhere”

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simulation | Japan | n players | BREW + GPS |

Location based fishing game.

- The phone’s GPS is used in this game to send info to server
- You compete against other people in your area
- Bundled with the C3003P as a Brew app

Kotae wa? Miffy

This game used the unique sound sampling functions of the SH53 new phone from Vodafone and Sharp

- Vodafone Japan (J-Phone) and Sharp pair to add another new feature to java… audio sampling.

Speak into the MIC and your answer is compared to a sample of the correct answer

© Mercis BV, © NEC Interchannel Ltd 2003

Sharp - Games using 3D effect

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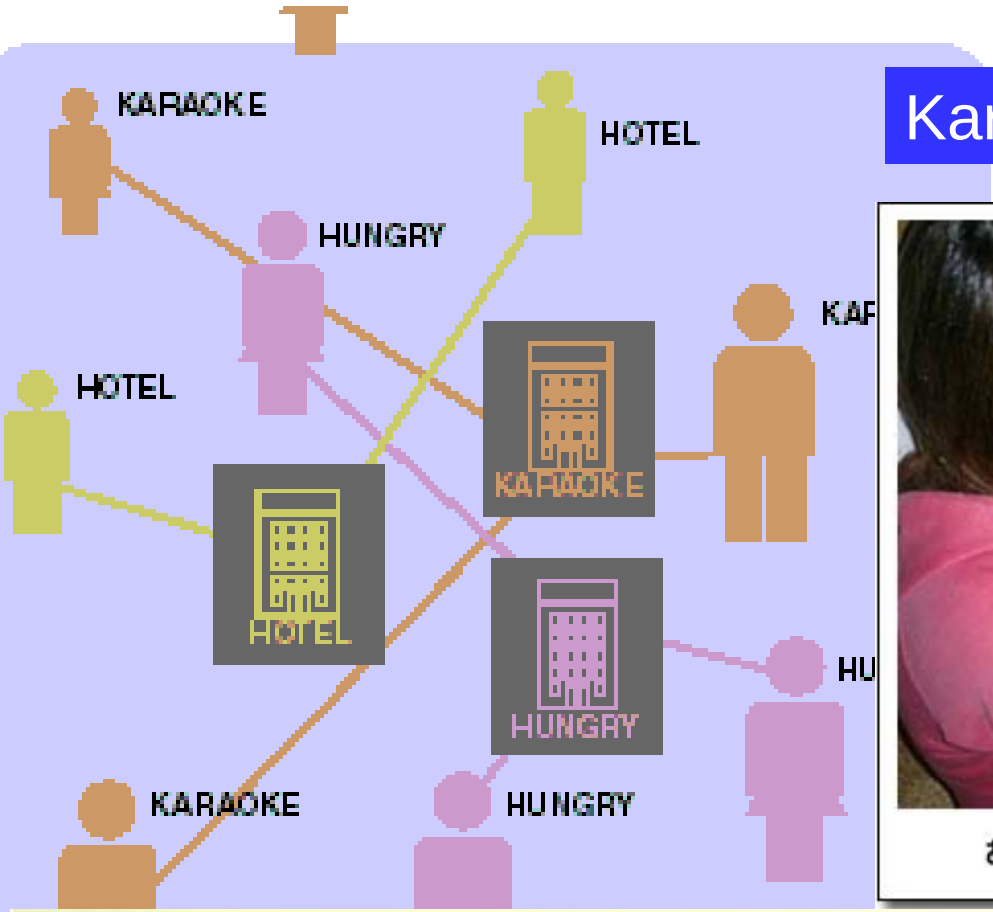
These are pretty hard to show as they rely on an optical illusion that won't come over too well on the presentation screen...

- Best to come up to the podium afterwards!

Tech – hardware – handy karaoke

Tech – hardware - NaviGety



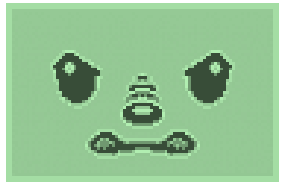
Karaoke > Hungry > Hotel

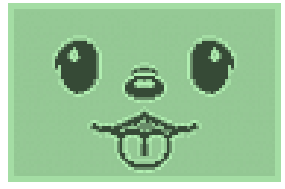
http://www.navigety.tv/

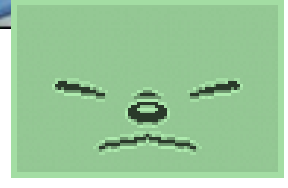
It's a wireless world!

BowLingual

MeowLingual







Docomo want to sell more wireless devices than there are people in japan.

//////////// The full service

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Beyond individual games… a holistic approach!

- Game Packs
- Lifecycle management
- Pricing Models

A mobile game service is like a Game Center

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Enter the “game pack”:

- A package of games bundled together and sold as a monthly subscription service
  - Its not just about a single game but a well rounded service
    - Killer brands out front by the door
      - Table games around the side to keep people
        - Contests and prizes
          - Constant turnover of new titles…

モバイルコンテンツサイト＝
バーチャルゲームセンター？

Namco operates theme parks across Japan, including NamjaTown in Ikebukuro.

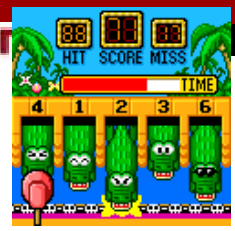
This allows us to develop rich game ideas that can be used across other platforms

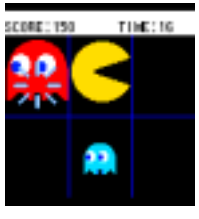
Vodafone Japan: #1 Game Pack

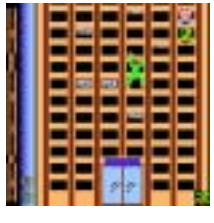
Namco Appli Carrot-J

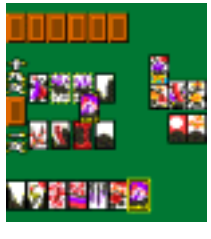
J-Phone produce a monthly magazine featuring the latest games. Encouraging competition among content providers they show charts of which sites are popular.

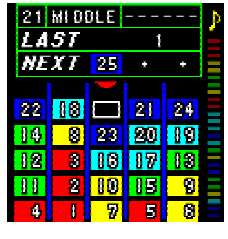
Namco is #1 on J-Phone/Vodafone Japan











Games have a Lifecycle

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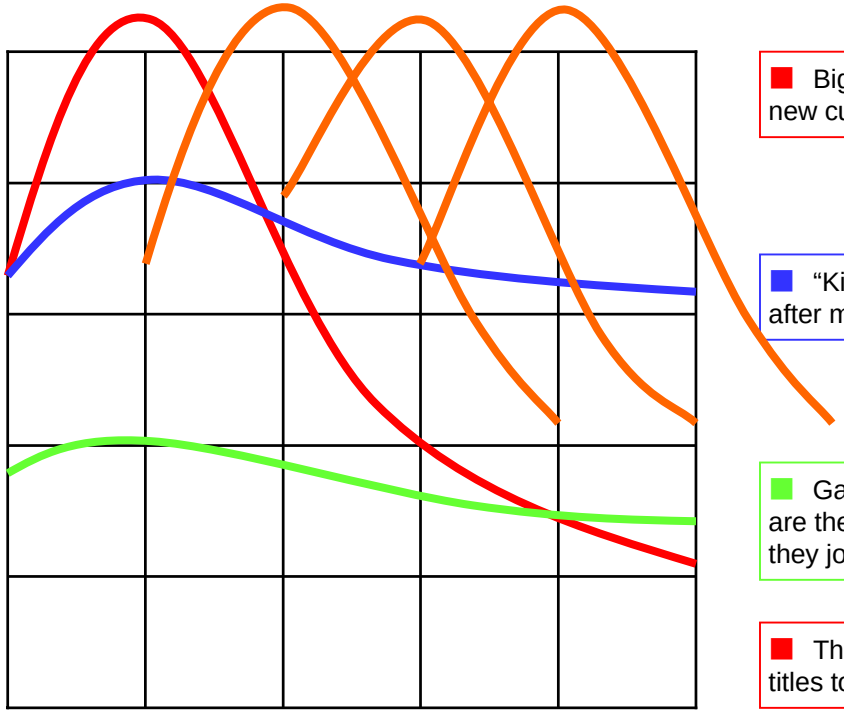
Just like a game center,

different games serve different purposes. The service needs the right mix…

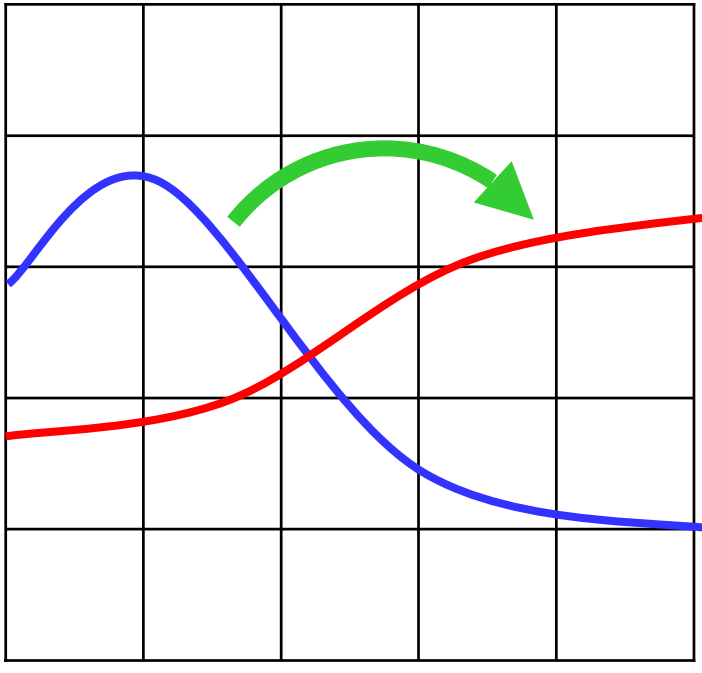


- Big brand titles like Ridge-Racer act as **“acquisition”** apps, bringing in new customers in and convincing them to join the service.
- “Killer Apps” like Pac-Man just keep people playing constantly month after month.
- Games like table-games have a lower but constant play factor. These are the **“retention”** apps that keep people subscribed to the service after they join.
- This is just a brief snapshot but of course you need to keep adding new titles to maintain people’s interest in the service…

Subscription vs Per-Download Business model

月額課金 vs DL課金

海外の現状は？



Subscription model creates a better long-term business

Pay-per-download looks good initially but the business is demanding to sustain

Our desire is to move from pay-per-download services to subscription services as we have more content available internationally and billing systems mature.

Global Games Marketplace!

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Global standards?

Global market?

Write once,

run all over the planet…

…debugging ☹

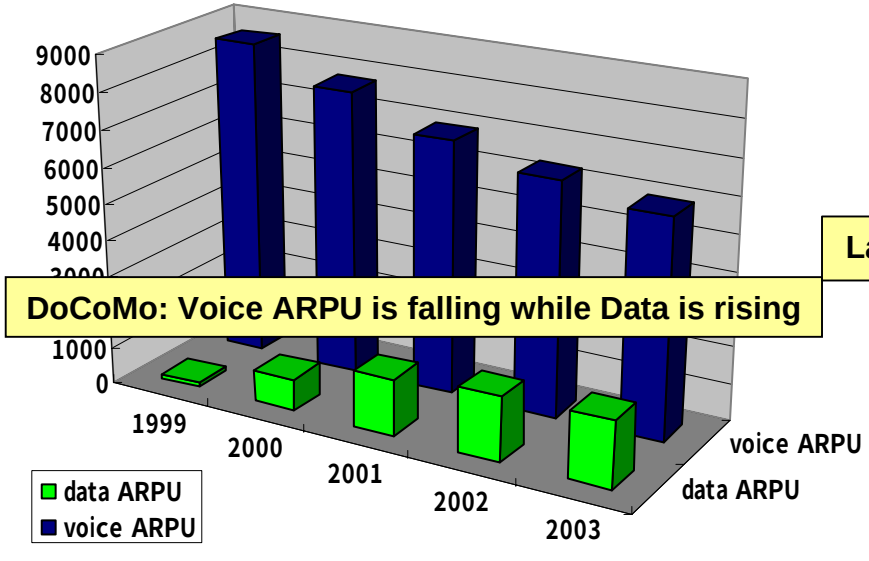
Mobile games boost ARPU!

モバイルゲームが ARPUを引き上げる？

Voice ARPU is falling everywhere, but data is rising

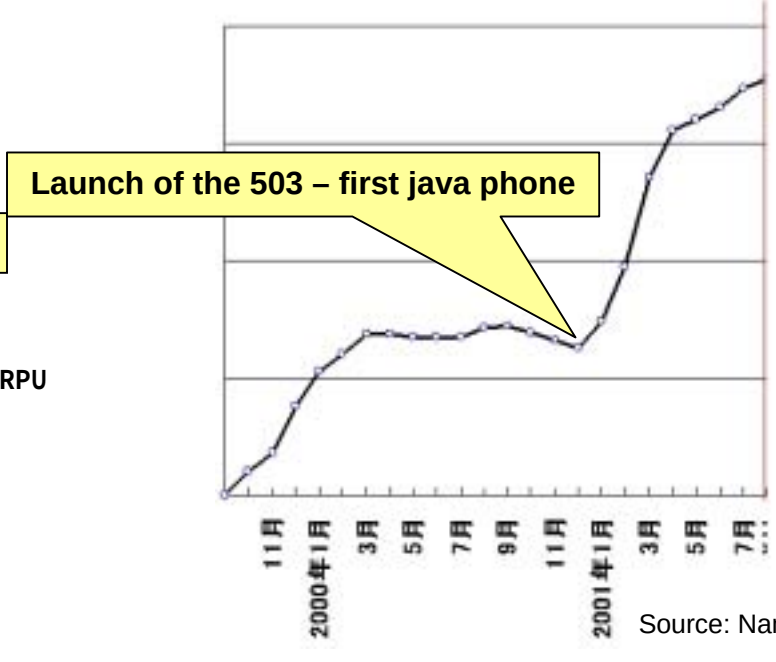
- Games create significant data traffic

Our well known brands are helping operators attract a mass-market mobile game audience and launch their data services



Source: Docomo

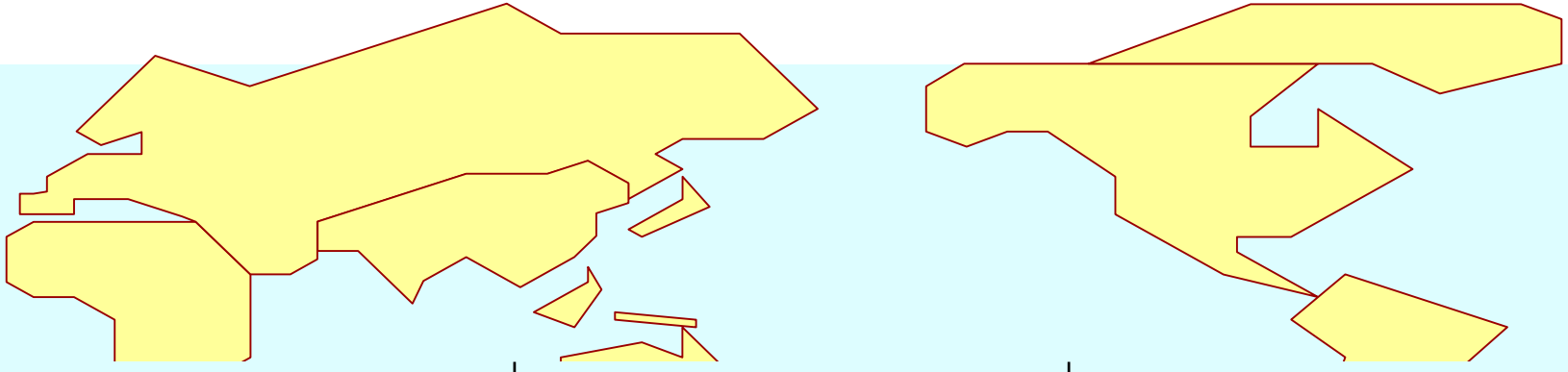
Launch of the 503, japan's first java capable mobile phone helped Namco subscriptions to take off and now similar Java launches are happening all over the world.



Source: Namco

The emerging Global Market

Technology platforms are aligning and we have a single global market for mobile games.



Europe	Asia	Americas
Vodafone Live!	**Far East Tone**	**Sprint**
Telefonica	**SmarTone**	**ATT**
KPN, E-Plus,O2	**SKT, KTF, LGT**	**???????**
	Docomo, J-Phone, KDDI	**…**
	…	
DigitalBridges	**OrangeGum, M-Dream**	

Namco reaches over 200M mobile users

Europe: Vodafone Live!

- Vodafone strategy was to focus on relationships with a few of the worlds top mobile game brands
- Namco is one of only a handful of companies with a “search by brand” option
- 30% of Vodafone Live! content revenues are said to be going to Japanese content providers

Namco is now Live on other leading European carriers O2, Telefonica, Eplus, KPN with others in development

Questions for entering Japan

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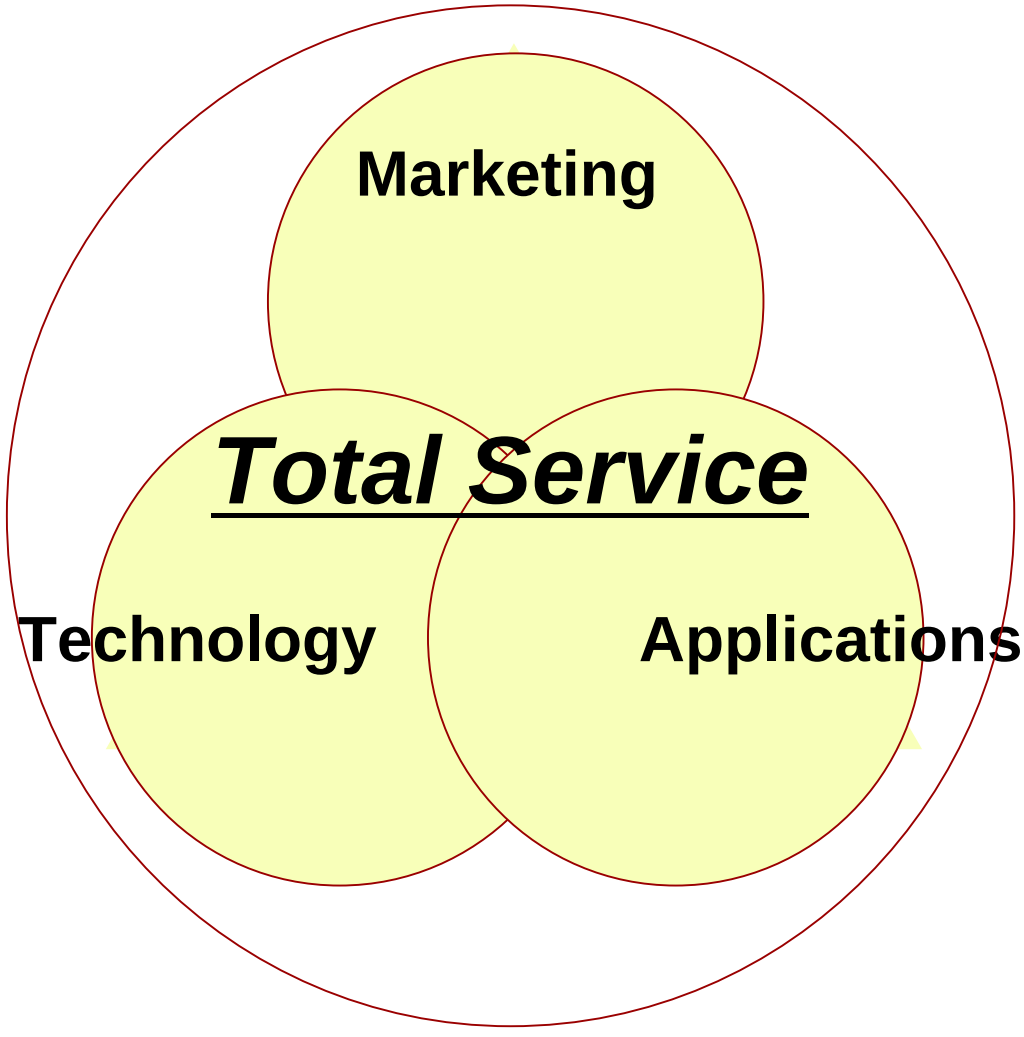
What is the breadth of your catalog

- Could you sustain an independent menu offering or better to work inside another portal?
- Can you create a bundle for “game pack” packaging?

Can you create “Deluxe” versions for japan

- Eg that use the extended java features like 3D

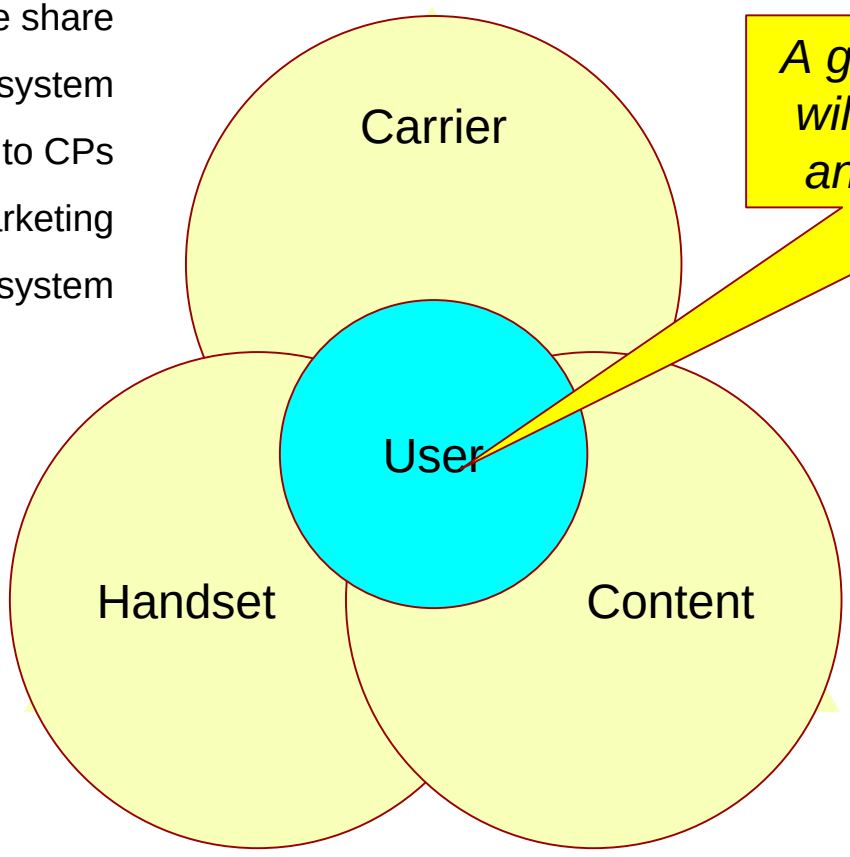
The Total Service!



In Japan, the mobile publisher fills a broad role in the ecosystem

Growing the market together

Win/win revenue share
Ranking system
Leave content to CPs
Content focused marketing
Subscription billing system



A good user experience will lead to more users and a better business

Consistent Java
Cable download
DRM security
Multi-key press

Best content at launch
Content refresh
Content Co-Marketing

From all of us…

Partner with namco

to build the mobile game business.

We are looking forward to success together!

David ‘DC’ Collier dc@wm.namco.co.jp
and the European team…