



NEW PRICING MODELS ARE REQUIRED TO KICK-START THE EUROPEAN WIRELESS GAMING MARKET

28th October 2004, London: According to a new report by media research consultancy Screen Digest, the global mobile gaming download market will be a billion-dollar industry (€880m) by the end of this year. However – the lion's share of this market will originate from Japan and Korea - last year these two markets accounted for almost 80% of the global market. Screen Digest forecasts that the global market will be worth \$6.4bn (€5.25bn) by 2010 – see Chart 1 below.

The report concludes that operators in Europe and North America should experiment with different pricing models in order to realise the full potential of their wireless gaming markets. In Japan, the world's most successful mobile gaming download market by some distance, a flat-rate pricing model has prevailed from the outset.

Screen Digest believes that the key to igniting the market is to make the proposition as simple as possible for the user. This means moving away from the current complex structure of tariffs that charge customers for each game download and then add further charges for data airtime. Instead, operators should look to remove these kinds of hurdles and move towards flat-rate pricing models.

“We think that mobile operators in Europe have not yet got the strategies right to exploit this market to its full potential”, states Screen Digest Chief Analyst Ben Keen. “Operators should consider flat-rate data pricing and subscription models to drive take-up of these services and we believe that there are some major European players who are prepared to do so.”

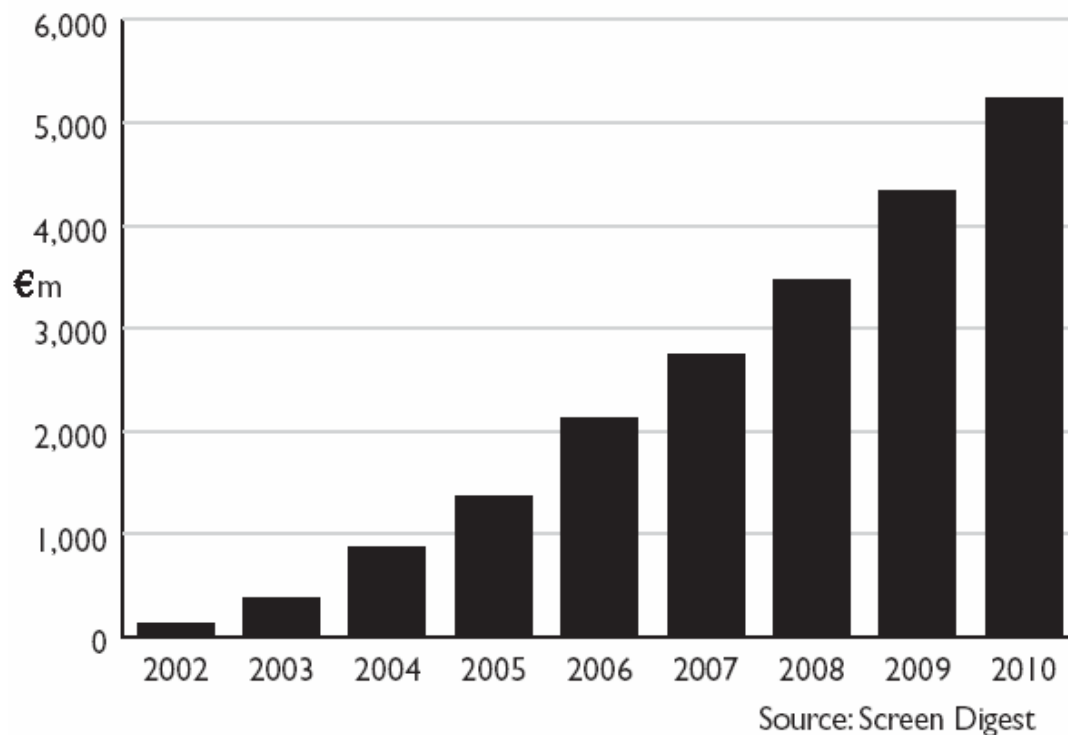
The report found that there are 49 different games services offered in Europe compared to only nine major services in North America. However, American mobile users have a larger number of games made available to them than their European counterparts (203 games on average – more than twice the European offer). Indeed, Screen Digest forecasts that the North American market will grow faster than that in Europe.

However, game download rates per enabled handset are dramatically higher in Korea than in Europe or North America. Mobile games ARPU (average revenues per user) for games-enabled handsets were four times higher in Japan and Korea than in Western Europe and America last year.

Tim Green, a games industry analyst and lead author of the new report states: “It's barely two years since the first games download services were

established in Europe, but now availability is almost ubiquitous and some operators offer more than 200 titles to their subscribers. As the networks make their payment models more flexible and games developers apply more creativity to their designs, I'm sure we will see significant growth in the future."

Chart 1: World Mobile Games Download Revenue: 2002 to 2010 (Euros)



Editors' Notes

The data, forecasts and analysis contained in this press release are taken from the new Screen Digest report: "Wireless Gaming: Operator Strategies, Global Market Outlook and Opportunities for the Games Industry."

The report is a comprehensive review of the wireless gaming service deployments and strategies of all the mobile phone operators throughout Europe, North America and the Asia Pacific region.

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