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Yet Another Vogue for the iPhone: Video Games

By JENNA WORTHAM

The iPhone has sent rivals scrambling, first to duplicate its glassy touch screen, then its successful mobile application storefront.

Now it is the video game industry that is sitting up and taking notice. Playing games, it turns out, is one of the most popular things to do with an iPhone. Of the 50,000 programs available for the iPhone and iPod Touch through Apple's App Store, games are the largest category, about 20 percent of the offerings, according to the mobile analytics and advertising company Mobclix. The company also said that more than half of the billion downloads from the App Store are games.

That plethora of games, most of which are free or cost as little as 99 cents, are available in seconds via wireless download, which is driving the expansion of the audience for mobile gaming, said Tuong H. Nguyen, an analyst with Gartner Research who tracks the industry.

"Like many other features of the iPhone, it introduced the possibility of gaming on your phone to a whole new group of consumers," Mr. Nguyen said.

Called casual gamers, these people who play a game for a few minutes here or there are a sought-after group by a video-game industry searching for growth. Sylvia Martinez, a 52-year-old educator living in Los Angeles, is one of them. Mrs. Martinez, who owns a 3G iPhone, said she had never played games on her cellphone before she bought the iPhone. "With older phones, the games were so hard to play," she said. "With the iPhone, everything works so well."

Now there are several games that she plays at least once or twice a day, she said. "It suits

my time frame,” she said. “I don’t have an hour to play; I have five minutes.”

Greg Joswiak, head of marketing for the iPhone and iPod, said, “This is the future of gaming.” The company has emphasized iPhone gaming in several television commercials. At the press conference in early June where the iPhone 3G S was introduced, the company ran a long video featuring testimonials from game developers. The company also trotted out several companies on stage to demonstrate games that made use of the latest version of Apple’s mobile operating system.

The popularity of gaming among iPhone users — some 79 percent of all iPhone owners have downloaded games, compared with 31 percent of smartphone users in general, according to data from the Web analytics firm Compete — has game publishers flocking to get their titles on the platform.

One of them is Electronic Arts, the giant maker of boxed software for PCs and game consoles like Microsoft’s Xbox 360 and Sony’s PlayStation3. “We knew it would be big,” said Adam Sussman, vice president for worldwide publishing for the mobile division of Electronic Arts. “We knew we had to scramble and invest more on the iPhone.”

The built-in audience, which amounts to more than 40 million iPhone and iPod Touch owners, adds to the platform’s allure, said Mr. Sussman, who has overseen the translation of some of E.A.’s bigger franchises to the iPhone, including the Sims 3 and Tiger Woods PGA Tour.

The iPhone has already increased revenue at the French game developer Gameloft, which publishes games across a variety of platforms including the hand-held Sony PlayStation Portable and Nintendo’s DSi, in addition to the iPhone and iPod Touch. The company said that 15 percent of its sales were from iPhone games during the first quarter of 2009. It anticipates sales from the iPhone to top \$20 million this year.

Some experts say that the big-name titles available for the devices are further evidence

that larger game studios are taking the platform as seriously as other portable gaming devices like the Nintendo DS and Sony PSP.

It does not require a budget backed by a publishing giant like Electronic Arts or Sega to churn out a successful game for the iPhone. The low technical barrier to publishing games in the App Store means that anyone with programming skills and a laptop can try their luck at it.

Indeed, many of the App Store successes were born of a clever idea from a single coder or produced by small independent teams like Firemint.

Firemint, an Australian mobile development team, is behind Flight Control, a simple yet addictive game that challenges players to guide aircraft to landing strips. “When my mother-in-law couldn’t stop playing it, I knew we had a success on our hands,” said Robert Murray, company founder. Since Flight Control went on sale in early March, the game has sold a million copies and hovered in the top ranking spots on iTunes, said Mr. Murray.

Gamers spend about 30 minutes playing some of the more polished games, said Krishna Subramanian, a co-founder of Mobclix.

“That level of gameplay is really starting to bite into the gaming market occupied by the PSP and DS,” he said.

Al de Leon, a spokesman for Sony, said the company recognized there was an appetite among their audience for direct access to software and more of it. In October, the company plans to release a new version of its flagship portable gaming device called the PSPGo that won’t use cartridges at all; rather it will deliver software directly to the device — just like an iPhone.

But even though the company is responding to trends that iPhone is driving, Mr. de Leon said the company is not worried that Apple’s device will take over their core audience.

“At the end of the day, you buy the iPhone to make calls,” he said. “And you buy the PSP to play games.”

Cammie Dunaway, vice president for sales and marketing for Nintendo, echoed similar sentiments about the company’s lineup of portable hand-held gaming devices. “No one can match our years of experience in the hand-held market and the subscriber base we’ve built up over the last 20 years,” she said.

Michael Cai, vice president for video games at Interpret, a market research firm, said, “Dedicated portable devices have a certain appeal that the iPhone can’t quite match.” But that does not mean those companies are not paying attention, he added. “Sony and Nintendo definitely realize the threat of the iPhone and iPod Touch.”