

MOBILE ENTERTAINMENT

A COOPETITIVE ANALYSIS OF THE MOBILE GAME INDUSTRY

ABSTRACT

Mobile gaming is a commercial product-service model that is distributed to the customer using mobile operator networks. The game is an interactive product; many kinds of entertainment services are not covered by this report, such as joke or comics services or the popular ring tone and logo services. What distinguishes mobile games from other kinds of entertainment services is that the interactivity creates so-called stickiness for the service. The target of this study is to give an introduction to the mobile gaming industry and build a framework for analyzing the success factors of mobile game products and companies. Currently the mobile gaming industry is in the introduction phase. Many start-up companies are developing different games and technologies and believe that they will be the winners when the market moves from the introduction to the growth stage. At this point the company must have the critical mass in order to flourish, otherwise the companies with bigger and better partnering networks as well as marketing and sales forces are acquiring a destroying the smaller one.

The framework depends on the following methods: the industry and mobile game, value distribution in the value delivery network and external company analysis such as target groups for games and nature of online games. In the study, these methods will be applied to the industry segments taking into account factors such as technological development and mobile connection penetration in the target group of mobile games into account. The key findings of the study are that the players in the mobile gaming industry see the future scenarios very differently: some believe in text-based games and some believe that premium 3D-games will take over the market very soon. Very few companies have made definite strategies that they would be pursuing; it seems rather, that the industry is currently lacking persistence and changes the focus whenever a new technology is introduced. The framework co-opetition introduced by this study can be helpful both for the companies entering the market and for the existing companies. It presents questions and problems that the management of a company has to tackle, if it wants to be successful in the industry.