

Players, not gamers Making time, not killing it

A White Paper on mobile gaming by
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Executive summary

We are entering the most exciting era that mobile gaming has ever seen, one which takes it beyond traditional boundaries. Over the next few pages, we will show how these trends combine to provide a new opportunity for play through our mobile devices. These include:

- In the decade where we are defined by our experiences, we constantly hunger for the 'new'. Whether it is by being the first in our peer group to visit a new country, discover a new band or add a new friend to our virtual network, our hunger for 'new' has evolved into a global obsession.
- Hand in hand with 'experience' goes play, a vital element in the on-going discovery of who we are and what we want to be.
- 'Web 2.0' is making the inevitable jump from our PCs to our mobile phones.
- Smartphones and multimedia computers are becoming more commonplace by the day, allowing us to discover, share and play in our own time, on our own terms.

Play

What is play?

At the very core of play are three factors: challenge, engagement and reward. When we're young, play allows us to test, interact and challenge both the world and our position in that world in a safe, non-threatening way.

In fact we never stop 'playing'. Play in adult life gives us a natural forum for connecting and interacting with others to share emotions, feelings and thoughts; whether it's in the way that we interact with our friends and family, the paths we explore in our careers or the relationships that we form with others. Our whole lives are spent learning and building on our experiences. The difference is that as we grow the effects of our play have consequences.

In contrast, gaming gives us the outlet to continue playing without the consequences.

What isn't play?

A strange question you might think. But the answer is 'not much'. Look at the shelves of your local games retailer and see for yourself. You will find a medium that takes inspiration from some of the most diverse activities imaginable. From futuristic first person shooters to games based around housework; simulators covering every activity from flying to surgery to theme park management; games that ask you to do nothing more than roll things into a giant ball; or the growing genre of massively multiplayer online games where you can choose to do as little or as much as you like, with no pre-defined missions or goals beyond the very act of experience itself.

Perhaps it is best to point back to the original three criteria – if you can see challenge, engagement and reward you have play, and if you have play, you have a game.

What do our mobile phones mean to us?

For years we conducted long distance conversations using letters and to do so meant a very slow discourse. With the advent of the telephone our communication took on a more immediate form. Despite their obvious differences, there is still a unifying factor linking the two methods: location. They both pointed to a place rather than to an individual.

With mobile phones this has been turned upside down. Regardless of a recipient's location, a call to their mobile phone will go directly to them. As well as offering a new keener sense of intimacy with others, this has given us a deeper sense of personal identity. We are no longer tied to a place to be reachable by others.

The effect of this new freedom has been profound. This is shown best by our attitudes towards our mobile phones: a recent study¹ revealed our mobile phones to be the item we find most difficult to make it through a day without. Many also claim to see it as a safety blanket. It is difficult to argue with the suggestion that it has made us more flexible, fluid and adaptable to circumstances and has allowed us to maintain an increasingly more dynamic lifestyle. It is used as both an enabler of social situations and as a wall behind which they can be avoided².

Many of our most personal treasures are entrusted to our mobile phones: contact details of friends, messages, pictures and videos. Our phones have become an extension of ourselves, a signifier of who we are, what we have done and who we know.



¹ Multifunctional Mobiles Make the World Go Round; 06 June 2006; www.nokia.com/A4136002?newsid=1054096

² Carphone Warehouse, London School of Economics - Mobile Life Report 2006; 24 July 2006; www.mobilelife2006.co.uk

How does mobile affect play?

Our new super-connectivity has not just affected our lifestyles; it has also given us many of the enablers to get the most out of play. We are now able to take part when we want, wherever we are, with whomever we want to.

This is something that no other medium can offer. While console games may offer richer content, they still require us to make an appointment: we must be at a certain location, at a certain time, to play a certain person or group. So much of our life is now on-demand and location-agnostic that, for something as basic as interactive play not to be, seems anachronistic.

It is true that other handheld gaming devices are closing the gap here. Nintendo and Sony offer connectivity, but this is still limited to those who are in a WiFi hotspot. Mobile phones are, by their very nature, always connected. As such they can offer an unparalleled opportunity for us to play in the most natural way – on our terms.

The true ubiquity of the mobile phone cannot be ignored either. Since their launches, Nintendo's DS and Sony's PSP have sold 27 million and 23 million units respectively. In comparison, a recent analyst report suggested global smartphone ownership will total 80m devices by the end of 2006³. Over the course of 2006 Nokia alone has sold over 10 million Nokia Nseries multimedia computers and 20 million smartphones. Now consider that this is a market that we expect to grow nearly threefold in size by 2008.



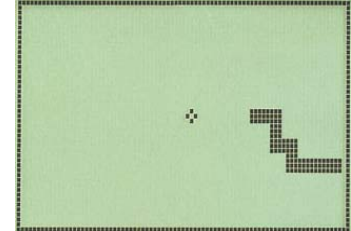
³ Gartner - Dataquest Insight: PDA and Smartphone Market Outlook Looks Good; More Business Sales Expected in 2007; 9 October 2006

State of mobile play

Introduction

We have been gaming on our mobile phones in one way or another for nearly a decade now. The first title, Snake, was created in 1997 and was embedded in Nokia's most popular handsets of the time.

Since then, games have become an essential part of many new mobile phones and, with the advent of WAP in 2001, the development of third party titles has risen exponentially, allowing us to choose the games that we want to put on our handsets.



From basic black and white 2D Java games like Snake and Space Impact, the quality (and size) of mobile titles has steadily increased. 3D Java games are becoming commonplace, although the quality still depends on the graphical capabilities of particular handsets.

In 2003, Nokia launched the N-Gage, a Symbian S60 based optimised gaming smartphone. Games were bought on individual memory cards or could be downloaded via a PC. Multiplayer gaming was possible by Bluetooth or via mobile networks to the N-Gage Arena (a social network accessible via the N-Gage or a PC).

The major players in the mobile games market

While initially mobile games were published predominantly by smaller independent names (e.g. Jamdat, Gameloft, I-play, Glu) over recent years there has been a great deal of change. Smaller companies have in many cases been bought out by more established names in the games industry (e.g. Jamdat by EA) or merged to form a bigger joint player in the market (e.g. Glu and ifone). Some mobile publishers have continued to operate alone (e.g. Gameloft) and conversely a number of console publishers have created their own mobile branches (e.g. THQ and Capcom).

Nokia has continued to develop first party titles for its N-Gage platform since its launch in 2003. Alongside these have been a number of titles developed by other publishers (e.g. EA Mobile, Gameloft and THQ Wireless). Nokia is now focusing on titles for its next generation mobile gaming platform, to be rolled out globally on select Nokia S60 handsets in 2007.

Where are we?

The future looks bright. According to analysts, Juniper Research, global revenue from mobile games will more than treble over the next three years, growing from \$3bn in 2006 to \$10.5bn in 2009.

Independent mobile games companies are being tipped for huge success (e.g. Gameloft has recently topped a Business Week poll⁴ of growing European businesses) and established console format publishers are beginning to focus on mobile as a genuinely promising medium. These trends both suggest that there is a real long-term prospect for success. However, there is also a glass ceiling that mobile has reached.

⁴ Business Week; Europe's Hot Growth 500; October 2006; http://bwnt.businessweek.com/europe_hot_growth/2006/

Four factors contribute to this:

- **Consumer trust**

At the moment the general mobile games offering is a variable one. For every original and exciting title there are half a dozen badly designed ones: lacklustre ports of successful console games, half-baked film and television licences and endless cut-and-pasted celebrity-endorsed puzzlers.

- **Consumer confusion**

For many, the mechanics behind finding, acquiring and paying for games are still in a grey area.

- **Fragmentation**

The host of different handsets is a challenge. With an average of over a hundred different builds needed for a mobile game to be available to the majority of the public, budget that would have been well spent on developing the game must instead be spent porting a title from handset to handset.

- **Technology barriers**

With considerably less processing power than that available to dedicated, static consoles and with constraints on file size due to the prevailing over the air data speeds at the moment, there are still many challenges for mobile games to overcome.

One of the biggest challenges is depth. Limited file sizes mean that many features that can be found on dedicated games devices cannot fit into the 250-500kb of space that a Java mobile game has available. For this reason, Java titles have little choice but to use very simple rules. These simple rules lead to simple reward systems which in turn lead to the games being less fulfilling than those that can be found elsewhere. To break through the current glass ceiling we have to evolve the rules and reward systems to create a deeper and more satisfying experience.

However...

For some time the developers of games for consoles and dedicated handhelds have used increasingly sophisticated graphics, in-game physics and artificial intelligence to improve the sense of reward, using a steadily growing sense of immersion. It is still only relatively recently that truly multiplayer interaction has been added to the mix and with it a whole new level of reward. For mobile phone games the connected experience is one that comes naturally, given the nature of the device.

Adding to this, developers are increasingly understanding the unique limitations and opportunities that mobile devices allow – thus games are now being “made for mobile”. The result of this is the elimination of the negatives and taking advantage of the positives of designing for this platform.

The power to share

What does it mean to be able to share?

We are defined by the times that we live in and the past few decades can be split as follows:

1970's: Who you are

1980's: What you've got

1990's: What you haven't got

2000's: What you've done

In the 2000's we define ourselves by the experiences that we have and the discoveries that we make more than ever before, whether that be the places we have been, the things we have seen, or the people that we have met.

Intertwined with this need for experience we have a desire to share it with friends, whether this is simultaneously (preferably), or by documenting and passing on what we have found.

The proof of this is all around us. The internet has gone through a rebirth in recent years, as the 'Web 2.0' revolution finds itself in full swing. Pictures, music, relationships, play, they are all shared online now in a way that seems second nature to many of us.

The next step in this shared lifestyle is further connectivity: all of the aspects that we have come to expect from our online existence, but available to us whenever we want it, wherever we are. Our mobile phones have become the ideal conduit for this sharing of experience on the move either through the ability to communicate directly to others or to record and share the things we have done.



Gaming is no different. By using a mobile phone we can engage in play with friends at any time, allowing us to share experience on our terms rather than those set out by the medium we are using. This is where mobile devices leap-frog traditional gaming devices: their super-connectivity offers a sense of community far beyond that of a sometimes-connected device and thus the potential for a far more enriching experience.

Using our next generation games platform we hope to make the process of designing mobile games a more focused one, the act of playing them a more intuitive one and the need to discover them a more urgent and exciting one.

The evolution of connected mobile gaming

Where does mobile connected gaming fit in?

Simply put, mobile connected gaming is the most mass-market connected experience there has ever been. Perhaps it is best to place it in line with previous offerings:

LAN parties

The original multiplayer experience, PC gaming over a LAN is still seen as a pastime exclusive to hardcore gamers due to both the technical know-how and the effort needed to take part.



MMOGs

Online multiplayer environments like World of Warcraft have been running for some time now and boast millions of users. However, the time and commitment required to fully appreciate these titles means that this genre is still relatively niche.

Connected console experience

More accessible and very popular, but still limited to those with a console and a subscription to services such as Xbox Live. Users are also limited to a static location.

Connected handheld experience

Modern handheld consoles offer connected gaming with fewer constraints than those faced by console gamers, but to be connected a user must still be in range of a WiFi spot (or another player via Bluetooth) and have a dedicated games device.

Mobile connected gaming

Connection for everyone, unaffected by the need to own specialised gaming equipment, and with the ability to share, discover and play wherever you are.



What now?

Most importantly, the next step for mobile gaming is not about just targeting people you would traditionally call 'gamers'. Absorbing yourself in a great experience on your handset isn't about gaming, it's bigger than that. It's about appealing to the core need in everyone: experiencing, experimenting and learning through play, and tuning into the current global experiences trend. So, the next wave is about the 'players' and fulfilling peoples needs through play.

Often mobile gaming is discussed as an activity to kill time. We believe that people will begin to *make* time for their mobile play, just as people make time to play.

Mobile technology opens a lot of new avenues to take play. TV-out, WiFi and GPS are just some of the technologies that are currently available. It is these functions, combined with others already widely available (e.g. multi-megapixel cameras, high quality audio, Bluetooth connectivity and access to GPRS) that will mean that game designers are able to look at mobile not as a platform with limited scope, but as an exciting proposition allowing for unique and innovative potential. These titles may not even be 'games' in the traditional sense, more 'excursions for the mind'.

Connectivity will play a big part in the mobile gaming industry as we move to the near to mid future. This is an area that the mobile industry's innovation will put mobile gaming at the forefront of many new and excited technologies.

One such technology is augmented reality. With GPS your game could potentially follow you - be projected onto the real world around you, and you could, literally, be in it as one of the characters.

Haptics is another method of connecting the player to the device and beyond. We have seen phones that feature shake, stroke and squeeze sensors, this is only the beginning.

Traditional keypads have been designed for dialling numbers and texting but as the role of the mobile expands into entertainment and gaming functionality, haptic technology is an intriguing way of adding innovative features.

One is the development of exciting accessories for mobile gaming. Just like sound and vision, other senses like touch and feel and even smell can also be rendered digitally which opens up a whole world of possibilities.

Add to this the applications that we have been evolved here at Nokia for some years now, including N-Gage Arena, and the Nokia Content Discoverer, and the future for development on our platform is positive indeed.

With our next generation we at Nokia believe that we can offer players a genuinely intuitive and exciting method for play, coupled



with a developer proposition that will attract some of the freshest and most creative ideas.

Nokia wants to be the enabler of great games and experiences, created both by ourselves and by third parties, and to help to foster an air of democratized creativity. Our aim is to allow developers to take mobile games where they want them to go, and deliver to players the experiences they crave.

The mobile platform offers us huge opportunities, unlike any other gaming or entertainment platform, so we must embrace it as an industry. Ultimately for the mobile games industry to reach and exceed its potential it's the responsibility of everybody – operators, developers, manufacturers, retailers and researchers to continue to innovate.

About Simon Etchells

Head of N-Gage Platform Marketing, Multimedia, Nokia



Simon, with a background in behavioural sciences, has been working in the gaming industry for 15 years, planning and executing marketing for global entertainment brands such as Star Wars, X Files, The Simpsons and numerous other leading entertainment franchises.

Having held senior positions within major games publishers such as Electronic Arts, SquareSoft, Lucas Arts and Vivendi, he is now responsible for strategic marketing for Nokia's next generation mobile games platforms.

Simon has been with Nokia for over two and a half years.