

Market Notes:
Mobile Games in South Korea

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Market Notes: Mobile Games in South Korea

Overview

Mobile handset makers are making constant efforts to narrow the gap between their devices and PCs. As a result of such efforts, today's mobile handset has turned into a high utility, multifunctional device used for a great deal more than simply making voice calls. One such functionality of mobile handsets that is rapidly catching the imagination of users, especially the young segment, is "Mobile Gaming".

Mobile games can be classified into three broad categories:

Embedded games: These are games which are hardcoded into the mobile handset's system and shipped with it. Vendors like Nokia and Motorola were the pioneers in these games when they started incorporating simple, easy to play games on their handsets.

SMS games: SMS games are played by sending text messages to the game server which processes the messages and sends back the result through SMS. These games did not become popular because the cost of gaming increased with each SMS sent to the game server.

Browser Based or Downloadable games: These games are played using a mobile handset's built-in micro browser either online, through the carrier or a third-party game provider's game Web site, or offline by downloading them on to the handset.

Mobile games are also classified based on the underlying technology. The two most popular classifications are:

- J2ME (Java 2 Micro Edition)
- C/C++ For BREW Phones

At end-2008, worldwide mobile gaming revenues stood at USD 5.5 billion. This is forecast to increase to USD 6.8 billion by end-2009 and USD 9.8 billion by end-2013.

Asia Pacific

Asia Pacific dominated the mobile gaming market at end-2008, accounting for nearly 47 percent of the worldwide mobile gaming revenue – mainly due to the presence of the world's most advanced mobile markets in Japan and South Korea, and the region's mammoth subscriber base.

It is expected that Asia Pacific's mobile gaming revenue will grow at a CAGR of 21.9 percent during 2006–2013 reaching USD 4.8 billion by end-2013.

There are a number of reasons why Asia Pacific currently accounts for nearly half of the mobile gaming revenues worldwide. One is that the operators in this region (primarily South Korea and Japan) have focused on a mass-marketing strategy wherein they zeroed in on selected content (including mobile games) and made it readily available on a non-premium basis. This helped them quickly determine which genres of games were popular and also increased the brand awareness.

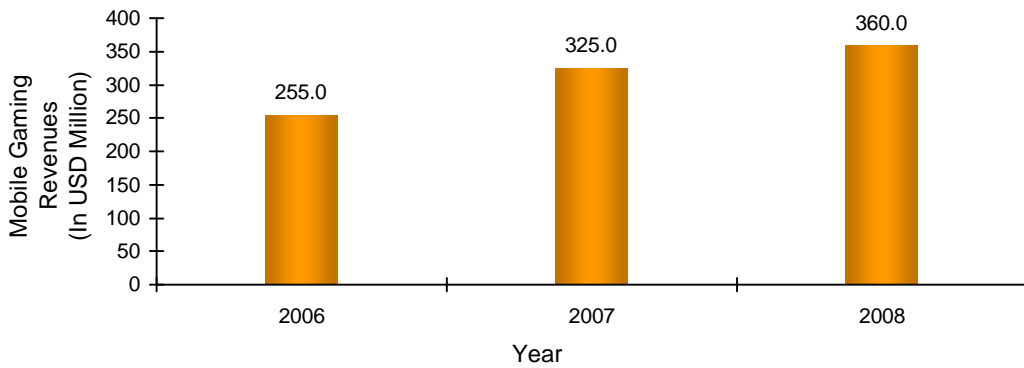
South Korea

When it comes to playing games on mobile handsets, South Korea emerges as one of the leading markets worldwide. The country's wireless market is highly advanced compared to other countries, and, with this availability of new technologies and technically better handsets, the local market has seen encouraging adoption of several mobile data services; this is true too for mobile games.

The figure below shows how mobile gaming revenues have increased over the period 2006–2008.

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Figure 1: Mobile Gaming Revenues – South Korea (In USD Million, 2006–2008)

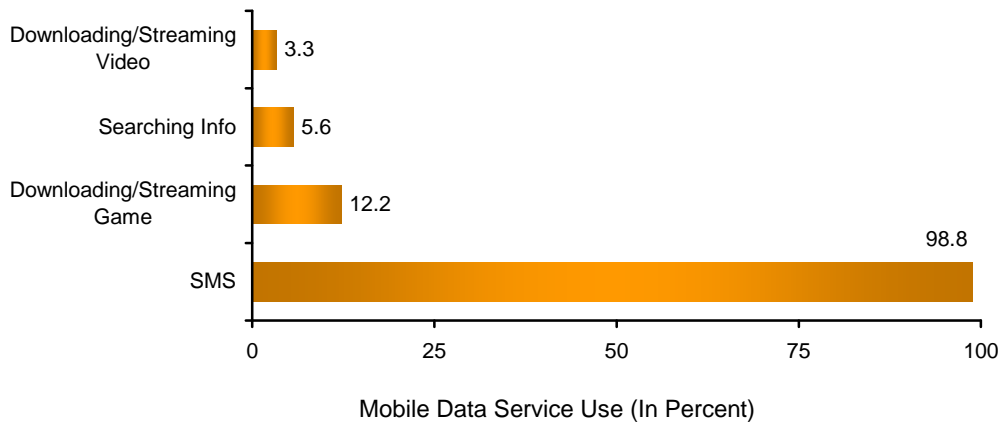


Source: Portio Research Ltd.

As shown in the figure below, over 12 percent of users downloaded or streamed games on their mobiles. This gaming percentage is higher than the major European markets where less than 10 percent of subscribers download mobile games.

The South Korean mobile gaming industry generated USD 360 million in 2008.

Figure 2: Use of Different Mobile Data Services – South Korea (In Percent, 2008)



Source: Portio Research Ltd.

The use of mobile games is more popular among males than females in South Korea. Figure 3 below shows that nearly 15 percent of male subscribers downloaded mobile games in 2008; the corresponding figure for female subscribers stood at 9.5 percent.

Figure 3: Mobile Handset Use by Gender – Mobile Gaming – South Korea (In Percent, 2008)

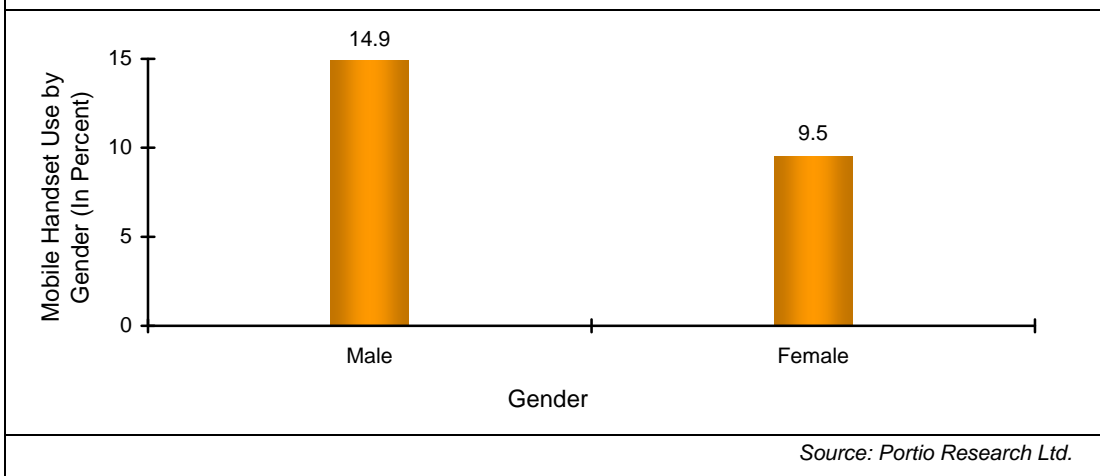
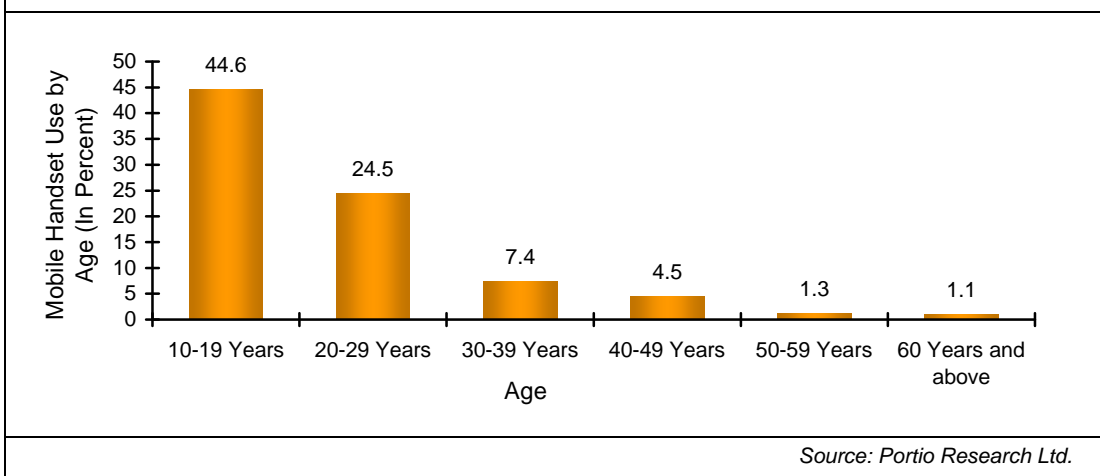


Figure 4 below reveals the popularity of mobile games among different age groups.

Figure 4: Mobile Handset Use by Age – Game Downloads – South Korea (In Percent, 2008)



Factors behind the popularity of mobile games in South Korea include flat rate tariffs offered by operators for downloading games, and ease of downloading and streaming games.

Clearly, subscribers in the age groups 10-19 years and 20-29 years are the heaviest users of mobile games. As expected, with increasing age the use of mobile games declines.

The factors behind the popularity of mobile games in the country include the launch of 3D game handsets, flat rate tariffs offered by operators for downloading games, ease of downloading and streaming games with the availability of high speed networks, and various strategies adopted by MNOs.

These notes were extracted from the Portio Research report:

[Markets for Mobile Music, Games, Video and TV \(2009-2013\).](#)

This essential report provides analysis and growth forecasts for mobile entertainment markets worldwide.

With detailed briefings on mobile music, mobile games and mobile video and TV services, plus projections to 2013 on both global and regional levels, this study is crammed with data that helps identify the next growth frontiers for mobile entertainment services and how to tap these future opportunities. For further details about the report please [click here](#).

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