

mmO₂ Takes Winning Seriously in Java™ Platform Games Market

Since its inception in 2001, mmO₂ intended to be a major wireless player in the European market, first in the United Kingdom and then extending its reach to Germany, Holland, and Ireland. A key part of the carrier's strategic plan is to generate substantial revenue from consumer data — and when it comes to such data, the British Telecom spinoff recognized Java™ platform games as a major driver.

The market for games based on Java technology appeared to be wide open to a carrier willing and able to move quickly. Until then, the wireless games market had been centered on SMS games. O₂ — already a leader in the SMS game market by delivering more than four million game-related text messages per month over its U.K. network — was determined to move fast to seize a leadership position in the nascent market for Java platform games, which was delivering black-and-white titles early on and then rich color action games as the technology evolved. The first carriers in would command significant advantages in terms of market awareness and consumer loyalty. To that end, O₂ intended to launch the first commercial service

to provide Java platform games in the U.K., the O₂ Games Arcade portal.

But launching a portal for Java platform games isn't that simple. As a top carrier,



MR. GOODLIVING'S SUMMER GAMES 2004

O₂ had the right infrastructure pieces in place. What it lacked was the games — top-quality titles that would attract the mobile game enthusiasts it was counting on. And getting mobile games based on Java technology was a challenge: The technology was new, and many game developers were only just exploring it. So where could O₂ go to find mobile games for the latest technology? The company turned to Nokia and wasn't disappointed. Nokia put the carrier in touch with developers who came through on very short notice and provided the technical information to ensure that the Java platform games worked as promised.

“Game quality can be a big nightmare, but the quality of the games provided by [Nokia] Tradepoint suppliers has been among the very best.”
—Tim Raby, mmO₂'s head of games

Lessons Learned

CHALLENGE	Solution
NEED SUPPLY OF JAVA TECHNOLOGY GAMES FAST	Turn to Nokia Tradepoint to connect with game providers
NEED ONGOING SUPPLY OF QUALITY GAMES	Establish relationships with quality game developers and aggregators
NEED TO SUPPORT THE RAPID INTRODUCTION OF NEW HANDSETS	Work through Forum Nokia and directly with Nokia Technical Support for the latest technical updates, patches, and fixes
NEED TO BUILD CUSTOMER AWARENESS OF JAVA TECHNOLOGY GAMES	Participate in Nokia market-building activities and leverage Nokia's ongoing marketing initiatives

How Nokia Helped

O₂'s Java technology games initiative drove a six-month effort to build the Web portal, populate it with games, and introduce it to the market. The rush was on to acquire as many quality Java platform games as possible — which would be critical to the initiative's success. That's when O₂ turned to Nokia and its Tradepoint B2B e-marketplace, which connects application developers with service providers and operators.

“Nokia and Tradepoint played a critical role in putting us in touch with game developers,” says Tim Raby, O₂'s head of games. The Nokia 3410 phone, a black-and-white device, was the first Java technology handset to be widely adopted. Through Nokia Tradepoint, O₂ was able to connect with leading game developers and aggregators, who quickly provided seven of the initial games on the portal for O₂'s September 2002 launch in the U.K.

To kick off the service, O₂ allowed consumers to download games at no charge for the arcade's first month of operation. After that, O₂ charged a low flat fee per game for unlimited use. In the first three weeks of operation, the system recorded 50,000 downloads. Once the free period ended, the pace of downloads slowed temporarily, as expected. “However, we have since gotten back to that level and more,” Raby notes.

While its business plan requires that it continually offer a number of new games, each modified for a particular device, the company does not intend to become a wireless game developer. “We prefer to get games through aggregators and game developers,” Raby says. O₂ constantly seeks top-quality titles for the latest handsets as it builds its online collection of games. As of this writing, the company works with nine content suppliers, primarily aggregators that represent games from multiple developers.

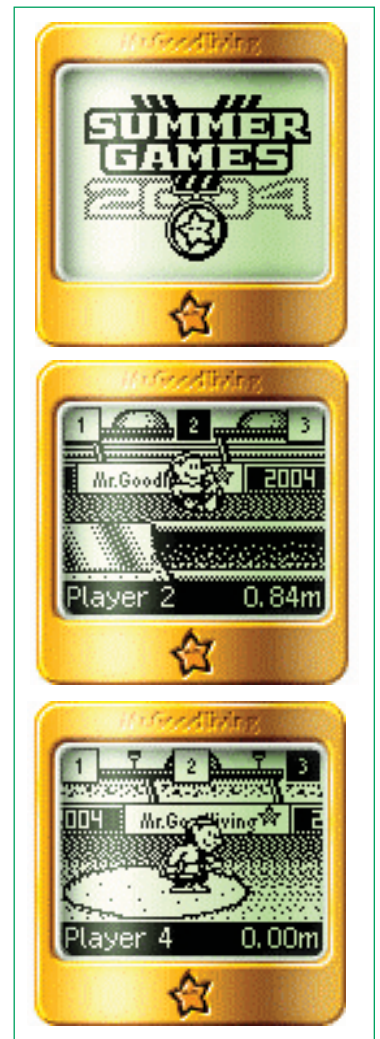
Among the current top-selling games in O₂'s portfolio are Highway Racer, Pinball the Castle, and Summer Games 2004 from Mr. Goodliving, and Racing Fever and Zoys Rescue Mission from Sumea. All of these games came through Nokia Tradepoint. “Game quality can be a big nightmare, but the quality of the games provided by Tradepoint suppliers has been among the very best,” Raby says. Keeping up with the rapid proliferation of handsets has been a challenge from a technical standpoint, since games must be optimized for each device. But again, Nokia, which

provided the games market with the first handset based on the Java platform, “has been very helpful,” Raby reports. The company quickly responded to problems and developed the needed fixes. Nokia also provided valuable information that expedited the effort to prepare the games to run on each Nokia device. Currently, O₂ provides games for the Nokia 3410, 3510i, 6310i, 7650, and 7210 devices. O₂ also will support games for the Nokia N-Gage™ mobile game deck, which is based on the Nokia Series 60 Platform and Symbian OS.

Reaching the Goals

While O₂ hasn't released specific revenue figures, “our objective was to make money from the start,” notes Raby, and the company has achieved that objective. The launch of the O₂ Games Arcade has been so successful that the company is replicating it in Holland, Germany, and Ireland. As of February 2003, the arcade portal's library contained 120 games, and as of the end of January, the portal had attracted 110,000 unique visitors.

Beyond continuing to attract the very best games, the biggest challenge O₂ faces today is educating the consumer, Raby says. To expand the market beyond today's early adopters, the company must use aggressive marketing to spread the word about wireless game playing, generate excitement, and drive more people to its Games Arcade. Nokia's marketing leadership in wireless Java platform games will benefit O₂ efforts here as well.



MR. GOODLIVING'S SUMMER GAMES 2004
Players challenge their fellow athletes or improve their personal best in 100m dash, long jump, javelin, discus, and 110 hurdles.