



## Entertainment goes wireless

Deck Label: Vancouver is quickly becoming a hub of the new mobile gaming industry, reports Michael McCullough

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Rob Milne may be at work, but he carries an electronic game console with him at all times. If he wanted to, he could play Tomb Raider in the midst of a staff meeting.

Milne can justify it, and not just because he heads up cell-phone giant Nokia Oyj's new gaming division out of the company's research and development centre in Richmond.

The prototype console, known as the N-Gage, is also his mobile phone. For that matter, it's his FM radio, MP3 player and personal digital assistant -- all in a package about the size of a wallet.

Once they go on the market next fall, Nokia expects to sell millions of these devices to young men in the working world who just can't seem to shake their high-school gaming habit.

Like many in the industry, the company has recognized that the future of wireless is about more than voice and text communication. It's about entertainment.

And Vancouver, already established as a hotbed of both wireless technology and electronic-game development, seems to be emerging as a hub of this new entertainment medium.

Nokia chose Vancouver for its gaming centre for two reasons, says Milne, the co-founder of Vienna Systems, a local startup Nokia acquired in 1998.

First, with Electronic Arts operating the world's largest gaming studio in Burnaby and several smaller developers clustered around the downtown core, the city has a deep pool of gaming talent.

Second, Vancouver is as well-located as anywhere to the Nokia game group's satellite offices in Tokyo and Helsinki, as well as game publishers along the U.S. west coast.

Ten people are already on the payroll and Nokia is advertising for seven more. Milne says there's no telling how big the operation will become. The entire electronic gaming industry -- hardware and software -- was worth \$31 billion US last year.

For now, the group is developing two proprietary games for the N-Gage: Kart Racing and a puzzle game called Bounce. In addition, five major software publishers -- Sega, Eidos, Activision, Taito and THQ -- are developing N-Gage versions of their existing console hits such as Tomb Raider and Sonic.

The games will be distributed on tiny memory cards about the size of a quarter and sold through retail stores.

"Following the standard game-industry model, what we're doing is setting ourselves up like any other console manufacturer, where we're both going to have third-party published games

. . . as well as having Nokia-developed games," Milne says.



CREDIT: Mark van Manen, Vancouver Sun

Nokia's Rob Milne with new N-Gage wireless console phone and tiny game chip. Ten people are on the payroll and more are being hired.



CREDIT: Vancouver Sun

Atomic Dove's logo. The game is one of more than 100 products Air Games sells to wireless carriers. It claims 600,000 subscribers.

The beauty of N-Gage is that it has not one, not two, but three modes of play, Milne says. You can play against the machine, you can play with other N-Gage owners in the same room (networked via the local wireless standard Bluetooth), or you can use the wide area network to access game services such as downloading new characters and game levels, upload high scores and chat with other users.

It doesn't have the rich graphics or high speed of a PlayStation2, but N-Gage has a big advantage for its busy 18-to-35-year-old target market: It allows you to play the games you love when you have time to kill -- on the bus, enjoying a morning coffee or waiting in the doctor's office.

"The person who buys this is someone for whom gaming is part of their lives," explains Charles Chopp, manager of media relations for Forum Nokia. They are young adults who grew up with portable GameBoys and consoles at home, and still want to play games even though working life makes it more difficult.

"They make time for gaming and they want the best tools in the best environment," Chopp says.

The wireless gaming business in Vancouver predates consoles such as the N-Gage, however. Air Games Wireless Inc. has been developing games to be played on cellular phones for three years now and according to managing director Frederick Ghahramani, it's been operating in the black for most of that time.

Air Games now sells more than 100 products including Casino, Hangman and Atomic Dove to 35 different wireless carriers in 14 countries, Ghahramani says. It has about 600,000 subscribers.

The company began developing simple games itself, but now also publishes games developed by others. While theoretically the game should be fun to play irrespective of the platform, designing games for wireless poses its own challenges, Ghahramani says.

The small screen and low power works against "twitchy" games such as Doom or Mortal Kombat. Instead, wireless games tend to use more imagination and less graphics.

The founders of Air Games were inspired not so much by mainstream video games as by bulletin-board systems from the early days of the Internet.

That said, Air Games' biggest hit to date is Atomic Dove, a more complex game for hard-core gamers introduced in 2001. It's been described as a mobile version of the board game Risk.

The company now has offices in Gastown and London, England. Its games are available in Canada on the Telus, Rogers AT&T and Bell Mobility networks. Air Games derives its revenues from those network carriers, either as part of a service package or as an option.

"We aim to take a consumption-based revenue stream, so the more someone uses a game, the more money we make," Ghahramani says.

The carriers are more than happy to give game developers a place on their networks, and with good reason.

"Gaming just drives traffic through the roof," Ghahramani says.

"Wireless games really are probably the fastest-growing segment of our business, representing in excess of 50 per cent of the wireless Internet usage for our customer base," confirms Paul Healey, president of Bell West.

Bell picks games to put on its network -- there are now more than 100 -- based on their quality and usability for customers, Healey says. Some, like the current hit Jumbuck Speed-Dating, seem to take off in weeks with little or no promotion.

"There are some people who are extremely aggressive on the minutes. They use literally thousands of minutes a month," adds Ken Truffen, Bell's group manager, business development. But the majority of the 43 million wireless gamers worldwide are more casual users, playing a few minutes here, a few minutes there.

Certainly the big game publishers have sat up and taken notice. Sega is introducing three wireless games in the coming months: Monkey Ball, Soccer Slam and Fast Lane. Electronic Arts is working on a wireless version of Tiger Woods Golf.

Importantly, most of the push by developers right now is in open-infrastructure, Java-based games for phones, as opposed to games-designed consoles such as N-Gage. Truffen says he believes the primary market for wireless games will continue to reside in phones.

"Do I see proprietary handset manufacturers driving the business? I don't. I think it's going to be Java developers that are driving the business," he says.

Ghahramani agrees. Consoles will appeal to affluent North American teens and young adults who already play games on consoles at home. But for the worldwide market, where most people can only afford one device whose cost is subsidized through a service plan, the phone is that device.

"Ultimately, when you look at things from a global perspective ... the majority of gaming will continue to operate on mobile phones," he says.

Ghahramani sees wireless gaming becoming a component of the broader electronic game industry. Instead of wireless-only games or wireless versions of video games, users will play multi-platform games where they have limited access on their wireless devices to games they're playing at home on their PlayStation, GameCube or Xbox.

Lynda Brown, the CEO of Vancouver startup GoBe Media Inc., says she believes wireless will come into its own as games take advantage of its unique features, such as portability and real-time action. You might be able to participate in a retail chain's contest when you are within a certain radius of the store, for example.

"The immediacy of the wireless medium is that much greater," she says. "I think it's a very different medium."

Currently juggling with financing, GoBe plans to develop games for a hitherto untapped market, "tweens" aged 10 to 12. GoBe envisions an integrated platform game that allows kids limited play on the computer or console games they play at home via wireless devices.

"I think if you look at how kids are using the mobile phones or wireless devices that they do have, you'll see there's a lot of trading of music, SMSing, chatting. On some of the newer phones, you can share photos and beam photos across," Brown says.

This new wireless environment -- where the mobile phone is as much a TV, a computer or an arcade game as a thing to call home with -- comes naturally to youth, Bell's Healey says.

"It really is becoming the life that they lead."