Social Games in Japan

presentation at GDC 2010 | David Collier | dc@pikkle.com

Three huge social game platforms:

- All three have billing systems
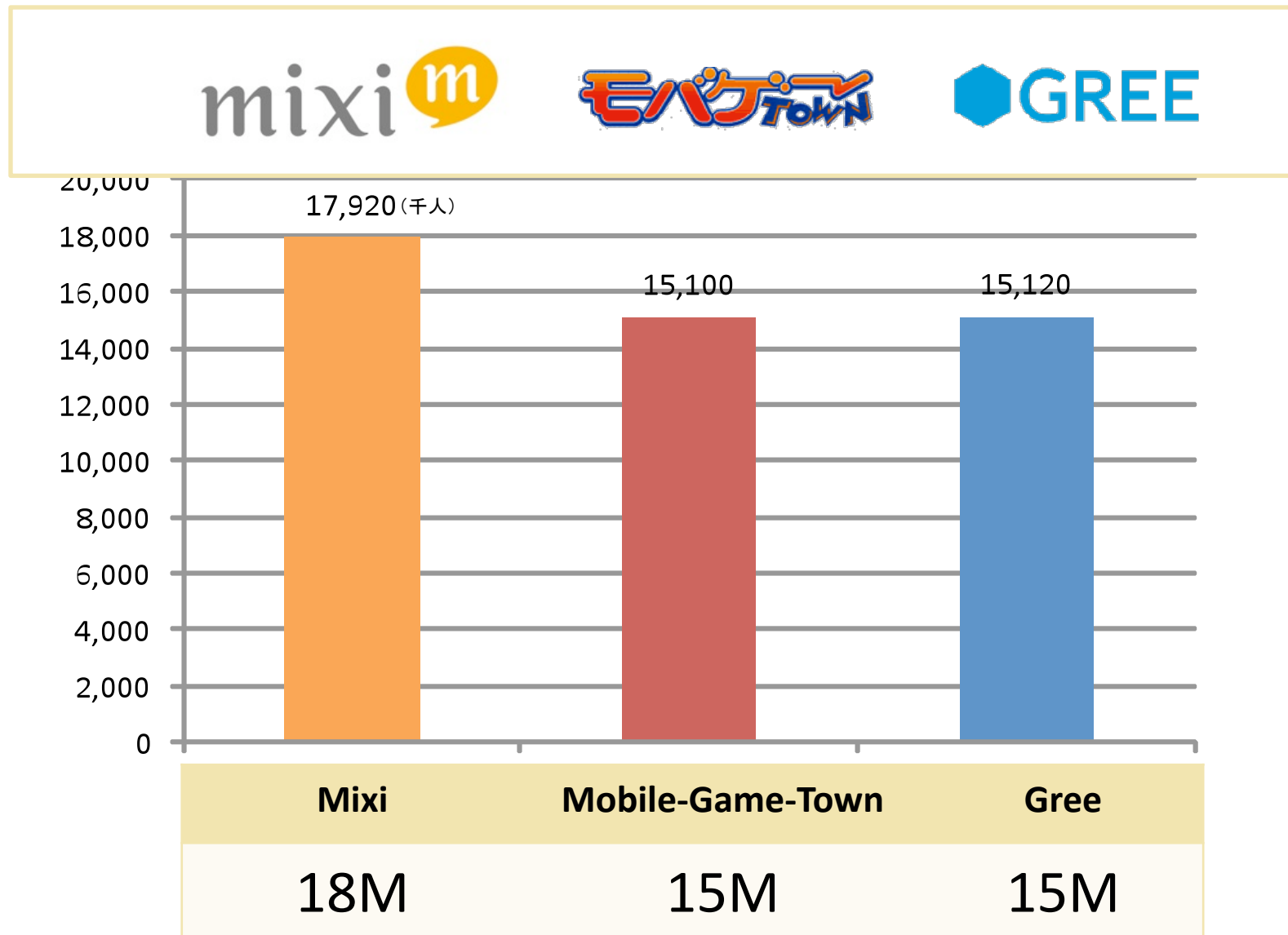- OpenSocial (or opening soon!)

Half the population, twice the ARPU:

Japan is as big as the US market!

Pikkle is Japan's leading social game publisher

Pikkle

R&D Phase → Developer → JooJoo portal → Social Game Publisher

Series A

Mixi investment

| Year 1 | Year 2 | Year 3 | Year 4 |

Japan total SNS audience

Chart data:

	Mixi	Mobile-Game-Town	Gree
(千人)	17,920	15,100	15,120
	18M	**15M**	**15M**

Y-axis scale: 0; 2,000; 4,000; 6,000; 8,000; 10,000; 12,000; 14,000; 16,000; 18,000; 20,000

Summary: Japan's main SNS Players

mixi m   モバゲー TOWN   GREE   facebook

	Mixi	DeNA(mbga)	Gree	Facebook
Users	18M	15 M	16M	1M?
OpenSocial	Open	Open	Open-ing	Open
SocialGraph	Real	Virtual	Virtual	Real
ARPU	$0.65	$1.61	$1.87	??

Before launch of games and appli

■売上分類ごとのARPU

	売上高〈百万円〉			ARPU: 会員1人あたり月間売上〈円〉			
	純広告	オファー	会員課金	純広告	オファー	会員課金	合計
mixi	3,047	0	244	55	0	4	59
GREE *1	1,068	683	6,429	21	14	128	163
モバゲー	1,125	720	5,018	24	15	106	145

*1 ... GREEオファー売上高は，モバゲーと同様の広告売上比率39％と仮定して算出

Cnet Japan Feb 05 2010

Number of Users and Page Views

✓ Introduction of "mixi Apps" has greatly boosted the number of mixi users and total PV.

[Unit : billion PV]　　　　　　　　　　　　　　　　　　　　　　　　　　[Unit : million users]

Legend: ■ PV(mobile)/Total　■ PV(PC)/Total　■— No. of users

FY07　FY08　FY09

	2007/10	2007/11	2007/12	2008/1	2008/2	2008/3	2008/4	2008/5	2008/6	2008/7	2008/8	2008/9	2008/10	2008/11	2008/12	2009/1	2009/2	2009/3	2009/4	2009/5	2009/6	2009/7	2009/8	2009/9	2009/10	2009/11	2009/12
PV(PC)/Total	5.66	5.23	5.03	5.24	5.04	5.48	4.90	5.18	4.81	4.83	4.83	4.99	4.77	4.37	4.17	4.32	3.87	4.25	3.97	4.28	4.07	4.08	4.09	4.52	5.49	5.45	5.13
PV(mobile)/Total	6.80	6.63	6.81	7.43	7.52	8.31	8.00	8.86	8.85	9.48	9.90	9.78	10.28	10.09	10.13	10.69	9.76	11.10	10.49	11.41	10.99	11.49	11.93	11.44	12.23	16.69	22.48
No. of users	12.32	12.66	12.97	13.33	13.66	14.01	14.32	14.64	14.90	15.12	15.40	15.68	15.91	16.11	16.30	16.48	16.62	16.83	17.02	17.23	17.41	17.56	17.74	17.92	18.11	18.34	18.58

All the games in this presentation are the property of their respective owners

Pageviews: It's a mobile world!

mixi — 4,520 (PC) / 11,440 (mobile)

モバゲーTOWN — 0 / 17,483

GREE — 220 / 23,460
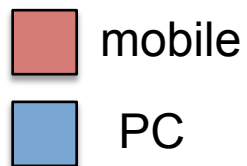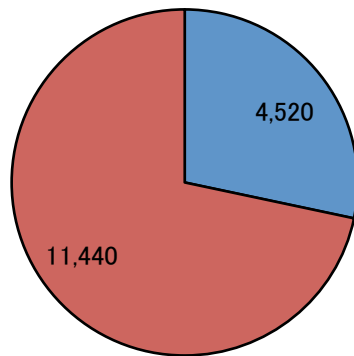
- mobile
- PC

Mixi is 30% PC – monthly 4B mobile page-views.

Everything else is mobile-only.
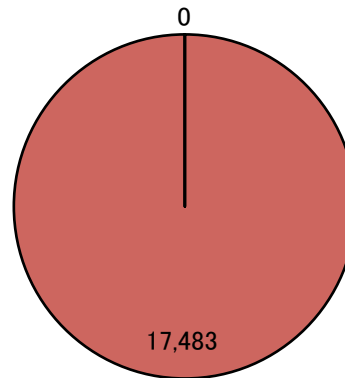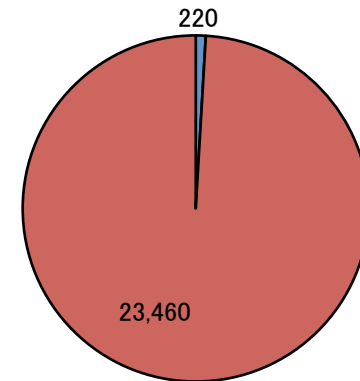
Popular japanese social games

- and demos

Many overseas genres have japanese parallels

Category	world	Japan
Mafia/Gang	MafiaWars	Kaitou Royale (怪盗ロイヤル)
Farm	FarmVille	
Zoo	ZooWorld	
Cars (rpg)	Speed Racing	
Quiz apps	Whatever quiz…	&M Check etc.
Restaurant sims	Restaurant City	My Restaurant 僕のレストラン
Virtual Pet	PetSociety	(Rockyou Pets) DogsRoom) 育成系
Aquarium	Fishville	Pocket Aquarium
Business sims	Ponzi	Happy Tower
City/Town Sims	MyCityLife	MakeCity (まちつく）
Island Sims	Happy Island/TikiFarm	
Girl RPG	Sorority Life	…
Fishing	…	Fishing games 釣りスター
Shop sim		Sweets Collection, ShopShop
Horse Racing		Uma racing, Uma-Tomo

There are lots of parallels to japanese and western games

But some categories haven't made it to Japan yet…

Some unique new categories have been invented here

All the games in this presentation are the property of their respective owners

	genre	title	users	
1	Farming	Sunshine ranch	4,661,927	Mobile+pc
2	Survey	Friends scorecard	3,487,525	Mobile+pc
3	City sim	Make City	2,722,022	Mobile only
4	Mafia	Kaitou royale	2,682,652	Mobile only
5	Quiz	Kanji test	2,504,454	Mobile+pc

All

Fastest Climbers

	genre	title
1	Quiz	Nouryoku kentei
2	Utility	MPG check
3	Game	PocketAquarium
4	Game	Be brave today
5	Game	Poker

Pocket☆Aquarium by Pikkle

Pikkle

Taking a successful format from the US, we developed a custom version for japanese mobile phones. It mixes full-screen interactive flash aquarium with gifts, location based items and other japan-specific gameplay features.

Pocket☆Aquarium: Mobile specific features
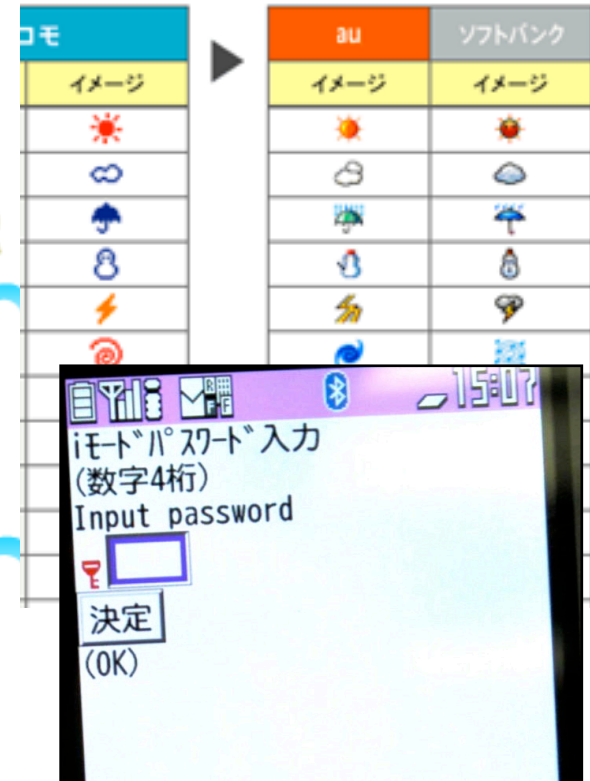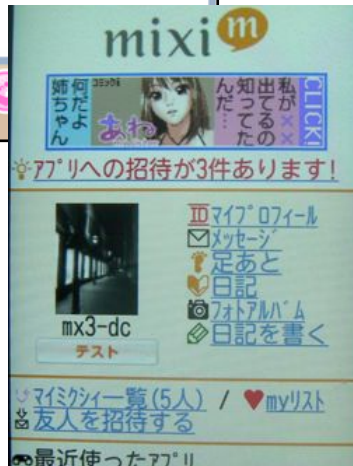
Mobile specific viral channels and messaging APIs	Location-based functions	Operator billing integration. Handset optimization

Pocket☆Aquarium: Touchpoints on Mixi

Pikkle

Application invitations

Feed: your friend just came and cleaned your tank!

Feed: your fish is hungry!

Community: come and look at my fish tank!

A gift from your friend!

Blog post: Kumiko found a rare fish you can only get in Hokkaido

Mail: do you want to trade items?

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The social game funnel…

acquire → involve → retain → monetize

Pikkle
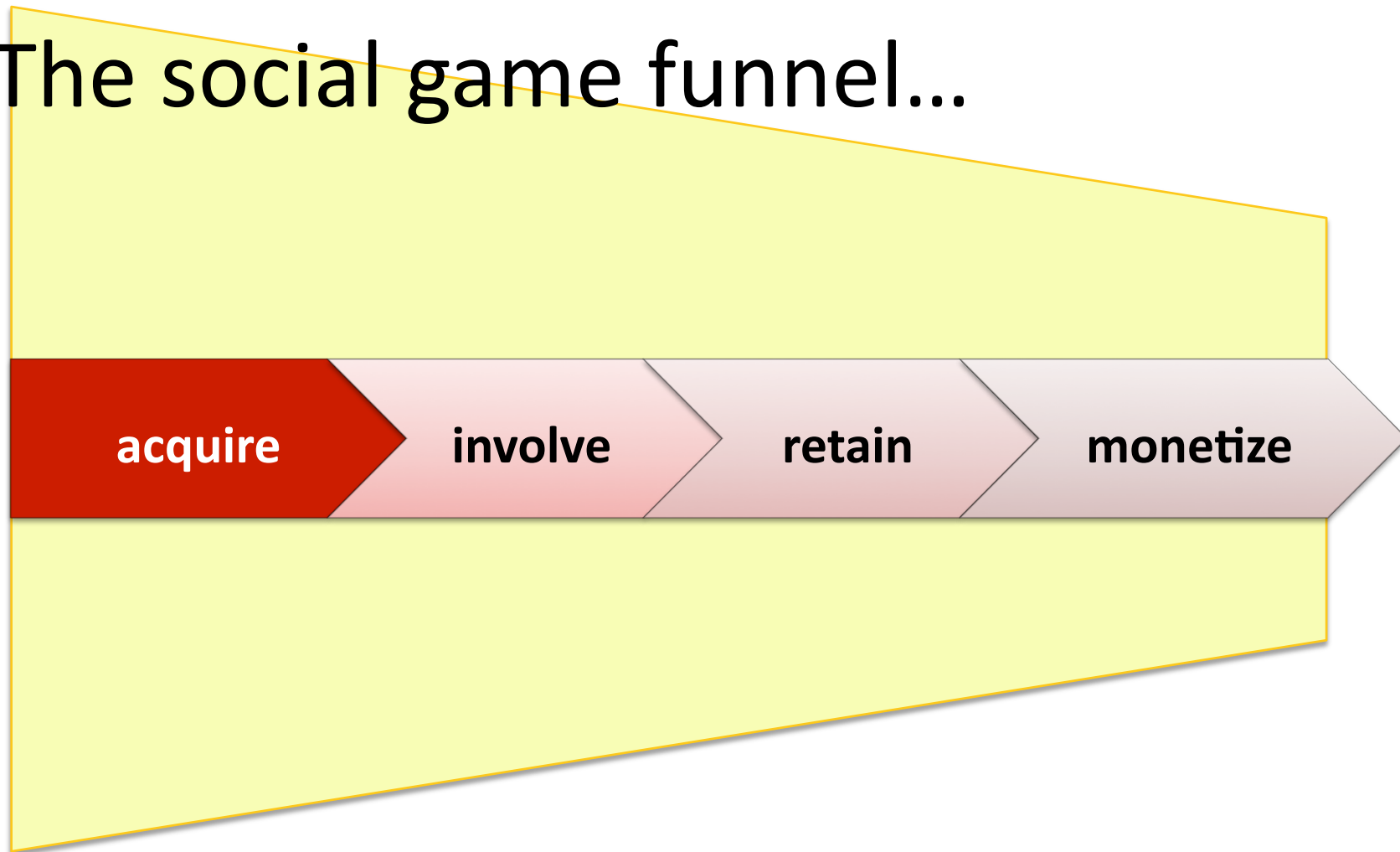
Application discovery and menus
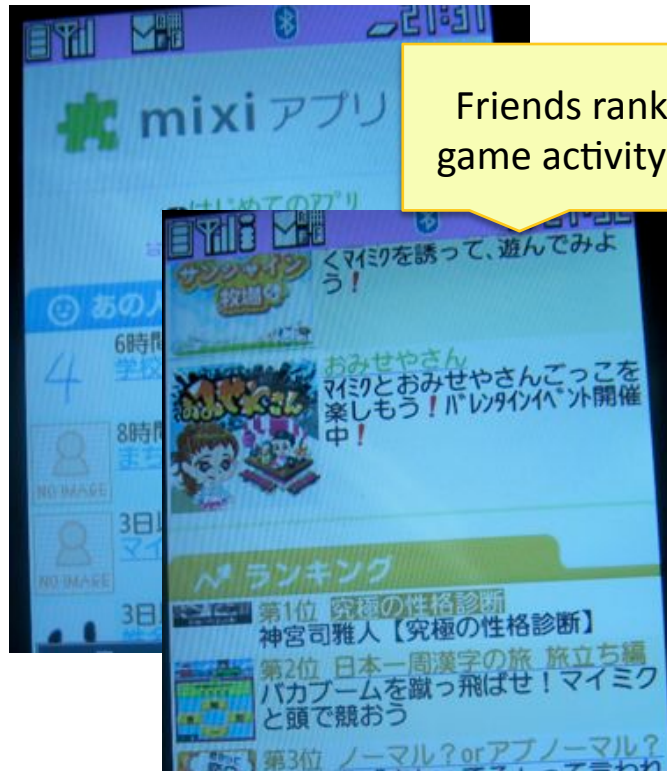
Friends ranking + game activity feeds

in-house apps are "featured" position

Mixi – social games focus	Mobage-town – mini-games too
What's new, what's popular with my friends, "friends just started playing", ranking, recommended, categories	"Featured", ranking by gender/weekly/ monthly, mini-games menu
Install numbers are open	Install numbers not public

Appli invitations and install flow
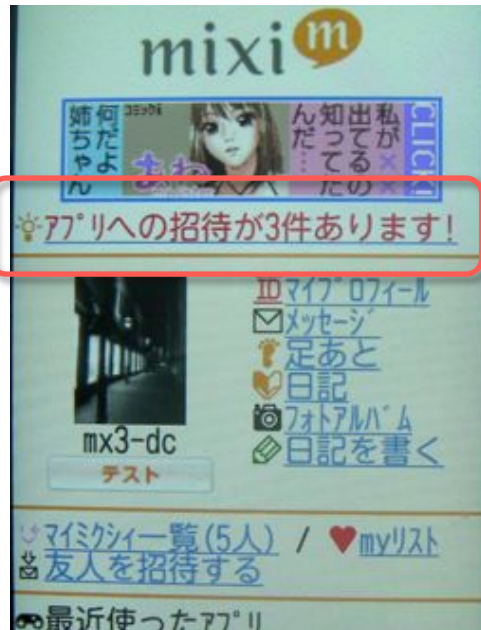
Appli invitation from your friends

Can see installed user count
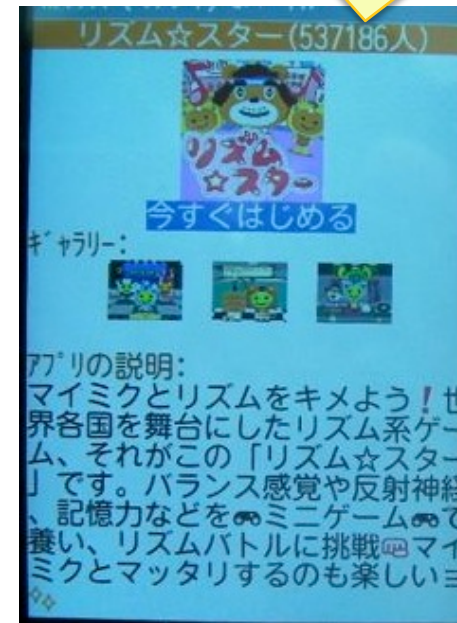
- API provides callback URL so you can find who invited who.
- But currently no tracking after registration process, so you can't tell which invitation people came from.

Game related Feeds and viral channels
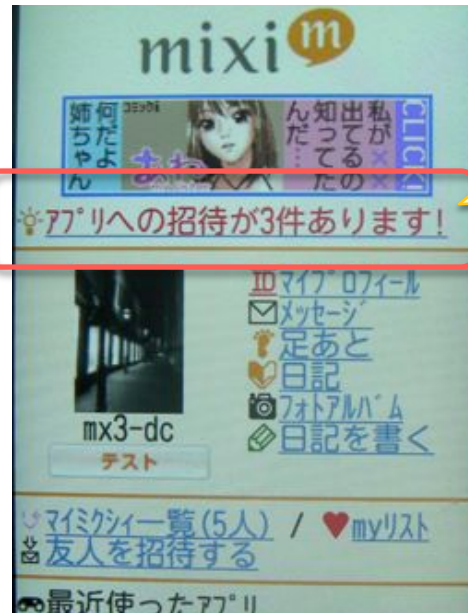
Appli invitations – red alerts that don't quit!

"My games" top 3 user set

Mini-feed events from games – can include images

Post to Diary (requires confirm)

Mini mail from game
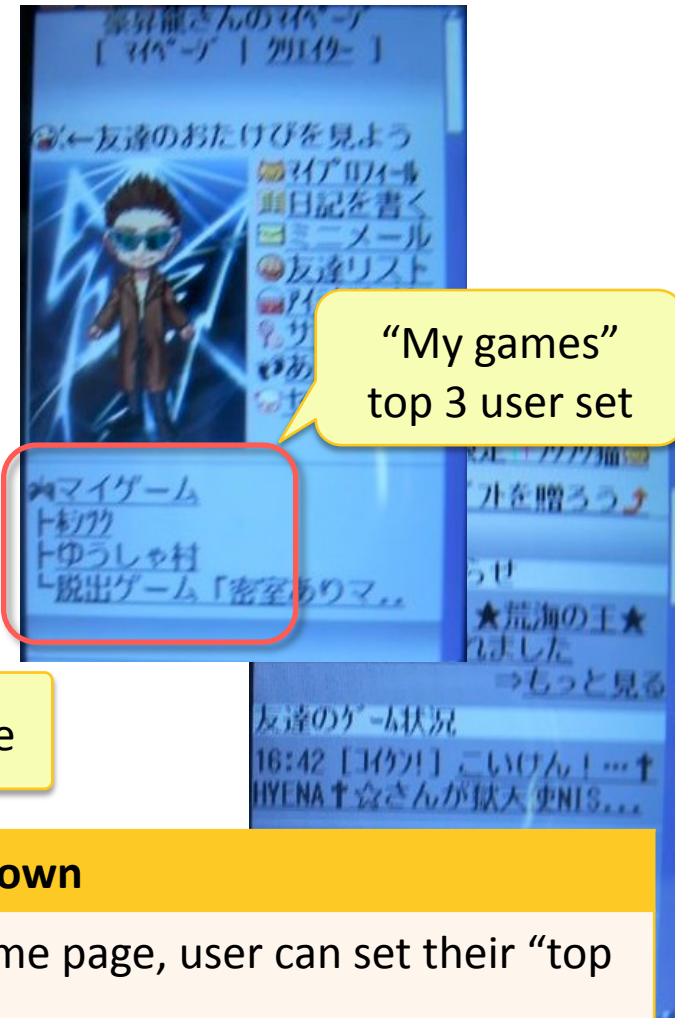
Mixi	Mobage-town
Invites from friends are at top of your home page.	Avatar home page, user can set their "top 3" games

Social pattern: real graph vs virtual graph
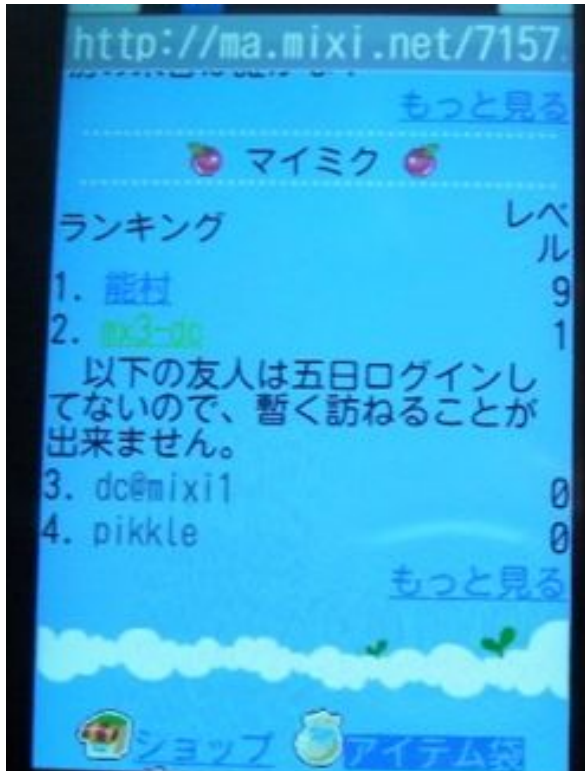
Mixi	Mobage
Focused on friends ranking as major differentiator against mobage town	National ranking and "take on anyone" player lists

Identity Patterns: photo vs avatar
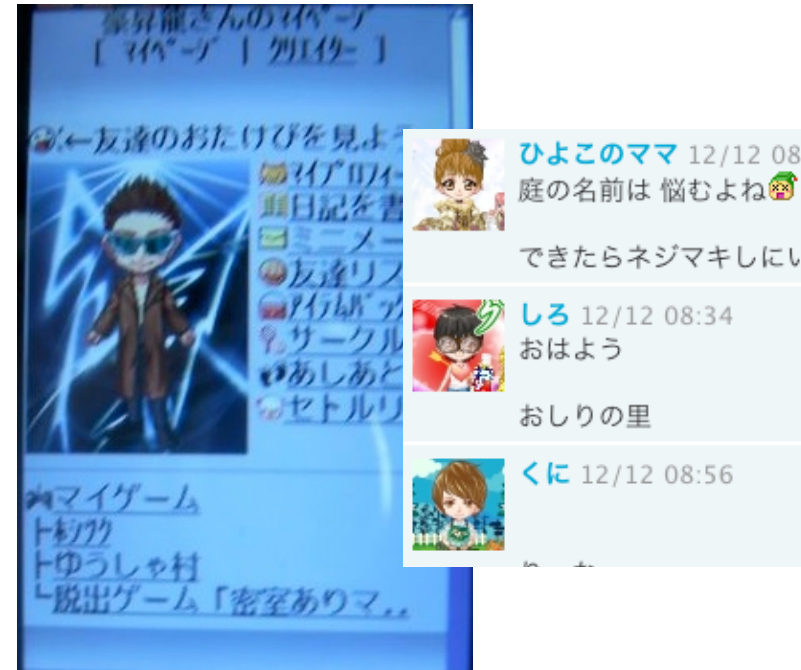
Mixi	Mobile game town
Even though users upload their own images, few use real photos of themselves.	Mobage and gree use avatars

Summary: Viral channels

- Feed events show on users home page
  - But you can just view events for you
  - Can attach small icons for mobile version viewed on the "expanded" page
  - Can attach custom URLs
  - Permission will be required from March
- App Invitations
  - Callback to see who was invited
  - But no way to tell who accepted which invitation – you can't attach tags to invites
- Blog postings
  - Blog updates from friends show on your own page.
  - APIs are not part of opensocial, but methods exist for each platform
- Messages (mini-mail)
  - Requires user approval, but very effective channel
- Community
  - Messages to communities joined show in your feed
  - Questionaires can be
- Official Users / community owners
  - Can be a channel to communicate with fans

Social Design Patterns

acquire → involve → retain → monetize

All the games in this presentation are the property of their respective owners

Pattern: poke

Hoshitsuku from DeNA
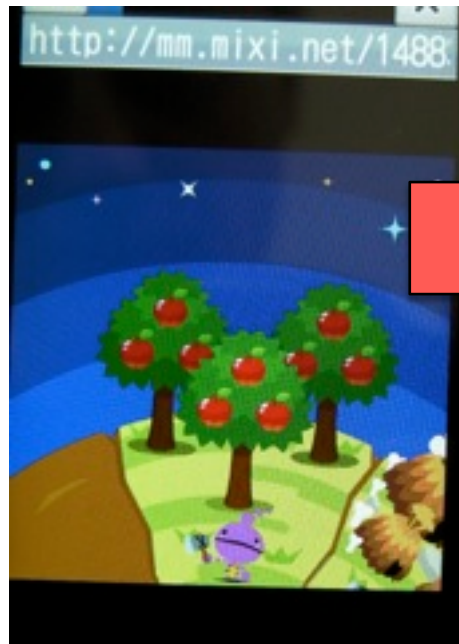
poke

List view to see at a glance who's planet could be made dirty!

Social pattern: win-win poke

Hakoniwa from GREE,Inc.

- Gree "nejimaki" function to wind up a friends garden item: you both get a bonus
- A record of previous people who did this is left behind for other friends to see

Pattern: Aggressive Poke

Happy Fish from hot pot
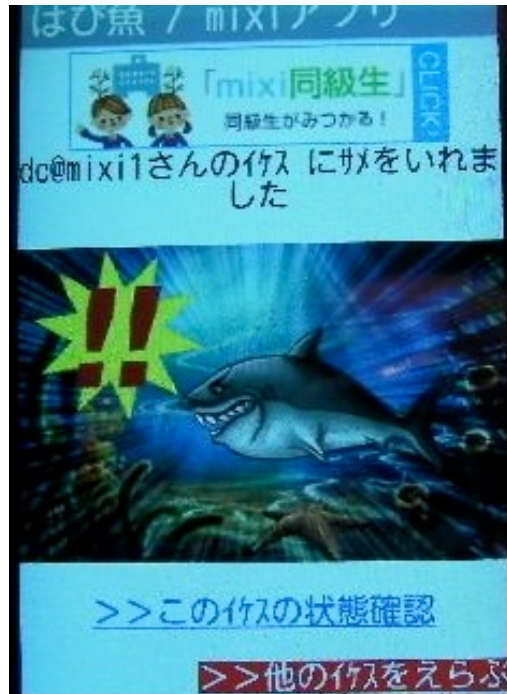
- Best used with people who aren't your real friends – eg on sites with a weak social graph

Social pattern: guest book to container
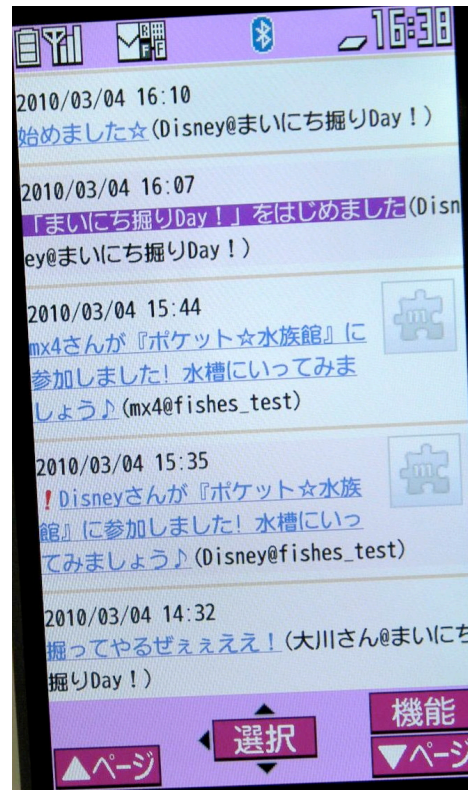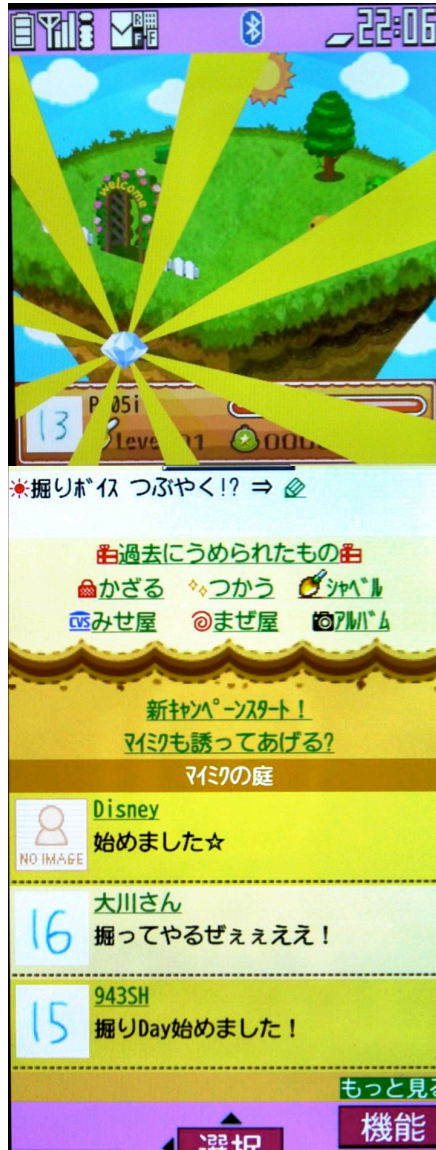
- Comments left on someone else's garden in-game get posted to the mixi "app updates" page.

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Social pattern: skills-based team

Kaito- Royal from DeNA
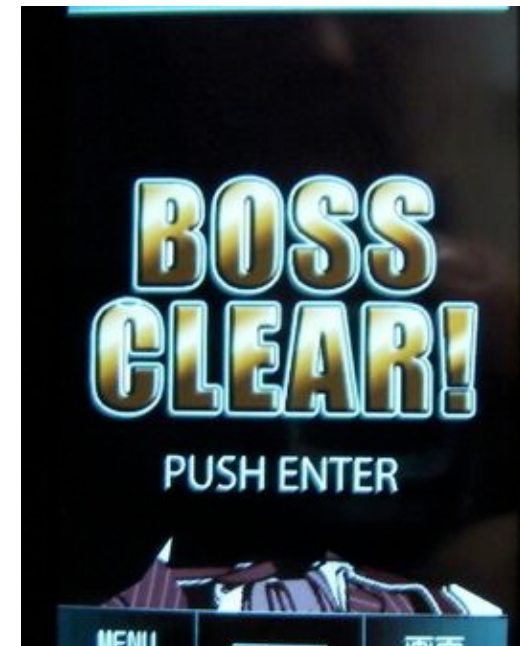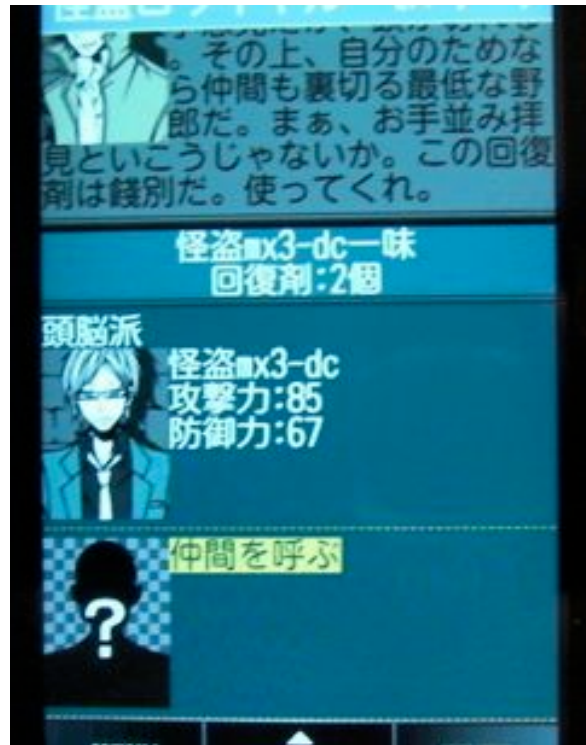
- Players pick a class, and you can build a team with *one* player from each class. Stronger playing friends benefit you incrementally
- As seen in "my mafia", CrazyPlanets, RockLegends…

Social pattern: wish-lists

Kaito- Royal from DeNA
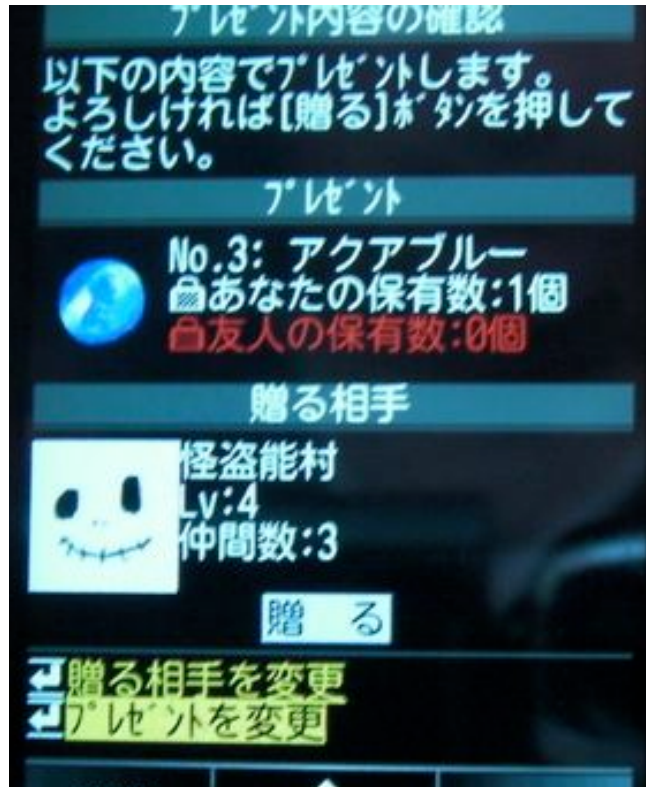
- Know if the other person wants an item before you give it to them.

- Show photo of other person

Social Pattern: Post to Diary

Abnormal-shindan from mode-Duo
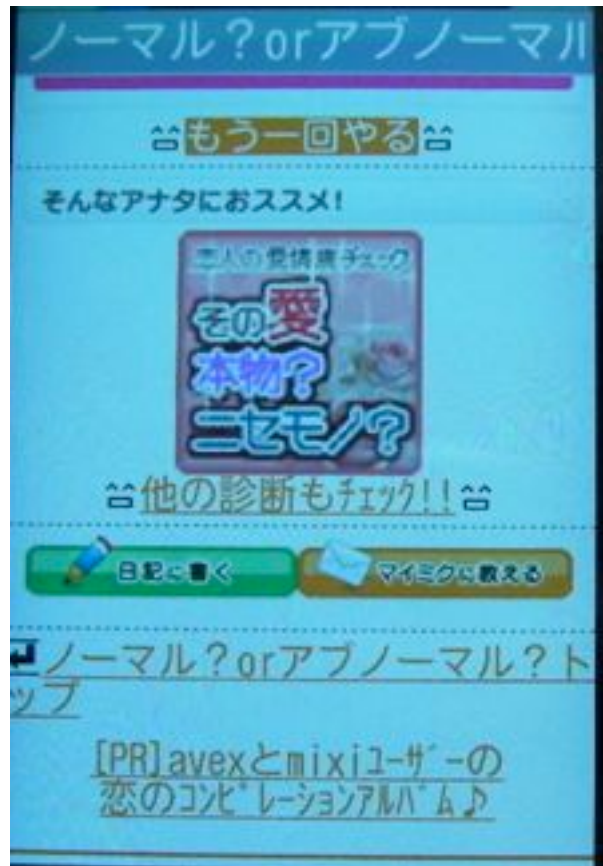
- Normal check – am I normal? Posts your results
- Blood-type and Quiz results

Social pattern: public challenge to your friends

Quiz☆dekiruhito no manners from HEROZ
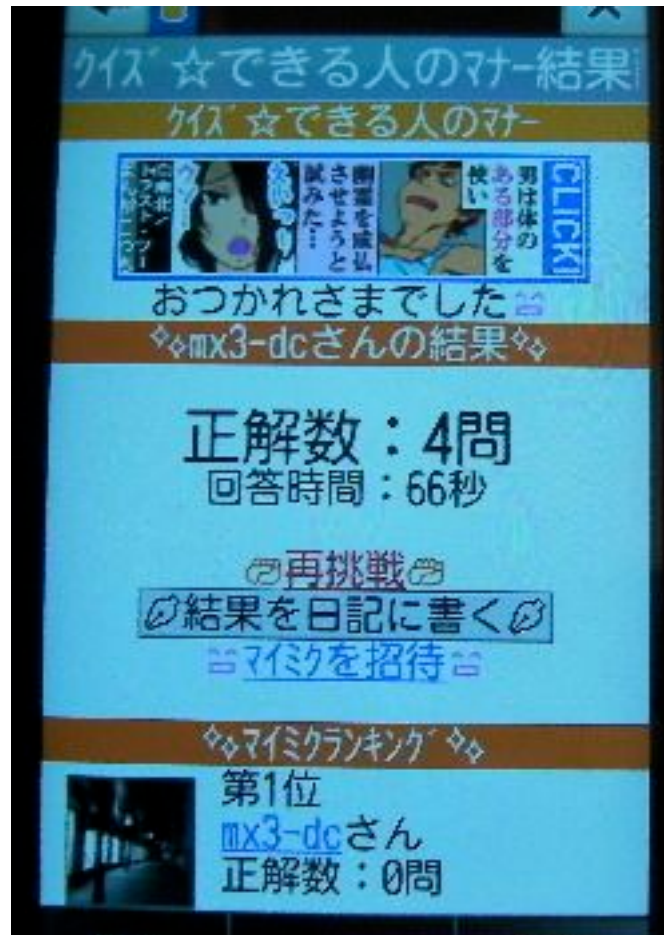
- Quiz results: challenge to your friends

Social pattern: easy diary posting copy fields

Seimeihandan generator from Feint
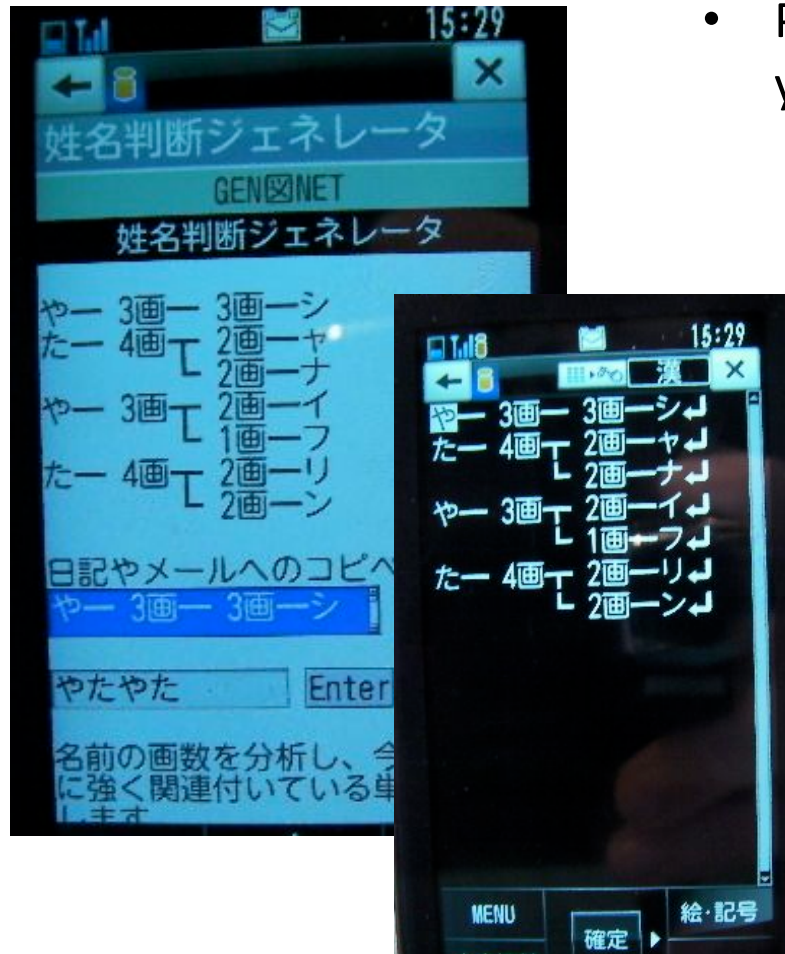
- Provide a text field for easy cut and paste to your diary

Social Pattern: decorate + show off

Haco niwa, GREE, Inc.

Omiseya-san, Geisya-tokyo

Social Pattern: location based teams

Bakumatsu eiyuden from gumi
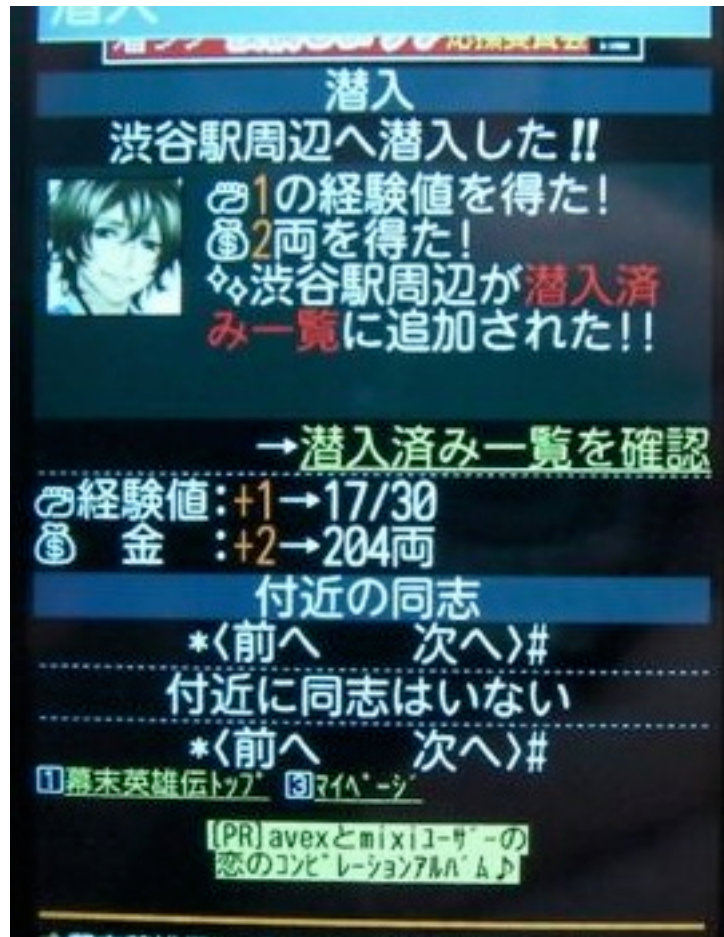
- Nearby people to create instant team
- Limit checks on how many can be sent per day
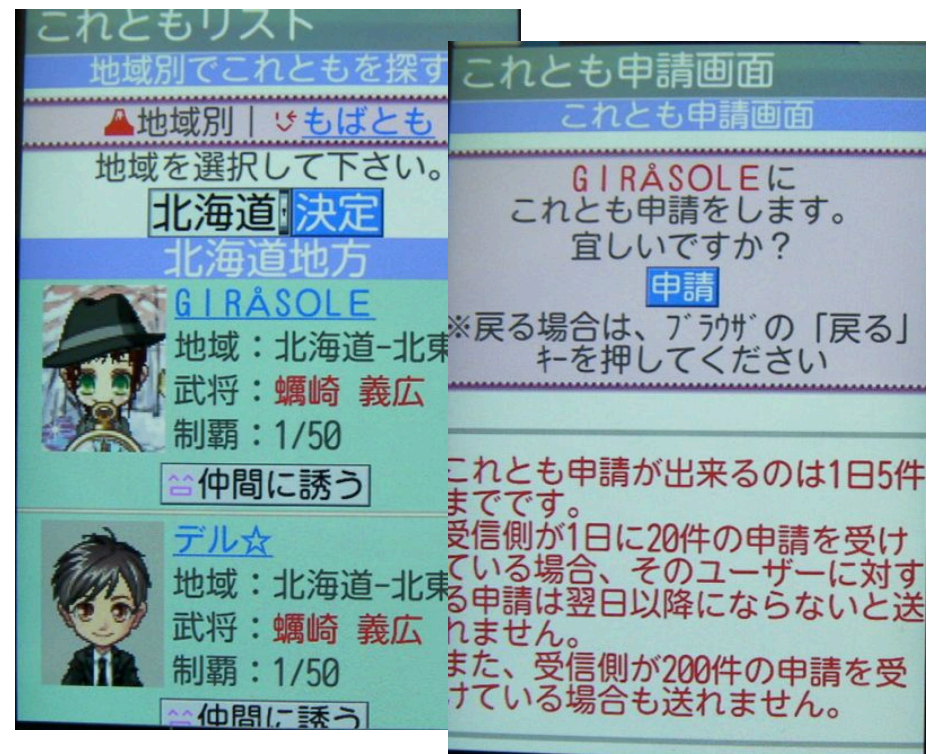
Social pattern: location based items and trading

Gotochi collection by Disney

- Have to go to real-world locations to complete your set of characters. Or – just trade with someone else!

Social pattern: location based real-world tie-in

My Restaurant by Synphonie
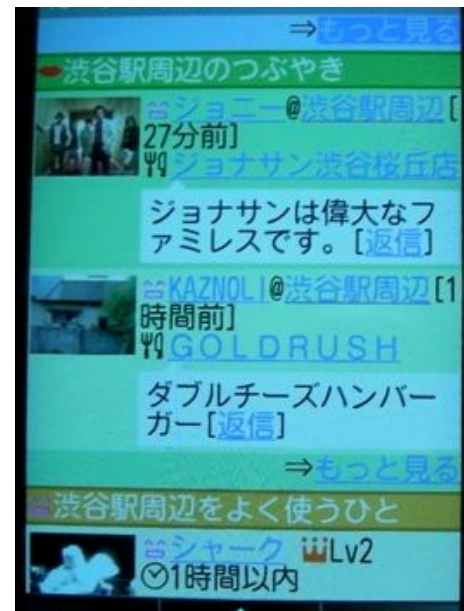
- See tweets from strangers in your location
- Could get your content barred as >18 on mixi
- Mobage provides a "free-text filter API"

Viral Patterns

acquire → **involve** → **retain** → **monetize**

- Darker side of social design?

Viral pattern: forced gift invitation

Kyoukara yujya! From Ji-kuresuto
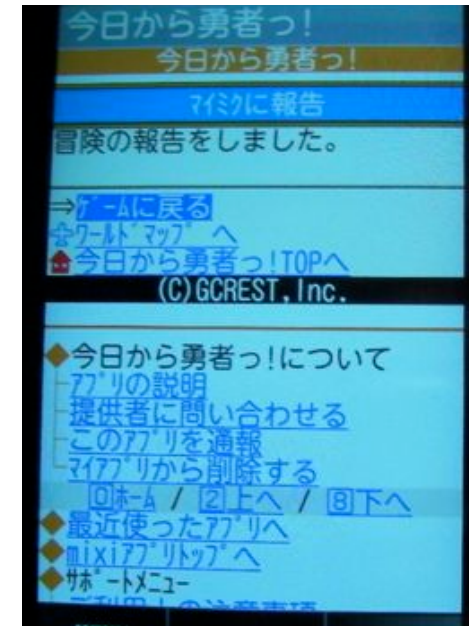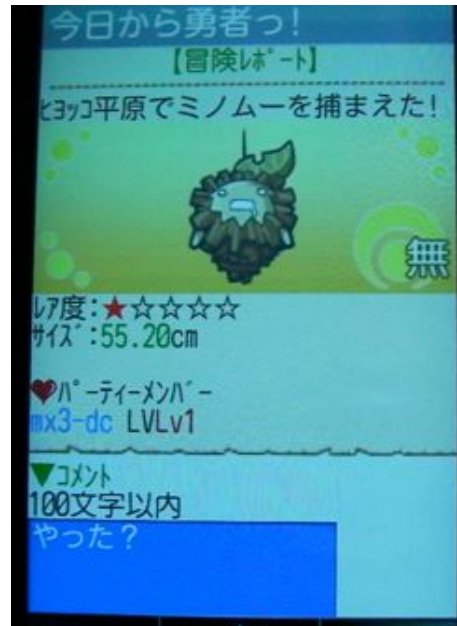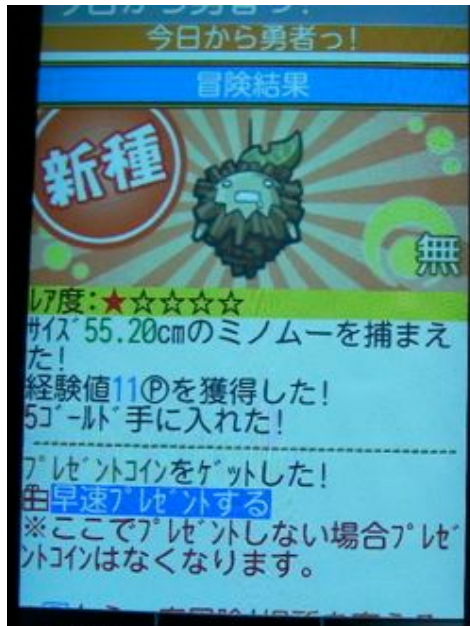
- Have to pass on the item or you lose it
- Links through mail system, so very powerful
- Similar to farmville's "a lost sheep"...

Social pattern: Random matchup

Setolrin from DeNA
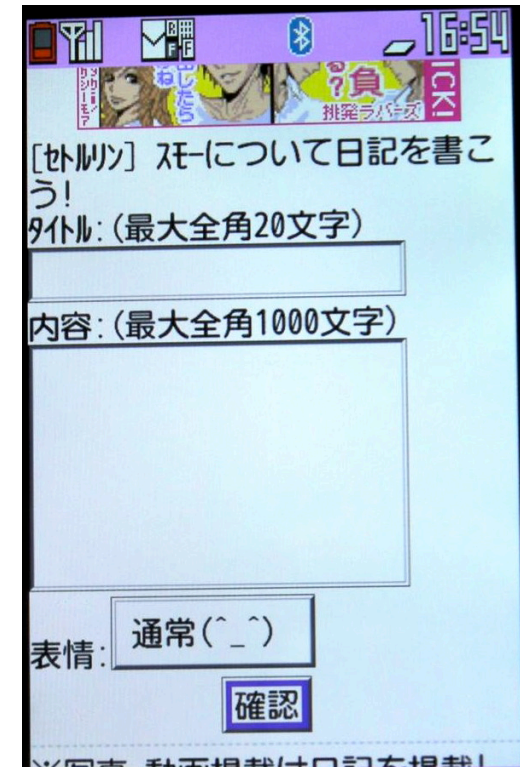
Suggesting connections for your avatar to "sumo-" with
More apps you register feed back into your setolrin so they learn new tricks.

Identity pattern: Avatar imitation

Setolrin from DeNA

Viral pattern: wink

Kaito- Royal from DeNA

- If you "wink" at another player you get a bonus
- 3pts for friends, 1pt for friend-of-friend
- Use a preset message for quick points
- Or add your own free-text but only a one-liner so it will show up nicely in the guest book
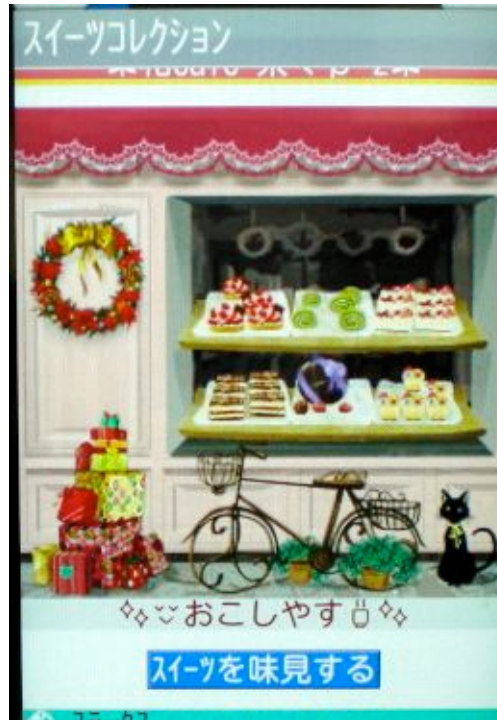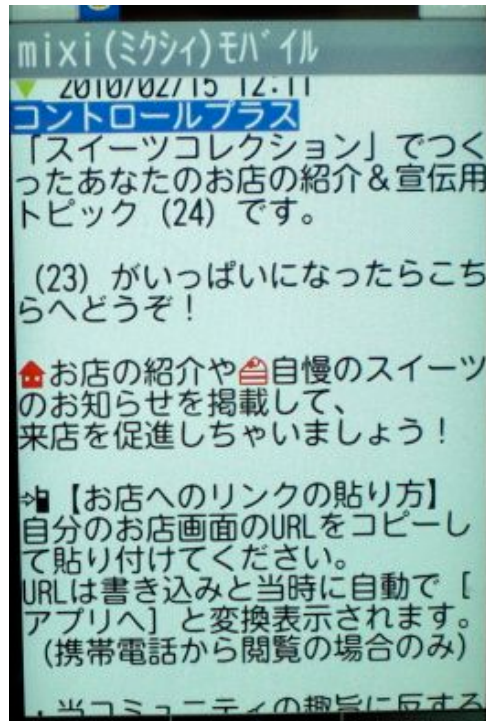- Similar to "footsteps" guest book album popular on all Japanese SNS
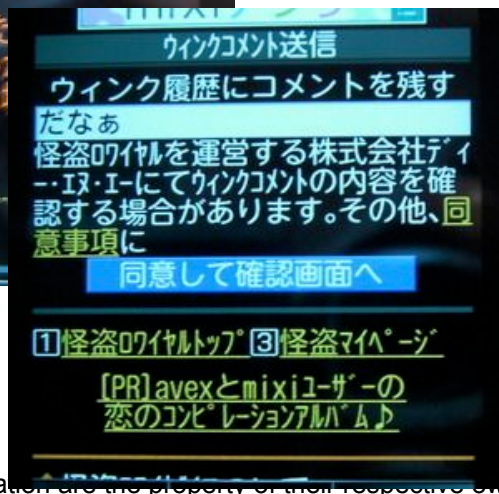
Viral pattern: community "friend me" threads
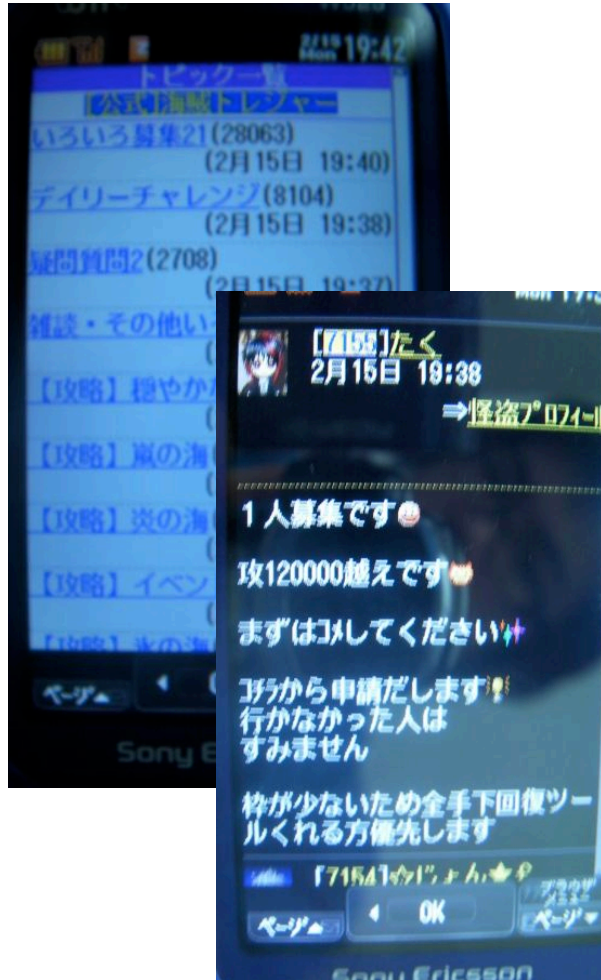
- "Friend me"
  - Barred on mixi
  - Works on mobage-town

- Has led to variations like "come and see my shop!"
- Most activity with users who are already members, doesn't really help bring in new users.
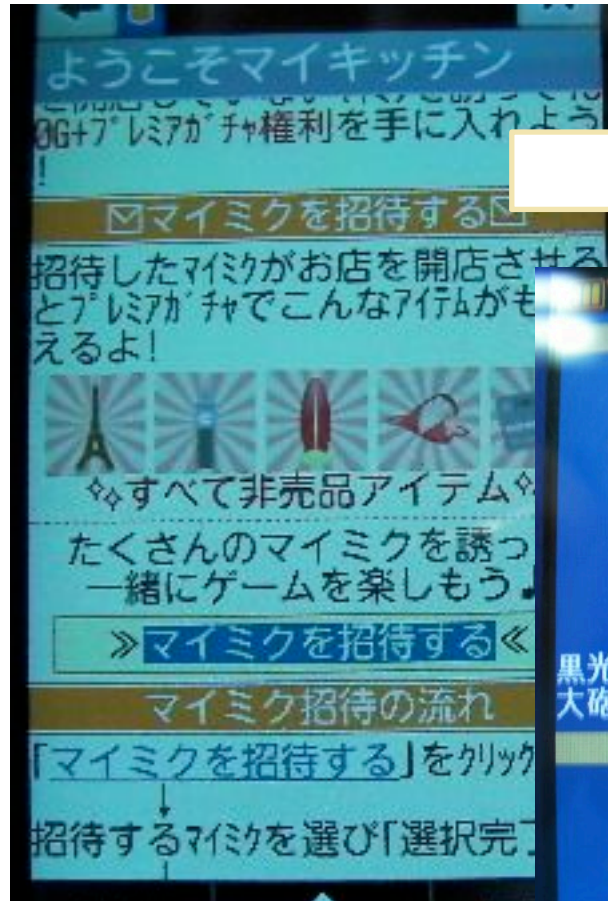
Viral pattern: "visit my shop" threads

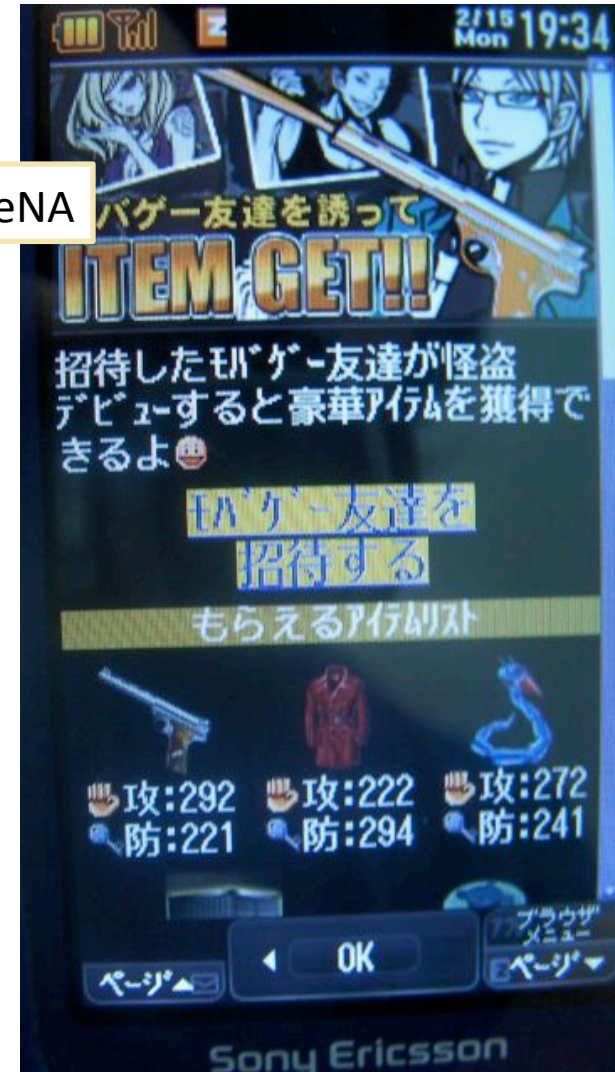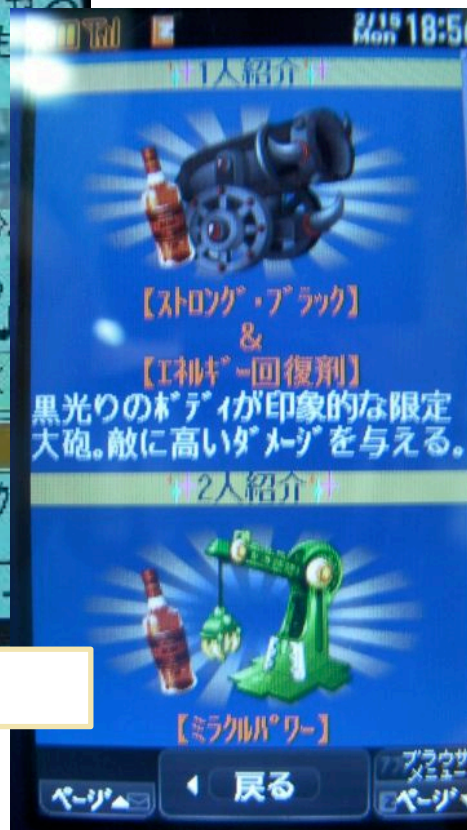sweets collection from Control plus
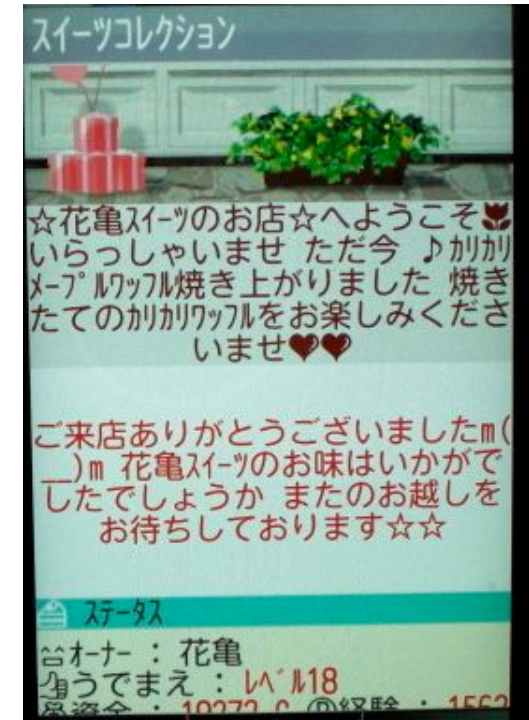
- You benefit by getting visitors and page-views to your shop, also possibly trading benefit.
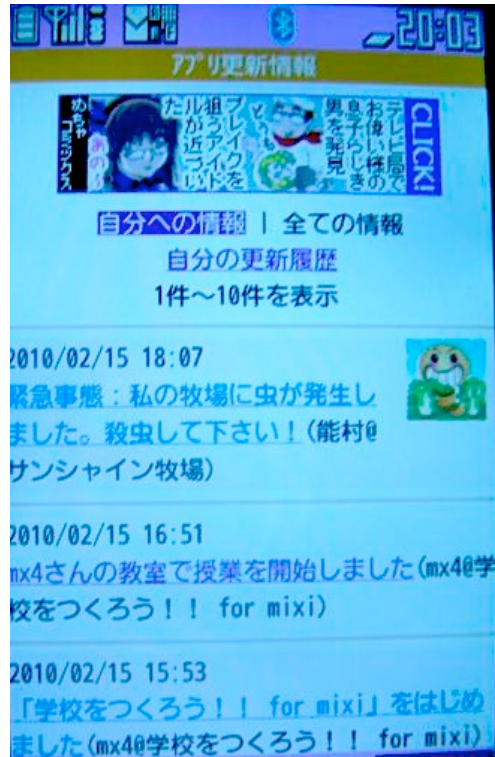
Viral pattern: Invite friends bonuses

Pirates Treasure from DeNA

Yokoso my kitchen from CF

Kaito- Royal from DeNA

Spam pattern: fake request for help

- Request from game to a friend for help
  - "Emergency! insects on my farm, please help!"
  - "Insects" are generated by the game server, and have no relation with the players request.
  - Not possible on MBGA because of event timer gating
  - Mixi is introducing similar limits, currently it's "honor based".
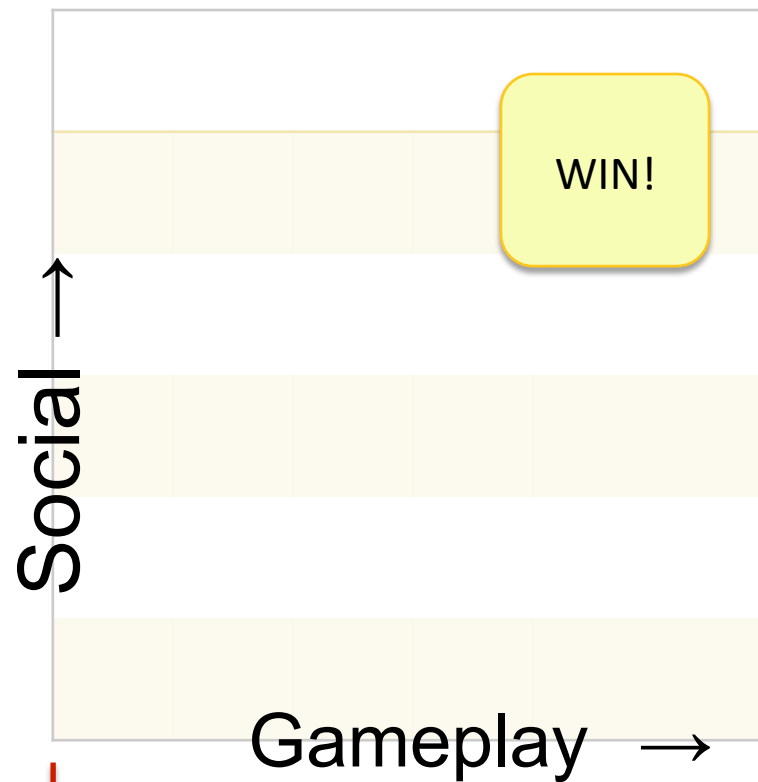
Game Patterns

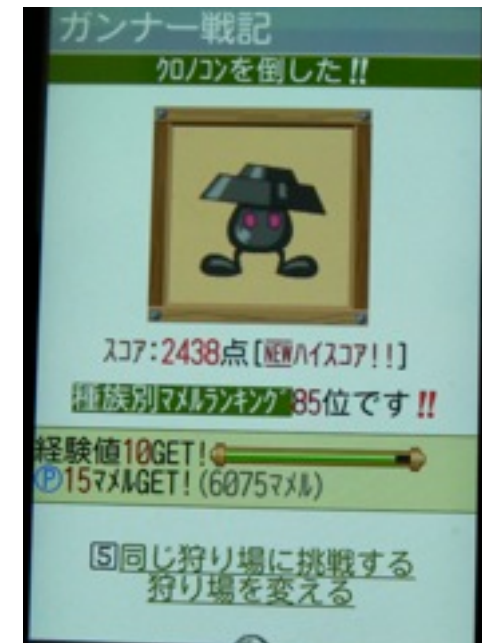**acquire** → **involve** → **retain** → **monetize**
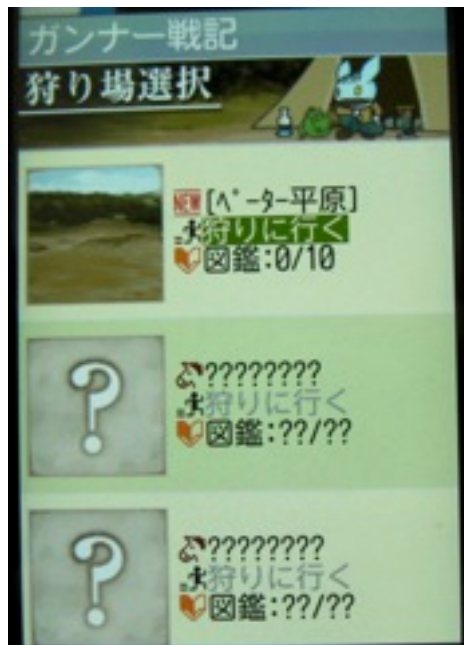
Game patterns

Game Pattern: mini-game grinding

Gunner senki from ORSO

- Basic RPG format – the rhythm for many social games

| Equip | Minigame | Get! Level-up |

Pattern: mini-game grinding
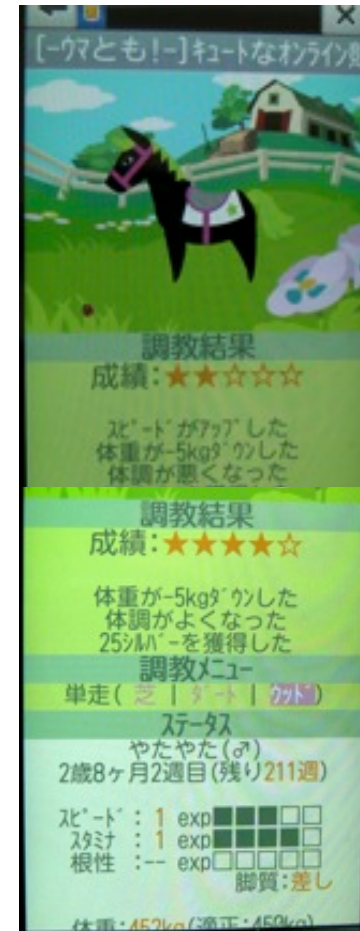
Kaizoku treasure from DeNA

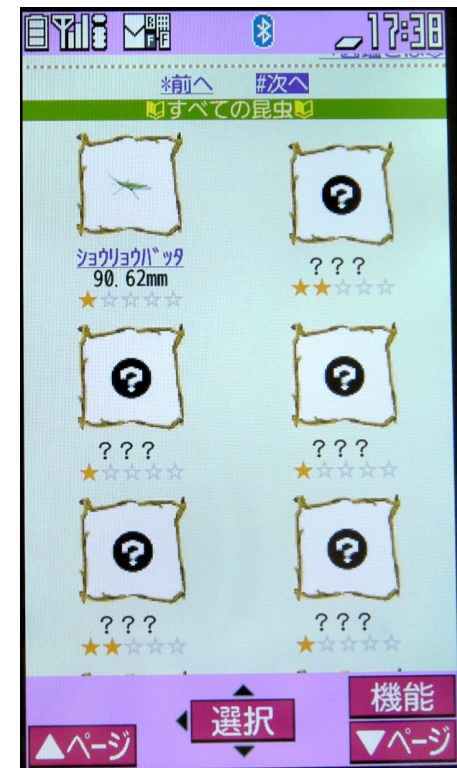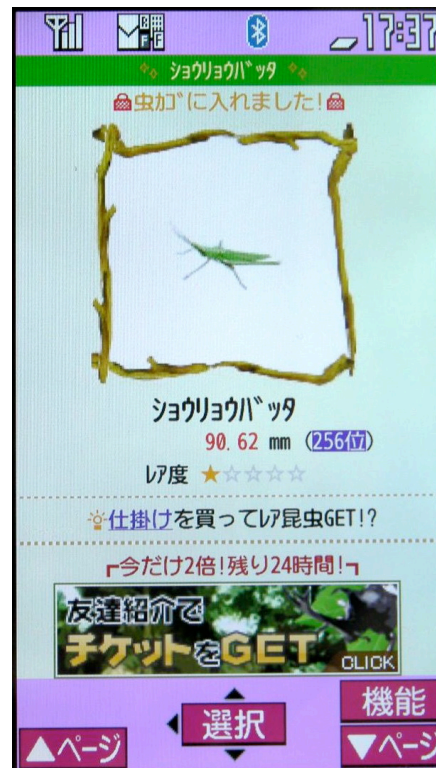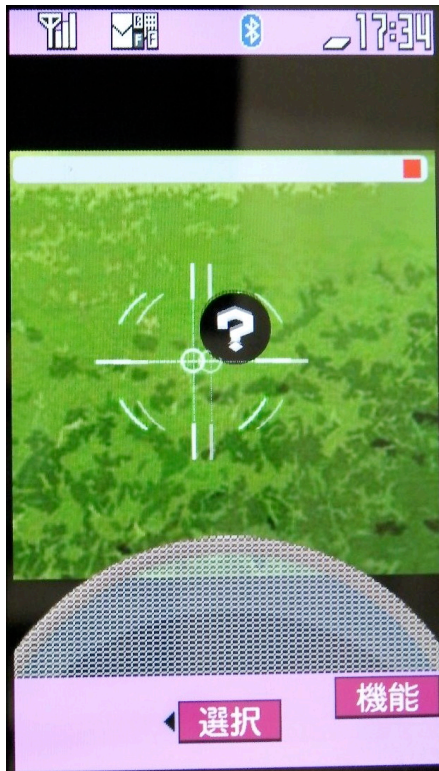| Equip	Battle	Get item + EXP
	Different enemies more suitable to the player you have built	

Game Pattern: mini-game grinding

Uma-tomo from Q-entertainment

Game pattern: collection

Minnano mushi collection from ngi

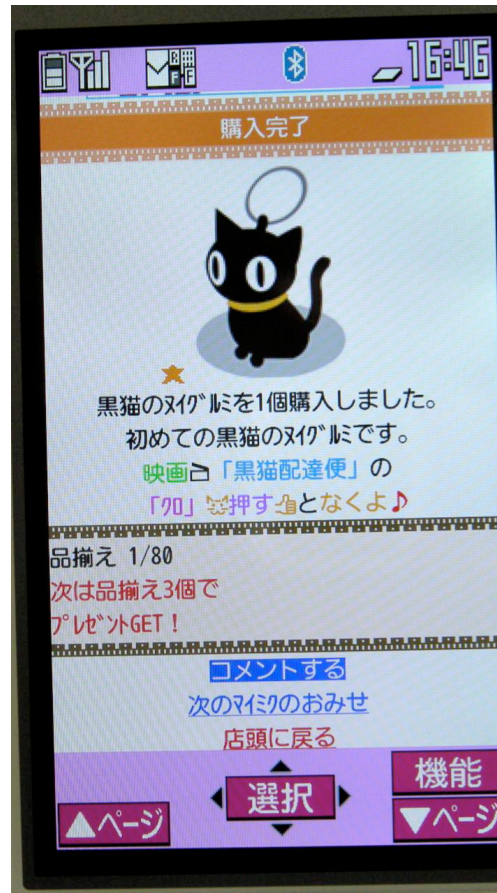# Game Pattern: collection book (図鑑）

HoshiTsuku from DeNA

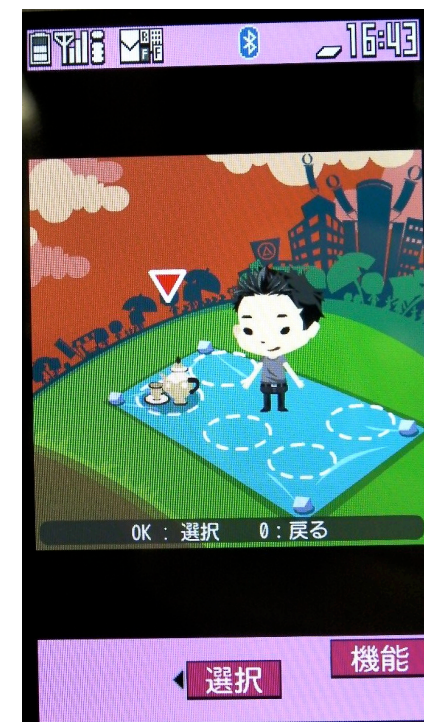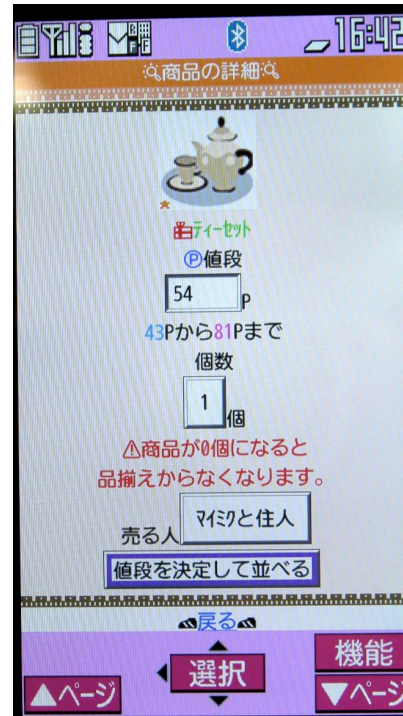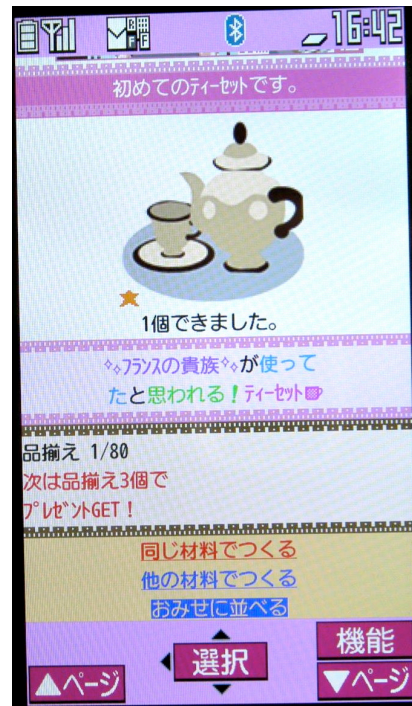Kaizoku Treasure from DeNA

Game pattern: Lucky item and completion

Omiseya-san from Geisya-tokyo

Game pattern: shop exchange

Omiseya-san from Geisya-tokyo

- Welcome to my shop! Please buy stuff!
- Give and take is core to the gameplay

Monetization

acquire ➤ involve ➤ retain ➤ **monetize**

Billing Flow with Mixi Points

If you don't currently have any Mixi points on your Mixi account, just enter a 4 digit PIN and the amount goes on your phone bill
Otherwise go straight to the mixi confirm screen.

Game provider can decide different pricing for items. Eg here we have 10 stars for 100 coins or 33 for 300
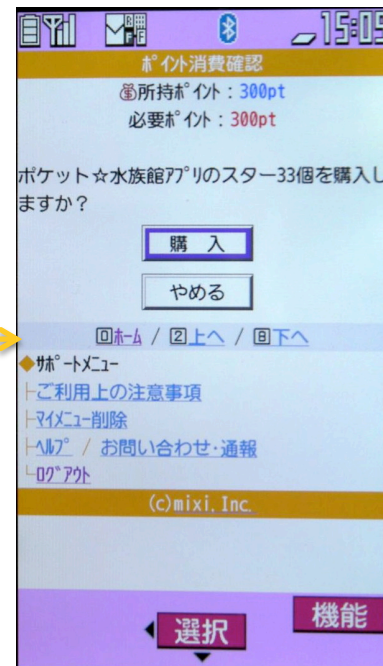
Mixi screen to confirm you want to hand over mixi points to this game provider
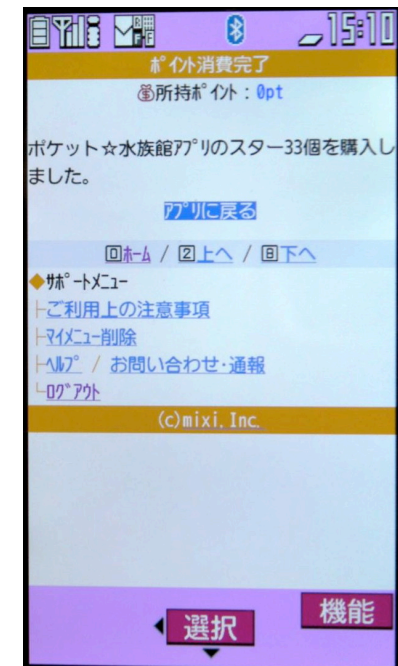
Success! And link back to the game

Social payment: buy items for friends

Morippi from Ceres
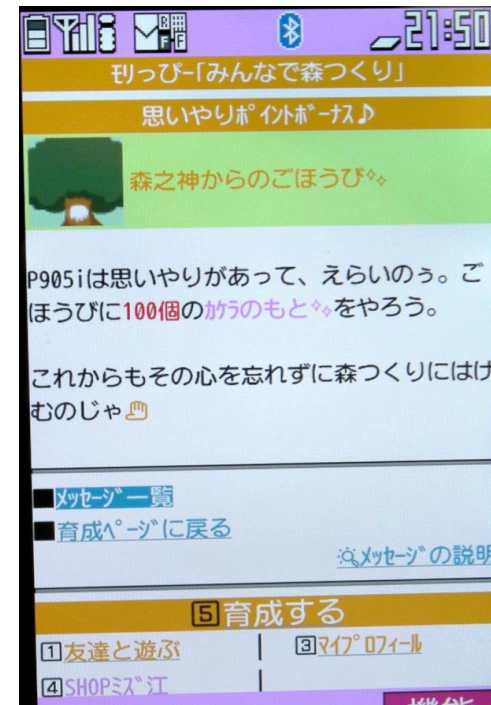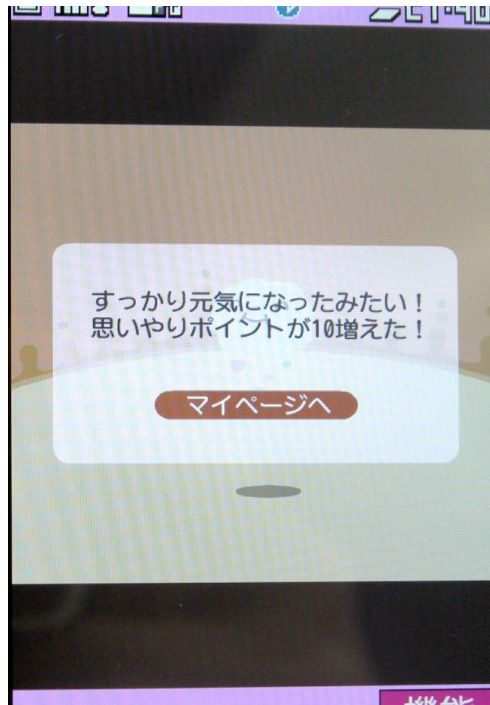
- Help a friends creature and gain "omoiyari" points – you can trade these in to get special items
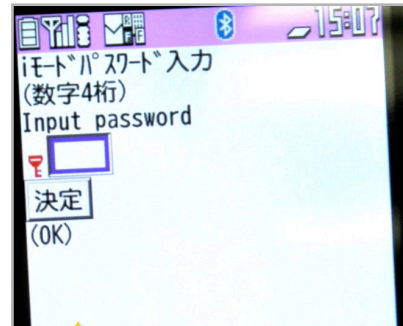- Social Payments is a term Mixi has coined for where you buy items for your friends rather than your self.

Pikkle Virtual Goods examples

Consumable items
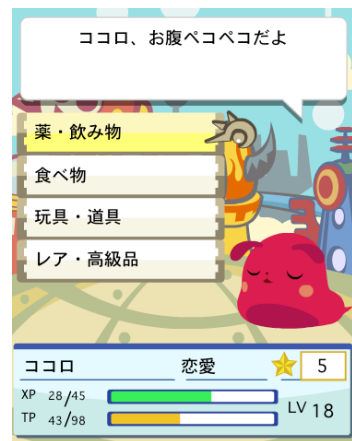
Seasonal campaigns and limited period goods
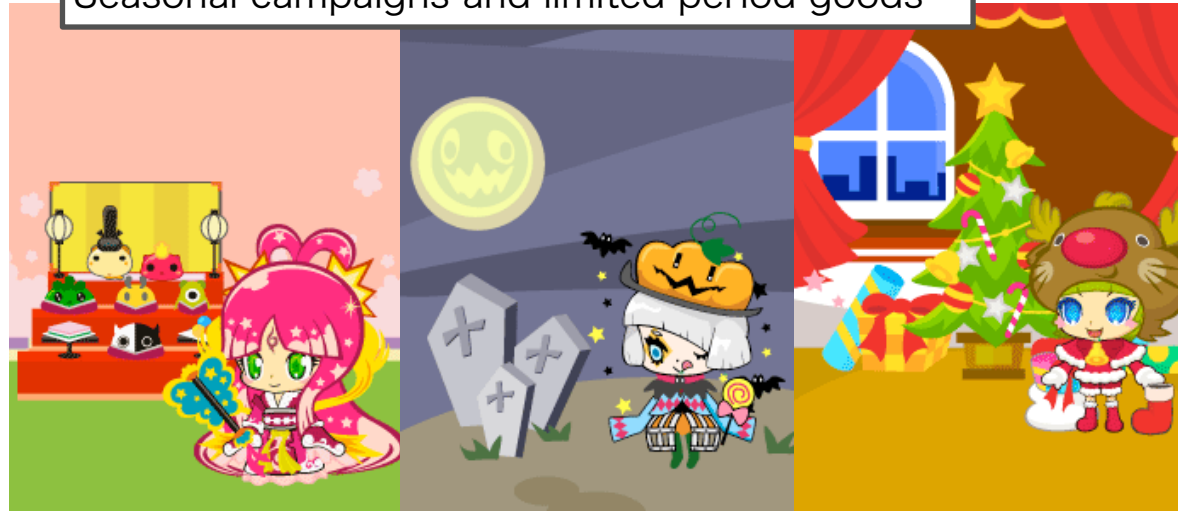
Gifts with hidden contents!

Bundling and special offers

All the games in this presentation are the property of their respective owners

Offer Walls from Adways

1 App page in SNS

Get virtual currency !

2 Ad page in social app

Ad offers

What's the ARPU?

- 日本における人気ソーシャルアプリの課金を行っているユーザー当たりの平均利用額（ARPPU）は約1,000円超〜5,000円と米国や中国が数10円〜数100円なのと比較し、格段に大きい。

| mixiアプリ「サンシャイン牧場」 | mixiアプリ「スピード★レーシング」 | モバゲーアプリ「怪盗ロワイヤル」 |

PC ARPPU=$47

・・・ところが、導入直後から、利用者から「金を払ったのに通貨がもらえない」などという苦情が殺到。リク一社が調べたところ、判明しただけで80人分の購入した計38万円分のアイテムの記録が消滅していたことが判明。・・・

出典： 読売新聞
「ミクシィ、4200人の情報が3日間『露出』サンシャイン牧場の課金システムに不具合」
2009.11.3
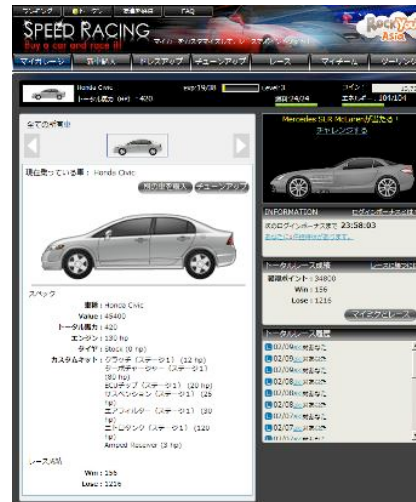
ARPPU=$20

・・・ 日本のユーザーで特徴的な点は、1人あたりの利用金額（ARPU）が高いこと。スピード★レーシングでは「トークン」と呼ばれるアイテムくじを8個210円で販売しており、mixiにおける課金ユーザーのARPU※は月2000円に達するという。「米国では1〜2ドル（邦貨換算で88円〜176円）、中国は10〜20円程度だ。日本のほうが効率的に売り上げを上げられる」（渡邉氏）。
※ARPPUの事と思われる

出典： CNET Japan
「利用者1人あたりの売上が月2000円、ソーシャルアプリ「スピード★レーシング」の戦略」
2009.12.1
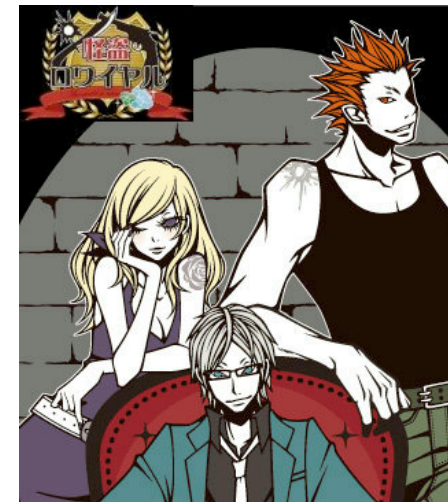
ARPPU> $10

ディー・エヌ・エー（DeNA）代表取締役社長の南場智子氏は、.... 3タイトルはDeNAが独自に開発したもの。いずれも無料で提供されているが、ユーザーはアイテムを購入することでより有利にゲームを進行できるようになっている。「お金を払っているユーザーのARPU（1人あたりの平均利用額）は1000円台」（南場氏）と、

出典： CNET Japan
「DeNAのソーシャルゲーム、1カ月3億円の売れ行き--ただし業績は減収減益」
2009.10.27

Technical overview

Mobile Proxy server

Game server

Mixi proxy server

tubes

Carrier gateway

SoftBank

docomo NTT

KDDI

OpenSocial REST API

SNS API server

Cannot access from developer's PC, only a Japanese mobile phone via carrier's gateway
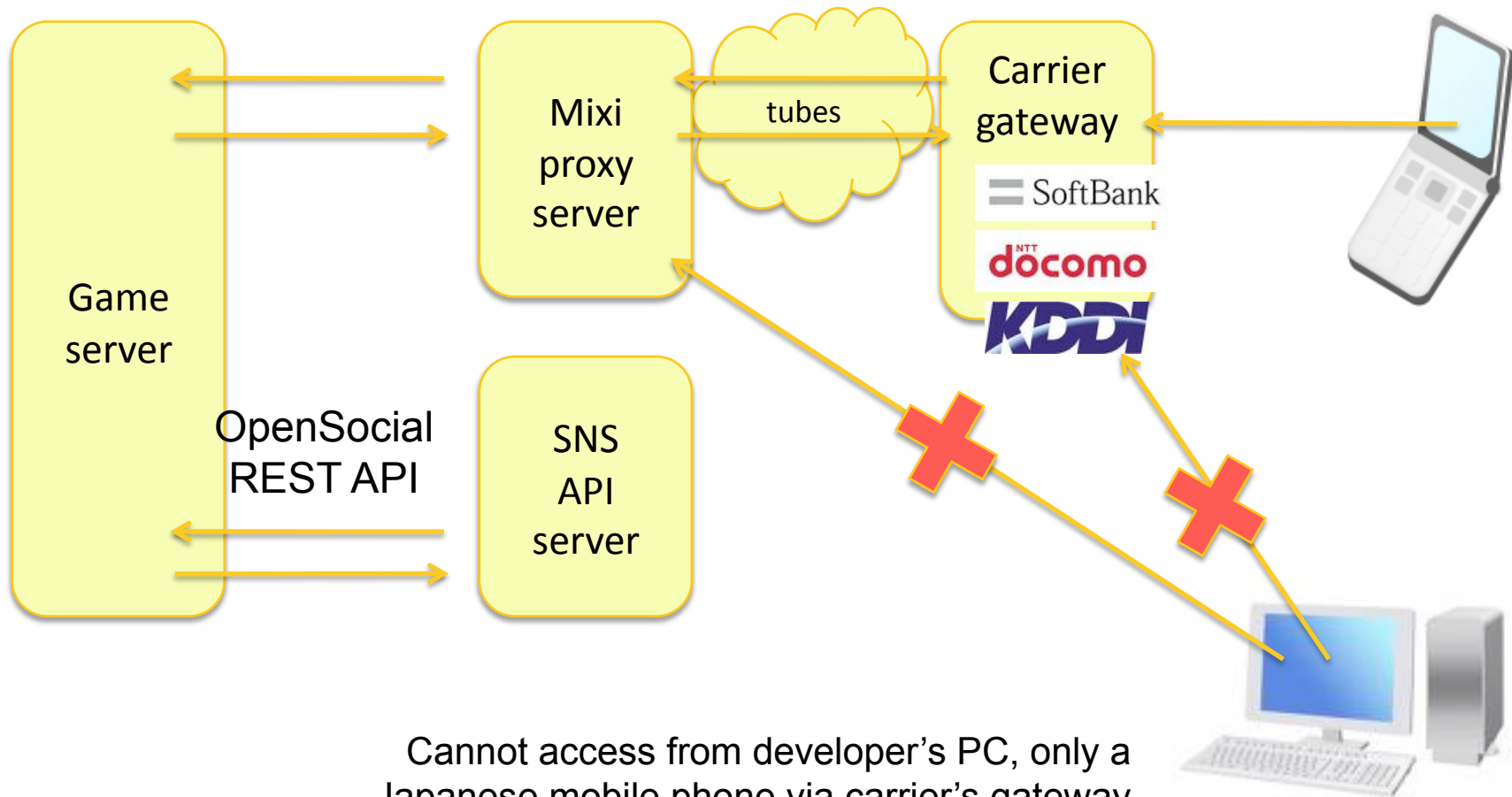
Dev by proxy (1)

- All requests go through SNS proxy server
  - Proxy server can only be accessed from a japanese phone via carrier's gateway (IP blocked)
- They rewrite, cache and mess with your content
  - Add wrapper top and bottom, Image tags are modified
  - HREF URLs are modified, Images & SWFs cached
- No access from PC
  - Japanese phones are closed OS, so there is no way to "view source" and find out what's going on.
  - You are developing deaf dumb and blind
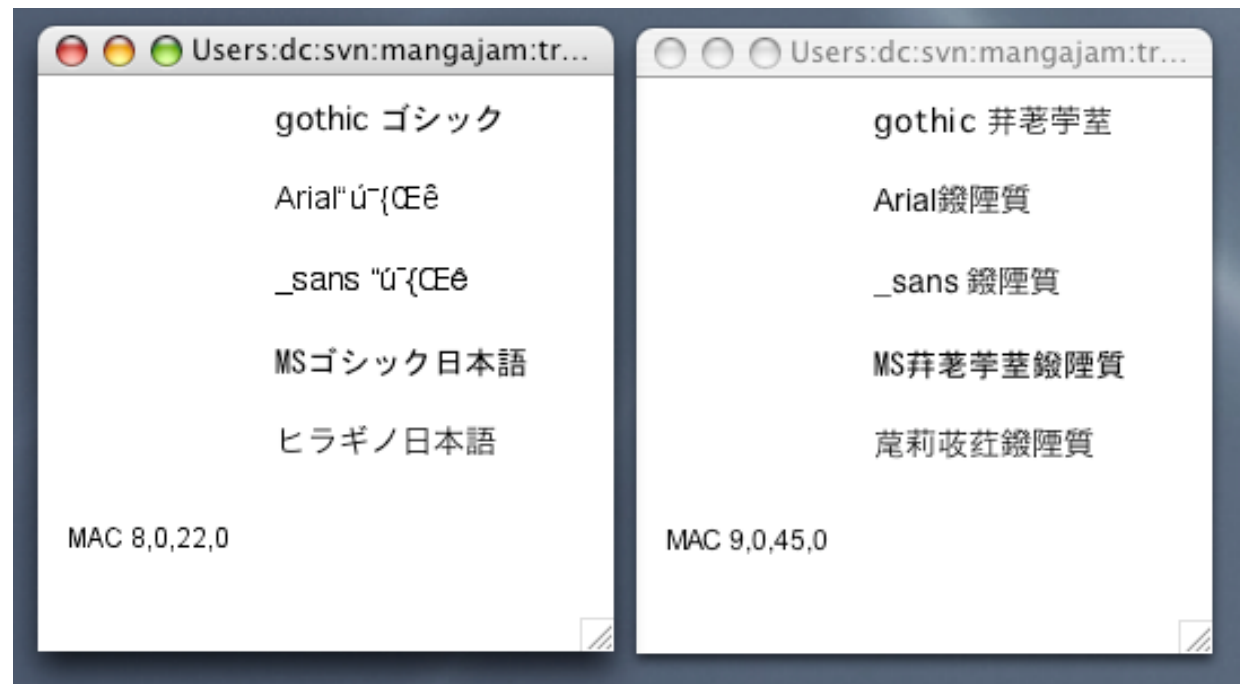- Redirection and rewriting through proxy server:
  - HTML -> Flash: non-proxy URL (they modify)
  - Flash -> Flash: non-proxy URL (don't modify)
  - Flash -> HTML: proxy URL (depends :-)
  - Proxy issues with multiple escaped parameters
  - Redirects, permissions, relative URLs
- Proxy server is *not* the opensocial API endpoint

FlashLite 1.1

- Actionscript? Not really.
  - Yes, we have variables!!
  - No functions, No arrays … :D
- Server communication
  - You can only "LoadMovie" once per user click
  - So PC style flash development is impossible
- Handset optimization
  - Custom code workarounds depending on handset
  - Eg #1 selling phone on softbank – Sharp series – do not support LoadVars command
  - KDDI needs special headers for text responses
  - Character encoding specific per platform

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Flashlite Japanese Text-encoding

- Text-encoding is SJIS
  - Silly Japanese Incoding Standard (sic)
  - Sometimes one byte, often two, and sometimes three bytes for one character (for the lulz)
  - Even Adobe gave up at one point:

Emoji 絵文字

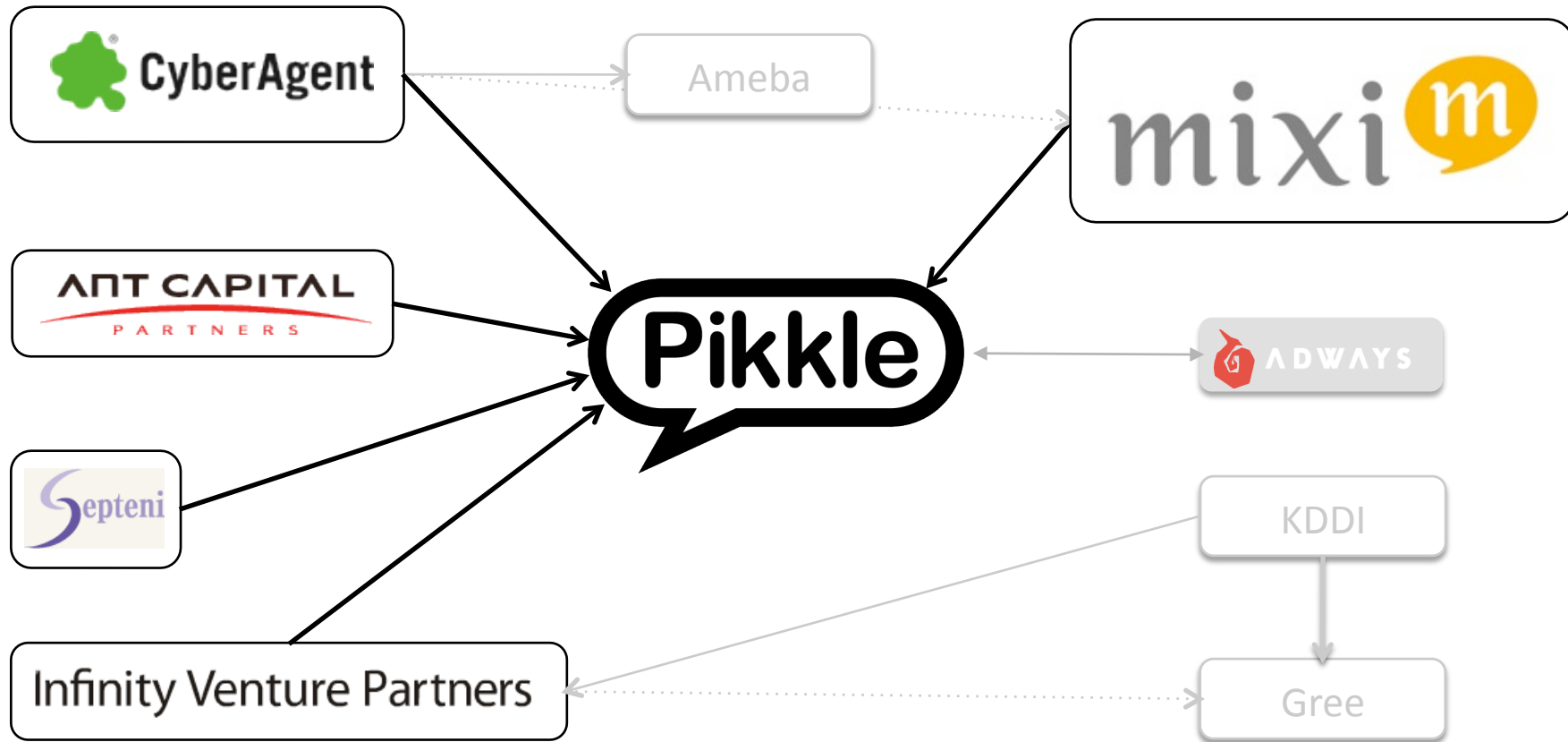- Special characters visible on japanese phones using an embedded font

- Characters and codes are different for each operator and generation of handsets

- Critical for the look and feel of mobile apps – using images instead of emoji feels *wrong*

Entering Japan Market

- Finding a good partner...

Pikkle investors and partners

Pikkle's 5 major investors are a who's who of the japanese mobile social landscape. We are the largest single investment for Mixi's app fund, and share a board member. We also have a joint-venture with Adways, japan's largest offer-ad network.

Partner with Pikkle!

Business Network	Investor or board-level relation with all platforms Solid financial backing with startup passion!
Joint Development	Proprietary technology for dynamic mobile flash Bilingual engineering staff Know the ins and out of all Japanese devices Intimate pals with Mixi's proxy server
Service Operation	Content refresh timed to Japanese events Community management and user support Constant tweaking of the viral channels Metric analysis and tweaking of payment funnel

Partner with us to launch your titles in Japan!
Contact: David 'dc' Collier | dc@pikkle.com

Introductions…

ご清聴ありがとうございます

Pikkle

Thank you!

This presentation will be posted on pikkle.com

Partner with us to launch your titles in Japan!
Contact: David 'dc' Collier | dc@pikkle.com