

*Upstarts exploit
untapped possibilities
in cellphone games,
community participation*

Young firms explore **frontier** of **wireless** content



Frederick Ghahramani and Vincent Yen, two co-founders of AirG, a company that not only designs and publishes mobile content, but distributes content on behalf of developers around the world. AirG has licensed products to mobile operators in 33 countries

By CATHRYN ATKINSON

The once humble mobile phone continues to be the rising star of the technology world, and a handful of Vancouver companies are placed to capitalize on its growing popularity, and even set the standards in this industry.



These firms know that a little less conversation and a little more action is the way of the future, in terms of games and other interactive activities. Millions around the world now use their cellphones to entertain as well as communicate.

The statistics may seem familiar in terms of high-tech take-up rates, but they are nonetheless startling. There are now more than 1.5 billion mobile phone users worldwide, 500 million of whom also have Internet browsers in their phones. To this can be added 12 million PDAs, such as those made by Palm or Blackberry. More than 95 billion text messages are sent each year, and personalized ring-tone revenues alone are worth US\$3.5 billion annually.

The international cellphone industry is bigger than video games (\$9 billion worldwide annual revenue), the motion picture box office (\$7.5 billion) and the music industry (\$20 billion). And what's more, the cellphone industry has not yet peaked, particularly in terms of new entertainment applications. No wonder the rush is on to settle this entrepreneurial frontier.

In Vancouver, companies take advantage of the need for new wireless products with a mixture of creative force and entrepreneurial verve. It is a very young, fast-paced industry, which even in the last year has seen remarkable growth. It is characterized by hundreds of products being developed by small, highly specialized firms.

"The whole cellphone content area is really fertile ground," said Lynda Brown, executive director of industry association New Media BC. "People are touting it as

the next great frontier."

According to Brown, Vancouver is now a world leader in wireless entertainment because of a solid infrastructure — comprising education, investment and creativity — which draws talent from across Canada and beyond.

Allison Webb, communications manager for AirG, which at just five years old is one of the grand-daddies of cellphone games. An independent company, AirG designs, publishes and distributes multi-player mobile entertainment products and services around the globe. Webb, who spent several years in the industry in England, said Europe has tended to be 18 months ahead of North America in wireless entertainment, but she thinks we are catching up fast.

"In terms of networks and technologies, there is no end of opportunities," she said. "The penetration rate for these games is fairly low in a lot of countries. As more people take up phones, we will acquire more customers."

The company, founded in 2000 by three SFU students, Frederick Ghahramani, Vincent Yen and Bryce Pasechnik, currently employs 50 and plans to hire more staff this year. AirG has licensed its products and services to more than 80 mobile operators in 33 countries, and has four million registered end users. The company has two different product groups: multi-player games (such as Atomic Dove and Art of Tyranny) and community products.

As well as developing games in-house, AirG acts as publisher for 30 game developers worldwide. These relationships allow the company to localize products with ease, particularly by dealing with language barriers.

Webb is proud of AirG's involvement this year in two competitions run at SFU and Seneca College in Ontario to nurture

student talent by having them design and implement mobile entertainment applications. The winners' applications will be launched on the Bell Mobility network in 2005.

Another five-year-old Vancouver company, Exponentia, has a particular forte that will be of strong interest to sports fans. Its proprietary Digital Media Pass platform allows sports and entertainment clients to engage TV-sized audiences with Web and mobile interactive games for the purposes of sponsorship, subscription and transactional revenue.

Applications include live voting, game predictions, trivia, alerts and chat. TSN has made use of Exponentia's products, as have the Toronto Maple Leafs, Montreal Canadiens, the Vancouver Canucks and the Toronto Raptors. Further afield, Exponentia is now launching similar products for teams in



Exponentia president Jim Fawcett: "Customers want to have an instant visual response. It's like the studio audience in *Who Wants to be a Millionaire*, except that those at home respond to the questions."

Mobile MUSE develops wireless capabilities

Research project aims to make Vancouver a hub for community applications

The Mobile MUSE (Media-rich Urban Shared Experience) is a Vancouver research project aimed at exploring how wireless applications, via cellphones and PDAs, can better encourage participation in the community and create learning opportunities.

The first aim is the further development of wireless networks, which have already moved far beyond delivery of just voice and text. The second aim is to develop devices and applications that allow users to shape the way they use the technology.

The primary elements of the project are international benchmarking, test-bed development and prototype deployment. The first Mobile MUSE prototypes were launched as a juried research contest among three separate research teams, competing to create the two most compelling prototypes.

Other Mobile MUSE teams have studied the market, technology and social drivers of mobile participation. The plan is to build a strong foundation to respond to the evolving needs of users and to changes in technology.

One research project created an interactive game that can be played by participants walking around Vancouver, col-

lecting clues from various points in the city. Questions, commands, responses and clues are provided to participants. The launch of the game was planned to coincide with the 2005 Vancouver Dragon Boat Festival (June 17-19, 2005).

A similar program based on Granville Island allows users to receive tips about the restaurants, galleries and other cultural locations around them via PDA, while they explore the area. They can also retrieve local historical information, community comments and photos, and they can leave their own comments for the next user.

Developers of the Mobile MUSE program want to use it to showcase Vancouver's wireless product revolution. Upcoming world-class events in the city, including the UN-sponsored 2006 World Urban Forum and, of course, the 2010 Winter Olympics, will provide ripe opportunities.

The Mobile MUSE is a collaboration of government, corporations, industry associations, academic institutions and community and cultural groups.

England's soccer Premiership, in particular Manchester United.

In terms of audience participation, with Exponentia's instant polling application for TSN, two per cent of the TSN audience regularly participates in answering poll questions about their favourite hockey teams. The percentage may not sound like much, but that is over 10,000 votes, garnered in mere seconds.

Jim Fawcett, president of Exponentia, is delighted with his company's growth.

"Customers want to have an instant visual response. It's like the studio audience in Who Wants to be a Millionaire, except that those at home respond to the questions," he said.

Fawcett has been told that his company is the most innovative in his market, but he thinks it is "typical of Lower Mainland companies."

"Wireless companies here are a lot of little seeds, rather than big trees. Vancouver companies are known as specialists and very innovative. From an ideas perspective, we are clearly a world leader."

Exponentia has 15 staff, and Fawcett is busy trying to build the company and very much intends to stay private, adding

that business has been very good.

"We've been doubling every year, particularly revenue-wise. Now that we're well into the millions, the next double may be a challenge."

The aptly named BuzzWhirlClick! is small Vancouver company that crackles with activity. Started a little more than a year ago by Mike Nemeth, this two-man shop is an aggregator — it collects cellphone games from other developers around the world, which are then posted on its website. Consumers buy these games, which are directly downloaded to their phones.

"We're an E-bay for cellphone games," said Nemeth. "We are moving far beyond the Tetris-type games."

BuzzWhirlClick!'s products are currently single-player games, though the company will soon offer games for more than one player. Nemeth cites the experiences of Asian countries when describing what should be expected in North America.

"In Korea and Japan cellphone games are more popular. Adults, kids, even little old ladies play them. Here anyone under 20 is totally comfortable with cellphones and this can happen here."

Nemeth is now negotiating a commitment with an American board-game manufacturer, whom he can't name, with the aim of adapting its stable of games to the cellphone.

"We have enough content for the rest of our lives," he said. "I feel like an old hand already. We not millionaires, but it's viable, and we haven't even gone worldwide yet."

New Media BC's Lynda Brown said this optimism is felt far beyond the Lower Mainland. At a conference of game developers she attended in March 2005, several speakers Brown heard spoke of how the wireless industry was drawing in more participants than the video games industry. She noted that wireless applications are relatively less expensive than other games to develop and to buy.

Exponentia's Jim Fawcett summed up the opportunities local cellphone content providers are rushing to capitalize on: "Broadcasters know how to broadcast and entertain, and telecoms are good at helping people communicate with each other," he said. "We are somewhere in the middle. Bringing the two together is the opportunity." ■